# OLDHAM COUNTY SCHOOL DISTRICT

## ANNUAL REPORT

## JUNE 30, 2007

AMICK & COMPANY
A PROFESSIONAL SERVICE CORPORATION

CPAS / CONSULTANTS

# OLDHAM COUNTY SCHOOL DISTRICT

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# INDEPENDENT AUDITORS' REPORT

State Committee for School District Audits
Members of the Board of Education of
Oldham County School District

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Oldham County School District as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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; the provisions of Office of Management and Budget Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations,* and the audit requirements prescribed by the Kentucky State Committee for School District Audits in *Appendix I of the Independent Auditor's Contract – General Requirements, Appendix II of the Independent Auditor's Contract – State Audit Requirements, and Appendix III of the Independent Auditor's Contract – Electronic Submission*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Oldham County School District as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2007, on our consideration of the Oldham County School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit. In addition, the results of our tests disclosed no instances of noncompliance of specific state statutes or regulations identified in *Appendix II of the Independent Auditor's Contract – State Audit Requirements*.

The Management's Discussion and Analysis on pages 7 through 15 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basis financial statements. The combining and individual nonmajor fund financial statements, and additional information are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and is also not a required part of the basic financial statements of the District. The combining and individual nonmajor fund

financial statements, the schedule of expenditures of federal awards and additional information, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Amick & Company*

Louisville, Kentucky
October 18, 2007

**OLDHAM COUNTY PUBLIC SCHOOL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2007**
**UNAUDITED**

The discussion and analysis of Oldham County Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2007. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standard Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.

**Financial Highlights**

Key financial highlights for fiscal year 2007 are as follows:

- The Oldham County Board of Education completed the 2006/07 fiscal year in a position of financial readiness with the General Fund reflecting an ending (unreserved) balance of $7,924,610. This ending balance is 7.0% of the Actual Receipts for the FY 2006/07.
- The District began construction and renovation of four (4) schools in FY 2006/07, two (2) new elementary schools and two (2) high school renovation projects providing needed space for student population growth over the next two (2) years.
- The District completed a $2.1 million initiative to install Intelligent Classroom interactive whiteboard technology into all District regular classrooms.
- The District spent $151,229 for KETS technology funds and has received a like amount in state matching funds. All available state matching funds from prior years have now been utilized. An additional $857,502 was provided by the state for instructional device upgrades.

**Using the Basic Financial Statements**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Oldham County Public School District as a financial whole, or as an entire operating entity.

The statement of net assets and statement of activities provide information about the activities of the whole school district, presenting both an aggregate view of the school district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the school district's most significant funds with all other non-major funds presented in total in a single column. For Oldham County Public School District, the General Fund is the most significant fund.

**Reporting the School District as a Whole**

**Statement of Net Assets and Statement of Activities**

While this report contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2007?" The statement of net assets and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. The basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

These two statements report the school district's net assets and changes in those assets. This change in net assets is important because it identifies whether the financial position of the school district has improved or diminished for the school district as a whole. The cause of this change may be the result of many factors, some financial, some not. Non-financial factors include the school district's property tax base, current property tax laws in Kentucky affecting revenue growth, facility conditions, required educational programs and other factors.

In the statement of net assets and the statement of activities, the school district is divided into two distinct kinds of activities:

**Government Activities** – Most of the school district's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and other support activities.

**Business-type Activity** – This service is provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The school district's food service operations are reported as a business activity.

**Reporting the School District's Most Significant Funds**

**Fund Financial Statements**

Fund financial reports provide detailed information about the school district's major funds. The school district uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the school district's most significant funds. The analysis of the school district's major funds starts on page 18.

**Governmental Funds**

Most of the school district's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the school district's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities reported in the statement of net assets and the statement of activities and the governmental funds is reconciled in the financial statements.

**Proprietary Funds**

Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in the statements for the district as a whole.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27 through 47 of this report.

## Government-Wide Financial Analysis

The largest portion of the District's net assets reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, general equipment and construction in progress), less any related debt used to acquire those assets that are 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.

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.

## The School District as a Whole

The perspective of the statement of net assets is that of the school district as a whole. This is the third year of government-wide financial statements under GASB Statement 34 reporting.

Table 1
Net Assets
(In Thousands)

| | Governmental Activities | | Business Type Activities | | Total | |
|---|---|---|---|---|---|---|
| **Assets** | **2007** | **2006** | **2007** | **2006** | **2007** | **2006** |
| Current -- Assets | $53,983 | $24,542 | $1,052 | $911 | $55,035 | $25,453 |
| Non-current Assets | $120,914 | $109,567 | $4,216 | $4,366 | $125,130 | $113,9336 |
| **TOTAL ASSETS** | $174,897 | $134,109 | $5,269 | $5,277 | $180,166 | $139,386 |
| **Liabilities** | **2007** | **2006** | **2007** | **2006** | **2007** | **2006** |
| Current -- Liabilities | $7,797 | $8,111 | $28 | $32 | $7,825 | $8,143 |
| Non-current Liabilities | $120,042 | $85,205 | $0 | $0 | $120,042 | $85,205 |
| **TOTAL LIABILITIES** | $127,839 | $93,316 | $28 | $32 | $127,867 | $93,348 |
| **Net Assets** | **2007** | **2006** | **2007** | **2006** | **2007** | **2006** |
| Invested in Capital Assets Net of Related Debt | $<3,643> | $20,069 | $4,216 | $4,366 | $573 | $24,435 |
| Restricted | $40,740 | $13,752 | $1,024 | $0 | $41,764 | $13,752 |
| Unreserved Fund Balance | $9,961 | $6,972 | $ -0- | $879 | $9,961 | $7,851 |
| **TOTAL NET ASSETS** | $47,058 | $40,793 | $5,241 | $5,245 | $52,298 | $46,038 |

**OLDHAM COUNTY PUBLIC SCHOOL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2007**
**UNAUDITED**

Table 2 reflects the changes in net assets for fiscal year 2007. Comparative government-wide data is presented below.

Table 2
Change in Net Assets
(In Thousands)

| | Governmental Activities | | Business Type Act. | | Total | |
|---|---|---|---|---|---|---|
| | **2007** | **2006** | **2007** | **2006** | **2007** | **2006** |
| **Amount** | | | | | | |
| **Revenues** | | | | | | |
| Local Revenue Sources | $36,433 | $33,598 | $0 | $0 | $36,433 | $33,598 |
| State Revenue Sources | $48,210 | $31,782 | $0 | $0 | $48,210 | $31,782 |
| Investments | $1,378 | $1,443 | $23 | $18 | $1,401 | $1,461 |
| Other Revenues | $509 | $693 | $0 | $1 | $509 | $694 |
| Program Revenues | $7,819 | $20,585 | $3,705 | $3,368 | $11,524 | $23,953 |
| **TOTAL REVENUES** | $94,349 | $88,101 | $3,728 | $3,387 | $98,077 | $91,488 |
| **Expenses** | | | | | | |
| Instruction | $51,386 | $50,366 | $0 | $0 | $51,386 | $50,366 |
| Student Support Services | $5,370 | $5,331 | $0 | $0 | $5,370 | $5,331 |
| Instructional Support | $3,344 | $3,586 | $0 | $0 | $3,344 | $3,586 |
| District Administration | $1,170 | $1,416 | $0 | $0 | $1,170 | $1,416 |
| School Administration | $5,319 | $5,187 | $0 | $0 | $5,319 | $5,187 |
| Business Support | $1,525 | $1,507 | $0 | $0 | $1,525 | $1,507 |
| Plant Operations | $6,057 | $5,936 | $0 | $0 | $6,057 | $5,936 |
| Student Transportation | $5,227 | $5,053 | $0 | $0 | $5,227 | $5,053 |
| Community Support | $154 | $166 | $0 | $0 | $154 | $166 |
| Food Service Operations | $0 | $152 | $3,732 | $3,380 | $3,732 | $3,532 |
| Facilities Acquisition & Construction | $235 | $0 | $0 | $0 | $235 | $0 |
| Interest | $3,716 | $3,303 | $0 | $0 | $3,716 | $3,303 |
| **TOTAL EXPENSES** | $83,503 | $82,003 | $3,732 | $3,380 | $87,235 | $85,383 |
| Capital Assets contributed from Governmental Activities to Business-Type Activities | $0 | $<3,064> | $0 | $3,064 | $0 | $0 |
| Change in Net Assets | $10,848 | $3,034 | $<4> | $3,071 | $10,842 | $6,105 |

*The Board authorized expenditures of prior year reserves to address renovation and construction needs.

**Governmental Activities**

The statement of activities reflects the cost of program services and the charges for services and sales, grants and contributions offsetting those services. Table 3, for government activities, indicates the total cost of services and the next cost of services. It identifies the cost of these services supported by tax revenues and unrestricted state allocations.

Table 3
Governmental Activities
(In Thousands)

| | Total Cost of Services | | Net Cost of Services | |
|---|---|---|---|---|
| | **2007** | **2006** | **2007** | **2006** |
| Instruction | $51,386 | $50,366 | $44,798 | $38,155 |
| Student Support Services | $5,370 | $5,331 | $3,980 | $3,295 |
| Instructional Support | $3,344 | $3,586 | $2,422 | $1,899 |
| District Administration | $1,170 | $1,416 | $1,170 | $1,335 |
| School Administration | $5,319 | $5,187 | $5,319 | $4,273 |
| Business Support | $1,525 | $1,507 | $1,525 | $1,303 |
| Plant Operations | $6,057 | $5,936 | $5,479 | $5,280 |
| Student Transportation | $5,227 | $5,053 | $4,959 | $4,321 |
| Community Support | $154 | $166 | $68 | $62 |
| Debt Service | $3,732 | $151 | $3,732 | $0 |
| Facilities Acquisition and Construction | $235 | $0 | $235 | $0 |
| Interest | $3,716 | $3,303 | $3,716 | $1,496 |
| **Total Expenses** | $87,235 | $82,002 | $77,403 | $61,419 |

The dependence upon local tax and state revenues for governmental activities is apparent. Over 85 percent of instructional related activities are supported through tax, state revenues and other general revenues. For all governmental activities general revenues support is 83 percent.

**Business – Type Activity**

The only business-type activity of the school district is the food service operation. This program had revenues of $3,727,937 and expenses of $3,732,191 for fiscal year 2007. Total revenues increased approximately $341,000, while expenses increased approximately $352,000 from the prior fiscal year.

The Board of Education continues to direct that food service operations be self-supporting without assistance from the General Fund.

**The School District's Fund**

The school district's governmental funds are accounted for using the modified accrual basis of accounting. Total governmental funds had revenues and other financing sources of $2.1 million and expenditures and other financing uses of $0.3 million. The net change in fund balance of $2.4 million, was due to a planned change arising from the budgeted allocations/spending according to needs identified for the District.

**General Fund Budgeting Highlights**

The school district's budget is prepared according to Kentucky law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal 2007, the school district reviewed its budget as needed to meet the changing conditions in revenues and expenditures to meet the growth needs of an increasing student population. A summary of the general fund original and final budgeted amounts is listed on page 22, as well as the actual amounts. A variance comparison is presented between the final budgeted amount and the actual amounts.

The change in this year's ending balance is impacted in part to General Fund receipts surpassing budgeted receipts. General property tax ended the year $222,377 ahead of budget projections. The District continues to receive the $200,000 in-lieu payment by Dynegy from Oldham County Fiscal Court in support of the Oldham County Arts Center. Increases in interest rates provided much higher revenue in part because a new banking contract that has been in effect for the past two years. Interest income was $1,284,003 for FY 2007/08 compared to $1,078,440 the prior year.

We continue to focus directing the maximum dollars in the General Fund for instruction. Direct instruction costs for the General Fund this year were $37.1 million (net of on-behalf amounts), up from $35.6 million last year (net of on-behalf amounts). An additional $5,183,683 was spent on direct instruction from Grant Funds this year.

The Transportation Department completed the year spending $99.83% (net of on-behalf amounts) of the total year's final allocation of $4,401,798. In addition, $750,244 was spent to retire bus debt through the state KISTA Program. Increasing enrollment and the volatility of fuel prices necessitated further budget increases for 2007/08.

The Maintenance Department delivered another positive financial performance spending $142,582 (net of on-behalf amounts), which was well below their operational budget allocation.

## Capital Assets and Debt Administration

### Capital Assets

At the end of fiscal year 2007, the school district had $125.1 million invested in capital assets, $1120.1 million in government activities.

