

Madison County School District

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Independent Auditors' Report  
And Financial Statements  
For the Year Ended  
June 30, 2013

Madison County School District  
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Year Ended June 30, 2013

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Independent Auditors' Report

To the Board Members  
Madison County School District  
550 South Keeneland Drive  
Richmond, KY 40475

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Madison County School District, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 the Independent Auditor's Contract. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Madison County School District, as of June 30,

2013, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and the Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3–10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Madison County School District's basic financial statements. The combining and individual nonmajor fund financial statements and school activity funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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 basic financial statements.

The combining and individual nonmajor fund financial statements, school activity funds, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, school activity funds, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2013, on our consideration of the Madison 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Madison County School District's internal control over financial reporting and compliance.

***Baldwin CPAs PLLC***

Baldwin CPAs, PLLC  
November 11, 2013

Madison County School District  
Management's Discussion and Analysis (MD&A)  
June 30, 2013

As management of the Madison County School District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

**FINANCIAL HIGHLIGHTS**

- The beginning cash balance for the District was \$21.25 million, including \$7.98 million in construction projects.
- The district constructs and renovates facilities with a long-range facilities plan that is established with community input and in keeping with Kentucky Department of Education (KDE) stringent compliance regulations.
- In fiscal 2013, the Farristown Middle School, Madison Central High School Phase III, Madison Central High School Batting Facility, Foley Gym Roof and Madison Central High School Gym Roof construction projects were completed.
- One construction project was initiated in fiscal 2013. No bonds were issued for the project.
- Refunding bonds were issued on bond series 2003 and 2004, resulting in cost savings to the district. The par value of the new bonds is \$13,500,000.
- As of June 30, 2013 the White Hall Roof project was 60% complete. The project will be completed in the 2013-14 school year.
- The General Fund had \$66.22 million in receipts, net of on-behalf payments from the state and interfund transfers. These receipts primarily consisted of the state program (SEEK), property, utility, and motor vehicle taxes. The beginning balance included \$0.36 million encumbered from fiscal 2012 and \$0.475 million from prior years' commitments. Excluding interfund transfers and net of on-behalf payments, there were \$64.14 million in General Fund expenditures.
- The district committed \$1.27 million of 2012-13 General Fund money for potential future obligations with the Kentucky School Boards Insurance Trust and \$.95 million for bus purchases. The \$0.475 included in the beginning balance from prior years' commitments remains available for future obligations.
- General Fund dollars were required to supplement transportation expenses unfunded by the state.

**OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of 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.

Madison County School District  
Management's Discussion and Analysis (MD&A) (Continued)  
June 30, 2013

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

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net 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 in the table of contents of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. This is a state mandated uniform system and chart of accounts for all Kentucky public school districts utilizing the MUNIS administrative software. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental, proprietary funds and fiduciary funds. Fiduciary funds are trust funds established by benefactors to aid in student education, welfare and teacher support. The only proprietary funds are our vending and food service operations. All other activities of the District are included in the governmental funds.

The basic governmental fund financial statements can be found in the table of contents 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 in the table of contents 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 Madison County Schools, assets exceeded liabilities by \$77 million for Governmental Activities, and \$2.43 million for Business Type Activities as of June 30, 2013.

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 and construction in progress), less any related debt used to acquire those assets that is still 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.

Madison County School District  
Management's Discussion and Analysis (MD&A) (Continued)  
June 30, 2013

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.

Table 1  
Net Position  
(in Millions)

	Governmental Activities		Business-type Activities		Totals	
	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>
Current assets	\$ 24.40	\$ 21.89	\$ 1.10	\$ 1.04	\$ 25.50	\$ 22.93
Non-current assets	164.49	162.61	1.66	1.41	166.15	164.02
Total assets	<u>188.89</u>	<u>184.50</u>	<u>2.76</u>	<u>2.45</u>	<u>191.65</u>	<u>186.95</u>
Current liabilities	9.97	8.91	0.03	0.03	10.00	8.94
Non-current liabilities	102.74	97.32	-	-	102.74	97.32
Total liabilities	<u>112.71</u>	<u>106.23</u>	<u>0.03</u>	<u>0.03</u>	<u>112.74</u>	<u>106.26</u>
Net Position:						
Invested in capital assets, net of related debt	57.38	60.68	1.66	1.41	59.04	62.09
Restricted	14.87	13.46	0.12	0.14	14.99	13.60
Unrestricted	3.93	2.86	0.95	0.88	4.88	3.74
Total net Position	<u><u>76.18</u></u>	<u><u>77.00</u></u>	<u><u>2.73</u></u>	<u><u>2.43</u></u>	<u><u>78.91</u></u>	<u><u>79.43</u></u>

Madison County School District  
Management's Discussion and Analysis (MD&A) (Continued)  
June 30, 2013

**GOVERNMENTAL ACTIVITIES**

For fiscal 2013, the district had an increase in net position of \$1.82 million. This is largely due to the increase in capital assets. During fiscal 2013, restrictions for capital projects decreased as a result of completed projects that were re-classified as capital assets.

Table 2  
Statement of Activities

	Governmental Activities		Business-type Activities	
	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>
Revenue				
Charges for services	\$ -	\$ -	\$ 1,775,989	\$ 1,590,081
Operating grants and contributions	53,167,914	49,834,922	3,098,644	3,094,944
Capital grants and contributions	4,496,215	4,447,828	-	
General revenues	46,197,661	49,080,402	819,764	747,070
Total revenue	<u>103,861,790</u>	<u>103,363,152</u>	<u>5,694,397</u>	<u>5,432,095</u>
Expenses				
Instruction	58,087,412	56,457,695	-	-
Student support services	5,572,729	5,591,466	-	-
Instructional staff support	5,715,506	5,157,857	-	-
District administration	1,368,418	2,615,576	-	-
School administration	3,995,619	4,321,960	-	-
Business	1,334,317	1,410,120	-	-
Plant operation & maintenance	7,990,762	7,597,968	-	-
Student transportation	6,753,473	6,801,099	-	-
Non-instructional	860,381	913,308	-	-
Building improvement	563,850	1,163,570	-	-
Unallocated depreciation & amortization	5,443,976	6,508,463	-	-
Interest on long-term debt	4,338,206	3,993,847	-	-
Loss on disposal of general assets	19,527	11,553	-	-
Food service operations	-	-	5,654,139	5,735,796
Total expenses	<u>102,044,176</u>	<u>102,544,482</u>	<u>5,654,139</u>	<u>5,735,796</u>
Change in net position	1,817,614	818,670	40,258	(303,701)
Net position, beginning	<u>74,360,880</u>	<u>76,178,494</u>	<u>2,690,363</u>	<u>2,730,621</u>
Net position, ending	<u>\$ 76,178,494</u>	<u>\$ 76,997,164</u>	<u>\$ 2,730,621</u>	<u>\$ 2,426,920</u>

Madison County School District  
Management's Discussion and Analysis (MD&A) (Continued)  
June 30, 2013

**BUSINESS-TYPE ACTIVITIES**

Food service federal and state grants decreased from the prior year. Capital assets, net of depreciation, decreased from the previous year contributing to a \$303,701 decrease in net assets.

**CAPITAL ASSETS**

At the end of fiscal 2013, the District had \$164.02 million invested in capital assets, including land, buildings, buses, computers and other equipment. This amount represents a net decrease (including additions and deductions) of \$2.12 million, or 1.4%, over last year. This decrease is primarily due to the decline in value of technology equipment and vehicles, net of depreciation. The capitalization threshold per policy increased, resulting in fewer technology items being capitalized. Additionally, no buses were purchased in fiscal 2013.

Table 3  
Capital Assets at Year-End  
(Net of Depreciation, in Millions)

	Governmental Activities		Business-type Activities		Totals	
	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>
Land	\$ 4.30	\$ 4.23	\$ -	\$ -	\$ 4.30	\$ 4.23
Buildings & Improvements	148.27	150.58	-	-	148.27	150.58
Technology Equipment	2.67	1.72	0.01	0.01	2.68	1.73
Vehicles	4.50	3.79	-	-	4.50	3.79
General Equipment	2.29	2.04	1.65	1.40	3.94	3.44
Construction in Progress	2.45	0.25	-	-	2.45	0.25
<b>Totals</b>	<u>\$ 164.48</u>	<u>\$ 162.61</u>	<u>\$ 1.66</u>	<u>\$ 1.41</u>	<u>\$ 166.14</u>	<u>\$ 164.02</u>

Madison County School District  
Management's Discussion and Analysis (MD&A) (Continued)  
June 30, 2013

**DEBT**

Bonds were issued in fiscal 2013 to refund bond series 2003 and 2004. The par value of the January 2013 issue was \$13,500,000.

Table 4  
Outstanding Debt at Year-End  
(in Millions)

	Government Activities	
	<u>2012</u>	<u>2013</u>
General Obligation Bonds	\$ 109.75	\$ 105.21
Total Obligations	\$ 109.75	\$ 105.21

**COMMENTS ON BUDGET COMPARISONS**

- Actual General Fund revenues exceeded the budget by \$941,962, or approximately 1.18 percent. This majority of the variance is due to the increased tax revenue of \$847,887. The line item that varied most significantly was Utility Taxes, with a \$633,925 increase. The 2013 utility tax revenue included a one-time receipt of \$664,289 that was 5 years revenue resulting from a state audit of an entity.
  
- Actual General Fund expenditures were \$7.7 million less than the final budget. This is the result of various factors, including a contingency of \$5.67 million which was intended to remain unspent and carryover to the new year, as the beginning balance. Additionally, the site-based carryover was approximately \$209,000 and funds assigned for purchase obligations were approximately \$189,000. General Fund expenditures for instructional salaries were under budget as a result of grants being used where possible to offset General Fund expenses and an increased experience of employee leaves without pay. With the unknowns of year-end costs, including insurances, savings were generated in the areas of instructional supplies/equipment and plant operations/maintenance. General Fund budgeted expenditures compared to actual varied significantly in District Administrative Support. Workers compensation, unemployment and dental reimbursements are budgeted in District Administrative Support; however, expenditures are made from the same function as the related salaries. Consequently, throughout the financial report, employee benefits exceed the budget in each function (net of on-behalf) except District Administrative Support.

Madison County School District  
Management's Discussion and Analysis (MD&A) (Continued)  
June 30, 2013

The following table presents a summary of revenue and expenditures for the fiscal year ended June 30, 2013, for selected funds.

Table 5  
Revenues & Expenditures  
(in Millions)

	General Fund	Special Revenue	FSP-K and Construction	Other Governmental Funds
<b>Revenues:</b>				
Local Sources	\$ 26.88	\$ 0.08	\$ 7.19	\$ -
State Sources	53.75	3.25	2.49	1.61
Federal Sources	0.44	7.33	-	0.35
<b>Total Revenues</b>	<b>81.07</b>	<b>10.66</b>	<b>9.68</b>	<b>1.96</b>
<b>Expenses:</b>				
Instruction	48.70	7.89	-	-
Student Support	5.29	0.30	-	-
Instructional Support	3.96	1.20	-	-
District Administration	1.29	-	0.11	-
School Administration	4.32	0.01	-	-
Business Support	1.39	0.02	-	-
Plant Operations	7.65	-	-	-
Student Transportation	6.45	0.50	-	-
Community Support	0.02	0.89	-	-
Facilities Acquisition & Construction	-	-	5.26	-
Debt Service	-	-	-	9.72
<b>Total Expenses</b>	<b>79.07</b>	<b>10.81</b>	<b>5.37</b>	<b>9.72</b>
<b>Revenue Over (Under) Expenses</b>	<b>\$ 2.00</b>	<b>\$ (0.15)</b>	<b>\$ 4.31</b>	<b>\$ (7.76)</b>

**THE DISTRICT'S FUNDS**

As the District completed the year, its General Fund reflected a fund balance of \$13.91 million, which is more than last year's fund balance of \$11.98 million. This increase is due to the FY2013 balance including \$1.2 million committed for the district's potential future obligation with the Kentucky School Boards Insurance Trust and \$0.95 million committed for the purchase of school buses in fiscal 2014. It is important to note that a portion of the fiscal 2013 balance is reserved for prior year encumbrances (\$0.19 million), site-based councils (\$0.21 million) and sick leave payable (\$0.31 million) along with \$0.475 million that was committed in FY2011 for 2013-2014 salaries. In FY2008, we were able to reserve \$950,000 for the opening of B. Michael Caudill Middle School in FY2010. Those funds were not required for that purpose and remain reserved for future capital projects. In FY2009, FY2010, FY2011 and FY2012 we reserved \$958,519, \$950,000, \$975,000 and \$1,000,000 for future capital projects, which continue to be reserved. Unreserved Fund Balance remained constant at \$5.67 million. This was due to a combination of factors including increased revenues and reduction in expenditures.

## **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's overall budget. By law, the budget must have a minimum 2% contingency. The District adopted a tentative budget for 2013-2014 with a contingency of 5.8% of the General Fund budget, net of on-behalf payments from the state and interfund transfers. It is important to note that the tentative budget was based on a SEEK base of \$3,827 per pupil. This rate comes after four years of a flat base and reductions due to budget shortfalls. The SEEK base was \$3,866 in both 2008-2009 and 2009-2010, increased \$2 to \$3,868 for 2010-2011 and increased \$35 to \$3,903 in 2011-2012. However, in fiscal years 2011 and 2012, we experienced mid-year cuts due to the state's inability to fund their SEEK obligation. In fiscal 2013, the rate declined to \$3,833.

Issues which will impact future budgets include:

- The inability of the state to restore SEEK funding to the necessary level
- Federal sequestration, declining federal funds and federal funding not maintaining the pace of mandated pay and fringe benefit increases
- Improving programming and meeting the requirements for special education
- Insufficient funding of the state transportation formula
- Reduced funding of the state flexible focus grants without a reduction in the requirements for providing the services, as well as unfunded mandates
- The cumulative effect of the historic loss of local funding due to the 4% cap on increases in property tax revenue imposed by House Bill 44
- Reductions in special education student counts
- Increasing retirement costs to be borne by districts will be significant
- Increased costs of risk management and the unknown costs associated with the Affordable Care Act

In order to meet the demands of a growing student population, we opened B. Michael Caudill Middle School in 2009-2010 and Farristown Middle School in 2011-2012. Continued growth will necessitate the use of Capital Outlay funds for their intended purpose rather than to offset General Fund expenditures for plant operation and maintenance costs, as we did for several years.

## **CONTACTING THE MADISON COUNTY SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide residents, creditors, and other users with an overview of the Madison County School District's finances, fiscal practices and responsibility. If you have questions or need additional information, please contact the District's Finance Officer at PO Box 768, Richmond, KY 40476.

Madison County School District  
Statement of Net Position  
June 30, 2013

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 13,162,669	\$ 578,356	\$ 13,741,025
Investments	5,928,215	-	5,928,215
Inventories	-	138,301	138,301
Accounts Receivable:			
Taxes-current	1,031,728	-	1,031,728
Taxes-delinquent	55,108	-	55,108
Accounts	274,766	327,825	602,591
Intergovernmental-State	40,494	-	40,494
Intergovernmental-Federal	1,392,763	-	1,392,763
<b>Total Current Assets</b>	<u>21,885,743</u>	<u>1,044,482</u>	<u>22,930,225</u>
<b>Noncurrent Assets</b>			
Land and construction in progress	7,903,172	-	7,903,172
Depreciable capital assets	217,978,748	3,471,458	221,450,206
	<u>225,881,920</u>	<u>3,471,458</u>	<u>229,353,378</u>
Less: accumulated depreciation	<u>(63,268,872)</u>	<u>(2,061,765)</u>	<u>(65,330,637)</u>
<b>Total Noncurrent Assets</b>	<u>162,613,048</u>	<u>1,409,693</u>	<u>164,022,741</u>
<b>Total Assets</b>	<u>184,498,791</u>	<u>2,454,175</u>	<u>186,952,966</u>
<b>Liabilities and Net Position</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Cash overdraft	15,926	-	15,926
Accounts payable	1,079,076	27,255	1,106,331
Accrued payroll and related expenses	44,530	-	44,530
Deferred revenues	1,358,234	-	1,358,234
Bonds payable	5,510,000	-	5,510,000
Accrued contingent liability- Note 14	1,266,377	-	1,266,377
Accrued sick leave payable	250,000	-	250,000
Accrued interest payable	656,305	-	656,305
<b>Total Current Liabilities</b>	<u>10,180,448</u>	<u>27,255</u>	<u>10,207,703</u>
<b>Noncurrent Liabilities</b>			
Bonds payable	96,421,694	-	96,421,694
Accrued sick leave payable	899,485	-	899,485
<b>Total Noncurrent Liabilities</b>	<u>97,321,179</u>	<u>-</u>	<u>97,321,179</u>
<b>Total Liabilities</b>	<u>107,501,627</u>	<u>27,255</u>	<u>107,528,882</u>

Madison County School District  
Statement of Net Position (Continued)  
June 30, 2013

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net Position			
Invested in capital assets, net of related debt	60,681,354	1,409,693	62,091,047
Restricted for:			
Capital projects	10,060,988	-	10,060,988
Inventory	-	138,301	138,301
Site-based carryforward	209,298	-	209,298
Sick leave escrow	311,466	-	311,466
Encumbrances	189,258	-	189,258
Other	2,691,377	-	2,691,377
Unrestricted	2,853,423	878,926	3,732,349
Total Net Position	<u>\$ 76,997,164</u>	<u>\$ 2,426,920</u>	<u>\$ 79,424,084</u>

Madison County School District  
Statement of Activities  
For the Year Ended June 30, 2013

Function/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges For Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business Type Activities	Total
<b>Governmental Activities:</b>							
Instruction	\$ 56,457,695	\$ -	\$ 32,249,954	\$ -	\$ (24,207,741)	\$ -	\$ (24,207,741)
Support services:							
Student	5,591,466	-	3,087,677	-	(2,503,789)	-	(2,503,789)
Instructional staff	5,157,857	-	2,938,728	-	(2,219,129)	-	(2,219,129)
District administration	2,615,576	-	570,836	-	(2,044,740)	-	(2,044,740)
School administration	4,321,960	-	1,930,090	-	(2,391,870)	-	(2,391,870)
Business	1,410,120	-	637,219	-	(772,901)	-	(772,901)
Plant operations and maintenance	7,597,968	-	3,403,415	-	(4,194,553)	-	(4,194,553)
Student transportation	6,801,099	-	4,135,473	-	(2,665,626)	-	(2,665,626)
Non-instructional	913,308	-	881,530	-	(31,778)	-	(31,778)
Facility acquisition and construction	1,163,570	-	-	4,097,523	2,933,953	-	2,933,953
Interest expense	3,993,847	-	-	350,305	(3,643,542)	-	(3,643,542)
Loss on disposal of general assets	11,553	-	-	-	(11,553)	-	(11,553)
Unallocated depreciation and amortization	6,508,463	-	-	-	(6,508,463)	-	(6,508,463)
<b>Total Governmental Activities</b>	<b>102,544,482</b>	<b>-</b>	<b>49,834,922</b>	<b>4,447,828</b>	<b>(48,261,732)</b>	<b>-</b>	<b>(48,261,732)</b>
<b>Business-Type Activities</b>							
Food Service	5,735,796	1,590,081	3,094,944	-	-	(1,050,771)	(1,050,771)
<b>Total Business-Type Activities</b>	<b>5,735,796</b>	<b>1,590,081</b>	<b>3,094,944</b>	<b>-</b>	<b>-</b>	<b>(1,050,771)</b>	<b>(1,050,771)</b>
<b>Total School District</b>	<b>\$ 108,280,278</b>	<b>\$ 1,590,081</b>	<b>\$ 52,929,866</b>	<b>\$ 4,447,828</b>	<b>(48,261,732)</b>	<b>(1,050,771)</b>	<b>(49,312,503)</b>
			<b>General revenues</b>				
			Taxes				
			Property		\$ 23,432,815	\$ -	\$ 23,432,815
			Delinquent		907,242	-	907,242
			Motor vehicle		2,514,461	-	2,514,461
			Utilities		5,668,925	-	5,668,925
			Other		1,025,422	-	1,025,422
			Tuition and fees		3,405	-	3,405
			Earnings on investments		48,962	1,644	50,606
			Miscellaneous		545,869	180	546,049
			Donated commodities		-	242,203	242,203
			On-behalf payments		14,933,301	503,043	15,436,344
			<b>Total General Revenue</b>		<b>49,080,402</b>	<b>747,070</b>	<b>49,827,472</b>
			Change in Net Position		818,670	(303,701)	514,969
			Net Position - beginning		76,178,494	2,730,621	78,909,115
			Net Position - ending		<b>\$ 76,997,164</b>	<b>\$ 2,426,920</b>	<b>\$ 79,424,084</b>

Madison County School District  
Balance Sheet - Governmental Funds  
June 30, 2013

	General Fund	Special Revenue Fund
<b>Assets and Resources</b>		
Cash and cash equivalents	\$ 9,526,023	\$ -
Investments	4,117,331	-
Accounts receivable		
Taxes - current	1,031,728	-
Taxes - delinquent	55,108	-
Accounts	203,039	71,727
Intergovernmental - state	-	40,494
Intergovernmental - federal	-	1,392,763
<b>Total Assets and Resources</b>	<b>\$ 14,933,229</b>	<b>\$ 1,504,984</b>
 <b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Cash overdraft	\$ -	\$ 15,926
Accounts payable	728,190	130,824
Accrued payroll and related expenses	258,309	-
Accrued payroll taxes	36,221	-
Deferred revenues	-	1,358,234
<b>Total Liabilities</b>	<b>1,022,720</b>	<b>1,504,984</b>
 <b>Fund Balance</b>		
Restricted	-	-
Committed	8,234,919	-
Unassigned	5,675,590	-
<b>Total Fund Balance</b>	<b>13,910,509</b>	<b>-</b>
 <b>Total Liabilities and Fund Balance</b>	 <b>\$ 14,933,229</b>	 <b>\$ 1,504,984</b>

Construction Fund	Building Fund	Total Non-major Governmental Funds	Total Governmental Funds
\$ 532,296	\$ 2,099,511	\$ 1,004,839	\$ 13,162,669
1,810,884	-	-	5,928,215
-	-	-	1,031,728
-	-	-	55,108
-	-	-	274,766
-	-	-	40,494
-	-	-	1,392,763
<u>\$ 2,343,180</u>	<u>\$ 2,099,511</u>	<u>\$ 1,004,839</u>	<u>\$ 21,885,743</u>
\$ -	\$ -	\$ -	\$ 15,926
220,062	-	-	1,079,076
-	-	-	258,309
-	-	-	36,221
-	-	-	1,358,234
<u>220,062</u>	<u>-</u>	<u>-</u>	<u>2,747,766</u>
2,123,118	2,099,511	1,004,839	5,227,468
-	-	-	8,234,919
-	-	-	5,675,590
<u>2,123,118</u>	<u>2,099,511</u>	<u>1,004,839</u>	<u>19,137,977</u>
<u>\$ 2,343,180</u>	<u>\$ 2,099,511</u>	<u>\$ 1,004,839</u>	<u>\$ 21,885,743</u>

Madison County School District  
Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Position  
As of June 30, 2013

Total fund balance per fund financial statements	\$ 19,137,977
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are not reported in this fund financial statement because they are not current financial resources, but they are reported in the net position	162,613,048
Certain long-term assets are not reported in this fund financial statement because they are not available to pay current-period expenditures, but they are reported in the statement of net position.	3,273,306
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 position.	<u>(108,027,167)</u>
Net position for governmental activities	<u>\$ 76,997,164</u>

Madison County School District  
Statement of Revenues, Expenditures and Changes in  
Fund Balances - Governmental Funds  
For the Year Ended June 30, 2013

	General Fund	Special Revenue Fund
Revenues		
From local sources		
Taxes		
Property	\$ 16,682,684	\$ -
Delinquent	754,395	-
Motor vehicle	2,514,461	-
Utilities	5,668,925	-
Other	1,025,422	-
Tuition and fees	3,405	-
Earnings on investments	37,764	1,531
Other	192,107	79,032
On behalf revenue	14,933,301	-
Intergovernmental - state	38,813,279	3,246,361
Intergovernmental - indirect federal	150,000	7,215,570
Intergovernmental - direct federal	291,183	118,529
Total Revenues	81,066,926	10,661,023
Expenditures		
Instruction	48,703,655	7,887,829
Support services		
Student	5,287,864	303,602
Instructional staff	3,956,097	1,201,760
District administration	1,284,753	-
School administration	4,320,141	10,819
Business	1,390,120	20,000
Plant operations and maintenance	7,653,064	3,105
Student transportation	6,450,176	497,169
Non-instructional	22,387	890,921
Facility acquisition and construction		
Architectural/Engineering	-	-
Site improvement	-	-
Building improvement	-	-
Debt service costs	-	-
Total Expenditures	79,068,257	10,815,205
Excess (deficit) of revenues over expenditures	1,998,669	(154,182)
Other financing sources (uses)		
Proceeds from sale of fixed assets	90,284	-
Refunding bonds issued	-	-
Paid to escrow agent	-	-
Operating transfers in	5,159	159,341
Operating transfers out	(159,341)	(5,159)
Total other financing sources (uses)	(63,898)	154,182
Excess (deficit) of revenues and other financing sources over expenditures and other financing uses	1,934,771	-
Fund balances - July 1, 2012	11,975,738	-
Fund balances - June 30, 2013	\$ 13,910,509	\$ -

<u>Construction Fund</u>	<u>Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 6,750,130	\$ -	\$ 23,432,814
-	152,847	-	907,242
-	-	-	2,514,461
-	-	-	5,668,925
-	-	-	1,025,422
-	-	-	3,405
4,294	4,325	1,048	48,962
-	274,730	-	545,869
-	-	607,051	15,540,352
-	2,487,368	1,003,104	45,550,112
-	-	-	7,365,570
-	-	350,305	760,017
<u>4,294</u>	<u>9,669,400</u>	<u>1,961,508</u>	<u>103,363,151</u>
-	-	-	56,591,484
-	-	-	5,591,466
-	-	-	5,157,857
-	105,353	-	1,390,106
-	-	-	4,330,960
-	-	-	1,410,120
-	-	-	7,656,169
-	-	-	6,947,345
-	-	-	913,308
-	-	-	-
-	-	-	-
5,262,313	-	-	5,262,313
-	-	9,721,781	9,721,781
<u>5,262,313</u>	<u>105,353</u>	<u>9,721,781</u>	<u>104,972,909</u>
(5,258,019)	9,564,047	(7,760,273)	(1,609,758)
-	-	-	90,284
-	-	13,422,364	13,422,364
-	-	(13,335,364)	(13,335,364)
666,974	-	8,677,425	9,508,899
(225,593)	(9,118,806)	-	(9,508,899)
<u>441,381</u>	<u>(9,118,806)</u>	<u>8,764,425</u>	<u>177,284</u>
(4,816,638)	445,241	1,004,152	(1,432,474)
<u>6,939,756</u>	<u>1,654,270</u>	<u>687</u>	<u>20,570,451</u>
<u>\$ 2,123,118</u>	<u>\$ 2,099,511</u>	<u>\$ 1,004,839</u>	<u>\$ 19,137,977</u>

Madison County School District  
 Reconciliation of the Statements of Revenues, Expenditures and  
 Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Year Ended June 30, 2013

Net change in total fund balances per fund financial statements	\$ (1,432,474)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures because they use current financial resources. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays for the year.	(1,770,196)
Governmental funds report the proceeds from the sale of capital assets as revenues. However, in the statement of activities, historical costs and accumulated depreciation of the disposed assets at the time of the sale are considered in calculating a gain or loss on the sale. This is the amount by which the calculated loss exceeded proceeds.	(101,837)
Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position however issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.	5,418,000
Governmental funds report interest costs as they are paid. In the statement of activities, interest costs are reported as incurred.	135,934
The cost of issuing bonds is an expense in the year paid in the governmental funds; however, these items are capitalized and amortized over the life of the bond in the statement of activities. This is the amount by which amortization costs exceeded current year issue costs paid.	(241,711)
Accrued contingent liabilities are not generally reported in the governmental funds. In the statement of net position, contingent liabilities increase short-term liabilities and does not affect the statement of activities.	(1,266,377)
In the statement of activities certain operating expenses and revenues such as sick leave are measured by the amounts earned during the year. In the governmental funds, however, expenditures or revenues for these items are measured by the amount of financial resources used/received.	
This year the amounts paid exceeded the compensated absences earned by:	<u>77,331</u>
Change in net position of governmental activities	<u><u>\$ 818,670</u></u>

Madison County School District  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - General Fund  
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget favorable (unfavorable)
<u>Revenues</u>				
From local sources				
Taxes:				
Property	\$ 16,645,000	\$ 16,684,000	\$ 16,682,684	\$ (1,316)
Delinquent	600,000	680,000	754,395	74,395
Motor vehicle	2,500,000	2,500,000	2,514,461	14,461
Utilities	5,000,000	5,035,000	5,668,925	633,925
Other	425,000	899,000	1,025,422	126,422
Tuition and fees	15,500	3,500	3,405	(95)
Earnings on investments	10,000	30,000	37,764	7,764
Other	111,000	141,990	192,107	50,117
On behalf revenue	-	14,933,301	14,933,301	-
Intergovernmental - state	38,338,000	38,797,173	38,813,279	16,106
Intergovernmental - indirect federal	150,000	150,000	150,000	-
Intergovernmental - direct federal	50,000	271,000	291,183	20,183
<b>Total Revenue</b>	<b>63,844,500</b>	<b>80,124,964</b>	<b>81,066,926</b>	<b>941,962</b>
<u>Expenditures</u>				
Instruction	39,576,105	49,584,297	48,703,655	880,642
Support services:				
Student	4,137,131	5,325,960	5,287,864	38,096
Instructional staff	3,195,082	3,788,977	3,956,097	(167,120)
District administration	2,000,824	2,089,551	1,284,753	804,798
School administration	3,419,579	4,369,771	4,320,141	49,630
Business	1,029,697	1,446,738	1,390,120	56,618
Plant operations and maintenance	7,466,913	8,033,404	7,653,064	380,340
Student transportation	5,540,610	6,449,601	6,450,176	(575)
Non-instructional	11,328	12,092	22,387	(10,295)
Facility acquisition and construction				
Architectural/Engineering	-	-	-	-
Site improvement	-	-	-	-
Building improvement	-	-	-	-
Other	4,225,000	5,670,000	-	5,670,000
<b>Total Expenditures</b>	<b>70,602,269</b>	<b>86,770,391</b>	<b>79,068,257</b>	<b>7,702,134</b>
<b>Excess (deficit) of revenues over expenditures</b>	<b>(6,757,769)</b>	<b>(6,645,427)</b>	<b>1,998,669</b>	<b>8,644,096</b>
Other financing sources (uses)				
Proceeds from sale of bonds	-	-	-	-
Proceeds from sale of fixed assets	8,500	(56,160)	90,284	146,444
Operating transfers in	-	-	5,159	5,159
Operating transfers out	(160,000)	(160,000)	(159,341)	659
<b>Total other financing sources (uses)</b>	<b>(151,500)</b>	<b>(216,160)</b>	<b>(63,898)</b>	<b>152,262</b>
<b>Excess (deficit) of revenues and other financing sources over expenditures and other financing uses</b>	<b>(6,909,269)</b>	<b>(6,861,587)</b>	<b>1,934,771</b>	<b>8,796,358</b>
Fund balances - July 1, 2012	-	11,975,738	11,975,738	-
<b>Fund balances - June 30, 2013</b>	<b>\$ (6,909,269)</b>	<b>\$ 5,114,151</b>	<b>\$ 13,910,509</b>	<b>\$ 8,796,358</b>