Table 4
Capital Assets at June 30
(Net of Depreciation, in Thousands)

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | **2007** | **2006** | **2007** | **2006** | **2007** | **2006** |
| Land | $6,184 | $4,862 | $0 | $0 | $6,184 | $4,862 |
| Land Improvements | $3,014 | $2,081 | $0 | $0 | $3,014 | $2,081 |
| Buildings and Building Improvements | $96,693 | $94,567 | $4,010 | $4,104 | $100,703 | $98,671 |
| Technology Equipment | $1,703 | $1,797 | $1 | $3 | $1,704 | $1,800 |
| Vehicles | $4,179 | $3,623 | $0 | $0 | $4,179 | $3,623 |
| General Assets | $691 | $742 | $205 | $259 | $896 | $1,001 |
| Infrastructure | $615 | $650 | $0 | $0 | $615 | $650 |
| Construction in Progress | $7,835 | $867 | $0 | $0 | $7,835 | $867 |
| **Totals** | $120,914 | $109,189 | $4,216 | $4,366 | $127,130 | $113,555 |

### Debt

At June 30, 2007, the school district had $124,557,354 in bond principal outstanding, $4,370,000 due within one year. Table 5 summarizes bonds outstanding.

Table 5
Outstanding Debt, at Year End

| | Governmental Activities | |
|---|---|---|
| | **2007** | **2006** |
| General Obligation Bonds | | |
| School Bldg. Revenue Bonds | $120,175,000 | $84,790,000 |
| School Bus Acquisition Bonds | $4,382,354 | $3,774,197 |
| **Total** | $124,557,354 | $88,564,197 |

**OLDHAM COUNTY PUBLIC SCHOOL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2007**
**UNAUDITED**

## Current Issues

The Oldham County School district is one of the fastest growing school districts in Kentucky. The number of students has grown over the past 12 years from 7,420 in 1993/94 to a new record level district-wide enrollment in Fiscal 2006/2007. At the end of the tenth day of this school year (FY 2007/2008) our district-wide enrollment is 11,616 or 106.5% of state-rated capacity. Our enrollment at the end of the tenth day of school this year indicated a gain of 337 students over the same day in 2006/2007. This increase in students of 4.2% was above the District projection of 11,682 students. Current housing starts for 2007/2008 slowed slightly to 423, compared to a three-year average of 642 and a five-year average of 680.

Oldham County continues to face long-term growth needs with enrollment projected to increase by 3,516 students during the next 9 years (2015/16) to a total of 15,132 students. Additional classroom space and several new schools will be needed over that period, in addition to renovations at some existing facilities.

On August 30, 2007, the Oldham County Board of Education unanimously voted to adopt a school tax rate for real estate of 66.9 cents (up from last year's 65.0 cents) per $100 assessed value of real estate. With real estate values increasing in the county by 8.1% for 2007/2008, the tax rate will generate almost $3.7 million in additional local revenues providing for the new staffing, continuing operating costs and facility improvements.

The state's funding mechanism, Support Education Excellence in Kentucky (SEEK), has increased the base funding for FY 2007/2008. The guaranteed SEEK base proposed for 2007/2008 is $3,822 per student, up from last year's $3,508 per student. With equalization requirements in state funding for SEEK, mandated increases from the state for FY 2007/2008 salary increases averaged 8.45% for certified and 6.63% for classified staff before related fringe benefit costs, and continue to require growing school districts to use much of their additional local revenue, in addition to state increases received, to meet the required mandates.

Several categorical grant programs have seen no increases or minor reductions in revenue, while demand and/or costs have continued to increase. So far, many local districts like ours are funding these needs (as opposed to higher teacher salaries, lower class sizes or local facility needs) from local revenue.

On October 2, 2007, the Kentucky Department of Education released a report of the state assessment (CATS) results for 2007, the mid-point in the 2006-2008 accountability cycle. Oldham County schools again are leaders in student achievement and successful results on the CATS assessments.

Oldham County's 2007 scores are above the state level with an adjusted accountability Index of 96.7 (14.9 points above the state average).

Individual schools in Oldham County continued to push toward highest scores by reaching and exceeding the state goal of 100 well in advance of the state's 2014 deadline. Staff at all district schools know that 100 is not the goal as that represents the average; Oldham County's goals is to "Continue the Tradition of Excellence" making our target outstanding success for each student and CATS scores well above 100 for all schools.

The 2007 Accountability Index for Buckner Elementary (101.0), Goshen Elementary (107.5), Liberty Elementary (104.4) and North Oldham Middle School (103.09) all exceeded the goal of 100 and are moving toward a higher target of excellence. Harmony Elementary (99.8), East Oldham Middle School (99.8) and North Oldham High school (99.4) were just below the 100 point goal. Three other schools are also above the 95 point score – Camden Station Elementary (97.1), South Oldham High School (97.1) and Centerfield Elementary (96.1).

With careful planning and monitoring of our finances, Oldham County Public Schools are confident we can continue to provide a quality education for our students and a secure financial future for the school district.

**Future Budgetary Implications**

In Kentucky, the public schools fiscal year is July 1 – June 30; other programs, i.e. some federal programs operate on a different fiscal calendar, but are reflected in the District overall budget. By law, the budget must have a minimum 2% contingency. The District adopted a budget for 2007/2008 with a 6.4% contingency. Significant Board action that impacts the finances includes mandated pay increases for all employees, additional spending for facility repairs outside of bonded building and renovation projects, and continued funding of Board initiatives for various District programs.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the school district's finances and to reflect the school district's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to Superintendent Paul S. Upchurch or Finance Officer Chuck Littrell at (502) 241-3500 or by mail to Oldham County Public Schools, P. O. Box 218, Buckner, KY 40010.

# OLDHAM COUNTY SCHOOL DISTRICT

Statement of Net Assets
June 30, 2007

| | GOVERNMENTAL ACTIVITIES | BUSINESS - TYPE ACTIVITIES | TOTAL |
|---|---|---|---|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | $ 51,778,327 | $ 934,097 | $ 52,712,424 |
| Investments | - | - | - |
| Interest receivable | - | - | - |
| Accounts receivable | | | |
| Taxes - current | 379,600 | - | 379,600 |
| Accounts | 293,122 | - | 293,122 |
| Other | 1,016,751 | 118,075 | 1,134,826 |
| Bond issuance costs | 514,829 | - | 514,829 |
| Total Current Assets | 53,982,629 | 1,052,172 | 55,034,801 |
| CAPITAL ASSETS | | | |
| Capital assets | 155,757,538 | 6,071,567 | 161,829,105 |
| Construction in progress | 7,835,078 | - | 7,835,078 |
| Less accumulated depreciation | (42,678,207) | (1,855,068) | (44,533,275) |
| Total Capital Assets | 120,914,409 | 4,216,499 | 125,130,908 |
| TOTAL ASSETS | $ 174,897,038 | $ 5,268,671 | $ 180,165,709 |
| LIABILITIES AND NET ASSETS | | | |
| CURRENT LIABILITIES | | | |
| Accounts payable | $ 643,803 | $ 27,802 | $ 671,605 |
| Cash overdraft | 168,549 | - | 168,549 |
| Accrued payroll and related expenses | 818,222 | - | 818,222 |
| Current portion of bonds payable | 4,370,000 | - | 4,370,000 |
| Current portion of capital leases payable | 557,180 | - | 557,180 |
| Current portion of accrued sick leave | 480,000 | - | 480,000 |
| Deferred revenue | 758,424 | - | 758,424 |
| Total Current Liabilities | 7,796,178 | 27,802 | 7,823,980 |
| NONCURRENT LIABILITIES | | | |
| Bonds payable | 115,805,000 | - | 115,805,000 |
| Capital leases payable | 3,825,174 | - | 3,825,174 |
| Noncurrent portion of accrued sick leave | 412,123 | - | 412,123 |
| Total Noncurrent Liabilities | 120,042,297 | - | 120,042,297 |
| TOTAL LIABILITIES | $ 127,838,475 | $ 27,802 | $ 127,866,277 |
| NET ASSETS | | | |
| Investment in capital assets, net of related debt | $ 37,097,573 | $ 4,216,499 | $ 41,314,072 |
| Unrestricted | 9,960,990 | 1,024,370 | 10,985,360 |
| TOTAL NET ASSETS | $ 47,058,563 | $ 5,240,869 | $ 52,299,432 |

The accompanying notes are an integral part of these financial statements.

# OLDHAM COUNTY SCHOOL DISTRICT

Statement of Activities
District Wide
For the year ended June 30, 2007

| FUNCTIONS/PROGRAMS | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions | Net (Expense) Revenue and Changes in Net Assets: Governmental Activities | Net (Expense) Revenue and Changes in Net Assets: Business-type Activities | Net (Expense) Revenue and Changes in Net Assets: Total |
|---|---|---|---|---|---|---|---|
| **Governmental Activities** | | | | | | | |
| Instruction | $ 51,386,095 | $ 111,191 | $ 7,552,567 | $ - | $ (43,722,337) | $ - | $ (43,722,337) |
| Support Services: | | | | | | | |
| Student | 5,369,936 | 17,418 | - | - | (5,352,518) | - | (5,352,518) |
| Instruction staff | 3,343,945 | - | - | - | (3,343,945) | - | (3,343,945) |
| District administrative | 1,170,728 | - | - | - | (1,170,728) | - | (1,170,728) |
| School administrative | 5,319,630 | - | - | - | (5,319,630) | - | (5,319,630) |
| Business | 1,524,785 | - | - | - | (1,524,785) | - | (1,524,785) |
| Plant operation and maintenance | 6,056,743 | 23,083 | - | - | (6,033,660) | - | (6,033,660) |
| Student transportation | 5,226,525 | 105,339 | - | - | (5,121,186) | - | (5,121,186) |
| Central office | - | - | - | - | - | - | - |
| Facilities acquisition and construction | 235,828 | - | - | - | (235,828) | - | (235,828) |
| Community service activities | 153,889 | 9,052 | - | - | (144,837) | - | (144,837) |
| Other | - | - | - | - | - | - | - |
| Interest on long-term debt | 3,715,809 | - | - | - | (3,715,809) | - | (3,715,809) |
| Depreciation and amortization | 4,581,296 | - | - | - | (4,581,296) | - | (4,581,296) |
| **Total Governmental Activities** | 88,085,209 | 266,083 | 7,552,567 | - | (80,266,559) | - | (80,266,559) |
| **Business-type Activities** | | | | | | | |
| Food service | 3,732,191 | 2,384,899 | 1,319,734 | - | - | (27,558) | (27,558) |
| **Total Business-type Activities** | 3,732,191 | 2,384,899 | 1,319,734 | - | - | (27,558) | (27,558) |
| **Total School District** | $ 91,817,400 | $ 2,650,982 | $ 8,872,301 | $ - | $ (80,266,559) | $ (27,558) | $ (80,294,117) |
| **General Revenues** | | | | | | | |
| Property taxes | | | | | $ 30,513,687 | $ - | $ 30,513,687 |
| Delinquent property tax | | | | | 207,689 | - | 207,689 |
| Motor vehicle taxes | | | | | 2,791,677 | - | 2,791,677 |
| Utility taxes | | | | | 2,720,263 | - | 2,720,263 |
| Other taxes | | | | | - | - | - |
| Revenue in lieu of taxes | | | | | 200,000 | - | 200,000 |
| Investment earnings | | | | | 1,378,571 | 23,304 | 1,401,875 |
| State and formula grants | | | | | 48,210,982 | - | 48,210,982 |
| Gain on sale of fixed assets | | | | | - | - | - |
| Miscellaneous | | | | | 509,412 | - | 509,412 |
| **Total General Revenues** | | | | | 86,532,281 | 23,304 | 86,555,585 |
| Change in Net Assets | | | | | 6,265,722 | (4,254) | 6,261,468 |
| Net Assets - Beginning | | | | | 40,792,841 | 5,245,123 | 46,037,964 |
| Net Assets - Ending | | | | | $ 47,058,563 | $ 5,240,869 | $ 52,299,432 |

The accompanying notes are an integral part of these financial statements.