Madison County School District  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Special Revenue Fund  
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget favorable (unfavorable)
<u>Revenues</u>				
From local sources				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Delinquent	-	-	-	-
Motor vehicle	-	-	-	-
Utilities	-	-	-	-
Other	-	-	-	-
Tuition and fees	-	-	-	-
Earnings on investments	-	-	1,531	1,531
Other	38,000	72,800	79,032	6,232
On behalf revenue	-	-	-	-
Intergovernmental - state	3,628,561	3,325,605	3,246,361	(79,244)
Intergovernmental - indirect federal	5,767,043	5,780,273	7,215,570	1,435,297
Intergovernmental - direct federal	-	118,529	118,529	-
<b>Total Revenue</b>	<b>9,433,604</b>	<b>9,297,207</b>	<b>10,661,023</b>	<b>1,363,816</b>
<u>Expenditures</u>				
Instruction	7,017,637	6,834,920	7,887,829	(1,052,909)
Support services:				
Student	359,982	359,982	303,602	56,380
Instructional staff	979,658	1,063,656	1,201,760	(138,104)
District administration	-	-	-	-
School administration	-	-	10,819	(10,819)
Business	20,000	20,000	20,000	-
Plant operations and maintenance	-	-	3,105	(3,105)
Student transportation	308,257	308,281	497,169	(188,888)
Non-instructional	908,070	869,981	890,921	(20,940)
Facility acquisition and construction				
Architectural/Engineering	-	-	-	-
Site improvement	-	-	-	-
Building improvement	-	-	-	-
Other	-	-	-	-
<b>Total Expenditures</b>	<b>9,593,604</b>	<b>9,456,820</b>	<b>10,815,205</b>	<b>(1,358,385)</b>
 Excess (deficit) of revenues over expenditures	 (160,000)	 (159,613)	 (154,182)	 5,431
Other financing sources (uses)				
Proceeds from sale of bonds	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-
Operating transfers in	160,000	160,000	159,341	(659)
Operating transfers out	-	(387)	(5,159)	(4,772)
<b>Total other financing sources (uses)</b>	<b>160,000</b>	<b>159,613</b>	<b>154,182</b>	<b>(5,431)</b>
 Excess (deficit) of revenues and other financing sources over expenditures and other financing uses	 -	 -	 -	 -
Fund balances - July 1, 2012	-	-	-	-
<b>Fund balances - June 30, 2013</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Madison County School District  
Statement of Net Assets - Proprietary Fund  
June 30, 2013

	<u>Food Service Fund</u>
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 578,356
Accounts receivable	327,825
Inventories	138,301
<b>Total Current Assets</b>	<u>1,044,482</u>
<b>Noncurrent Assets</b>	
Capital assets	3,471,458
Less: accumulated depreciation	<u>(2,061,765)</u>
<b>Total noncurrent assets</b>	<u>1,409,693</u>
<b>Total Assets</b>	<u>2,454,175</u>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts payable	<u>27,255</u>
<b>Total liabilities</b>	<u>27,255</u>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	1,409,693
Restricted for:	
Inventories	138,301
Committed	-
Unrestricted	<u>878,926</u>
<b>Total Net Assets</b>	<u><u>\$ 2,426,920</u></u>

Madiosn County School District  
Statement of Revenues, Expenses and Changes in Net Assets -  
Proprietary Fund  
For the Year Ended June 30, 2013

	<u>Food Service Fund</u>
Operating Revenues	
Lunchroom sales	\$ 1,590,081
Other operating revenues	180
Total Operating Revenues	<u>1,590,261</u>
Operating Expenses	
Salaries and benefits	2,608,208
Contract services	163,245
Materials and supplies	2,705,840
Depreciation	251,475
Other operating expenses	7,028
Total Operating Expenses	<u>5,735,796</u>
Operating loss	<u>(4,145,535)</u>
Nonoperating Revenues (Expenses)	
Federal grants	3,043,012
Donated commodities	242,203
On-behalf payments	503,043
State grants	51,932
Earnings on investments	1,644
Total Nonoperating Revenues (Expenses)	<u>3,841,834</u>
Change in net assets	(303,701)
Net assets, July 1, 2012	<u>2,730,621</u>
Net assets, June 30, 2013	<u><u>\$ 2,426,920</u></u>

Madison County School District  
Statement of Cash Flows -  
Proprietary Fund  
For the Year Ended June 30, 2013

	<u>Food Service Fund</u>
Cash Flows from Operating Activities	
Cash received from	
Lunchroom sales	\$ 1,297,928
Other activities	180
Cash paid to/for:	
Employees	(2,608,208)
Supplies	(2,724,194)
Other activities	(177,084)
Net cash used by operating activities	<u>(4,211,378)</u>
 Cash Flows from Noncapital Financing	
Federal and state grants	3,094,944
Donated commodities	242,203
On-behalf payments	503,043
Net cash provided by noncapital financing activities	<u>3,840,190</u>
 Cash Flows from Capital Financing	
Purchase of fixed assets	-
Net cash used by noncapital financing activities	<u>-</u>
 Cash Flows from Investing Activities	
Receipt of interest income	1,644
Net cash provided by investing activities	<u>1,644</u>
 Net decrease in cash and cash equivalents	(369,544)
 Cash and cash equivalents at July 1, 2012	<u>947,900</u>
 Cash and cash equivalents at June 30, 2013	<u>\$ 578,356</u>
 Reconciliation of operating loss to net cash used by operating activities	
Operating loss	\$ (4,145,535)
Adjustments to reconcile operating loss to net cash used by operating activities	
Depreciation	251,475
Return of insufficient funds checks	120
Changes in assets and liabilities	
Increase in inventory	(18,354)
Increase in accounts receivable	(292,273)
Decrease in accounts payable	(6,811)
Net cash used by operating activities	<u>\$ (4,211,378)</u>

Madison County School District  
Statement of Fiduciary Net Assets - Activity Funds  
June 30, 2013

Assets	
Cash and cash equivalents	\$ 794,721
Investments	69,000
Accounts receivable	<u>32,552</u>
Total Assets	<u>896,273</u>
Liabilities	
Accounts payable	<u>33,618</u>
Total Liabilities	<u>33,618</u>
Net Assets	
Held in Trust	<u>862,655</u>
Total Net Assets	<u><u>\$ 862,655</u></u>

Madiosn County School District  
Statement of Changes in Fiduciary Net Assets - Activity Funds  
For the Year Ended June 30, 2013

Revenues	
From local sources	
Other revenue	<u>\$ 2,867,928</u>
Total Revenues	<u>2,867,928</u>
Expenditures	
Other expenditures	<u>2,837,408</u>
Total Expenditures	<u>2,837,408</u>
Excess (deficit) of revenues over expenditures	30,520
Net Assets - July 1, 2012	<u>832,135</u>
Fund balances - June 30, 2013	<u><u>\$ 862,655</u></u>

Madison County School District  
Notes to Financial Statements  
June 30, 2013

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

The Madison County Board of Education (the “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 the Madison County School District (the “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.

The District, for financial purposes, includes all of the funds and account groups relevant to the operation of the District. The financial statements presented herein do not include funds of groups and organizations, which although associated with the school system, have not originated within the District itself such as Band Boosters, Parent-Teacher Associations, etc.

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

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

Madison County Board of Education Finance Corporation – On May 16, 1989, the Madison County, Kentucky, Board of Education resolved to authorize the establishment of the Madison 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 of the Board 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 and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary entity. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely significantly on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or identifiable activity; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity. Taxes and other items properly not included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental, proprietary and fiduciary funds. Major individual funds are reported as separate columns in the fund financial statements.

Madison County School District  
Notes to Financial Statements (Continued)  
June 30, 2013

Note 1 – Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Preparation

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. This differs from the manner in which governmental fund financial statements are prepared, therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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.

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 District has the following funds:

I. Governmental Fund Types

- (A) The General Fund is the main operating fund of the District. It accounts for financial resources used for general types of operations. This is a budgeted fund, and any unassigned fund balances are considered as resources available for use. Commitments have been placed on the fund balance for outstanding encumbrances, allocation to the schools' site based decision making councils, accrued sick leave and other various future uses. This is a major fund of the District.
- (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 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 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.

Madison County School District  
Notes to Financial Statements (Continued)  
June 30, 2013

Note 1 – Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Preparation (Continued)

2. The Facility Support Program of Kentucky (FSPK) or (“Building Fund”) 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 of the District.
  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 of the District.
- (D) The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest and related costs.

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 contribution of commodities from the USDA. The Food Service Fund is a major fund.

III. Fiduciary Fund Type (Agency and Private Purpose Trust Funds)

Activity funds account for activities of student groups and other types of activities requiring clearing accounts. The schools’ funds are accounted for in accordance with “Accounting Procedures for Kentucky School Activity Funds”.

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 resource 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.

Madison County School District  
Notes to Financial Statements (Continued)  
June 30, 2013

Note 1 – Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Preparation (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. 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 taxes collected are reported as revenues in the fund for which they were levied. Property taxes are levied each September and are based on property valuations on January 1 for all real and personal property in the county. Tax 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 is mailed. Property taxes collected are recorded as revenues in the fiscal year for which they were levied. All taxes collected are initially deposited in the General Fund and then transferred to the appropriate fund.

Property tax rates for the year ended June 30, 2013, to finance the general fund operations were \$.583 per \$100 of valued real property, \$.588 per \$100 of valued business personal property and \$.558 per \$100 of valued motor vehicles.

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. 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.

The District maintains a capitalization threshold of five thousand dollars (\$5,000) with the exception of computers, digital cameras and real property; for which there is no threshold. The District does not possess any infrastructure.

Madison County School District  
Notes to Financial Statements (Continued)  
June 30, 2013

Note 1 – Summary of Significant Accounting Policies (Continued)

All reported capital assets and improvements are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

Land improvements	20 years
Buildings	25-50 years
Technology equipment	5 years
Vehicles	3-10 years
General equipment	10-15 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.

Accumulated Unpaid Sick Leave Benefits

Upon entering the Kentucky Teachers’ Retirement System, certified employees will receive from the District an amount equal to 30% of the daily rate times the number of unused sick days.

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 “accrued sick leave payable” in the general fund. The noncurrent portion of the liability is not reported.

Budgetary Basis of Accounting

The District prepares its budgets on the modified accrual basis of accounting, which is the same basis of accounting used to prepared the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.

Once the budget is approved, it can be amended. Amendments are presented to the Board at their regular meetings. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after the close of any given fiscal year-end, as directed by law.

The Kentucky Department of Education does not require the Capital Projects Funds and Debt Service Funds to prepare budgets.

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.

Madison County School District  
Notes to Financial Statements (Continued)  
June 30, 2013

Note 1 – Summary of Significant Accounting Policies (Continued)

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 a expenditure in the governmental fund types when purchased.

Inventories of purchased goods of the Enterprise Fund are carried at cost on a first-in first-out basis. Inventories of donated commodities of the Enterprise Fund are recognized at the fair value when received.

Prepaid Assets

Payments made that will benefit periods beyond June 30, 2013 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

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.

Fund Balance

The District follows the provisions of GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. In the fund statements, governmental funds are required to report the following classifications of fund balance as applicable:

- Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. The District has not reported any amounts that are nonspendable for the year ended June 30, 2013.
- Restricted – includes amounts restricted by external sources (creditors, grantors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant orders passed by the Board, the District's highest level of decision making authority. Commitments may be modified or rescinded only through orders approved by the Board.

Madison County School District  
Notes to Financial Statements (Continued)  
June 30, 2013

Note 1 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

- Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. The District has not adopted a policy on who may assign funds for specific uses.
- Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the general fund. The District reports all amounts that meet the unrestricted General Fund Balance procedures described below as unassigned.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

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.

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. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the proprietary funds. All other expenses are reported as non-operating expenses.

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.

Madison County School District  
Notes to Financial Statements (Continued)  
June 30, 2013

Note 1 – Summary of Significant Accounting Policies (Continued)

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 2 – Cash and Cash Equivalents

The District maintains their cash and investments with various local banks and with PFM Asset Management, LLC. Federal Depository Insurance covers all of the account balances at the local banks. PFM Asset Management, LLC pools investments from only governmental entities to maximize investment earnings. Since PFM Asset Management, LLC does not maintain banks locally, they contract with US Bank to maintain the daily banking needs of the District and “sweep” the deposits daily to maximize the earnings from investments. The cost of using US Bank for the District's local banking needs is deducted from the earnings from investments at PFM. All account balances are covered by Federal Depository Insurance and/or pledged securities.

Cash and cash equivalents consist of demand deposit accounts and money market mutual funds. At June 30, 2013 the carrying amount of cash and cash equivalents was \$13,741,025 and the bank balance was \$17,755,737. The money market mutual fund invests solely in obligations of the United States and its agencies and instrumentalities. The credit quality rating of the money market mutual fund is AAA.

Investments consist of certificate of deposits and obligations of the United States and its agencies and instrumentalities. Federal Depository Insurance covered the certificates of deposits. The carrying amount of the investments at June 30, 2013 was \$5,928,215. Due to the liquid nature of these accounts, the carrying value is equal to the fair market value.

Note 3 – Transfer of Funds

The following transfers were made during the year:

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General Fund	Special Revenue Fund	Matching KETS	\$ 159,341
Special Revenue Fund	General Fund	Indirect Costs	5,159
Construction Fund	Construction Fund	Construction	225,593
Building Fund	Debt Service Fund	Debt Payments	8,677,425
Building Fund	Construction Fund	Construction	441,381

Note 4 – On-Behalf Payments

The financial statements include payments made by the State of Kentucky on – behalf of the Madison County School District for teacher's retirement, health insurance, life insurance, and administrative fees where applicable. The amounts were recorded within the General and School Food Services Funds. The amounts recorded for both revenues and expenditures (expenses) are \$14,933,301 for the General Fund, \$607,051 for the Debt Service Fund and \$503,043 for the School Food Service Fund.

Madison County School District  
Notes to Financial Statements (Continued)  
June 30, 2013

Note 5 – Capital Assets

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

<u>Governmental Activities</u>	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
Land and improvements	\$ 7,649,638	\$ -	\$ -	\$ 7,649,638
Buildings	185,419,057	6,291,824	-	191,710,881
Technology equipment	9,175,262	40,158	1,436,559	7,778,861
Vehicles	14,587,368	199,153	611,952	14,174,569
General equipment	4,252,021	71,501	9,085	4,314,437
Construction in progress	2,446,615	4,098,743	6,291,824	253,534
Totals at historical cost	<u>223,529,961</u>	<u>10,701,379</u>	<u>8,349,420</u>	<u>225,881,920</u>
Less: accumulated depreciation				
Land improvements	3,346,338	73,645	-	3,419,983
Buildings	37,146,455	3,996,051	10,302	41,132,204
Technology equipment	6,504,677	895,544	1,336,264	6,063,957
Vehicles	10,090,220	901,544	611,952	10,379,812
General equipment	1,957,190	323,397	7,671	2,272,916
Total accumulated depreciation	<u>59,044,880</u>	<u>6,190,181</u>	<u>1,966,189</u>	<u>63,268,872</u>
Governmental Activities Capital Assets - Net	<u>\$ 164,485,081</u>	<u>\$ 4,511,198</u>	<u>\$ 6,383,231</u>	<u>\$ 162,613,048</u>
<u>Business-type Activities</u>				
Technology equipment	\$ 53,014	\$ -	\$ 3,649	\$ 49,365
General equipment	3,426,386	-	4,293	3,422,093
Totals at historical cost	<u>3,479,400</u>	<u>-</u>	<u>7,942</u>	<u>3,471,458</u>
Less: accumulated depreciation				
Technology equipment	41,218	3,644	3,649	41,213
General equipment	1,777,014	247,831	4,293	2,020,552
Total accumulated depreciation	<u>1,818,232</u>	<u>251,475</u>	<u>7,942</u>	<u>2,061,765</u>
Business-type Activities Capital Assets - Net	<u>\$ 1,661,168</u>	<u>\$ (251,475)</u>	<u>\$ -</u>	<u>\$ 1,409,693</u>

Madison County School District  
Notes to Financial Statements (Continued)  
June 30, 2013

Note 6 – Bonded Debt Obligations

The amount shown in the accompanying financial statements as bonds payable represents the District's future obligations to make payments relating to bonds issued by the Madison County School District Finance Corporation (Finance Corporation) on behalf of the District for purposes of school facility construction.

At June 30, 2013, the District had the following bonds payable outstanding:

Description	Series	Original Amount	Maturity Date	Interest Rates	Outstanding at 6/30/13
Revenue Bond	2001B	2,730,000	Feb. 2014	3.4 - 4.25%	\$ 100,000
Revenue Bond	2004A	14,725,000	Oct. 2024	2.0 - 4.375%	1,270,000
Revenue Bond	2004B	3,235,000	Aug. 2016	2.0 - 3.7%	1,555,000
Revenue Bond	2004C	4,315,000	May 2016	2.0 - 3.75%	205,000
Revenue Bond	2005	15,295,000	Feb. 2025	3.0 - 4.0%	12,045,000
Revenue Bond	2006	5,880,000	May 2026	4.0 - 4.25%	4,310,000
Revenue Bond	2006B	2,350,000	Oct. 2026	3.88%	1,975,000
Revenue Bond	2008	22,820,000	June 2028	3.25 - 4.375%	19,950,000
Revenue Bond	2008B	7,585,000	Nov. 2022	3.0 - 4.625%	5,990,000
Revenue Bond	2009	9,995,000	Nov. 2028	4.35 - 4.6%	9,995,000
Revenue Bond	2009R	2,475,000	Dec. 2018	1.0 - 3.0%	1,450,000
Revenue Bond	2010	22,800,000	June 2030	0.7 - 5.6%	21,180,000
Revenue Bond	2010R	10,295,000	Feb. 2021	0.4 - 2.5%	8,100,000
Revenue Bond	2011	4,040,000	April 2031	1.0 - 4.375%	3,740,000
Revenue Bond	2013R	13,500,000	Oct. 2024	2.0 - 2.375%	<u>13,340,000</u>
Total payable at par					105,205,000
Less: unamortized bond issue costs					(1,145,112)
Less: unamortized bond discounts					(1,056,819)
Less: unamortized defeasance costs					<u>(1,071,375)</u>
Total net payable					101,931,694
Less: current portion payable from restricted assets					<u>(5,510,000)</u>
Total long-term portion					<u>\$ 96,421,694</u>

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 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 is also obligated to maintain adequate property insurance on the school facilities.

Madison County School District  
Notes to Financial Statements (Continued)  
June 30, 2013

Note 6 – Bonded Debt Obligations (Continued)

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

Bond Issue	Balance 6/30/2012	Additions	Retirements	Balance 6/30/2013
2001B	\$ 325,000	\$ -	\$ 225,000	\$ 100,000
2003	3,610,000	-	3,610,000	-
2004A	11,055,000	-	9,785,000	1,270,000
2004B	1,835,000	-	280,000	1,555,000
2004C	675,000	-	470,000	205,000
2005	12,490,000	-	445,000	12,045,000
2006	4,560,000	-	250,000	4,310,000
2006B	2,045,000	-	70,000	1,975,000
2008	20,565,000	-	615,000	19,950,000
2008B	6,405,000	-	415,000	5,990,000
2009	9,995,000	-	-	9,995,000
2009R	1,715,000	-	265,000	1,450,000
2010	21,730,000	-	550,000	21,180,000
2010R	8,855,000	-	755,000	8,100,000
2011	3,890,000	-	150,000	3,740,000
2013R	-	13,500,000	160,000	13,340,000
	<u>\$ 109,750,000</u>	<u>\$ 13,500,000</u>	<u>\$ 18,045,000</u>	<u>\$ 105,205,000</u>

On January 22, 2013, the District issued \$13,500,00 in general obligation refunding bonds with an average interest rate of 2.0%-2.375% to advance refund \$3,345,000 on the Series 2003 bond and \$9,195,000 on the Series 2004A bond accounted for as governmental activities. The refunding was undertaken to take advantage of favorable interest rates.

The proceeds of new debt were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old debt. The District considers \$12,540,000 of the old debt defeased as of June 30, 2013.

For governmental activities, the debt defeasance resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$795,364 for 2013, \$444,725 for 2010, \$24,100 for 2009, and \$260,300 for 2004. The unamortized balance at June 30, 2013 for governmental activities is \$1,071,375 (net of amortization of \$453,114). This difference, reported in the accompanying financial statements as deduction from general obligations bonds is being amortized monthly on a straight line basis and charged to operations as interest and fees on long-term debt through the maturity date of the bonds.

The District entered into participation agreements with the Kentucky School Facility Construction Commission. The Commission was created by the Kentucky Legislature 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 Commission for each year until maturity of all bond issues.

The bonds may be called prior to maturity at dates and redemption premiums specified in each issue. Assuming no issues are called prior to maturity, the minimum obligations of the District, including amounts to be paid by the Commission, at June 30, 2013 for debt service, (principal and interest) are as follows:

Madison County School District  
Notes to Financial Statements (Continued)  
June 30, 2013

Note 6 – Bonded Debt Obligations (Continued)

	Commission		District		Total
	Principal	Interest	Principal	Interest	
2014	\$ 348,964	\$ 128,159	\$ 5,161,036	\$ 3,836,020	\$ 9,474,179
2015	349,599	117,937	5,310,401	3,690,604	9,468,541
2016	355,597	107,228	5,454,403	3,538,700	9,455,928
2017	332,779	96,227	5,602,221	3,382,296	9,413,523
2018	299,326	86,174	5,757,674	3,217,289	9,360,463
2019-2023	1,113,745	294,762	31,664,255	13,063,853	46,136,615
2024-2028	843,318	74,936	34,501,682	6,583,758	42,003,694
2029-2032	16,228	373	8,093,772	602,755	8,713,128
Totals	<u>\$ 3,659,556</u>	<u>\$ 905,796</u>	<u>\$ 101,545,444</u>	<u>\$ 37,915,275</u>	<u>\$ 144,026,071</u>

Note 7 – Fund Balances – Governmental Funds

As of June 30, 2013, fund balances of the governmental funds are composed of the following:

	General Fund	Special Revenue Fund	Construction Fund	Building Fund	Non-major Funds
Restricted:					
Debt Service	\$ -	\$ -	\$ -	\$ 2,099,511	\$ -
Construction	-	-	2,123,118	-	-
Other	-	-	-	-	1,004,839
Committed:					
Sick Leave	311,466	-	-	-	-
Capital Outlay	4,833,520	-	-	-	-
Personnel Costs	475,000	-	-	-	-
Site Based					
Carry Forward	209,298	-	-	-	-
Encumbrances	189,258	-	-	-	-
Bus Purchases	950,000	-	-	-	-
KSBIT Obligation	1,266,377	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	5,675,590	-	-	-	-
Total Fund Balances	<u>\$ 13,910,509</u>	<u>\$ -</u>	<u>\$ 2,123,118</u>	<u>\$ 2,099,511</u>	<u>\$ 1,004,839</u>

Madison County School District  
Notes to Financial Statements (Continued)  
June 30, 2013

Note 8 – Retirement Plans

Kentucky Teachers' Retirement System

The Madison County School District contributes to the Teachers' Retirement System of Kentucky (KTRS), a cost-sharing, multiple employer defined benefit pension plan. KTRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems and other public educational agencies in Kentucky. KTRS requires that members of KTRS occupy a position requiring either a four (4) year college degree or certification by Kentucky Department of Education (KDE).

KTRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the Kentucky Revised Statutes (KRS). KTRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report can be obtained by writing to Kentucky Teachers' Retirement System, 479 Versailles Road, Frankfort, Kentucky 40601 or from the KTRS web site at <http://ktrs.ky.gov/>.

Contribution rates are established by KRS. Members are required to contribute 10.855% of their salaries to KTRS. The Commonwealth of Kentucky is required to contribute 14.105% of salaries for members. The federal program for any salaries paid by that program pays the matching contributions.

Kentucky Teachers' Retirement System (Continued)

Medical Insurance Plan

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

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

The post-retirement healthcare provided by KTRS is financed on a pay-as-you-go basis. In order to fund the post-retirement healthcare benefit, three and one half percent (3.5%) of the gross annual payroll of members before July 1, 2008 is contributed. One and three-quarters percent (1.75%) of this amount is derived from member contributions, three-quarters (.75%) from state appropriation and one percent (1.0%) from the employer. The premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses of the plan.

The Madison County School System's total payroll for the year was \$56,725,421. The payroll for employees covered under KTRS was \$44,370,576. For the year ended June 30, 2013, the Commonwealth contributed \$5,282,921 to KTRS for the benefit of our participating employees. The District's contributions to KTRS for the year ending June 30, 2013 were \$966,239.

The District's required contributions (both withholding and match) for pension obligations to KTRS for the fiscal years ended June 30, 2013, 2012, and 2011 were \$5,791,078, \$5,608,964, and \$5,226,257, respectively.

Madison County School District  
Notes to Financial Statements (Continued)  
June 30, 2013

Note 8 – Retirement Plans (Continued)

County Employees Retirement System

Employees who work an average of 80 hours per month participate in the County Employees Retirement System of Kentucky (CERS), a cost sharing, multiple-employer public employee's retirement system created by and operating under Kentucky Law.

The County Employees Retirement System covers substantially all regular non-certified full-time employees of the District. The plan provides for retirement, disability and death benefits. CERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained in writing from the County Employee Retirement System, 1260 Louisville Road, Perimeter Park West, and Frankfort, Kentucky, 40601.

For participating employees who established an account prior to July 1, 2008, they contribute 5% of the creditable compensation. For employees hired after July 1, 2008, they contribute 6% of the creditable compensation. Employer contribution rates are intended to fund the normal cost on a current basis plus one percent (1%) of un-funded past service costs per annum plus interest at the actuarial assumed rate. The Board of Trustees of the Kentucky Retirement Systems determines such contribution rates each biennium.

The current District contribution rate is 19.55%. The District contributed \$2,333,756.28 of the employee's compensation during the fiscal year ended June 30, 2013.

The District's required contributions (both withholding and match) for pension obligations to CERS for the fiscal years ended June 30, 2013, 2012, and 2011 were \$2,949,417, \$2,940,674 and \$2,604,567 respectively.

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 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.

Note 10 – Litigation

The District is subject to various other legal actions in various stages of litigation, the outcome of which has not been quantified and not shown as a liability in the financial statements. The attorneys for the Board are under the presumption that insurance will cover any loss from such litigation.

Note 11 – 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 including Workers' Compensation insurance. Premiums for these policies are based upon the District's experience to date.

Madison County School District  
Notes to Financial Statements (Continued)  
June 30, 2013

Note 12 – 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 Fund; however, risk has not been transferred to such fund. In addition, the District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 13 – Subsequent Events

Management has evaluated subsequent events through November 11, 2013, the date which the financial statements were available to be issued.

Note 14 – Accrued Contingent Liability

The District is a participating member in Kentucky School Boards Insurance Trust's Workers' Compensation Pool and Property and Liability Pool. On January 14, 2013 KSBIT informed members that an assessment would be made to members to cover deficits in these two risk Pools. The portion of the assessed amount attributable to Madison County has been accrued as a contingent liability in the government-wide financial statements of the District.

Madison County School District  
Combining Balance Sheet - Non-Major Governmental Funds  
June 30, 2013

	<u>Capital Outlay Fund</u>	<u>Debt Service Fund</u>	<u>Total Non-Major Governmental Funds</u>
<b>Assets and Resources</b>			
Cash and cash equivalents	\$ 1,004,839	\$ -	\$ 1,004,839
Investments	-	-	-
Accounts receivable:			
Taxes - current	-	-	-
Taxes - delinquent	-	-	-
Accounts	-	-	-
Intergovernmental - state	-	-	-
Intergovernmental - federal	-	-	-
Due from other funds	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total Assets and Resources</b>	<u><u>\$ 1,004,839</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,004,839</u></u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Cash overdraft	\$ -	\$ -	\$ -
Accounts payable	-	-	-
Accrued payroll and related expenses	-	-	-
Due to other funds	-	-	-
Obligation under capital lease	-	-	-
Deferred revenues	-	-	-
Compensated absences	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total Liabilities</b>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<b>Fund Balances</b>			
Restricted	1,004,839	-	1,004,839
Assigned	-	-	-
Committed	-	-	-
Unassigned	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total Fund Balances</b>	<u><u>1,004,839</u></u>	<u><u>-</u></u>	<u><u>1,004,839</u></u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 1,004,839</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,004,839</u></u>

Madison County School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -  
Non-Major Governmental Funds  
For the Year Ended June 30, 2013

	Capital Outlay Fund	Debt Service Fund	Total Non-Major Governmental Funds
Revenues			
From local sources			
Taxes:			
Property	\$ -	\$ -	\$ -
Motor vehicle	-	-	-
Utilities	-	-	-
Other	-	-	-
Tuition and fees	-	-	-
Earnings on investments	1,048	-	1,048
Other	-	-	-
On behalf revenue	-	607,051	607,051
Intergovernmental - state	1,003,104	-	1,003,104
Intergovernmental - indirect federal	-	-	-
Intergovernmental - direct federal	-	350,305	350,305
Total Revenues	<u>1,004,152</u>	<u>957,356</u>	<u>1,961,508</u>
Expenditures			
Instruction	-	-	-
Support services:			
Student	-	-	-
Instructional staff	-	-	-
District administration	-	-	-
School administration	-	-	-
Business	-	-	-
Plant operations and maintenance	-	-	-
Student transportation	-	-	-
Non-instructional	-	-	-
Facility acquisition and construction	-	-	-
Debt service costs	-	9,721,781	9,721,781
Total Expenditures	<u>-</u>	<u>9,721,781</u>	<u>9,721,781</u>
Excess (deficit) of revenues over expenditures	1,004,152	(8,764,425)	(7,760,273)
Other financing sources (uses)			
Proceeds from sale of bonds	-	-	-
Proceeds from sale of fixed assets	-	-	-
Refunding bonds issued	-	13,422,364	13,422,364
Paid to escrow agent	-	(13,335,364)	(13,335,364)
Operating transfers in	-	8,677,425	8,677,425
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>8,764,425</u>	<u>8,764,425</u>
Deficit of revenues and other financing sources over expenditures and other financing uses	1,004,152	-	1,004,152
Fund balances - July 1, 2012	<u>687</u>	<u>-</u>	<u>687</u>
Fund balances - June 30, 2013	<u>\$ 1,004,839</u>	<u>\$ -</u>	<u>\$ 1,004,839</u>

Madison County School District  
Combining Statement of Fiduciary Net Assets  
Activity Funds  
June 30, 2013

	Madison Central High School	Madison Southern High School	B. Michael Caudill Middle School	Clark Moores Middle School	Farristown Middle School	Madison Middle School
<b>Assets</b>						
Cash and cash equivalents	\$ 295,702	\$ 81,038	\$ 20,006	\$ 75,153	\$ 37,590	\$ 26,608
Investments	64,000	-	-	-	-	-
Accounts receivable	13,440	8,962	-	3,000	-	140
<b>Total Assets and Resources</b>	<u>373,142</u>	<u>90,000</u>	<u>20,006</u>	<u>78,153</u>	<u>37,590</u>	<u>26,748</u>
<b>Liabilities and Fund Balances</b>						
Accounts payable	6,772	2,045	1,468	1,800	-	-
<b>Total Liabilities</b>	<u>6,772</u>	<u>2,045</u>	<u>1,468</u>	<u>1,800</u>	<u>-</u>	<u>-</u>
<b>Net Assets</b>						
Held in trust	366,370	87,955	18,538	76,353	37,590	26,748
<b>Total Net Assets</b>	<u>\$ 366,370</u>	<u>\$ 87,955</u>	<u>\$ 18,538</u>	<u>\$ 76,353</u>	<u>\$ 37,590</u>	<u>\$ 26,748</u>

Madison County School District  
Combining Statement of Fiduciary Net Assets (Continued)  
Activity Funds  
June 30, 2013

Red Foley Middle School	Daniel Boone Elementary	Glenn R. Marshall Elementary	Kingston Elementary	Kirksville Elementary	Kit Carson Elementary	Mayfield Elementary
\$ 51,962	\$ 17,133	\$ 26,945	\$ 22,010	\$ 10,265	\$ 14,877	\$ 9,845
-	-	-	-	-	-	-
-	-	1,563	-	-	-	75
<u>51,962</u>	<u>17,133</u>	<u>28,508</u>	<u>22,010</u>	<u>10,265</u>	<u>14,877</u>	<u>9,920</u>
5,682	-	1,737	213	-	4,190	-
<u>5,682</u>	<u>-</u>	<u>1,737</u>	<u>213</u>	<u>-</u>	<u>4,190</u>	<u>-</u>
46,280	17,133	26,771	21,797	10,265	10,687	9,920
<u>\$ 46,280</u>	<u>\$ 17,133</u>	<u>\$ 26,771</u>	<u>\$ 21,797</u>	<u>\$ 10,265</u>	<u>\$ 10,687</u>	<u>\$ 9,920</u>