# OLDHAM COUNTY SCHOOL DISTRICT

Balance Sheet
Governmental Funds
June 30, 2007

| | GENERAL FUND | SPECIAL REVENUE FUND | CONSTRUCTION FUND | OTHER GOVERNMENTAL FUNDS | TOTAL GOVERNMENTAL FUNDS |
|---|---|---|---|---|---|
| ASSETS AND RESOURCES | | | | | |
| Cash and cash equivalents | $ 10,568,008 | $ - | $ 39,922,811 | $ 1,447,471 | $ 51,938,290 |
| Investments | - | - | - | - | - |
| Accounts receivable | | | | | |
| Taxes - current | 366,500 | - | 13,100 | - | 379,600 |
| Accounts | 293,122 | - | - | - | 293,122 |
| Intergovernmental - State | - | 726,973 | - | - | 726,973 |
| Intergovernmental - Federal | - | - | - | - | - |
| Other | - | - | 289,778 | - | 289,778 |
| Due from other funds | - | - | - | - | - |
| TOTAL ASSETS | $ 11,227,630 | $ 726,973 | $ 40,225,689 | $ 1,447,471 | $ 53,627,763 |
| LIABILITIES | | | | | |
| Accounts payable | $ 643,803 | $ - | $ - | $ - | $ 643,803 |
| Cash overdraft | - | 168,549 | - | - | 168,549 |
| Accrued payroll and related expenses | 818,222 | - | - | - | 818,222 |
| Current portion of accumulated sick leave | 480,000 | - | - | - | 480,000 |
| Due to other funds | 159,963 | - | - | - | 159,963 |
| Deferred revenue | 200,000 | 558,424 | - | - | 758,424 |
| Total Liabilities | 2,301,988 | 726,973 | - | - | 3,028,961 |
| FUND BALANCES | | | | | |
| Reserved for | | | | | |
| Encumbrances | 1,001,032 | - | 40,225,689 | - | 41,226,721 |
| Debt service | - | - | - | 1,447,471 | 1,447,471 |
| Unreserved | | | | | |
| Undesignated, reported in | - | - | - | - | - |
| General fund | 6,774,610 | - | - | - | 6,774,610 |
| Board designated | 1,150,000 | - | - | - | 1,150,000 |
| Special revenue fund | - | - | - | - | - |
| Capital project funds | - | - | - | - | - |
| Total Fund Balances | 8,925,642 | - | 40,225,689 | 1,447,471 | 50,598,802 |
| TOTAL LIABILITIES AND FUND BALANCES | $ 11,227,630 | $ 726,973 | $ 40,225,689 | $ 1,447,471 | $ 53,627,763 |

The accompanying notes are an integral part of these financial statements.

# OLDHAM COUNTY SCHOOL DISTRICT

Reconciliation of the Balance Sheet - Governmental Funds
To the Statement of Net Assets
June 30, 2007

| | | |
|---|---|---|
| Total fund balance per fund financial statements | | $ 50,598,802 |
| Amounts reported for governmental activities in the statement of net assets are different because: | | |
| Capital assets are not reported in this fund financial statement because they are not current financial resources, but they are reported in the statement of net assets | | |
| Capital assets | $ 155,757,538 | |
| Construction in progress | 7,835,078 | |
| Accumulated depreciation | (42,678,207) | 120,914,409 |
| Certain other assets are not reported in this fund financial statement because they are not available to pay current period expenditures, but are reported in the statement of net assets | | |
| Bond issuance costs | | 514,829 |
| Certain other liablities are not reported in this fund financial statement because they are not available to pay current period expenditures, but are reported in the statement of net assets | | |
| Noncurrent portion of accrued sick leave | | (412,123) |
| Certain liabilities (such as bonds payable and capital leases payable) are not reported in this fund financial statement because they are not due and payable, but they are presented in the statement of net assets | | |
| Bonds payable | (120,175,000) | |
| Capital leases payable | (4,382,354) | (124,557,354) |
| Net assets for governmental activities | | $ 47,058,563 |

The accompanying notes are an integral part of these financial statements.

# OLDHAM COUNTY SCHOOL DISTRICT

Statement of Revenue, Expenditures
And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2007

| | GENERAL FUND | SPECIAL REVENUE FUND | CONSTRUCTION FUND | OTHER GOVERNMENTAL FUNDS | TOTAL GOVERNMENTAL FUNDS |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| From local sources: | | | | | |
| Taxes: | | | | | |
| Property | $ 20,530,843 | $ - | $ - | $ 10,190,533 | $ 30,721,376 |
| Motor vehicles | 2,607,344 | - | - | 184,333 | 2,791,677 |
| Utilities | 2,720,263 | - | - | - | 2,720,263 |
| Other | 200,000 | - | - | - | 200,000 |
| Tuition and fees | 111,191 | - | - | - | 111,191 |
| Earnings on investments | 1,284,003 | - | 94,568 | - | 1,378,571 |
| Student activities | 8,730 | - | - | - | 8,730 |
| Community service activities | 9,052 | - | - | - | 9,052 |
| Other local revenues | 519,569 | 457,754 | - | - | 977,323 |
| Intergovernmental - State | 44,935,186 | 3,294,480 | - | 3,229,891 | 51,459,557 |
| Intergovernmental - Direct Federal | 45,905 | - | - | - | 45,905 |
| Intergovernmental - Indirect Federal | - | 3,809,021 | - | - | 3,809,021 |
| Intergovernmental - Intermediate sources | - | - | - | - | - |
| TOTAL REVENUES | 72,972,086 | 7,561,255 | 94,568 | 13,604,757 | 94,232,666 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Instruction | 45,753,973 | 5,183,683 | - | - | 50,937,656 |
| Support Services | | | | | |
| Student | 3,997,548 | 1,372,388 | - | - | 5,369,936 |
| Instructional staff | 2,422,125 | 921,820 | - | - | 3,343,945 |
| District administration | 1,170,728 | - | - | - | 1,170,728 |
| School administration | 5,319,630 | - | - | - | 5,319,630 |
| Business | 1,524,785 | - | - | - | 1,524,785 |
| Plant operations and maintenance | 5,958,959 | - | - | 182,493 | 6,141,452 |
| Student transportation | 5,063,726 | 162,799 | - | - | 5,226,525 |
| Community services | 77,095 | 76,794 | - | - | 153,889 |
| Facilities acquisition and construction | 235,996 | - | 6,882,592 | 10,229,454 | 17,348,042 |
| Debt service - KISTA Bonds | 750,244 | | | | 750,244 |
| Other | - | - | - | - | - |
| TOTAL EXPENDITURES | 72,274,809 | 7,717,484 | 6,882,592 | 10,411,947 | 97,286,832 |
| EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES | 697,277 | (156,229) | (6,788,024) | 3,192,810 | (3,054,166) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Bond proceeds | - | - | 38,630,000 | - | 38,630,000 |
| Proceeds from sale or comp of fixed assets | 125,068 | - | - | - | 125,068 |
| Operating transfers in | 426,845 | 156,229 | 1,045,688 | 6,821,669 | 8,450,431 |
| Operating transfers out | (156,229) | - | (426,845) | (14,554,119) | (15,137,193) |
| TOTAL OTHER FINANCING SOURCES (USES) | 395,684 | 156,229 | 39,248,843 | (7,732,450) | 32,068,306 |
| EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES | 1,092,961 | - | 32,460,819 | (4,539,640) | 29,014,140 |
| FUND BALANCE JULY 1, 2006 | 7,832,681 | - | 7,764,870 | 5,987,111 | 21,584,662 |
| FUND BALANCE JUNE 30, 2007 | $ 8,925,642 | $ - | $ 40,225,689 | $ 1,447,471 | $ 50,598,802 |

The accompanying notes are an integral part of these financial statements.

# OLDHAM COUNTY SCHOOL DISTRICT

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds
To the Statement of Net Assets
June 30, 2007

| | |
|---|---|
| Net change in total fund balances per fund financial statements | $ 29,014,140 |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Capital outlays are reported as expenditures in this fund financial statement because they use current financial resources, but they are presented as assets in the statement of activities and depreciated over their estimated economic lives. The difference is the amount by which capital outlays exceeds depreciation expense for the year. | |
| Total cost of capital assets | 17,190,119 |
| Depreciation expense | (4,543,840) |
| The proceeds for the issuance of bonds provide current financial resources and are reported in this fund financial statement but they are presented as liabilities in the statement of net assets. | (38,630,000) |
| Bond and capital lease payments are recognized as expenditures of current financial resources in the fund financial statement but are reductions of liabilities in the statement of net assets. | |
| Bond principal payments | 3,111,528 |
| KISTA principal payments | 609,670 |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | |
| Amortization of bond issuance costs | (37,456) |
| Accumulated sick leave | (448,439) |
| Change in net assets of governmental activities | $ 6,265,722 |

The accompanying notes are an integral part of these financial statements.

# OLDHAM COUNTY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2007

| | BUDGETED AMOUNTS | | | VARIANCE WITH FINAL BUDGET FAVORABLE |
|---|---|---|---|---|
| | ORIGINAL | FINAL | ACTUAL | (UNFAVORABLE) |
| REVENUES | | | | |
| From local sources: | | | | |
| Taxes: | | | | |
| Property | $ 18,611,889 | $ 20,596,830 | $ 20,530,843 | $ (65,987) |
| Motor vehicles | 2,376,000 | 2,400,000 | 2,607,344 | 207,344 |
| Utilities | 2,700,000 | 2,775,000 | 2,720,263 | (54,737) |
| Other | 200,000 | 200,000 | 200,000 | - |
| Tuition and fees | 60,000 | 60,000 | 111,191 | 51,191 |
| Earnings on investments | 892,000 | 1,200,000 | 1,284,003 | 84,003 |
| Student activities | 5,000 | 5,000 | 8,730 | 3,730 |
| Community service activities | 10,000 | 10,000 | 9,052 | (948) |
| Other local revenues | 429,178 | 440,000 | 519,569 | 79,569 |
| Intergovernmental - State | 30,699,434 | 32,207,450 | 44,935,186 | 12,727,736 |
| Intergovernmental - Indirect Federal | - | - | - | - |
| Intergovernmental - Federal | 10,000 | 10,000 | 45,905 | 35,905 |
| TOTAL REVENUES | 55,993,501 | 59,904,280 | 72,972,086 | 13,067,806 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction | 36,877,465 | 37,896,096 | 45,753,973 | (7,857,877) |
| Support Services | | | | |
| Student | 2,994,638 | 2,957,198 | 3,997,548 | (1,040,350) |
| Instructional staff | 1,715,017 | 1,916,735 | 2,422,125 | (505,390) |
| District administration | 1,420,792 | 1,417,885 | 1,175,728 | 242,157 |
| School administration | 3,994,179 | 4,361,415 | 5,319,630 | (958,215) |
| Business | 1,222,532 | 1,370,357 | 1,524,785 | (154,428) |
| Plant operations and maintenance | 5,731,039 | 5,797,077 | 5,958,959 | (161,882) |
| Student transportation | 4,159,944 | 4,409,075 | 5,063,726 | (654,651) |
| Community services | 64,193 | 87,149 | 77,095 | 10,054 |
| Facilities acquisition and construction | 447,000 | 256,718 | 235,995 | 20,723 |
| Debt service - KISTA Bonds | 684,513 | 750,245 | 750,245 | - |
| Contingency | 4,665,894 | 5,935,203 | - | 5,935,203 |
| TOTAL EXPENDITURES | 63,977,206 | 67,155,153 | 72,279,809 | (5,124,656) |
| EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES | (7,983,705) | (7,250,873) | 692,277 | 7,943,150 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from sale of bonds | - | - | - | - |
| Proceeds from sale of fixed assets | 1,500 | 2,000 | 125,068 | (123,068) |
| Operating transfers in | - | 426,845 | 426,845 | - |
| Operating transfers out | (150,000) | (150,000) | (151,229) | 1,229 |
| TOTAL OTHER FINANCING SOURCES (USES) | (148,500) | 278,845 | 400,684 | (121,839) |
| EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES | (8,132,205) | (6,972,028) | 1,092,961 | 8,064,989 |
| FUND BALANCE JULY 1, 2006 | 8,132,205 | 6,972,028 | 7,832,681 | 860,653 |
| FUND BALANCE JUNE 30, 2007 | $ - | $ - | $ 8,925,642 | $ 8,925,642 |

The accompanying notes are an integral part of these financial statements.

# OLDHAM COUNTY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Fund
For the Year Ended June 30, 2007

| | BUDGETED AMOUNTS | | | VARIANCE WITH FINAL BUDGET FAVORABLE |
|---|---|---|---|---|
| | ORIGINAL | FINAL | ACTUAL | (UNFAVORABLE) |
| REVENUES | | | | |
| From local sources: | | | | |
| Taxes: | | | | |
| Property | $ - | $ - | $ - | $ - |
| Motor vehicles | - | - | - | - |
| Utilities | - | - | - | - |
| Other | - | - | - | - |
| Tuition and fees | - | - | - | - |
| Earnings on investments | - | - | - | - |
| Student activities | - | - | - | - |
| Community service activities | - | - | - | - |
| Other local revenues | 257,113 | 285,268 | 457,754 | 172,486 |
| Intergovernmental - State | 2,096,406 | 2,732,910 | 3,294,480 | 561,570 |
| Intergovernmental - Indirect Federal | 4,468,469 | 4,300,269 | 3,809,021 | (491,248) |
| Intergovernmental - Federal | - | - | - | - |
| TOTAL REVENUES | 6,821,988 | 7,318,447 | 7,561,255 | 242,808 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction | 4,119,476 | 4,884,044 | 5,183,683 | (299,639) |
| Support Services | | | | |
| Student | 1,343,940 | 1,420,695 | 1,372,388 | 48,307 |
| Instructional staff | 1,328,513 | 965,060 | 921,820 | 43,240 |
| District administration | 681,376 | 681,376 | - | 681,376 |
| School administration | - | - | - | - |
| Business | - | - | - | - |
| Plant operations and maintenance | - | - | - | - |
| Student transportation | (21,759) | 91,058 | 162,799 | (71,741) |
| Central office | - | - | - | - |
| Community services | 102,438 | 88,128 | 76,794 | 11,334 |
| Facilities acquisition and construction | - | - | - | - |
| Debt service - KISTA Bonds | - | - | - | - |
| Other | - | - | - | - |
| TOTAL EXPENDITURES | 7,553,984 | 8,130,361 | 7,717,484 | 412,877 |
| EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES | (731,996) | (811,914) | (156,229) | 655,685 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from sale of bonds | - | - | - | - |
| Proceeds from sale of fixed assets | - | - | - | - |
| Operating transfers in | 55,391 | 172,324 | 156,229 | (16,095) |
| Operating transfers out | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | 55,391 | 172,324 | 156,229 | (16,095) |
| EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES | (676,605) | (639,590) | - | 639,590 |
| FUND BALANCE JULY 1, 2006 | 430,893 | 553,745 | - | (553,745) |
| FUND BALANCE JUNE 30, 2007 | $ (245,712) | $ (85,845) | $ - | $ 85,845 |

The accompanying notes are an integral part of these financial statements.

# OLDHAM COUNTY SCHOOL DISTRICT

Statement of Net Assets
Proprietary Fund
June 30, 2007

| | Food Service Fund |
|---|---|
| **ASSETS** | |
| **Current Assets** | |
| Cash and cash equivalents | $ 934,097 |
| Investments | - |
| Other receivables | 118,075 |
| **Total current assets** | 1,052,172 |
| **Noncurrent Assets** | |
| Capital assets | 6,071,567 |
| Less: Accumulated depreciation | (1,855,068) |
| **Total noncurrent assets** | 4,216,499 |
| **Total assets** | $ 5,268,671 |
| **LIABILITIES** | |
| **Current Liabilities** | |
| Accounts payable | $ 27,802 |
| **Total current liabilities** | $ 27,802 |
| **NET ASSETS** | |
| Invested in capital assets, net of related debt | $ 4,216,499 |
| Unrestricted | |
| Unreserved | 1,024,370 |
| **Total net assets** | $ 5,240,869 |

The accompanying notes are an integral part of these financial statements.

# OLDHAM COUNTY SCHOOL DISTRICT

Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Fund
For the year ended June 30, 2007

| | Food Service Fund |
|---|---|
| **Operating Revenues** | |
| Food service sales | $ 2,384,899 |
| Other operating revenues | - |
| **Total operating revenues** | 2,384,899 |
| | |
| **Operating Expenses** | |
| Salaries and wages | 1,472,098 |
| Professional and contract services | 325,723 |
| Supplies and materials | 1,601,630 |
| Small equipment purchases | 28,907 |
| Depreciation | 149,834 |
| Other operating expenses | 153,999 |
| **Total operating expenses** | 3,732,191 |
| | |
| **Operating income (loss)** | (1,347,292) |
| | |
| **Nonoperating revenues (expenses)** | |
| Federal grants | 1,119,711 |
| State grants | 200,023 |
| Interest income | 23,304 |
| **Total nonoperating revenues (expenses)** | 1,343,038 |
| | |
| **Net income (loss)** | (4,254) |
| | |
| **Total net assets, July 1, 2006** | 5,245,123 |
| **Total net assets, June 30, 2007** | $ 5,240,869 |

The accompanying notes are an integral part of these financial statements.

# OLDHAM COUNTY SCHOOL DISTRICT

Statement of Cash Flows
Proprietary Fund
For the year ended June 30, 2007

| | Food Service Fund |
|---|---|
| **Cash Flows from Operating Activities** | |
| Cash received from lunchroom sales | $ 2,384,899 |
| Cash received from government grants | 1,056,415 |
| Cash received from other activities | - |
| Cash payments to employees for services | (1,316,184) |
| Cash payments to suppliers for goods and services | (1,960,269) |
| Cash payments for other operating activities | (153,999) |
| **Net cash from operating activities** | 10,862 |
| **Cash Flows from Capital Financing Activities** | |
| Capital contributions | - |
| Acquisition of capital assets | - |
| **Net cash from capital financing activities** | - |
| **Cash Flows from Noncapital Financing Activities** | |
| Nonoperating grants received | - |
| **Net cash from noncapital financing activities** | - |
| **Cash Flows from Investing Activities** | |
| Interest on investments | 23,304 |
| **Net cash flows from investing activities** | 23,304 |
| **Net increase in cash and cash equivalents** | 34,166 |
| **Cash and cash equivalents - Beginning** | 899,931 |
| **Cash and cash equivalents - Ending** | 934,097 |
| **Reconciliation of Net Income (Loss) to Net Cash Provided (Used) by Operating Activities** | |
| Net income (loss) | (4,254) |
| **Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities** | |
| Depreciation | 149,834 |
| Interest | (23,304) |
| Changes in assets and liabilities: | |
| Receivables | (107,405) |
| Accounts payable | (4,009) |
| Accrued liabilities | - |
| Deferred revenue | - |
| Due to other funds | - |
| **Net Cash Provided by Operating Activities** | $ 10,862 |

The accompanying notes are an integral part of these financial statements.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

The basic financial statements of Oldham County Board of Education have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

### A. Reporting Entity

The Oldham County Board of Education (Board), a five member group, is the level of government which has oversight responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the Oldham County School District (District). The Board is elected by the public and has the exclusive power and duty to govern and oversee the management of the public schools in 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 Board is not included in any other governmental "reporting entity" as defined by the GASB in its Statement No. 14 *"The Financial Reporting Entity"* and there are no component units included within the reporting entity.

### B. Related Organizations

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

The financial statements of the Board 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:

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**B. Related Organizations (Continued)**

Oldham County School District Finance Corporation - On October 17, 1988, the Oldham County, Kentucky, Board of Education resolved to authorize the establishment of the Oldham County School District Finance Corporation (a non-profit, non-stock, public and charitable corporation organized under the School Bond Act and KRS 273 and KRS Section 58.180) as an agency of the Board for financing the costs of school building facilities. The Board Members of the Oldham County Board of Education also comprise the Corporation's Board of Directors.

**C. Basis of Presentation, Basis of Accounting**

i. Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**C. Basis of Presentation, Basis of Accounting (Continued)**

i. Basis of Presentation (Continued)

major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The District reports the following major governmental funds:

The General Fund is the primary operating fund of the District. It accounts for financial resources used for general types of operations. This is a budgeted fund, and any unrestricted fund balances are considered as resources available for use.

The Special Revenue Fund accounts for proceeds of specific revenue sources (other then 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 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.

The Construction Fund includes Capital Projects Funds accounts for proceeds from sales of bonds and other revenues to be used for authorized construction.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**C. Basis of Presentation, Basis of Accounting (Continued)**

i. Basis of Presentation (Continued)

The District reports the following major business-type funds:

The School 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"). No amounts have been recorded for in-kind contributions of commodities from the USDA.

In addition, the District reports the following fund types:

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Agency Funds: These funds are used to report student activity funds and other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

ii. Measurement Focus, Basis of Accounting

Government-wide and Proprietary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, 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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**C. Basis of Presentation, Basis of Accounting (Continued)**

ii. Measurement Focus, Basis of Accounting (Continued)

are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District does not consider revenues collected after its year-end to be available in the current period. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the district incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," all proprietary funds will continue to follow Financial Accounting Standards Board ("FASB") standards issued on or before November 30, 1989. However, from that date forward, proprietary funds will have the option of either 1) choosing not to apply

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. **Basis of Presentation, Basis of Accounting (Continued)**

ii. Measurement Focus, Basis of Accounting (Continued)

future FASB standards (including amendments of earlier pronouncements), or 2) continuing to follow new FASB pronouncements unless they conflict with GASB guidance. The District has chosen to apply future FASB standards.

**D. Encumbrance Accounting**

Purchase orders or contracts document encumbrances for goods or purchased services. Under Kentucky law, appropriations lapse at June 30, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget.

End-of-the-year outstanding encumbrances that were provided for in the subsequent year's budget are:

| | |
|---|---|
| General Fund | $ 1,001,032 |
| Construction Fund | 40,225,689 |

**E. Financial Statement Amounts**

i. Cash and Cash Equivalents

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

ii. Inventories

Supplies and materials are charged to expenditures when purchased with the exception of the Proprietary Funds, which records inventory using the accrual basis of accounting.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**E. Financial Statements Amounts (Continued)**

iii. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property. Taxes are due on receipt of the tax bill and are delinquent if not paid before January 1 of the year following the year in which the tax is imposed. On April 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

The District levies a utility gross receipts license tax in the amount of 3% of the gross receipts derived from the furnishings, within the County, of telephonic and telegraphic communications services, cablevision services, electric power, water, and natural, artificial and mixed gas.

iv. Capital Assets

The District's property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. Donated assets are stated at fair value on the date donated. The District generally capitalizes assets with cost of $1,000 or more. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Estimated useful lives, in years, for depreciable assets are as follows:

| | |
|---|---|
| Land improvements | 20 |
| Buildings and improvements | 7 – 50 |
| Technology equipment | 5 |
| Vehicles | 5 – 10 |
| General equipment | 10 - 20 |

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**E. Financial Statements Amounts (Continued)**

iv. Capital Assets (Continued)

The District allocates cost of buildings between governmental and business-type activities based on the square footage of the space used for the business-type activity.

v. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, designated 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.

vi. 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 residual amounts due between governmental and business-type activities, which are presented as internal balances.

**F. Budgetary Process**

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**F. Budgetary Process (Continued)**

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

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

All budget appropriations lapse at year-end.

NOTE 2. COMPLIANCE AND ACCOUNTABILITY

**A. Finance Related Legal and Contractual Provisions**

In accordance with GASB Statement No. 38 *"Certain Financial Statement Note Disclosures"* violations of finance related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

| Violation | Action Taken |
|---|---|
| None reported | Not applicable |

**B. Deposits and Investments**

The District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the District's agent bank approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the period of contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

NOTE 2. COMPLIANCE AND ACCOUNTABILITY (Continued)

**B. Deposits and Investments (Continued)**

Cash Deposits:

At June 30, 2007, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was $52,712,424 and the bank balance was $54,856,305. The District's cash deposits at June 30, 2007, and during the year ended June 30, 2007, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank.

The cash deposits held at financial institutions can be categorized according to three levels of risk. These three levels of risk are as follows:

Category 1 – Cash and cash equivalents that are insured or registered, or securities held by the school district or by its agent in the school district's name.

Category 2 – Cash and cash equivalents and investments that are uninsured or unregistered, with securities held by the counterpart's trust department or agent in the school district's name.

Category 3 – Cash and cash equivalents and investments that are uninsured and unregistered with securities held by the counterparty or its trust department or agent but not in the school district's name.