Madison County School District  
Combining Statement of Fiduciary Net Assets (Continued)  
Activity Funds  
June 30, 2013

	Shannon Johnson Elementary	Silver Creek Elementary	Waco Elementary	White Hall Elementary	Total Fiduciary Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 13,872	\$ 21,359	\$ 9,480	\$ 60,876	\$ 794,721
Investments	-	-	5,000	-	69,000
Accounts receivable	-	3,000	372	2,000	32,552
<b>Total Assets and Resources</b>	<b>\$ 13,872</b>	<b>\$ 24,359</b>	<b>\$ 14,852</b>	<b>\$ 62,876</b>	<b>\$ 896,273</b>
<b>Liabilities and Fund Balances</b>					
Accounts payable	-	89	-	9,622	33,618
<b>Total Liabilities</b>	<b>-</b>	<b>89</b>	<b>-</b>	<b>9,622</b>	<b>33,618</b>
<b>Net Assets</b>					
Held in trust	13,872	24,270	14,852	53,254	862,655
<b>Total Net Assets</b>	<b>\$ 13,872</b>	<b>\$ 24,270</b>	<b>\$ 14,852</b>	<b>\$ 53,254</b>	<b>\$ 862,655</b>

Madison County School District  
Combining Statement of Changes in Fiduciary Net Assets  
Activity Funds  
For the Year Ended June 30, 2013

	Madison Central High School	Madison Southern High School	B. Michael Caudill Middle School	Clark Moores Middle School	Farristown Middle School	Madison Middle School
Revenues						
From local sources						
Other revenue	\$ 965,948	\$ 401,330	\$ 224,348	\$ 206,049	\$ 235,745	\$ 162,204
Total Revenues	<u>965,948</u>	<u>401,330</u>	<u>224,348</u>	<u>206,049</u>	<u>235,745</u>	<u>162,204</u>
Expenditures						
Other expenditures	954,529	392,064	236,743	207,715	217,064	160,863
Total Expenditures	<u>954,529</u>	<u>392,064</u>	<u>236,743</u>	<u>207,715</u>	<u>217,064</u>	<u>160,863</u>
Excess (deficit) revenues over expenditures	11,419	9,266	(12,395)	(1,666)	18,681	1,341
Net Assets - July 1, 2012	<u>354,951</u>	<u>78,689</u>	<u>30,933</u>	<u>78,019</u>	<u>18,909</u>	<u>25,407</u>
Net Assets - June 30, 2013	<u>\$ 366,370</u>	<u>\$ 87,955</u>	<u>\$ 18,538</u>	<u>\$ 76,353</u>	<u>\$ 37,590</u>	<u>\$ 26,748</u>

Madison County School District  
 Combining Statement of Changes in Fiduciary Net Assets (Continued)  
 Activity Funds  
 For the Year Ended June 30, 2013

Red Foley Middle School	Daniel Boone Elementary	Glenn R. Marshall Elementary	Kingston Elementary	Kirksville Elementary	Kit Carson Elementary	Mayfield Elementary
\$ 168,155	\$ 33,413	\$ 99,748	\$ 54,478	\$ 48,086	\$ 46,421	\$ 13,221
<u>168,155</u>	<u>33,413</u>	<u>99,748</u>	<u>54,478</u>	<u>48,086</u>	<u>46,421</u>	<u>13,221</u>
153,670	32,879	99,537	54,855	48,483	46,654	12,431
<u>153,670</u>	<u>32,879</u>	<u>99,537</u>	<u>54,855</u>	<u>48,483</u>	<u>46,654</u>	<u>12,431</u>
14,485	534	211	(377)	(397)	(233)	790
<u>31,795</u>	<u>16,599</u>	<u>26,560</u>	<u>22,174</u>	<u>10,662</u>	<u>10,920</u>	<u>9,130</u>
<u>\$ 46,280</u>	<u>\$ 17,133</u>	<u>\$ 26,771</u>	<u>\$ 21,797</u>	<u>\$ 10,265</u>	<u>\$ 10,687</u>	<u>\$ 9,920</u>

Madison County School District  
Combining Statement of Changes in Net Assets (Continued)  
Activity Funds  
For the Year Ended June 30, 2013

	Shannon Johnson Elementary	Silver Creek Elementary	Waco Elementary	White Hall Elementary	Total Fiduciary Funds
Revenues					
From local sources					
Other revenue	\$ 52,162	\$ 29,795	\$ 44,468	\$ 82,357	\$ 2,867,928
Total Revenues	<u>52,162</u>	<u>29,795</u>	<u>44,468</u>	<u>82,357</u>	<u>2,867,928</u>
Expenditures					
Other expenditures	54,283	33,399	47,181	85,058	2,837,408
Total Expenditures	<u>54,283</u>	<u>33,399</u>	<u>47,181</u>	<u>85,058</u>	<u>2,837,408</u>
Excess (deficit) revenues over expenditures	(2,121)	(3,604)	(2,713)	(2,701)	30,520
Net Assets - July 1, 2012	<u>15,993</u>	<u>27,874</u>	<u>17,565</u>	<u>55,955</u>	<u>832,135</u>
Net Assets - June 30, 2013	<u>\$ 13,872</u>	<u>\$ 24,270</u>	<u>\$ 14,852</u>	<u>\$ 53,254</u>	<u>\$ 862,655</u>

Madison County School District  
 Madison Central High School  
 Activity Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balance  
 For the Year Ended June 30, 2013

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2012	Fund Balance June 30, 2013
AAMMP	\$ 969	\$ 919	\$ -	\$ 394	\$ 444
Academic team	240	396	-	631	475
Administrative fund	-	-	-	20	20
Advertisement - athletics	4,950	-	(4,950)	-	-
Anatomy club	-	46	1	45	-
Archery	230	2,219	1,989	-	-
Archery club	9,251	7,229	(2,289)	1,589	1,322
Art club	58	-	-	25	83
B/G Cross cty club	4,227	4,180	(605)	963	405
Baseball	275	7,064	6,789	-	-
Baseball club	41,554	33,469	(1,099)	199	7,185
Ben wingate fund	-	30	(48)	78	-
Book club	3,704	4,061	200	670	513
Bowling team	5,162	3,719	1,520	-	2,963
Bowling team	-	(20)	(20)	-	-
Boys basketball	3,802	14,014	10,212	-	-
Boys basketball club	29,180	16,235	(1,624)	160	11,481
Boys golf	-	1,550	1,550	-	-
Boys golf club	4,350	7,207	(40)	3,881	984
Boys soccer	1,179	5,319	4,140	-	-
Boys track	-	2,552	2,552	-	-
Boys track club	6,590	5,641	(724)	1,412	1,637
Champions	-	-	(601)	601	-
Championship rings	9,000	8,676	-	-	324
Cheer club	71,719	70,267	9,617	633	11,702
Cheerleader trip	41,966	47,399	1,454	5,917	1,938
Choral music	30,344	27,929	175	1,375	3,965
CIA	433	640	561	742	1,096
Concession	27,885	15,797	(11,388)	-	700

Madison County School District  
 Madison Central High School  
 Activity Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)  
 For the Year Ended June 30, 2013

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2012	Fund Balance June 30, 2013
Cross country club, boys	-	1,845	1,845	-	-
Cross country club, girls	-	1,845	1,845	-	-
Culinary skills class	-	-	-	79	79
DABS	2,059	1,952	-	59	166
Dance - nationals	-	-	(75)	75	-
Daniel rector scholarship	1,000	1,000	-	-	-
Drama club	4,849	3,963	(40)	1,233	2,079
Express yourself club	1,200	1,517	6	485	174
FAC - staff appreciation	426	980	174	381	1
FAC - staff retirement	-	2,074	1,430	4,014	3,370
FCA	194	181	41	574	628
FCCLA	1,245	716	-	875	1,404
FFA club	9,358	11,582	(180)	17,335	14,931
Football	97	16,934	16,837	-	-
Football club	70,496	65,619	(677)	2,040	6,240
French club	329	339	-	148	138
Freshman academy	-	163	-	2,515	2,352
Future educators of america	-	-	(138)	138	-
Gate receipts	66,663	658	(65,010)	-	995
General fund	25,449	38,388	1,272	170,060	158,393
Girls basketball	4,002	19,867	15,865	-	-
Girls basketball club	15,590	17,157	25	11,984	10,442
Girls golf	-	1,249	1,249	-	-
Girls golf club	-	-	-	-	-
Girls soccer	29	6,178	6,149	-	-
Girls soccer club	9,581	9,316	(1,189)	6,571	5,647
Girls track	-	2,602	2,602	-	-
Girls track club	6,537	6,123	(1,549)	2,566	1,431
Greenhouse workstudy	68	113	(40)	582	497

Madison County School District  
 Madison Central High School  
 Activity Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)  
 For the Year Ended June 30, 2013

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2012	Fund Balance June 30, 2013
GSA	1,860	1,672	-	-	188
Guidance-testing	30,342	27,718	-	4,045	6,669
Home economics	399	384	-	191	206
Homecoming	3,708	3,229	600	2,969	4,048
Independent study	-	-	-	452	452
Indian insider	150	152	-	760	758
Interest	628	-	(623)	57	62
JROTC club	921	2,546	700	1,726	801
Junior class	16,450	15,183	(80)	6,959	8,146
Key club	734	632	138	261	501
Kyle nehila scholars	-	80	-	80	-
Latin club	48,702	48,549	(281)	133	5
Library activities	2,172	2,200	(231)	1,328	1,069
Lost textbooks	2,766	3,004	-	238	-
Louise Abney scholars	2,458	3,611	-	4,416	3,263
Michael Hobbs scholars	-	240	-	240	-
Misc. athletics	23,986	32,172	3,454	8,870	4,138
Mock trial	3,911	3,911	-	-	-
Monday morning men	532	702	-	194	24
Musical theatre	23,222	21,605	25	4,207	5,849
National honor society	1,060	1,079	-	101	82
Parking stickers	5,365	6,352	-	3,433	2,446
Pass program	-	104	-	375	271
Pep club	2,182	1,435	(140)	336	943
Renaissance program	1,872	3,371	(25)	4,785	3,261
Science club	-	-	-	451	451
Science olympiad	5,967	5,259	(50)	14	672
Senior prize money	2,597	2,440	-	685	842
Softball	-	6,030	6,230	-	200

Madison County School District  
 Madison Central High School  
 Activity Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)  
 For the Year Ended June 30, 2013

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2012	Fund Balance June 30, 2013
Softball club	31,660	32,123	20	5,986	5,543
Softball travel	-	-	-	3,000	3,000
Sophomore class	3,393	3,346	(65)	2,947	2,929
Soul	237	302	-	391	326
Spanish club	2,985	2,999	(135)	1,619	1,470
Spanish honor society	-	-	-	248	248
Staffulty - unity club	5,710	3,485	415	1,614	4,254
State shirts	31,642	27,309	30	-	4,363
Step team	3,483	3,635	(85)	242	5
STLP	477	524	-	145	98
Student fees	45,600	45,138	-	315	777
Student pride tribe	-	824	-	824	-
Swimming	-	3,437	3,437	-	-
Swimming club	2,700	2,708	(241)	1,879	1,630
Tammy hooper scholarship	1,283	500	1,200	-	1,983
Technology student	161	403	-	278	36
Tennis	-	1,122	1,122	-	-
Tennis club	1,503	1,837	-	3,174	2,840
Terry I. wells scholarship	13	475	-	4,465	4,003
Thrift store/green	-	342	-	1,182	840
Together as one	15	50	-	325	290
Tomahawk club	730	686	-	45	89
Tournaments	63,890	46,092	(15,795)	-	2,003
Tribal threads	9,589	12,422	3,198	-	365
UNICEF	-	-	(41)	41	-
Uniform replacement	-	8,238	1,410	23,718	16,890
Varsity dance club	27,145	26,726	75	25	519
Vending - staff drinks	1,303	419	(1,430)	546	-
Vending - staff snack	467	-	(589)	122	-

Madison County School District  
 Madison Central High School  
 Activity Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)  
 For the Year Ended June 30, 2013

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2012	Fund Balance June 30, 2013
Vending - student drinks	4,332	-	(4,636)	304	-
Vending - student snack	1,579	-	(1,775)	196	-
Volleyball	23	12,065	12,042	-	-
Volleyball club	14,318	6,358	(8,681)	721	-
World archery acct	3,656	4,457	1,800	-	999
Wrestling	-	1,075	1,075	-	-
Yearbook	9,830	12,873	118	12,244	9,319
<b>Total</b>	<b>\$ 965,948</b>	<b>\$ 954,529</b>	<b>\$ -</b>	<b>\$ 354,951</b>	<b>\$ 366,370</b>

Madison County School District  
 Madison Central High School  
 Activity Fund  
 Schedule of Accounts Payable  
 June 30, 2013

Account	Description	Amount
	Staffulty - unity club	\$ 48
	Football club	161
	Football club	2,670
	Football club	79
	General fund	147
	General Fund	200
	Parking stickers	1,680
	Varsity dance club	780
	Varsity dance club	910
	World archery acct	97
	Total Accounts Payable	<u>\$ 6,772</u>

Madison County School District  
 Madison Central High School  
 Activity Fund  
 Schedule of Accounts Receivable  
 June 30, 2013

Account	Description	Amount
Cheer club	Karen Feldhaus	\$ 11,700
Concession	Coke	500
Concession	Madison Vending	200
Football club	Bert Browne	1,000
Interest	People's Bank	40
		<hr/>
Total Accounts Receivable		<u><u>\$ 13,440</u></u>

Madison County School District  
 Madison Southern High School  
 Activity Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)  
 For the Year Ended June 30, 2013

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2012	Fund Balance June 30, 2013
AAHC	\$ 260	\$ 126	\$ -	\$ -	\$ 134
Academic team	-	-	-	34	34
AFJROTC	1,511	3,172	374	5,249	3,962
AFJROTC department	985	626	-	572	931
AFJROTC logistical support	2,878	2,057	(374)	(217)	230
Archery	20,001	21,164	1,418	-	255
Archery regionals	-	-	-	-	-
Art dept.	10	-	-	220	230
Athletic buses	848	45,694	44,846	-	-
Athletic department	116,926	72,860	(44,921)	1,998	1,143
Athletic uniforms	-	6,385	2,117	4,268	-
Auditorium rent	700	1,007	-	1,475	1,168
Band	346	422	100	151	175
Baseball	-	469	1,476	-	1,007
Beta club	20	174	-	378	224
Bowling	36	495	497	-	38
Boys basketball	-	-	-	-	-
Boys golf	2,859	2,623	1,245	-	1,481
Boys soccer	-	-	-	-	-
Boys track	780	551	154	-	383
Business	36,587	35,532	-	506	1,561
Charities	1,591	1,666	75	-	-
Cheerleaders	1,342	1,282	23	-	83
Class 2007	-	-	(267)	267	-
Computer lab	147	312	-	968	803
Craft club	-	-	-	-	-
Cross country	-	-	-	-	-
Culinary catering	486	304	(103)	100	179
District tournaments	4,807	2,687	(2,120)	-	-

Madison County School District  
 Madison Southern High School  
 Activity Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)  
 For the Year Ended June 30, 2013

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2012	Fund Balance June 30, 2013
Drama club	8,738	8,816	(25)	625	522
Drivers Ed	670	-	-	-	670
Eagle express	1,953	1,773	-	48	228
Eagle graphics	3,734	917	679	9,762	13,258
EDF	-	-	-	362	362
Envirothon Club	1,194	1,419	250	-	25
F. language department	-	-	-	-	-
FCA	867	805	-	127	189
FCCLA	1,253	1,181	-	7	79
Fees	39,365	41,760	(25)	4,025	1,605
FFA	21,644	19,375	(381)	1,141	3,029
FFA grant	1,269	2,507	-	1,279	41
FMD program	1,634	1,163	-	290	761
Football	-	-	-	-	-
Freshman class	-	-	-	-	-
General	18,781	17,266	(2,394)	11,471	10,592
Girls basketball	1,206	974	-	-	232
Girls golf	6,179	7,025	2,271	-	1,425
Girls soccer	-	-	-	-	-
Girls track	-	-	-	-	-
Golf scramble	-	-	-	-	-
Greenhouse	6,060	4,835	-	5,163	6,388
Homecoming	928	724	90	-	294
Hong Kong exchange	100	142	-	395	353
Hospitality	495	-	-	44	539
Humanities	-	-	-	-	-
I.A. club	-	-	-	-	-
Interest	91	68	-	7	30
Junior class	-	-	-	-	-

Madison County School District  
 Madison Southern High School  
 Activity Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)  
 For the Year Ended June 30, 2013

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2012	Fund Balance June 30, 2013
Key club	950	1,166	-	229	13
Letter jackets	8,559	7,879	(680)	-	-
Library	2,837	1,792	(130)	1,191	2,106
Middle school volleyball	-	-	-	-	-
Mock trial team	250	610	-	442	82
Newspaper	875	324	-	3,143	3,694
Parking stickers	3,715	496	(3,219)	-	-
Pep club	-	116	-	175	59
Photography	1,434	-	(1,434)	-	-
Project graduation	2,000	-	-	-	2,000
Prom	13,511	12,002	-	2,175	3,684
Reading	-	-	-	63	63
Region tournament	2,978	2,726	(252)	-	-
Renaissance	-	-	-	-	-
SADD	110	265	-	451	296
Scholarship	-	-	-	970	970
Science club	-	-	-	184	184
Science olympiad	888	728	-	6	166
Senior class	3,629	1,269	1,267	(378)	3,249
Social studies department	-	-	-	72	72
Softball	-	20	50	-	30
Sophomore class	-	-	-	-	-
Southern belles	-	126	126	-	-
Spanish club	856	833	-	89	112
Step team	-	-	(53)	53	-
Student council	372	301	-	324	395
Swim team	-	-	-	-	-
Tennis	520	616	146	-	50
Textbooks	3,205	3,205	-	-	-

Madison County School District  
 Madison Southern High School  
 Activity Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)  
 For the Year Ended June 30, 2013

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2012	Fund Balance June 30, 2013
TSA	2,569	2,195	-	1,406	1,780
Vending	986	-	(884)	28	130
Vending teachers workroom	1,430	819	-	-	611
Vo. AG. Dept.	-	54	-	128	74
Vocal music	34,457	38,872	3	11,742	7,330
Volleyball	-	-	-	-	-
WEG	-	-	-	-	-
Yearbook	5,918	5,292	55	5,481	6,162
Total	<u>\$ 401,330</u>	<u>\$ 392,064</u>	<u>\$ -</u>	<u>\$ 78,689</u>	<u>\$ 87,955</u>

Madison County School District  
Madison Southern High School  
Activity Fund  
Schedule of Accounts Payable  
June 30, 2013

<u>Account</u>	<u>Description</u>	<u>Amount</u>
Athletics	Equipment	\$ 1,229
Auditorium	Dimmer module	717
Beta club	Stoles	<u>99</u>
Total Accounts Payable		<u><u>\$ 2,045</u></u>

Madison County School District  
 Madison Southern High School  
 Activity Fund  
 Schedule of Accounts Receivable  
 June 30, 2013

Account	Description	Amount
Athletics	Summer travel	\$ 520
Athletics	Summer travel	330
Eagle graphics	Plaques	50
Eagle graphics	Awards	1,637
Eagle graphics	Plaques	60
Project graduation	Drive for perfection	2,000
Senior account	Drive for perfection	2,550
Vocal Music	Reimbursement	1,725
TSA	Reimbursement	90
Total Accounts Receivable		<u>\$ 8,962</u>

Madison County School District  
B Michael Caudill Middle School  
Activity Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)  
For the Year Ended June 30, 2013

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2012	Fund Balance June 30, 2013
Academic team	\$ 425	\$ 415	\$ -	\$ 26	\$ 36
Andy Byrd	2,701	2,701	-	-	-
Art club	100	45	-	430	485
Band (fundraising)	1,286	-	(1,441)	156	1
Band trip	19,534	18,978	(556)	-	-
Band/Chorus	16,257	17,706	1,997	141	689
Carter caves	17,075	16,573	(600)	611	513
Challengers	2,527	2,901	485	101	212
Chicago field trip	22,990	22,850	74	182	396
Childhood Cancer	477	477	-	-	-
Chorus (fundraising)	-	21	-	311	290
Community based instruction	649	538	-	212	323
Contenders	2,554	2,945	455	101	165
Cooking club	-	111	-	111	-
FBLA	180	92	-	-	88
Fees	4,617	2,758	(1,920)	162	101
Football	4,020	-	1,420	-	5,440
Fuel up to play 60	-	1,154	-	1,154	-
General fund	(11)	17	-	46	18
Gladiators	979	1,021	-	100	58
Great american fund	16,061	8,818	(7,243)	-	-
Heroes	1,441	1,551	288	101	279
Humane Society	205	205	-	-	-
Kings island	-	-	-	50	50
Library	3,872	3,306	-	1,311	1,877
Lost textbooks	203	-	-	263	466
Mike's kids	50	100	-	50	-
National honor society	791	741	-	520	570
New york city	-	-	-	899	899

Madison County School District  
B Michael Caudill Middle School  
Activity Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)  
For the Year Ended June 30, 2013

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2012	Fund Balance June 30, 2013
Pass	-	75	500	-	425
Pictures	1,403	1,186	-	30	247
Poster maker	183	270	-	98	11
Relay for life	1,028	1,028	-	-	-
Renaissance	19,200	26,932	6,228	3,605	2,101
Robotics	475	636	(20)	201	20
Salvation Army	488	488	-	-	-
Spanish club	-	-	-	20	20
Spartan jackets	450	550	100	-	-
Sports	51,733	59,453	600	7,832	712
St. Jude	289	289	-	-	-
Staffulty renaissance	106	460	(100)	533	79
STLP	-	61	-	149	88
Teacher vending	1,482	1,587	-	604	499
Team Jeremiah	472	472	-	-	-
Technology education	1,497	1,649	20	887	755
UK Childrens	-	300	-	300	-
URS grant	-	90	-	90	-
Victors	948	813	-	101	236
Washington, DC	25,467	25,148	(287)	295	327
Yearbook	144	9,232	-	9,150	62
<b>Total</b>	<b>\$ 224,348</b>	<b>\$ 236,743</b>	<b>\$ -</b>	<b>\$ 30,933</b>	<b>\$ 18,538</b>

Madison County School District  
B Michael Caudill Middle School  
Activity Fund  
Schedule of Accounts Payable  
June 30, 2013

<u>Account</u>	<u>Description</u>	<u>Amount</u>
Sports	Reimbursement	\$ 340
Sports	Reimbursement	911
Technology education	Supplies	<u>217</u>
Total Accounts Payable		<u>\$ 1,468</u>

Madison County School District  
Clark-Moores Middle School  
Activity Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)  
For the Year Ended June 30, 2013

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2012	Fund Balance June 30, 2013
Academic team	\$ 560	\$ 637	\$ -	\$ 79	\$ 2
Apache tribe	1,353	1,143	(25)	713	898
Archery	11,602	8,495	-	1,294	4,401
Art	178	125	-	-	53
Band	20,769	21,082	(624)	1,470	533
Baseball	4,033	4,315	282	-	-
Book fair	-	-	-	-	-
Boys basketball	12,739	14,500	(132)	1,980	87
Boys soccer	984	1,048	(61)	125	-
Braves stop & shop	457	557	-	170	70
Cheerleaders - blue	8,226	7,138	210	1,910	3,208
Cherokee tribe	550	600	(38)	614	526
Chippewa tribe	399	414	-	15	-
Chorus	-	250	-	393	143
Commonwealth MS Athletic Co	10,955	10,471	695	-	1,179
Dance team	14,641	13,382	(306)	1,150	2,103
Drama	-	-	-	1,118	1,118
Dress Down Day	2,136	1,267	(869)	-	-
FCA	521	455	-	238	304
Fees	3,327	3,327	-	-	-
Football	3,921	2,332	(1,590)	301	300
FT - MCBE	3,000	4,734	(476)	5,112	2,902
General fund	678	1,532	1,138	21,736	22,020
Girls basketball	10,905	11,691	(160)	5,991	5,045
Girls soccer	4,812	4,872	(30)	710	620
Grade 6	-	59	-	326	267
Grade 7	-	-	-	10	10
Grade 8	-	(26)	-	224	250
Grant - Kelly	-	3	-	75	72

Madison County School District  
Clark-Moores Middle School  
Activity Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)  
For the Year Ended June 30, 2013

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2012	Fund Balance June 30, 2013
Gym rental	-	-	-	-	-
Hospitality	1,225	1,514	273	17	1
Inauguration	7,820	7,565	(255)	-	-
Iroquois tribe	545	423	-	1	123
Library misc.	5,015	5,072	1,740	1,931	3,614
Maps expedition	-	-	-	568	568
Mock trial	210	305	-	277	182
National honor society	-	-	-	978	978
Newspaper	-	164	-	416	252
P.E.	-	-	-	485	485
Pictures	1,226	-	(1,529)	303	-
Poster maker	325	108	304	746	1,267
PTO	1,107	958	-	546	695
Relay for Life	658	658	-	-	-
Renaissance	40,569	39,524	(85)	9,095	10,055
Science - Chicago	10,306	11,487	1,420	866	1,105
Science Olympics	1,626	1,431	-	-	195
Seminole tribe	528	554	26	-	-
Shawnee tribe	560	526	(4)	20	50
Softball	6,723	8,469	-	7,221	5,475
Sports extra	-	90	90	-	-
St Jude	-	-	-	-	-
STLP	-	-	-	-	-
Student council	871	2,071	-	1,825	625
Teacher appreciation	273	875	602	-	-
Teacher vending	510	-	(510)	-	-
Teachers renaissance	2,244	2,254	(36)	196	150
Tornado victims	-	-	-	-	-
Track	2,341	2,218	(30)	105	198

Madison County School District  
 Clark-Moores Middle School  
 Activity Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)  
 For the Year Ended June 30, 2013

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2012	Fund Balance June 30, 2013
Travel club	-	-	-	-	-
Travel club - 8th grade	-	-	-	-	-
United way	256	-	-	67	323
Volleyball	3,720	5,677	(20)	3,827	1,850
Yearbook	645	1,369	-	2,775	2,051
<b>Total</b>	<b>\$ 206,049</b>	<b>\$ 207,715</b>	<b>\$ -</b>	<b>\$ 78,019</b>	<b>\$ 76,353</b>

Madison County School District  
Clark-Moores Middle School  
Activity Fund  
Schedule of Accounts Payable  
June 30, 2013

<u>Account</u>	<u>Description</u>	<u>Amount</u>
Dance	Candy bars for fundraiser inventory	<u>\$ 1,800</u>
Total Accounts Payable		<u><u>\$ 1,800</u></u>

Madison County School District  
Clark-Moores Middle School  
Activity Fund  
Schedule of Accounts Receivable  
June 30, 2013

<u>Account</u>	<u>Description</u>	<u>Amount</u>
Dance	Fundraiser sponship	\$ 2,300
Dance	Student dues	300
Dance	Shirt sponserships	<u>400</u>
Total Accounts Receivable		<u>\$ 3,000</u>

Madison County School District  
 Farristown Middle School  
 Activity Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)  
 For the Year Ended June 30, 2013

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2012	Fund Balance June 30, 2013
Academic team	1,002	1,136	(85)	255	36
Achievers	800	696	-	-	104
Archery	11,149	11,978	-	2,495	1,666
Athletics	24,693	27,338	2,916	3,218	3,489
Band	4,445	3,950	-	1	496
Baseball	6,904	5,238	-	481	2,147
Believers	955	851	-	-	104
Box tops	601	404	-	4	201
Boys basketball	12,439	9,711	(703)	1,002	3,027
Boys soccer	1,507	1,395	(225)	559	446
Challengers	825	670	(135)	-	20
Charities	1,430	1,171	-	-	259
Cheerleading	7,716	6,304	-	1,158	2,570
Chorus	4,102	4,427	-	353	28
Dance team	7,123	5,158	-	1	1,966
Dreamers	1,997	1,771	-	-	226
Explorers	500	357	-	-	143
Fees	3,457	3,283	-	93	267
Field trips	9,630	8,595	100	245	1,380
Flyers roost	7,208	6,232	(545)	1,169	1,600
Football	7,455	5,902	(430)	2,025	3,148
Fundraising	1,899	1,549	45	-	395
General fund	1,084	582	-	27	529
Girls basketball	9,439	7,762	(535)	1,618	2,760
Girls soccer	1,342	972	(265)	612	717
Grade 6	5,962	5,558	-	-	404
Grade 7	-	-	-	-	-
Grade 8	5,621	5,332	96	-	385
Grants	4,030	4,263	-	330	97

Madison County School District  
 Farristown Middle School  
 Activity Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)  
 For the Year Ended June 30, 2013

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2012	Fund Balance June 30, 2013
Great american fundraiser	11,052	11,051	-	-	1
Language arts dept.	-	-	-	-	-
Library	4,370	4,455	50	720	685
Math dept.	-	-	-	-	-
MSHS play tickets	-	-	-	-	-
Newspaper	-	-	-	8	8
Pictures	943	861	-	55	137
Posters	-	-	-	106	106
Renaissance	18,228	16,363	(300)	363	1,928
Science dept.	-	-	-	-	-
Social studies dept.	-	-	-	-	-
Softball	5,476	5,164	(96)	3	219
Staff vending	830	261	-	75	644
Staffulty	129	129	-	-	-
Track	8,113	6,556	-	192	1,749
Travel club	36,874	35,785	500	2	1,591
Volleyball	3,950	3,001	(388)	919	1,480
Yearbook	465	853	-	820	432
<b>Total</b>	<b>\$ 235,745</b>	<b>\$ 217,064</b>	<b>\$ -</b>	<b>\$ 18,909</b>	<b>\$ 37,590</b>

Madison County School District  
 Madison Middle School  
 Activity Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)  
 For the Year Ended June 30, 2013

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2012	Fund Balance June 30, 2013
Academic team	\$ 477	\$ 864	\$ 372	\$ 15	\$ -
Archery	2,620	3,757	-	5,141	4,004
Athletic ticket sales	16,302	17,070	1,807	-	1,039
Auditorium	428	423	-	1	6
Band	23,579	23,139	(40)	-	400
Baseball	2,485	1,517	-	-	968
Beta club	5,269	5,101	(123)	-	45
Bluegrass academic team	-	-	-	-	-
Book fair	2,176	1,741	-	402	837
Boys basketball	2,263	6,747	3,801	683	-
Boys soccer	28	543	292	2,692	2,469
Charity contribution	85	85	-	-	-
Cheerleaders	4,983	2,463	(2,190)	-	330
Chorus	456	501	-	330	285
Coke machine - faculty	696	590	-	93	199
Coke machine - students	127	40	-	-	87
Columbus trip	-	-	-	-	-
Community Service/ GT	630	630	-	-	-
Concessions	5,626	3,519	(2,107)	-	-
Dance team	4,136	3,770	(23)	-	343
Donations	100	189	-	200	111
Drama club	-	-	-	-	-
Dress Down	1,121	649	-	-	472
FCA	-	-	-	121	121
Flower & benevolence fund	299	70	-	12	241
Football	12,889	13,660	1,001	193	423
General	5,630	2,009	(2,284)	1,979	3,316
Girls basketball	4,175	4,598	67	554	198
Girls soccer	128	1,173	250	1,389	594
Industrial technology	659	222	-	-	437
KC Kids Clothing	852	418	(10)	-	424

Madison County School District  
 Madison Middle School  
 Activity Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)  
 For the Year Ended June 30, 2013