The school district's deposits and investments at June 30, 2007, are categorized as follows:

NOTE 2. COMPLIANCE AND ACCOUNTABILITY (Continued)

**B. Deposits and Investments (Continued)**

Cash Deposits (Continued):

| Account | Carrying Amount/ Market Value | Bank Balance |
|---|---|---|
| General | $ 13,999,398 | $ 10,399,459 |
| Payroll | -0- | -0- |
| School food service | 934,097 | 934,097 |
| Construction | 39,922,810 | 39,922,810 |
| Totals | $ 54,856,305 | $ 51,256,366 |

| Account | Category 1 | Category 2 | Category 3 |
|---|---|---|---|
| General | $ 100,000 | $ -0- | $ 9,399,459 |
| Payroll | -0- | -0- | -0- |
| School food service | -0- | -0- | 934,097 |
| Construction | -0- | 39,922,810 | -0- |
| Totals | $ 100,000 | $ 39,922,810 | $ 10,333,556 |

In order to facilitate the recording of cash transactions and to maximize earnings, the District has combined the cash resources of certain of its funds and maintains accountability for such funds' equity in the pooled cash. The District is allowed to invest in the following types of investments: short-term certificates of deposit, repurchase agreements, money market deposit accounts, government pools, and U. S. Treasury Obligations. The District records nonparticipating interest-earning investment contracts at cost. All other securities are recorded at fair value. It is the intention of the investment pool to maximize interest income, and securities are selected according to their risk, marketability, and diversification. Income earned or losses arising from the investment of pooled cash balances are allocated to individual funds based on their proportional equity in investments purchased. For purposes of the statements of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

NOTE 3. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2007, were as follows:

| | Beginning Balance | Additions | Retirements Reclassifications | Ending Balance |
|---|---|---|---|---|
| Governmental activities: | | | | |
| Capital assets that are not depreciated: | | | | |
| Land | $ 4,861,749 | $ 1,322,076 | $ - | $ 6,183,825 |
| Construction in progress | 867,192 | 14,408,455 | (7,440,569) | 7,835,078 |
| Total nondepreciable historical cost | 5,728,941 | 15,730,531 | (7,440,569) | 14,018,903 |
| Capital assets that are depreciated: | | | | |
| Land improvements | 2,268,019 | 1,041,006 | - | 3,309,025 |
| Building and building improvements | 121,754,489 | 5,073,760 | - | 126,828,249 |
| Infrastructure | 697,481 | - | - | 697,481 |
| Technology equipment | 6,039,995 | 527,754 | (1,889) | 6,565,860 |
| Vehicles | 8,759,809 | 1,260,719 | (27,083) | 9,993,445 |
| General equipment | 2,096,253 | 83,400 | - | 2,179,653 |
| Total depreciable historical cost | 141,616,046 | 7,986,639 | (28,972) | 149,573,713 |
| Less accumulated depreciation for: | | | | |
| Land improvements | 186,772 | 108,019 | - | 294,791 |
| Building and building improvements | 27,187,358 | 2,947,873 | - | 30,135,231 |
| Infrastructure | 47,700 | 34,874 | - | 82,574 |
| Technology equipment | 4,243,133 | 621,500 | (1,889) | 4,862,744 |
| Vehicles | 5,136,523 | 697,427 | (19,409) | 5,814,541 |
| General equipment | 1,354,179 | 134,147 | - | 1,488,326 |
| Total accumulated depreciation | 38,155,665 | 4,543,840 | (21,298) | 42,678,207 |
| Total depreciable historical cost, net | 103,460,381 | 3,442,799 | (7,674) | 106,895,506 |
| Governmental activities capital assets, net | $ 109,189,322 | $ 19,173,330 | $ (7,448,243) | $ 120,914,409 |
| Business-type activities: | | | | |
| Building and building improvements | $ 4,731,411 | $ - | $ - | $ 4,731,411 |
| Technology equipment | 16,024 | - | - | 16,024 |
| Vehicles | - | - | - | - |
| General equipment | 1,324,132 | - | - | 1,324,132 |
| Total depreciable historical cost | 6,071,567 | - | - | 6,071,567 |

NOTE 3. CAPITAL ASSETS (Continued)

| | Beginning Balance | Additions | Retirements Reclassifications | Ending Balance |
|---|---|---|---|---|
| Less accumulated depreciation for: | | | | |
| Building and building improvements | $ 627,196 | $ 94,628 | $ - | $ 721,824 |
| Technology equipment | 12,853 | 1,919 | - | 14,772 |
| Vehicles | - | - | - | - |
| General equipment | 1,065,185 | 53,287 | - | 1,118,472 |
| Total accumulated depreciation | 1,705,234 | 149,834 | - | 1,855,068 |
| Business-type activities capital assets, net | $ 4,366,333 | $ (149,834) | $ - | $ 4,216,499 |

Depreciation expense was charged to governmental functions as follows:

| | |
|---|---|
| Instruction | $ 3,698,605 |
| Student support services | 4,944 |
| Instructional staff support services | 15,333 |
| District administrative support | 101,265 |
| School administrative support | 11,453 |
| Business support services | 2,505 |
| Plant operation and management | 46,027 |
| Student transportation | 663,141 |
| Community services | 567 |
| | $ 4,543,840 |

NOTE 4. BONDED DEBT AND LEASE OBLIGATIONS

The amount shown in the accompanying financial statements as lease obligations represents the District's future obligations to make lease payments relating to the bonds issued by the Fiscal Court of Oldham County aggregating $132,245,000.

The original amount of the issue, issue dates and the interest rates of the bond issues are summarized below:

| ISSUE OF | ORIGINAL AMOUNT | INTEREST RATES |
|---|---|---|
| Series 1998 | 2,900,000 | Various, 3.9% to 4.6% |
| Series 1999 | 4,200,000 | Various, 4.9% to 5.0% |
| Series 2000 | 3,855,000 | Various, 4.9% to 5.0% |
| Series 2001A | 9,925,000 | Various, 5.4% to 5.6% |
| Series 2001B | 4,325,000 | Various, 3.0% to 4.8% |
| Series 2002 | 7,055,000 | Various, 1.65% to 4.7% |
| Series 2003 Refunding | 5,610,000 | Various, 2.0% to 2.25% |
| Series 2003 | 14,805,000 | Various, 2.0% to 4.75% |
| Series 2004 | 26,735,000 | Various, 3.0% to 5.0% |
| Series 2004 Refunding | 6,435,000 | Various, 2.0% to 3.75% |
| Series 2007 | 38,630,000 | Various, 4.0% to 4.75% |
| Series 2007 Refunding | 7,770,000 | Various, 3.5% to 3.65% |

The District, through the General Fund, (including utility taxes and the SEEK Capital Outlay Fund) is obligated to make lease payments in amounts sufficient to satisfy debt service requirements on bonds issued by the Oldham County Fiscal Court to construct school facilities. The District has an option to purchase the property under lease at any time by retiring the bonds then outstanding.

The proceeds from certain refunding issues have been placed in escrow accounts to be used to service the related debt.

On April 1, 2007, the Oldham County School District Finance Corporation issued $7,770,000 of refunding revenue bonds. The Bonds are being issued to (i) purchase an escrow scheduled to mature at such times and in such amounts as are necessary and will be adequate, with investment or reinvestment thereof, to meet the currently scheduled interest and principal requirements beginning June 1, 2007 through and including July 1, 2007, and pay or refund in advance of

NOTE 4. BONDED DEBT AND LEASE OBLIGATIONS (Continued)

maturity on July 1, 2007, the remaining principal, accrued interest and premium of the Oldham County School District Finance Corporation School Building Revenue Bonds, Series of 1995B, dated December 1, 1995 (the "1995 Bonds"); and the Series of 1997, dated July 1, 1997, and (ii) pay the Bond issuance expenses. The Board has determined that the plan of refunding the Defeased Bonds will result in considerable interest cost savings to the Oldham County School District (the "District") and is in the best interest of the District.

The District has 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 the Commission for each year until maturity of all bond issues.

The bonds may be called prior to maturity and redemption premiums are specified in each issue. Assuming no bonds are called prior to scheduled maturity, the minimum obligations of the District, including amounts to be paid by the Commission, at June 30, 2007 for debt service (principal and interest) are as follows:

| | OLDHAM COUNTY SCHOOL DISTRICT | | KENTUCKY SCHOOL CONSTRUCTION COMMISSION | | |
|---|---|---|---|---|---|
| YEAR | PRINCIPAL | INTEREST | PRINCIPAL | INTEREST | TOTAL |
| 2007-08 | $ 3,948,779 | $ 5,339,492 | $ 421,221 | $ 167,994 | $ 9,877,486 |
| 2008-09 | 4,006,599 | 5,466,924 | 208,401 | 161,698 | 9,843,622 |
| 2009-10 | 4,099,198 | 5,299,504 | 215,802 | 153,105 | 9,767,609 |
| 2010-11 | 4,261,753 | 5,096,892 | 223,247 | 143,481 | 9,725,373 |
| 2011-12 | 4,423,019 | 4,884,768 | 231,981 | 132,954 | 9,672,722 |
| 2012-17 | 25,065,681 | 20,889,525 | 1,264,319 | 484,658 | 47,704,183 |
| 2017-22 | 31,188,224 | 13,739,588 | 991,776 | 203,484 | 46,123,072 |
| 2022-27 | 39,261,055 | 5,465,620 | 363,945 | 19,353 | 45,109,973 |
| | $ 116,254,308 | $ 66,182,313 | $ 3,920,692 | $ 1,466,727 | $ 187,824,040 |

NOTE 4. BONDED DEBT AND LEASE OBLIGATIONS (Continued)

Bonded debt balances and activity for the year ended June 30, 2007, were as follows:

| | BEGINNING BALANCE | ADDITIONS | PAYMENTS | ENDING BALANCE |
|---|---|---|---|---|
| Governmental Activities: | | | | |
| Oldham County School District | $ 80,402,989 | $ 38,962,847 | $(3,111,528) | $ 116,254,308 |
| Kentucky School Construction Commission | 4,387,011 | 32,153 | (498,472) | 3,920,692 |
| Total Bonded Debt | $ 84,790,000 | $ 38,995,000 | $(3,610,000) | $ 120,175,000 |

NOTE 5. CAPITAL LEASE PAYABLE

The School Bus Financing Program is offered by the Kentucky Interlocal School Transportation Association (KISTA).

Equipment Lease Revenue Bonds are issued on behalf of participating School Districts. The Bonds are issued for 10 years and the debt service payments are structured to match the depreciation schedule of the Kentucky Department of Education (DOE). There is no limit as to the number of buses a District can finance.

As a Program participant, collision insurance for each vehicle is provided.

On behalf of all participants KISTA arranges for appropriate legal advertisements to comply with Kentucky State Law, waivers of liability and other DOE requirements. In addition, all legal documents needed to participate are prepared for each participant.

## NOTE 5. CAPITAL LEASE PAYABLE (Continued)

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

| Classes of Property | Book value as of June 30, 2007 |
|---|---|
| Buses | $ 4,382,354 |

| Year Ending June 30 | Capital Lease Payable |
|---|---|
| 2008 | $ 664,744 |
| 2009 | 615,300 |
| 2010 | 559,022 |
| 2011 | 526,203 |
| 2012 | 489,116 |
| Thereafter | 1,527,969 |
| Present Value of Net Minimum Lease Payments | $ 4,382,354 |

## NOTE 6. ACCUMULATED UNPAID SICK LEAVE BENEFITS

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

Sick leave benefits are accrued as a liability using the vesting 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.

## NOTE 6. ACCUMULATED UNPAID SICK LEAVE BENEFITS (Continued)

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 amount "accumulated sick leave payable" in the general fund.

## NOTE 7. PENSION PLAN

Plan Description – The Oldham County Schools 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 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 KY 40601.

Funding Policy – Contribution rates are established by KRS. Members are required to contribute 9.855% of their salaries to KTRS. The Commonwealth of Kentucky is required to contribute 13.105% of salaries. The federal program for any salaries paid by that program pays the matching contributions. KTRS requires that members of KTRS occupy a position requiring either a four (4) year college degree or certification by KY Department of Education (KDE).

The Oldham County Schools' total payroll for the year was $55,883,344. The payroll for employees covered under KTRS was $42,200,253. For the year ended June 30, 2007, the Commonwealth contributed $5,287,517 KTRS for the benefit of our participating employees. The School District's contributions to KTRS for the year ending June 30, 2007, were $242,826 which represents those employees covered by federal programs.

## NOTE 8. COMMITMENTS AND CONTINGENCIES

### A. Litigation

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

### B. 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 on 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 grantor's intent to continue their programs.

## NOTE 9. 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 responsibilities, etc. Each of these risk areas is covered through the purchase of commercial insurance. The District has purchased certain policies which are retrospectively rated which included Worker's compensation insurance.

## NOTE 10. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2007 consisted of the following:

| | RECEIVABLE | PAYABLE |
|---|---|---|
| General Fund | | |
| School Food Service | $ -0- | $ 158,963 |
| School Activity Funds | 265,550 | -0- |
| School Activity Fund | | |
| General Fund | -0- | 265,550 |
| Construction Fund | | |
| FSPK Fund | 13,100 | -0- |
| FSPK Fund | | |
| Construction Fund | -0- | 13,100 |
| School Food Service | | |
| General Fund | 158,963 | -0- |

## NOTE 11. INTERFUND TRANSFERS

Interfund transfers activity for the year ended June 30, 2007, is as follows:

| TYPE | FROM FUND | TO FUND | PURPOSE | AMOUNT |
|---|---|---|---|---|
| Matching | General | Special Revenue | Match | $ 159,229 |
| Operating | Capital Outlay | Debt Service | Debt Service | 536,425 |
| Operating | FSPK | Debt Service | Debt Service | 6,285,244 |
| Capital | FSPK | Construction | Capital Projects | 766,016 |
| Capital | Capital Outlay | Construction | Capital Projects | 279,672 |
| Capital | Construction | General Fund | Capital Projects | 426,845 |

## NOTE 12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To obtain insurance for workers' compensation, errors and omissions, and general liability coverage, the District participates in the Kentucky School Boards Insurance Trust Liability Insurance Fund. These public entity risk pools operate as common risk management and insurance programs for all school districts 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

NOTE 12. RISK MANAGEMENT (Continued)

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 member 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. COBRA

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

NOTE 14. ON-BEHALF PAYMENTS

For the year ended June 30, 2007, total payments of $12,914,520 were made for life insurance, health insurance, KTRS matching and administrative fees by the Commonwealth of Kentucky on behalf of the District. These payments were recognized as on-behalf payments and recorded in the appropriate revenue and expense accounts on the statement of activities. On behalf payments are not budgeted items.

# S U P P L E M E N T A R Y

# I N F O R M A T I O N

# OLDHAM COUNTY SCHOOL DISTRICT

Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2007

| | SEEK CAPITAL OUTLAY FUND | FSPK FUND | DEBT SERVICE FUNDS | TOTAL NONMAJOR GOVERNMENTAL FUNDS |
|---|---|---|---|---|
| REVENUES | | | | |
| From local sources: | | | | |
| Taxes: | | | | |
| Property | $ - | $ 10,190,533 | $ - | $ 10,190,533 |
| Motor vehicle | - | 184,333 | - | 184,333 |
| Utilities | - | - | - | - |
| Earnings on investments | - | - | - | - |
| Intergovernmental - State | 1,045,990 | 2,183,901 | - | 3,229,891 |
| Intergovernmental - Indirect Federal | - | - | - | - |
| TOTAL REVENUES | 1,045,990 | 12,558,767 | - | 13,604,757 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction | - | - | - | - |
| Plant operation and maintenance | 182,493 | - | - | 182,493 |
| Facilities acquisition and construction | 47,400 | 10,182,054 | - | 10,229,454 |
| Other | - | - | - | - |
| TOTAL EXPENDITURES | 229,893 | 10,182,054 | - | 10,411,947 |
| EXCESS OF REVENUE OVER EXPENDITURES | 816,097 | 2,376,713 | - | 3,192,810 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Bond proceeds | - | - | - | - |
| Operating transfers in | - | - | 6,821,669 | 6,821,669 |
| Operating transfers out | (816,097) | (7,051,259) | (6,686,763) | (14,554,119) |
| TOTAL OTHER FINANCING SOURCES (USES) | (816,097) | (7,051,259) | 134,906 | (7,732,450) |
| EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES | - | (4,674,546) | 134,906 | (4,539,640) |
| FUND BALANCE, JULY 1, 2006 | - | 4,674,546 | 1,312,565 | 5,987,111 |
| FUND BALANCE, JUNE 30, 2007 | $ - | $ - | $ 1,447,471 | $ 1,447,471 |

See independent auditors' report.

# OLDHAM COUNTY SCHOOL DISTRICT

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007

| | SEEK CAPITAL OUTLAY FUND | FSPK FUND | DEBT SERVICE FUNDS | TOTAL NONMAJOR GOVERNMENTAL FUNDS |
|---|---|---|---|---|
| ASSETS | | | | |
| Cash and cash equivalents | $ - | $ - | $ 1,447,471 | $ 1,447,471 |
| Accounts receivable | | | | |
| Taxes - current | - | - | - | - |
| Due from other funds | - | - | - | - |
| TOTAL ASSETS AND RESOURCES | $ - | $ - | $ 1,447,471 | $ 1,447,471 |
| LIABILITIES AND FUND BALANCE | | | | |
| LIABILITIES | | | | |
| Accounts payable | $ - | $ - | $ - | $ - |
| Accrued payroll and related expenses | - | - | - | - |
| Due to other funds | - | - | - | - |
| TOTAL LIABILITIES | - | - | - | - |
| FUND BALANCES | | | | |
| Reserved | | | | |
| Debt service | - | - | 1,447,471 | 1,447,471 |
| Unreserved | - | - | - | - |
| TOTAL FUND BALANCES | - | - | 1,447,471 | 1,447,471 |
| TOTAL LIABILITIES AND FUND BALANCES | $ - | $ - | $ 1,447,471 | $ 1,447,471 |

See independent auditors' report.

# OLDHAM COUNTY SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

| FEDERAL GRANTOR/ PASS-THRU GRANTOR/ PROGRAM TITLE | PROJECT | FEDERAL CFDA NUMBER | DISBURSEMENTS/ EXPENDITURES |
|---|---|---|---|
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | |
| Direct programs: | | | |
| Head Start - FY 06 | 06-CH-2614 | 93.600 | $ - |
| Head Start - FY 07 | 07-CH-2614 | 93.600 | 598,339 |
| Total Department of Health and Human Services | | | 598,339 |
| U.S. DEPARTMENT OF EDUCATION | | | |
| Passed through State Department of Education | | | |
| Title I | 0531-03-06 | 84.010 | 18,402 |
| Title I | 0531-04-07 | 84.010 | 465,767 |
| IDEA Part B | 465-06 | 84.027 | 4,096 |
| IDEA Part B | 465-07 | 84.027 | 1,783,377 |
| IDEA Part B Preschool | 465-06P | 84.173 | - |
| IDEA Part B Preschool | 465-07P | 84.173 | 70,348 |
| Title I - Migrant | 0531-03-06 | 84.011 | 14,868 |
| Title I - Migrant | 0531-04-07 | 84.011 | - |
| Title I - Parent Involvement | | 84.010A | 1,041 |
| Title III - ESL | FY07 | 84.365 | 97,178 |
| Title II - Teacher Quality | 0530-04-05 | 84.164 | 40,775 |
| Title II - Teacher Quality | 0530-05-06 | 84.164 | 190,136 |
| Title II - Teacher Quality | 0530-06-07 | 84.164 | 239,104 |
| Title V | 0590-05 | 84.186 | 3,464 |
| Title V | 0590-06 | 84.186 | 5,568 |
| Title V | 0590-07 | 84.186 | 8,541 |
| Title IV (Drug Free) | FY05 | 84.184 | 93 |
| Title IV (Drug Free) | FY06 | 84.184 | 1,282 |
| Title IV (Drug Free) | FY07 | 84.184 | 26,022 |
| Technology Literacy - 2007 | 0736-06-07 | 84.318 | 5,441 |
| Adult Education | FY07 | 84.002 | 67,593 |
| Adult Education - Corrections | FY07 | 84.002 | 5,170 |
| Adult Education - Development | FY07 | 84.002 | 10,930 |
| Adult Education - Prof Dev | FY07 | 84.002 | 786 |

See independent auditors' report.

# OLDHAM COUNTY SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

| FEDERAL GRANTOR/ PASS-THRU GRANTOR/ PROGRAM TITLE | PROJECT | FEDERAL CFDA NUMBER | DISBURSEMENTS/ EXPENDITURES |
|---|---|---|---|
| U.S. DEPARTMENT OF EDUCATION (Continued) | | | |
| Passed through State Department of Education (Continued) | | | |
| Community Based Work | FY06 | 84.126 | $ 345 |
| Community Based Work | FY07 | 84.126 | 18,339 |
| School Based Student Drug Testing | | 84.184D | 45,411 |
| Title II - Perkins Carryover | FY06 | 84.048A | 2,191 |
| Hurricane Education Recovery | 0400-06-02 | 84.938 | 24,836 |
| Vocational Education - Basic Grant Title IIC - 2007 | 5462-07-32 | 84.048 | 59,577 |
| Total Department of Education | | | 3,210,681 |
| U.S. DEPARTMENT OF AGRICULTURE | | | |
| Passed through State Department of Education | | | |
| National School Lunch Program | 0575-06/07 | 10.555 | 801,777 |
| Nat'l School Breakfast Program | 0575-06/07 | 10.553 | 152,618 |
| Nat'l School Breakfast Program | | 10.559 | 25,512 |
| Total Department of Agriculture | | | 979,907 |
| TOTAL FEDERAL FINANCIAL ASSISTANCE | | | $ 4,788,927 |

See independent auditors' report.

# OLDHAM COUNTY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2007

## NOTE A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Oldham County School District and is presented on the 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

## NOTE B. FOOD DONATION

The District received nonmonetary assistance in the form of commodities. The amount of commodities disbursed was $194,586 for the fiscal year ended June 30, 2007. The amount of commodities disbursed was not reported in the schedule of federal expenditures.

# OLDHAM COUNTY SCHOOL DISTRICT

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2007

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the Oldham County School District.

2. There are no reportable conditions disclosed during the audit of the basic financial statements that are reported in the Schedule of Reportable Conditions in Part B of this schedule.

3. No instances of noncompliance material to the financial statements of Oldham County School District were disclosed during the audit. No instances of noncompliance not material to the financial statements are reported in Part B of this schedule.

4. The auditor's report on compliance for the major federal award programs for Oldham County School District expresses an unqualified opinion.

5. There were no findings relative to the major federal awards programs for Oldham County School District.

6. The programs tested as major programs were:

| | CFDA # |
|---|---|
| a. Head Start | 93.600 |
| b. IDEA – Part B Basic | 84.027 |
| c. Title IIA | 84.367 |

7. The threshold for distinguishing Type A and B programs was $300,000.

8. Oldham County School District does qualify as low risk auditee.

B. FINANCIAL STATEMENT FINDINGS

1. REPORTABLE CONDITIONS

None

2. COMPLIANCE FINDINGS

None

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

D. PRIOR YEAR AUDIT FINDINGS

None

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# 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*

State Committee for School District Audits
Members of the Board of Education of
Oldham County School District

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Oldham County School District as of and for the year ended June 30, 2007, which collectively comprise the Oldham County School District's basic financial statements and have issued our report thereon dated October 18, 2007. 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.

## Internal Control Over Financial Reporting

In planning and performing our audit, we considered Oldham County School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their

assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weakness.

Compliance

As part of obtaining reasonable assurance about whether Oldham County School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Oldham County School District, in a separate letter dated October 18, 2007.

This report is intended solely for the information and use of the audit committee, management, members of the Board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Amick & Company*

Louisville, Kentucky
October 18, 2007

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# REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

State Committee for School District Audits
Members of the Board of Education of
Oldham County School District

## Compliance

We have audited the compliance of Oldham County School District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. Oldham County School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Oldham County School District's management. Our responsibility is to express an opinion on Oldham County School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Oldham County School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Oldham County School District's compliance with those requirements.

In our opinion, Oldham County School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of Oldham County School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Oldham County School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected with a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, members of the Board and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Amick & Company*

Louisville, Kentucky
October 18, 2007

**MANAGEMENT**

**LETTER**

**POINTS**

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State Committee for School District Audits
Members of the Board of Education of
Oldham County School District

In planning and performing our audit of the financial statements of Oldham County School District for the year ended June 30, 2007, we considered the District's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of several matters that are opportunities for strengthening the internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. A separate report dated October 18, 2007 contains our report on reportable conditions and material weaknesses in the District's internal control structure. This letter does not affect our report dated October 18, 2007 on the financial statements of the Oldham County School District.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

*Amick & Company*

Louisville, Kentucky
October 18, 2007

# OLDHAM COUNTY SCHOOL DISTRICT

Management Letter Points
For the Year Ended June 30, 2007

## POINT 1. PRIOR YEAR RECOMMENDATIONS

We reviewed all recommendations made to the Board on the management letter that accompanied your previous report. The Board responded to these recommendations by developing and implementing a plan of action. We found no instances relating to the prior year comments in the current year.

## POINT 2. SCHOOL ACTIVITY FUNDS

In accordance with the *Uniform Program of Accounting for School Activity Funds in Kentucky Schools* (the red book), we have several areas where the schools are not in compliance with the policies and procedures as outlined.

### *A. TICKET SALES – ATHLETIC EVENTS*

The Red Book sets out specific policies and procedures that shall be used for all events for which admission is charged.

***Comments***

There are two different issues. The first is that beginning and ending ticket stubs are not being attached to the reconciliation form. The second is the reconciliation form is not being properly completed or not being used at all.

***Recommendation***

The principal should meet with their athletic director and bookkeeper to review these policies and procedures to ensure they are being followed.

***Management's Response***

The Treasurer will remind schools that they are to comply with all policies and procedures in the Red Book. He will also monitor the situation to ensure compliance in the future.

### *B. CREDIT CARDS*

Credit cards are allowed by board policy. All items that are placed on a credit card should have prior approval or the credit card should not be used.