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2012	Fund Balance June 30, 2013
Library	824	979	-	460	305
Lost books	-	-	-	-	-
Newspaper	-	-	-	-	-
PE	-	1	(760)	761	-
Pictures	121	104	-	-	17
Read 180	-	164	-	169	5
Reading	-	-	-	592	592
Renaissance	-	57	-	64	7
School shirts	840	798	-	-	42
Science club	-	-	-	-	-
Social studies	-	-	-	175	175
Softball	5,117	3,855	-	48	1,310
Special education	-	-	-	-	-
Staffulty motivation	500	391	-	-	109
STLP	104	117	-	24	11
Student fees	3,048	4,137	-	2,313	1,224
Team 1	-	-	-	-	-
Team 2	-	-	-	-	-
Team 3	-	-	-	-	-
Team 4	-	-	-	-	-
Team 5	-	-	-	-	-
Team 6	-	-	-	-	-
Track	4,339	3,862	(35)	-	442
Travel	12,533	12,522	-	-	11
Volleyball	1,676	1,250	-	954	1,380
Washington DC	31,725	34,631	30	5,286	2,410
Yearbook	3,158	2,507	(48)	756	1,359
<b>Total</b>	<b>\$ 162,204</b>	<b>\$ 160,863</b>	<b>\$ -</b>	<b>\$ 25,407</b>	<b>\$ 26,748</b>

Madison County School District  
Madison Middle School  
Activity Fund  
Schedule of Accounts Receivable  
June 30, 2013

<u>Account</u>	<u>Description</u>	<u>Amount</u>
Volleyball	Banquet Trophies	\$ 80
Flower Fund	Funeral Flowers	<u>60</u>
Total Accounts Receivable		<u>\$ 140</u>

Madison County School District  
Red Foley Middle School  
Activity Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)  
For the Year Ended June 30, 2013

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2012	Fund Balance June 30, 2013
6th grade	\$ 3,830	\$ 2,686	\$ -	\$ 157	\$ 1,301
7th grade	2,523	2,247	-	498	774
8th grade	2,610	1,559	-	279	1,330
Academic team	329	643	-	381	67
Archery	15,419	16,323	11	1,052	159
Art club	405	-	-	26	431
Athletic	3,809	2,480	(2,391)	4,064	3,002
Band	6,972	5,609	-	296	1,659
Baseball	6,403	8,599	971	1,225	-
Bluegrass academic	-	-	-	-	-
Boxtops	456	171	-	116	401
Boys basketball	14,104	10,734	(802)	2,676	5,244
Boys soccer	1,452	1,421	-	-	31
Boys track	1,428	1,500	72	-	-
Charity	7,135	7,227	92	-	-
Chorus/drama	606	-	-	473	1,079
Drama	-	-	-	-	-
Drill team	18,274	16,844	-	1,193	2,623
Fees	4,675	6,163	-	2,824	1,336
Field trip	-	-	-	-	-
Football	8,968	8,779	(20)	1,534	1,703
Girls basketball	14,009	13,248	502	1,292	2,555
Girls soccer	709	1,982	-	1,416	143
Girls track	2,744	3,458	588	126	-
Gym rent	210	-	-	1	211
Hospitality	252	128	-	44	168
Interest	(16)	-	-	46	30
Junior varsity	6,469	6,801	464	1,109	1,241
Library fines	6,885	4,909	861	1,254	4,091

Madison County School District  
Red Foley Middle School  
Activity Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)  
For the Year Ended June 30, 2013

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2012	Fund Balance June 30, 2013
Poster printer	685	117	50	864	1,482
Principal account	-	-	-	-	-
Renaissance	10,701	7,525	(913)	2,075	4,338
Ripples of hope	-	-	-	-	-
School picture	4,339	3,175	-	1,173	2,337
Softball	2,965	4,014	1,049	-	-
Staffulty incentives	-	-	-	-	-
Student pepsi	-	97	-	97	-
Teacher pepsi	667	447	-	131	351
Team A	-	-	-	-	-
Team B	-	-	-	-	-
Team C	-	-	-	-	-
Team D	-	-	-	-	-
Team E	-	-	-	-	-
Team G	-	-	-	-	-
Team H	-	-	-	-	-
Varsity cheer	10,418	8,272	(464)	1,794	3,476
Volleyball	5,892	5,265	(70)	354	911
Yearbook	1,828	1,247	-	3,225	3,806
Zumba	-	-	-	-	-
<b>Total</b>	<b>\$ 168,155</b>	<b>\$ 153,670</b>	<b>\$ -</b>	<b>\$ 31,795</b>	<b>\$ 46,280</b>

Madison County School District  
 Red Foley Middle School  
 Activity Fund  
 Schedule of Accounts Payable  
 June 30, 2013

Account	Description	Amount
Drill Team	Jackets/Bags	\$ 800
Fees	Prizes/Attendance	671
Football	Equipment	900
Football	Shirts	370
Library Fines	Supplies	94
Library Fines	Books	248
Renaissance	Rewards	629
Renaissance	Supplies	155
Renaissance	Supplies	134
School pictures	Supplies	13
School Pictures	Binders	22
Varsity Cheer	Uniforms/Supplies	1,396
Varsity Cheer	Music box, Supplies	250
		<hr/>
Total Accounts Payable		<u><u>\$ 5,682</u></u>

Madison County School District  
Daniel Boone Elementary  
Activity Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
For the Year Ended June 30, 2013

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2012	Fund Balance June 30, 2013
General and Instructional					
Archery	\$ 1,297	\$ 1,501	\$ 296	\$ 107	\$ 199
Art club	168	168	-	51	51
Arts and humanities	319	51	-	832	1,100
Beta club	-	-	-	372	372
Bookfair	8,506	8,298	-	-	208
Chorus account	7,066	6,250	(296)	787	1,307
Classroom fees	2,738	4,516	-	6,898	5,120
Donations	151	-	-	386	537
Fifth grade graduation	1,660	1,532	-	451	579
General	8,259	6,617	(812)	496	1,326
Interest	17	-	(360)	344	1
Kindergarten fund	304	694	1,290	-	900
Lost library books	171	167	-	114	118
Pam Davenport	-	-	(26)	26	-
Pictures	2,643	2,881	-	4,775	4,537
Teacher's appreciation	-	204	145	837	778
Teacher's lounge	114	-	(145)	31	-
Vickie Moody	-	-	(92)	92	-
<b>Total</b>	<b>\$ 33,413</b>	<b>\$ 32,879</b>	<b>\$ -</b>	<b>\$ 16,599</b>	<b>\$ 17,133</b>

Madison County School District  
 Glenn R. Marshall Elementary  
 Activity Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)  
 For the Year Ended June 30, 2013

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2012	Fund Balance June 30, 2013
General and Instructional					
Academic team	\$ 90	\$ 234	\$ 100	\$ 769	\$ 725
Archery	23,511	18,848	100	6,487	11,250
Charitable fundraising	2,016	2,016	-	-	-
Dance team	9,385	12,030	100	4,464	1,919
Dance team - 3rd grade	1,000	1,000	-	-	-
Fees & misc	13,072	19,887	7,038	7,067	7,290
Field trips	9,380	8,871	(508)	-	1
FRC account	822	862	-	86	46
Fundraiser account	-	2,289	-	2,289	-
General fund	16,799	10,398	(6,672)	2,611	2,340
Library account	10,315	11,250	111	1,209	385
National Honor Society	-	613	85	528	-
PTO account	-	-	-	-	-
Related arts account	-	-	-	-	-
Special events	5,311	5,513	(183)	386	1
Spirit team	-	95	-	95	-
Staff vending	1,167	663	-	107	611
STLP account	-	15	100	26	111
Summer school	1,478	1,207	(271)		
Yearbook	5,402	3,746	-	436	2,092
Total	<u>\$ 99,748</u>	<u>\$ 99,537</u>	<u>\$ -</u>	<u>\$ 26,560</u>	<u>\$ 26,771</u>

Glenn R. Marshall Elementary  
Activity Fund  
Schedule of Accounts Payable  
June 30, 2013

<u>Account</u>	<u>Description</u>	<u>Amount</u>
Archery	Reimbursement	\$ 308
General	Student Planners	1,080
General	Field trip- Louisville	<u>349</u>
Total Accounts Payable		<u><u>\$ 1,737</u></u>

Madison County School District  
Glenn R. Marshall Elementary  
Activity Fund  
Schedule of Accounts Receivable  
June 30, 2013

<u>Account</u>	<u>Description</u>	<u>Amount</u>
General Fund	Spring Pictures	<u>\$ 1,563</u>
Total Accounts Receivable		<u><u>\$ 1,563</u></u>

Madison County School District  
Kingston Elementary  
Activity Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)  
For the Year Ended June 30, 2013

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2012	Fund Balance June 30, 2013
Academic team	\$ 101	\$ -	\$ -	\$ 118	\$ 219
Accelerated reader	15,489	15,545	-	56	-
American Heart Association	325	325	-	-	-
Archery	5,554	5,106	-	287	735
Calendars	-	-	(263)	263	-
Domino pizza cards	-	5,509	-	6,211	702
Donations	32	-	-	688	720
Field trip fund	4,410	3,659	-	442	1,193
Fit lab	5,208	5,235	-	4,464	4,437
General account	5,328	6,591	263	4,794	3,794
Gym rental	-	-	-	-	-
Junior beta club	46	-	(46)	-	-
Kindergarten fun day	-	-	(11)	11	-
Lost books	184	-	-	-	184
Now account	-	-	-	-	-
Pictures	3,625	1,983	-	27	1,669
Preschool program	569	569	-	-	-
School to work	1,674	1,328	-	1,250	1,596
Staff appreciation	438	316	-	51	173
STLP	160	118	-	-	42
Student book order	-	-	-	-	-
Student fees	4,009	4,066	57	-	-
Student vending	680	575	-	335	440
Testing shirts	2,758	901	-	189	2,046
The Ned Show	1,508	1,389	-	-	119
Tornado 2012 fund	-	-	-	-	-
Yearbook	2,380	1,640	-	2,988	3,728
Zoogle Inc.	-	-	-	-	-
Fees	-	-	-	-	-
	-	-	-	-	-
<b>Total</b>	<b>\$ 54,478</b>	<b>\$ 54,855</b>	<b>\$ -</b>	<b>\$ 22,174</b>	<b>\$ 21,797</b>

Kingston Elementary  
Activity Fund  
Schedule of Accounts Payable  
June 30, 2013

<u>Account</u>	<u>Description</u>	<u>Amount</u>
General	Fuel for Mowing	\$ 70
General	Envelopes	81
General	Checkout cards	<u>62</u>
Total Accounts Payable		<u><u>\$ 213</u></u>

Madison County School District  
 Kirksville Elementary  
 Activity Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)  
 For the Year Ended June 30, 2013

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2012	Fund Balance June 30, 2013
General and Instructional					
1st grade field trips	\$ 1,131	\$ 1,095	\$ -	\$ -	\$ 36
2nd grade field trips	608	600	-	-	8
3rd grade field trips	1,725	1,720	-	-	5
4th grade field trips	587	587	-	-	-
5th grade field trips	400	456	-	56	-
5th grade fund	628	628	-	-	-
Academic team	331	329	-	-	2
Annual 5th grade luncheon	60	60	-	-	-
Archery program	12,712	10,676	-	719	2,755
Bookfair	921	961	(90)	566	436
Cause donations	430	430	-	-	-
Donations	-	-	-	92	92
Fees	3,282	1,562	(2,283)	563	-
Field trips	-	-	-	-	-
FRC	213	374	-	1,075	914
General	110	4,353	2,283	4,553	2,593
Girls on the run	26	-	-	-	26
Jump rope/hoops for hear	406	406	-	-	-
Junior beta club	-	-	-	-	-
Kindergarten field trips	-	-	-	-	-
Kirksville FCA	375	265	-	248	358
K-pictures	345	113	-	342	574
Miscellaneous	1,288	1,232	-	474	530
Pennies for plants	-	-	-	-	-
Pictures	3,342	3,342	-	1	1
Pumpkin run	175	15	-	25	185
Relay for life	-	-	-	10	10
School fundraiser	13,674	13,675	-	1	-

Madison County School District  
 Kirksville Elementary  
 Activity Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)  
 For the Year Ended June 30, 2013

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2012	Fund Balance June 30, 2013
Science lab	-	-	-	-	-
Snack machine	356	398	-	375	333
Staff flower fund	250	185	-	-	65
Staff pepsi machine	373	463	-	250	160
STLP	322	318	-	145	149
Student fee	-	-	-	-	-
Wetlands project	-	-	-	257	257
Yearbook	4,016	4,240	90	910	776
Total	<u>\$ 48,086</u>	<u>\$ 48,483</u>	<u>\$ -</u>	<u>\$ 10,662</u>	<u>\$ 10,265</u>

Madison County School District  
 Kit Carson Elementary  
 Activity Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)  
 For the Year Ended June 30, 2013

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2012	Fund Balance June 30, 2013
General and Instructional					
Accelerated reader	\$ -	\$ 142	\$ -	\$ 142	\$ -
Classroom fees	3,322	3,322	-	-	-
General funds	42,753	42,388	-	8,514	8,879
Lost books, CUTTS	-	12	-	12	-
Lost library books	99	-	-	1,330	1,429
Staff vending/pepsi-coke	247	790	-	922	379
Total	<u>\$ 46,421</u>	<u>\$ 46,654</u>	<u>\$ -</u>	<u>\$ 10,920</u>	<u>\$ 10,687</u>

Madison County School District  
Kit Carson Elementary  
Activity Fund  
Schedule of Accounts Payable  
June 30, 2013

<u>Account</u>	<u>Description</u>	<u>Amount</u>
General	Driver Fuel Reimbursement	\$ 1,172
General	Driver Fuel Reimbursement	2,958
General	Newspaper Advertisement	<u>60</u>
Total Accounts Payable		<u>\$ 4,190</u>

Masison County School District  
 Mayfield Elementary  
 Activity Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)  
 For the Year Ended June 30, 2013

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2012	Fund Balance June 30, 2013
General and Instructional					
Book fair	\$ 3,941	\$ 3,409	\$ -	\$ 3,491	\$ 4,023
Box tops for education	-	-	-	-	-
Chorus	-	-	-	12	12
Field Trips	4,783	5,755	1,382	-	410
General fund	2,722	2,640	(200)	3,538	3,420
Hoops for heart	-	-	-	-	-
Mike's kids campaign	-	-	-	400	400
Modern woodman	-	-	-	-	-
Paper/pencil vending	43	-	-	307	350
Project greenhouse	-	-	-	1,089	1,089
Staff courtesy	-	-	-	-	-
Staff snack vending	354	427	-	289	216
Student pictures	1,182	-	(1,182)	-	-
Valentine grams	196	200	-	4	-
Total	<u>\$ 13,221</u>	<u>\$ 12,431</u>	<u>\$ -</u>	<u>\$ 9,130</u>	<u>\$ 9,920</u>

Madison County School District  
 Mayfield Elementary  
 Activity Fund  
 Schedule of Accounts Receivable  
 June 30, 2013

Account	Description	Amount
Book Fair	Bogie/Library	\$ 6
Field Trips	Camp/2nd grade	20
Field Trips	Wilson/2nd grade	5
Staff snack vending	Staff Vending	18
Staff snack vending	Staff Vending	<u>26</u>
Total Accounts Receivable		<u><u>\$ 75</u></u>

Masison County School District  
Shannon Johnson Elementary  
Activity Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)  
For the Year Ended June 30, 2013

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2012	Fund Balance June 30, 2013
General and Instructional					
Academic team	\$ 710	\$ 500	\$ -	\$ 1	\$ 211
Book fair	9,286	8,330	155	193	1,304
Care committee	260	324	-	550	486
Charitable fundraiser	-	-	-	-	-
Classroom fees	-	-	-	-	-
Cosi Museum	7,606	7,792	186	-	-
Donations	310	473	(19)	445	263
FCA	-	-	-	-	-
Fees	1,145	599	(41)	-	505
Field trips	-	-	(236)	589	353
Fit kids camp	6,244	5,811	-	-	433
General	(65)	302	48	433	114
Green Team	1,408	899	-	-	509
Hawks landing	2,847	1,882	(108)	697	1,554
Interest	16	-	-	120	136
Jump rope for heart	948	948	-	-	-
Junior beta club	1,242	1,008	15	113	362
Lost library books	306	-	-	149	455
Miscellaneous	10,994	14,017	142	6,809	3,928
Movin groovin hawks	-	-	-	40	40
NASP	430	772	-	471	129
Pictures	3,485	5,746	-	2,906	645
Pumpkin run	395	395	-	-	-
STLP	279	86	-	79	272
Student vending	-	-	(142)	142	-
Teachers lounge	116	104	-	66	78
Yearbook	4,200	4,295	-	2,190	2,095
<b>Total</b>	<b>\$ 52,162</b>	<b>\$ 54,283</b>	<b>\$ -</b>	<b>\$ 15,993</b>	<b>\$ 13,872</b>