#### *Comments*

We discovered several instances where credit cards were paid late and the school incurred late charges as a result. All bills are to be paid in a timely manner. If the purchase on the credit card has a properly approved purchase order, then there is no reason why the bill should be paid late. If the purchase has not been approved then the use of the credit card should not be allowed.

#### *Recommendation*

The principals should review all credit card charges to ensure that they have properly approved purchase orders. If they do, then they should instruct their bookkeepers that all invoices need to be paid on time. If a particular invoice needs to be held for any reason, the bookkeeper should notify the principal of the reason. The vendor involved should also be notified of the reason payment is being held so as not to incur any charge for late payment.

#### *Management's Response*

The Treasurer will remind the schools that they are to comply with all policies and procedures in the red book. He will also monitor this situation to ensure compliance in the future.

### *C. PROPER DOCUMENTATION*

The Red Book states that before being processed, each disbursement shall be documented by a completed purchase order and an original vendor invoice.

#### *Comments*

We found numerous instances where there was no vendor invoice (original or duplicate) or inadequate documentation was attached to the purchase order. In most instances, these purchase orders were for admissions to places where students were going on field trips, to camps or conventions.

#### *Recommendation*

The principal needs to remind all personnel who schedule and plan field trips that proper documentation is required from the vendor before the purchase order for the field trip can be approved.

***Management's Response***

The Treasurer will remind the schools that they are to comply with all policies and procedures in the red book. He will also monitor this situation to ensure compliance in the future.

***E. PAYMENTS BEYOND ONE YEAR***

Schools are prohibited from entering into contracts for the purchase of items that extend the payments beyond the end of the current school year.

***Comments***

We found several instances where payments for purchases of musical instruments and football equipment extended beyond the end of the current school year.

***Recommendation***

All personnel responsible for payment and approval of purchase orders need to be reminded of the policies regarding payment for goods purchased.

***Management's Response***

The Treasurer will meet with the appropriate principals and discuss the handling of payments for goods to insure that this situation is corrected and payments are made within the appropriate time period or all contracts beyond the fiscal year are approved by the Board of Education.

# A D D I T I O N A L

# I N F O R M A T I O N

# OLDHAM COUNTY SCHOOL DISTRICT

Balance Sheet
School Activity Funds
June 30, 2007

| | ASSETS | | | LIABILITIES AND FUND BALANCE | | |
|---|---|---|---|---|---|---|
| | Cash | Accounts Receivable | Total | Accounts Payable | Fund Balance | Total |
| ELEMENTARY SCHOOLS | | | | | | |
| Buckner | $ 166,250 | $ 3,206 | $ 169,456 | $ 28,213 | $ 141,243 | $ 169,456 |
| Camden Station | 108,492 | 3,850 | 112,342 | 28,934 | 83,408 | 112,342 |
| Centerfield | 62,453 | - | 62,453 | 29,072 | 33,381 | 62,453 |
| Crestwood | 90,500 | - | 90,500 | 36,140 | 54,360 | 90,500 |
| Goshen | 175,761 | - | 175,761 | 27,680 | 148,081 | 175,761 |
| Harmony | 242,346 | 5,047 | 247,393 | 27,327 | 220,066 | 247,393 |
| Kenwood Station | 156,983 | 695 | 157,678 | 33,733 | 123,945 | 157,678 |
| LaGrange | 112,210 | 1,334 | 113,544 | 46,762 | 66,782 | 113,544 |
| Liberty | 46,272 | 765 | 47,037 | 11,686 | 35,351 | 47,037 |
| Total Elementary Schools | $ 1,161,267 | $ 14,897 | $ 1,176,164 | $ 269,547 | $ 906,617 | $ 1,176,164 |
| MIDDLE SCHOOLS | | | | | | |
| East Oldham | $ 75,827 | $ - | $ 75,827 | $ 1,830 | $ 73,997 | $ 75,827 |
| North Oldham | 271,338 | - | 271,338 | 14,838 | 256,500 | 271,338 |
| Oldham County | 130,006 | - | 130,006 | - | 130,006 | 130,006 |
| South Oldham | 84,375 | - | 84,375 | 7,677 | 76,698 | 84,375 |
| Total Middle Schools | $ 561,546 | $ - | $ 561,546 | $ 24,345 | $ 537,201 | $ 561,546 |
| HIGH SCHOOLS | | | | | | |
| Buckner Alternative | $ 778 | $ - | $ 778 | $ - | $ 778 | $ 778 |
| North Oldham | 109,762 | - | 109,762 | 5,408 | 104,354 | 109,762 |
| Oldham County | 495,349 | 20,832 | 516,181 | 39,275 | 476,906 | 516,181 |
| South Oldham | 230,290 | 2,706 | 232,996 | 18,074 | 214,922 | 232,996 |
| Total High Schools | $ 836,179 | $ 23,538 | $ 859,717 | $ 62,757 | $ 796,960 | $ 859,717 |
| TOTAL ALL SCHOOLS | $ 2,558,992 | $ 38,435 | $ 2,597,427 | $ 356,649 | $ 2,240,778 | $ 2,597,427 |

See independent auditors' report.

# OLDHAM COUNTY SCHOOL DISTRICT

Statement of Revenue and Expenses
School Activity Funds
For the Year Ended June 30, 2007

| | Cash July 1, 2006 | Receipts | Disbursments | Cash June 30, 2007 | Accounts Receivable | Accounts Payable | Fund Balance June 30, 2007 |
|---|---|---|---|---|---|---|---|
| ELEMENTARY SCHOOLS | | | | | | | |
| Buckner | $ 150,002 | $ 459,818 | $ 443,570 | $ 166,250 | $ 3,206 | $ 28,213 | $ 141,243 |
| Camden Station | 86,266 | 481,490 | 459,264 | 108,492 | 3,850 | 28,934 | 83,408 |
| Centerfield | 44,731 | 469,846 | 452,124 | 62,453 | - | 29,072 | 33,381 |
| Crestwood | 95,801 | 432,756 | 438,057 | 90,500 | - | 36,140 | 54,360 |
| Goshen | 273,022 | 461,922 | 559,183 | 175,761 | - | 27,680 | 148,081 |
| Harmony | 164,708 | 535,286 | 457,648 | 242,346 | 5,047 | 27,327 | 220,066 |
| Kenwood Station | 84,343 | 462,122 | 389,482 | 156,983 | 695 | 33,733 | 123,945 |
| LaGrange | 64,220 | 404,252 | 356,262 | 112,210 | 1,334 | 46,762 | 66,782 |
| Liberty | 43,949 | 234,144 | 231,821 | 46,272 | 765 | 11,686 | 35,351 |
| Total Elementary Schools | $ 1,007,042 | $ 3,941,636 | $ 3,787,411 | $ 1,161,267 | $ 14,897 | $ 269,547 | $ 906,617 |
| MIDDLE SCHOOLS | | | | | | | |
| East Oldham | $ 51,245 | $ 378,697 | $ 354,115 | $ 75,827 | $ - | $ 1,830 | $ 73,997 |
| North Oldham | 279,275 | 433,062 | 440,999 | 271,338 | - | 14,838 | 256,500 |
| Oldham County | 151,814 | 372,774 | 394,582 | 130,006 | - | - | 130,006 |
| South Oldham | 72,101 | 391,172 | 378,898 | 84,375 | - | 7,677 | 76,698 |
| Total Middle Schools | $ 554,435 | $ 1,575,705 | $ 1,568,594 | $ 561,546 | $ - | $ 24,345 | $ 537,201 |
| HIGH SCHOOLS | | | | | | | |
| Buckner Alternative | $ 352 | $ 1,264 | $ 838 | $ 778 | $ - | $ - | $ 778 |
| North Oldham | 210,323 | 709,282 | 809,843 | 109,762 | - | 5,408 | 104,354 |
| Oldham County | 425,839 | 1,247,338 | 1,177,828 | 495,349 | 20,832 | 39,275 | 476,906 |
| South Oldham | 203,966 | 1,043,345 | 1,017,021 | 230,290 | 2,706 | 18,074 | 214,922 |
| Total High Schools | $ 840,480 | $ 3,001,229 | $ 3,005,530 | $ 836,179 | $ 23,538 | $ 62,757 | $ 796,960 |
| TOTAL ALL SCHOOLS | $ 2,401,957 | $ 8,518,570 | $ 8,361,535 | $ 2,558,992 | $ 38,435 | $ 356,649 | $ 2,240,778 |

See independent auditors' report.

# SCHOOL ACTIVITY

# FUNDS

# OLDHAM COUNTY BOARD OF EDUCATION
# NORTH OLDHAM HIGH SCHOOL
# ACTIVITY FUND

Statement of Receipts, Disbursements and Fund Balance
For the Year Ended June 30, 2007

| FUND ACCOUNTS | CASH BALANCES AT BEGINNING OF YEAR | CASH RECEIPTS | CASH DISBURSEMENTS | NET INTERFUND TRANSFERS | CASH BALANCES AT END OF YEAR | NET ACCOUNTS RECEIVABLE (PAYABLE) | FUND BALANCES June 30, 2007 |
|---|---|---|---|---|---|---|---|
| General | $ 41,330 | $ 32,737 | $ 80,811 | $ 11,580 | $ 4,836 | $ (321) | $ 4,515 |
| Vending | 29,508 | 26,450 | 43,396 | (7,743) | 4,819 | - | 4,819 |
| Technology Equipment | 3,663 | 60 | 4,197 | 924 | 450 | - | 450 |
| Parking Passes | 1,287 | 5,110 | 3,791 | - | 2,606 | - | 2,606 |
| STI Home | - | - | 345 | 345 | - | - | - |
| Grants | - | 975 | 929 | (46) | - | - | - |
| Debate | 163 | 2,760 | 2,832 | - | 91 | - | 91 |
| Textbook Fees | 327 | 259 | 46,111 | 45,525 | - | - | - |
| Student Fees | 11,940 | 139,453 | 18,070 | (133,323) | - | - | - |
| Newspaper | - | 1,421 | 1,388 | 180 | 213 | - | 213 |
| Academic Team | - | 2,263 | 2,225 | (38) | - | - | - |
| Testing | 5,675 | 9,628 | 43,261 | 32,491 | 4,533 | - | 4,533 |
| English | 6,454 | 12,093 | 24,838 | 8,054 | 1,763 | - | 1,763 |
| Athletics | 18,733 | 80,479 | 108,366 | 31,951 | 22,797 | (510) | 22,287 |
| Boys basketball | 6,612 | 38,147 | 34,710 | (179) | 9,870 | (275) | 9,595 |
| Girls basketball | 3,066 | 7,714 | 5,814 | (3,295) | 1,671 | - | 1,671 |
| Baseball | 2,021 | 37,550 | 31,866 | (3,600) | 4,105 | (795) | 3,310 |
| Football | 5,150 | 20,595 | 21,427 | (4,277) | 41 | - | 41 |
| Boys golf | 30 | 4,019 | 2,289 | (505) | 1,255 | - | 1,255 |
| Girls golf | 412 | 1,665 | 1,326 | (175) | 576 | - | 576 |
| Cheerleading | 2,901 | 18,575 | 16,048 | (1,095) | 4,333 | (281) | 4,052 |
| Dance team | 30 | 4,648 | 4,381 | (266) | 31 | - | 31 |
| Boys soccer | 833 | 24,425 | 12,817 | (10,332) | 2,109 | - | 2,109 |
| Girls soccer | 4,037 | 27,791 | 23,699 | (4,694) | 3,435 | - | 3,435 |
| Boys tennis | 1,000 | 1,370 | 2,062 | (13) | 295 | - | 295 |
| Girls tennis | 1,292 | 2,760 | 1,991 | (12) | 2,049 | (1,122) | 927 |
| Volleyball | 920 | 5,129 | 3,939 | (1,747) | 363 | (316) | 47 |
| Track | 259 | 3,596 | 1,435 | (1,640) | 780 | - | 780 |
| Cross country | 1,183 | 7,820 | 6,185 | (2,375) | 443 | (105) | 338 |
| Swim team | - | 2,441 | 2,387 | - | 54 | - | 54 |
| Wrestling | 4,435 | 8,029 | 10,036 | (1,655) | 773 | - | 773 |
| Softball | 5,240 | 15,241 | 10,909 | (1,115) | 8,457 | (105) | 8,352 |
| Field Hockey | 90 | 7,904 | 6,386 | (1,600) | 8 | - | 8 |
| Student Government | 57 | 730 | 70 | - | 717 | - | 717 |
| FCA | 15 | 116 | 131 | - | - | - | - |
| Female Leadership | 246 | 220 | 267 | - | 199 | - | 199 |
| Art | 497 | 1,454 | 12,852 | 12,177 | 1,276 | (300) | 976 |
| National Honor Society | 251 | 1,150 | 966 | (23) | 412 | (212) | 200 |
| Yearbook | 6,299 | 41,096 | 44,714 | 172 | 2,853 | - | 2,853 |
| BETA Club | 863 | 1,573 | 1,105 | - | 1,331 | - | 1,331 |
| Donations | 11,773 | 218 | 11,923 | (68) | - | - | - |
| Foreign Language | 8,328 | 287 | 11,122 | 5,152 | 2,645 | - | 2,645 |
| KUNA | 355 | 18,530 | 18,552 | - | 333 | - | 333 |
| Science | 356 | 377 | 17,355 | 16,622 | - | - | - |