Masison County School District  
Silver Creek Elementary  
Activity Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)  
For the Year Ended June 30, 2013

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2012	Fund Balance June 30, 2013
General and Instructional					
Academic team	\$ 235	\$ 263	\$ -	\$ 144	\$ 116
Adult vending	1,585	1,854	-	289	20
Archery program	2,396	2,132	-	391	655
Country dancers	1,065	1,086	-	202	181
Family resource center	-	99	-	250	151
Field trips	4,532	4,584	-	671	619
General fund	12,640	9,537	-	17,757	20,860
Grants	-	-	-	19	19
Gym rental	-	-	-	-	-
Kiwanis	250	135	-	365	480
Operating expense	-	-	-	782	782
Pumpkin run	359	427	-	87	19
Service projects	-	-	-	368	368
Student fees	2,933	2,933	-	-	-
Wellness	-	3,500	-	3,500	-
Yearbook	3,800	6,849	-	3,049	-
Total	<u>\$ 29,795</u>	<u>\$ 33,399</u>	<u>\$ -</u>	<u>\$ 27,874</u>	<u>\$ 24,270</u>

Madison County School District  
Silver Creek Elementary  
Activity Fund  
Schedule of Accounts Payable  
June 30, 2013

<u>Account</u>	<u>Description</u>	<u>Amount</u>
General	Bobcat club	<u>\$ 89</u>
Total Accounts Payable		<u><u>\$ 89</u></u>

Madison County School District  
Silver Creek Elementary  
Activity Fund  
Schedule of Accounts Receivable  
June 30, 2013

<u>Account</u>	<u>Description</u>	<u>Amount</u>
General fund	Software reimbursement	<u>\$ 3,000</u>
Total Accounts Receivable		<u><u>\$ 3,000</u></u>

Masison County School District  
Waco Elementary  
Activity Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)  
For the Year Ended June 30, 2013

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2012	Fund Balance June 30, 2013
General and Instructional					
Academic team	\$ -	\$ -	\$ -	\$ -	\$ -
Archery team	141	141	-	-	-
Donations	7,151	1,713	(4,956)	1,392	1,874
ESS	-	-	-	393	393
FCA	-	-	-	5	5
Fees	3,167	2,873	(294)	-	-
Fieldtrip fund	3,675	4,748	744	1,291	962
General	1,927	2,487	296	2,162	1,898
Gym rental	99	99	-	68	68
Interest	32	-	-	843	875
Library/bookfair	9,695	10,761	9	3,070	2,013
Line dance team	-	-	-	-	-
Lost books	-	-	-	-	-
Miscellaneous	9,229	9,345	119	-	3
Pictures	5,251	10,934	4,091	5,906	4,314
Pumpkin run	-	-	-	658	658
STLP	64	64	-	-	-
Teachers lounge vending	485	329	-	177	333
Yearbook	3,552	3,687	(9)	1,600	1,456
Total	<u>\$ 44,468</u>	<u>\$ 47,181</u>	<u>\$ -</u>	<u>\$ 17,565</u>	<u>\$ 14,852</u>

Madison County School District  
Waco Elementary  
Activity Fund  
Schedule of Accounts Receivable  
June 30, 2013

<u>Account</u>	<u>Description</u>	<u>Amount</u>
Donation	Donation	<u>\$ 372</u>
Total Accounts Receivable		<u><u>\$ 372</u></u>

Masison County School District  
White Hall Elementary  
Activity Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)  
For the Year Ended June 30, 2013

Account	Revenues	Expenditures	Transfers In (Out)	Fund Balance July 1, 2012	Fund Balance June 30, 2013
General and Instructional					
4th grade art club	\$ -	\$ -	\$ -	\$ 55	\$ 55
Academic team	330	298	-	8	40
Archery club	4,094	3,454	-	3	643
Art club	-	-	-	843	843
Beta club	-	-	-	-	-
Book fair	15,486	11,462	-	7,806	11,830
Box tops	7,815	70	(7,875)	699	569
Donation - leukemia & lym	-	-	-	-	-
Donations	1,101	1,394	-	730	437
Fees	5,673	5,674	-	1	-
Field trip assistance	3,880	3,721	-	102	261
General	14,446	22,343	43	28,401	20,547
Green club	553	369	(93)	-	91
Hoops for heart	-	-	-	-	-
Interest	57	-	-	7,088	7,145
Lolly grams	-	7	-	7	-
Lost books	338	-	-	646	984
Make a wish	405	405	-	-	-
Miscellaneous	16,324	23,253	7,925	5,902	6,898
Music	1,840	1,826	-	271	285
Operating expenses	-	-	-	-	-
Red cross	-	-	-	-	-
Renaissance	323	931	-	1,230	622
STLP	200	35	-	20	185
Teacher's lounge	291	359	-	195	127
Yearbook	9,201	9,457	-	1,948	1,692
Total	<u>\$ 82,357</u>	<u>\$ 85,058</u>	<u>\$ -</u>	<u>\$ 55,955</u>	<u>\$ 53,254</u>

Madison County School District  
White Hall Elementary  
Activity Fund  
Schedule of Accounts Payable  
June 30, 2013

<u>Account</u>	<u>Description</u>	<u>Amount</u>
Archery	Archery Dinner	\$ 300
General	Text Books	9,122
Misc.- Susan Huntzinger	Classroom Supplies	100
Misc. - Tiffany McAvoy	Classroom Supplies	<u>100</u>
Total Accounts Payable		<u><u>\$ 9,622</u></u>

Madison County School District  
White Hall Elementary  
Activity Fund  
Schedule of Accounts Receivable  
June 30, 2013

<u>Account</u>	<u>Description</u>	<u>Amount</u>
General	Commission for pictures	<u>\$ 2,000</u>
Total Accounts Receivable		<u><u>\$ 2,000</u></u>

Madison County School District  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2013

Federal Grantor/ Program Title	Federal CFDA Number	Grant ID Number	Expenditures
<u>U.S. Department of Agriculture</u>			
Passed Through the Kentucky Department of Education			
Child Nutrition Cluster:			
Cash Assistance			
School Breakfast Program - 2012	10.553	7760005-12	\$ 143,713
School Breakfast Program - 2013	10.553	7760005-13	624,984
National School Lunch Program - 2012	10.555	7760005-12	357,114
National School Lunch Program - 2013	10.555	7760005-13	1,909,545
Summer Food Service Program for Children - 2012	10.559	7760005-12	51,932
Non-Cash Assistance (Commodities)			
National School Lunch Program	10.555		<u>242,203</u>
Total Child Nutrition Cluster			3,329,491
Passed through the Kentucky Department of Agriculture			
Fresh Fruit and Vegetable Program - 2012	10.582	7720012-12	3,369
Fresh Fruit and Vegetable Program - 2013	10.582	7720012-13	<u>13,865</u>
Total U.S. Department of Agriculture			<u>3,346,725</u>
<u>U.S. Department of Education</u>			
Passed Through the Kentucky Department of Education			
Special Education Cluster:			
IDEA - Basic - 2011	84.027	3810002-11	55,781
IDEA - Basic - 2012	84.027	3810002-12	23,485
IDEA - Basic - 2013	84.027	3810002-13	2,049,764
IDEA- Preschool - 2013	84.173	3810002-13	<u>111,783</u>
Total Special Education Cluster			2,240,813
Title I Cluster:			
Title I Grants to Local Educational Agencies - 2011	84.010	3100002-11	35,581
Title I Grants to Local Educational Agencies - 2012	84.010	3100002-12	578,823
Title I Grants to Local Educational Agencies - 2013	84.010	3100002-13	<u>2,478,351</u>
Total Title I Cluster			3,092,755
Migrant Education - State Grant Programs - 2012	84.011	31100002-12	82,829
Migrant Education - State Grant Programs - 2013	84.011	31100002-13	114,108
Title I - Neglected/Delinquent - 2013	84.013	3133	13,994
Title I - Neglected/Delinquent Transition - 2012	84.013	3132T	1,396
Title I - Neglected/Delinquent Transition - 2013	84.013	3133T	1,399
Title III - 2011	84.031	3300002-11	15,383
Title III - 2012	84.031	3300002-12	29,014
Title III - 2013	84.031	3300002-13	4,718
Vocational Education - Basic Grants to States - 2011	84.048	4620932-11	4,126
Vocational Education - Basic Grants to States - 2012	84.048	4620932-12	4,779
Vocational Education - Basic Grants to States - 2013	84.048	4620932-13	90,605
Improving Teacher Quality State Grants - 2012	84.367	3230001-12	2,433
Improving Teacher Quality State Grants - 2013	84.367	3230001-13	473,818
Education Jobs Fund Grant - 2011	84.410	4411	26,350
Educational Technology State Grants - 2011	84.318X	3210002-11	19,814
Race to the Top - 2011	84.413A	3960002	37,380
Reading Recovery Grant - 2012	84.412	4912	1,092
Reading Recovery Grant - 2013	84.412	4913	<u>21,443</u>
Total Passed Through the Kentucky Department of Education			<u>6,278,249</u>

Madison County School District  
Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2013

Federal Grantor/ Program Title	Federal CFDA Number	Grant ID Number	Expenditures
Direct Funding Through the Federal Government			
Gaining Early Awareness and Readiness for Undergraduate Programs - 2012	84.344	3792G	7,305
Gaining Early Awareness and Readiness for Undergraduate Programs - 2013	84.344	3793G	763,022
Total Direct Funding Through the Federal Government			<u>770,327</u>
Total U.S. Department of Education			<u>7,048,576</u>
<u>U.S. Department of Defense</u>			
ROTC - 2013	12.357	5043	118,529
Total U.S. Department of Defense			<u>118,529</u>
<u>U.S. Department of Health and Human Services</u>			
Head Start - Early Childhood Development - ARRA 2011	93.708	6551C	13,966
Head Start - Early Childhood Development - ARRA 2013	93.708	6553C	10,521
Comprehensive School Health Program - 2011	93.938	4181	900
Total U.S. Department of Health and Human Services			<u>25,387</u>
<u>U.S. Department of Homeland Security</u>			
CSEPP - Bus Maintenance - 2013	97.040	025BM	110,724
CSEPP - Driver Trainer - 2013	97.040	025DT	24,343
CSEPP - School Nurse Reimbursement	97.040		150,000
Total U.S. Department of Homeland Security			<u>285,067</u>
<u>Appalachian Regional Commission</u>			
Kentucky Appalachian Higher Education Center	23.011	6883	3,956
Total Appalachian Regional Commission			<u>3,956</u>
Total Expenditures of Federal Awards			<u>\$ 10,828,240</u>

Madison County School District  
Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2013

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Madison County School District and is presented on the modified accrual basis of accounting. 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*.

Independent Auditors' Report on Internal Control Over Financial Reporting  
And on Compliance And Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

To the Board Members  
Madison County School District  
550 South Keeneland Drive  
Richmond, KY 40475

We have audited, in accordance with the 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 and the requirements prescribed by the Kentucky State Committee for School District Audits in the Independent Auditor's Contract, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Madison County School District, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Madison County School District's basic financial statements, and have issued our report thereon dated November 11, 2013.

**Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Madison County School District's financial statements are free from 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*.

**Purpose of this Report**

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

*Baldwin CPAs, PLLC*

Baldwin CPAs, PLLC

November 11, 2013

Independent Auditors' Report on Compliance for Each Major Program  
And on Internal Control Over Compliance Required by OMB Circular A-133

To the Board Members  
Madison County School District  
550 South Keeneland Drive  
Richmond, Kentucky 40475

Compliance

**Report on Compliance for Each Major Federal Program**

We have audited Madison County School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Madison County School District's major federal programs for the year ended June 30, 2013. Madison County School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Madison County School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Madison County School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Madison County School District's compliance.

***Opinion on Each Major Federal Program***

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

**Report on Internal Control over Compliance**

Management of Madison County School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning

and performing our audit of compliance, we considered Madison County School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Madison County School District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2013-1, that we consider to be significant deficiencies.

Madison County School District's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Madison County School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

*Baldwin CPAs, PLLC*

Baldwin CPAs, PLLC

November 11, 2013

Madison County School District  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2013

A. Summary of Audit Results

1. The auditors' report expresses an unqualified opinion on the financial statements of the Madison County School District.
2. There were no audit findings relative to the financial statements.
3. No instances of noncompliance material to the financial statements of the Madison County School District were disclosed during the audit.
4. One deficiency related to internal control over major federal award programs is reported in the Report On Compliance for Each Major Program And on Internal Control Over Compliance Required by OMB Circular A-133. We consider this deficiency to be a significant deficiency.
5. The auditors' report on compliance for the major federal awards programs for the Madison County School District expresses an unqualified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for the Madison County School District.
7. The programs tested as major programs included:

	<u>CFDA #</u>
Child Nutrition Cluster	10.553, 10.555 and 10.559
Special Education Cluster	84.027 and 84.173
8. The threshold for distinguishing Types A and B Programs was \$324,847.
9. The Madison County School District did not qualify to be a low risk auditee.

Madison County School District  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2013

B. Findings – Major Federal Award Programs Audit

Child Nutrition Cluster  
CFDA # 10.553, 10.555, 10.559  
U.S. Department of Agriculture

2013-1

**Criteria:**

This program requires that only students eligible via a Direct Certified List or a qualifying application receive free/reduced school lunches. In addition, it is required that a minimum number of verifications and resulting corrective actions are performed annually. Controls should be in place to ensure that only those students on the Direct Certified List supplied by the state or those that have completed a qualifying applications are enrolled in the program while unqualified applicants and those not on the Direct Certified List are rejected. Additionally, there should be controls in place to ensure that the minimum number of verifications per state guidelines is performed.

**Condition:**

During audit procedures, two instances were noted in which students were enrolled in the free/reduced lunch program that should not have qualified or might not have qualified; one instance was noted in which a student was incorrectly identified as being on the Direct Certified List; one instance was noted in which the minimum number of state required verifications were not performed. Further audit procedures performed indicated that the child incorrectly identified as Direct Certified would have been eligible based on their filed application.

**Cause:**

Procedures to ensure that the Lunch Box software correctly identified those students on the Direct Certified List; the software correctly processed manual applications, including a consideration of all sources of income; and, procedures to ensure the performance of the minimum number of state required annual verifications were not consistently applied.

**Effect:**

Without consistent application of procedures to ensure that the Lunchbox software correctly identifies students on the Direct Certified List and correctly process all manual applications, the risk of an ineligible student receiving free/reduced lunch benefits is increased. Additionally, without consistent application of procedures to ensure that the minimum number of verifications of said applications is performed, the risk of falling short of state requirements and the risk of ineligible students receiving free/reduced lunch benefits is increased.

**Recommendation:**

See Corrective Action Plan

**Views of Responsible Officials:**

See Corrective Action Plan

Madison County School District  
Schedule of Prior Year Audit Findings  
For the Year Ended June 30, 2013

Original Finding Number

Current Status

2012-1

Full corrective action taken.

## CORRECTIVE ACTION PLAN

November 11, 2013

U.S. Department of Education

The Madison County School District respectfully submits the following corrective action plan for the year ended June 30, 2013.

Name and address of independent public accounting firm:

Baldwin CPAs, PLLC  
P.O. Box 1390  
Richmond, Kentucky 40476-1390

Audit period: The year ended June 30, 2013

2013-1

*Significant Deficiency:* See finding 2013-1

**Recommendation:** The District should apply controls and procedures to ensure compliance with grant requirements.

**Action Taken:** The District will assure that procedures are consistently applied to ensure applicants are correctly identified and verified.

If the U.S. Department of Education has any questions regarding this plan, please call Debbie Frazier at 859-624-4500.

Sincerely,

*Debbie Frazier*

Debbie Frazier  
Finance Officer