See independent auditors' report

# OLDHAM COUNTY BOARD OF EDUCATION
# NORTH OLDHAM HIGH SCHOOL
# ACTIVITY FUND

Statement of Receipts, Disbursements and Fund Balance
For the Year Ended June 30, 2007

| FUND ACCOUNTS | CASH BALANCES AT BEGINNING OF YEAR | CASH RECEIPTS | CASH DISBURSEMENTS | NET INTERFUND TRANSFERS | CASH BALANCES AT END OF YEAR | NET ACCOUNTS RECEIVABLE (PAYABLE) | FUND BALANCES June 30, 2007 |
|---|---|---|---|---|---|---|---|
| National Art Honor | $ 368 | $ 1,085 | $ 725 | $ - | $ 728 | $ - | $ 728 |
| Physical Education | 3 | - | - | (3) | - | - | - |
| Math Department | 56 | 98 | 1,599 | 1,819 | 374 | - | 374 |
| Speech | 133 | 3,078 | 4,502 | 1,291 | - | - | - |
| Freshman Class | 825 | 820 | 480 | (825) | 340 | - | 340 |
| Freshman Orientation | 1,062 | - | - | (1,062) | - | - | - |
| Band | 3,386 | 13,887 | 19,932 | 3,597 | 938 | (750) | 188 |
| Social Studies | 243 | 9,532 | 15,792 | 6,017 | - | - | - |
| Chorus | 1,502 | 20,730 | 25,086 | 2,854 | - | - | - |
| Literary Club | 67 | - | 30 | - | 37 | - | 37 |
| Drama | - | 5,425 | 4,360 | (997) | 68 | - | 68 |
| Media Center | 3,537 | 2,167 | 9,587 | 7,958 | 4,075 | - | 4,075 |
| Sophomore Class | 885 | 1,082 | 906 | (60) | 1,001 | - | 1,001 |
| Junior Class | 3,787 | 11,962 | 3,836 | (2,902) | 9,011 | - | 9,011 |
| Senior Class | 6,663 | 20,472 | 23,591 | (2,877) | 667 | (315) | 352 |
| May Term Classes | 175 | 85 | 93 | (167) | - | - | - |
| Totals | $ 210,323 | $ 709,281 | $ 809,843 | $ - | $ 109,761 | $ (5,407) | $ 104,354 |

See independent auditors' report

# OLDHAM COUNTY BOARD OF EDUCATION
# OLDHAM COUNTY HIGH SCHOOL
# ACTIVITY FUND

Statement of Receipts, Disbursements and Fund Balance
For the Year Ended June 30, 2007

| FUND ACCOUNTS | CASH BALANCES AT BEGINNING OF YEAR | CASH RECEIPTS | CASH DISBURSEMENTS | NET INTERFUND TRANSFERS | CASH BALANCES AT END OF YEAR | NET ACCOUNTS RECEIVABLE (PAYABLE) | FUND BALANCES June 30, 2007 |
|---|---|---|---|---|---|---|---|
| Agriculture | $ 1,500 | $ 630 | $ 1,500 | $ - | $ 630 | $ - | $ 630 |
| Art | 2,177 | 115 | 6,705 | 7,249 | 2,836 | 413 | 3,249 |
| Athletic - General | 5,830 | 103,343 | 60,335 | (38,535) | 10,303 | - | 10,303 |
| Baseball | 9,618 | 52,105 | 44,945 | 9,219 | 25,997 | 6 | 26,003 |
| Basic Student Fee | 1,336 | 151,154 | 41,930 | (110,542) | 18 | 1,057 | 1,075 |
| Band | - | 28,590 | 34,744 | 6,404 | 250 | 449 | 699 |
| Boys basketball | 10,440 | 10,753 | 14,638 | 4,057 | 10,612 | - | 10,612 |
| Girls basketball | 1,171 | 19,888 | 25,960 | 5,802 | 901 | - | 901 |
| Beta Club | 293 | 2,405 | 2,160 | (100) | 438 | - | 438 |
| Bookstore | 3,317 | 338 | 885 | (40) | 2,730 | - | 2,730 |
| Business | 628 | 40 | 2,640 | 2,615 | 643 | 253 | 896 |
| Certificate of Deposit | 16,656 | 367 | - | - | 17,023 | - | 17,023 |
| Cheerleading | 5,210 | 31,639 | 27,715 | 5,615 | 14,749 | 292 | 15,041 |
| Chess team | 732 | - | 285 | (20) | 427 | - | 427 |
| Choral music | 10,999 | 72,629 | 70,421 | 2,567 | 15,774 | 50 | 15,824 |
| Cross country | 2,253 | 6,592 | 7,337 | (430) | 1,078 | - | 1,078 |
| Debate | - | - | 258 | 297 | 39 | 12 | 51 |
| Speech team | - | 2,603 | 2,885 | 282 | - | - | - |
| Broadcast Journal | - | 4,606 | 7,435 | 5,073 | 2,244 | 20 | 2,264 |
| English | 1,009 | 9,341 | 7,640 | - | 2,710 | - | 2,710 |
| Little Colonel Child | 31,337 | 135,685 | 134,050 | - | 32,972 | (24,686) | 8,286 |
| Faculty Fund | - | 630 | 630 | - | - | - | - |
| Football | 17,049 | 77,853 | 78,563 | (2,832) | 13,507 | 281 | 13,788 |
| Foreign language | 608 | 305 | 25,961 | 25,048 | - | 761 | 761 |
| Freshmen | 864 | 3,745 | 3,241 | (864) | 504 | - | 504 |
| FBLA | 389 | 220 | 182 | (25) | 402 | - | 402 |
| FEA | 39 | 605 | 561 | (10) | 73 | - | 73 |
| FFA | 14,470 | 30,810 | 34,571 | 905 | 11,614 | (80) | 11,534 |
| FCCLA | 389 | 6,328 | 6,488 | (55) | 174 | - | 174 |
| General | 2,896 | 9,115 | 10,836 | 2 | 1,177 | (334) | 843 |
| Golf | 780 | 3,571 | 3,272 | (280) | 799 | - | 799 |
| Guidance | 1,185 | 36,079 | 33,475 | - | 3,789 | 56 | 3,845 |
| Family/Consumer | 1,964 | 396 | 5,914 | 5,666 | 2,112 | 563 | 2,675 |
| Honor Society | 97 | 3,139 | 2,555 | (25) | 656 | - | 656 |
| Ind Arts | 2,978 | 11,118 | 12,763 | 2,000 | 3,333 | 135 | 3,468 |
| Interl club | 157 | - | 119 | (38) | - | - | - |
| Juniors | 7,976 | 29,067 | 22,565 | (7,708) | 6,770 | - | 6,770 |
| Humanities | 294 | 2,394 | 2,394 | - | 294 | - | 294 |
| Library | 1,149 | 1,450 | 1,391 | 825 | 2,033 | 1,721 | 3,754 |
| Literary club | - | 669 | 289 | (26) | 354 | - | 354 |
| Math | 165 | 2,612 | 2,357 | 30 | 450 | 30 | 480 |
| Pep Club | 241 | 195 | 200 | - | 236 | - | 236 |
| Physical Ed | - | - | 1 | 1 | - | - | - |
| Sigma Gamma | 489 | 10,016 | 9,817 | 3 | 691 | 52 | 743 |
| ACT Prep | 22 | - | 1,206 | 1,184 | - | 104 | 104 |

See independent auditors' report.

# OLDHAM COUNTY BOARD OF EDUCATION
# OLDHAM COUNTY HIGH SCHOOL
# ACTIVITY FUND

Statement of Receipts, Disbursements and Fund Balance
For the Year Ended June 30, 2007

| FUND ACCOUNTS | CASH BALANCES AT BEGINNING OF YEAR | CASH RECEIPTS | CASH DISBURSEMENTS | NET INTERFUND TRANSFERS | CASH BALANCES AT END OF YEAR | NET ACCOUNTS RECEIVABLE (PAYABLE) | FUND BALANCES June 30, 2007 |
|---|---|---|---|---|---|---|---|
| Savings | $ 61,574 | $ 1,101 | $ - | $ - | $ 62,675 | $ - | $ 62,675 |
| Scholarship | 16,100 | 3,050 | 6,118 | (196) | 12,836 | (3,000) | 9,836 |
| Scholastic comp | 1,428 | 457 | 1,749 | 489 | 625 | - | 625 |
| School paper | 5,752 | 31,702 | 28,815 | (2,137) | 6,502 | (2,822) | 3,680 |
| School pictures | - | 2,877 | 149 | - | 2,728 | - | 2,728 |
| Science | 2,313 | 2,417 | 19,310 | 20,356 | 5,776 | 1,312 | 7,088 |
| Science club | 122 | 63 | 63 | - | 122 | - | 122 |
| Seniors | 6,863 | 52,286 | 46,052 | 331 | 13,428 | (150) | 13,278 |
| Boys soccer | 15,260 | 29,915 | 28,852 | (15,389) | 934 | - | 934 |
| Girls soccer | - | 16,859 | 18,693 | 1,834 | - | - | - |
| Social Studies | - | - | 1 | 1 | - | - | - |
| Softball | 879 | 17,453 | 21,351 | 9,176 | 6,157 | - | 6,157 |
| Sophomores | 467 | - | 20 | 347 | 794 | - | 794 |
| Sp Ed/Tmh | 232 | 348 | 374 | (19) | 187 | - | 187 |
| Senior Fraternity | - | 1,830 | 1,598 | - | 232 | - | 232 |
| Technology | 1,575 | 7,070 | 15,937 | 8,613 | 1,321 | (1,265) | 56 |
| Technology Consumab | 112 | 50 | 11,255 | 11,093 | - | 601 | 601 |
| Stars | 396 | - | - | - | 396 | - | 396 |
| Tennis | 432 | 1,381 | 1,618 | (28) | 167 | (167) | - |
| O Club | 869 | - | - | - | 869 | - | 869 |
| Textbook Replace | - | 875 | 5,666 | 4,791 | - | 3,808 | 3,808 |
| Theater | 663 | 1,367 | 2,515 | 534 | 49 | 123 | 172 |
| Theater production | 16,289 | 16,558 | 17,378 | (100) | 15,369 | - | 15,369 |
| Track | 3,493 | 9,180 | 8,704 | (710) | 3,259 | - | 3,259 |
| Locker room facilities | 26,250 | - | - | 15,260 | 41,510 | (150) | 41,360 |
| Vending - general | - | 3,316 | 2,978 | - | 338 | - | 338 |
| Vending - pop | 392 | 19,693 | 23,371 | 3,286 | - | - | - |
| Vending - faculty | 147 | 5,071 | 6,436 | 1,218 | - | - | - |
| Volleyball | - | 12,653 | 14,264 | 2,600 | 989 | - | 989 |
| Wrestling | 2,084 | 14,477 | 12,194 | 1,320 | 5,687 | - | 5,687 |
| Xerox | 2,509 | - | 6,774 | 4,265 | - | - | - |
| Yearbook | 26,887 | 67,027 | 65,522 | 180 | 28,572 | (3,236) | 25,336 |
| Y Club | 3 | 19,734 | 18,743 | - | 994 | - | 994 |
| Special Project | 66,002 | 27,974 | 17,093 | 2,978 | 79,861 | 5,685 | 85,546 |
| Swim team | - | 7,309 | 7,036 | 70 | 343 | 375 | 718 |
| FCA | 159 | 1,114 | 1,105 | (5) | 163 | - | 163 |
| Alumni | 6,181 | - | 3,049 | 6,863 | 9,995 | - | 9,995 |
| Dance | 1,699 | 8,991 | 9,226 | (335) | 1,129 | (713) | 416 |
| TOTALS | $ 425,839 | $ 1,247,338 | $ 1,177,828 | $ - | $ 495,349 | $ (18,444) | $ 476,905 |

See independent auditors' report.

# OLDHAM COUNTY BOARD OF EDUCATION
# SOUTH OLDHAM HIGH SCHOOL
# ACTIVITY FUND

Statement of Receipts, Disbursements and Fund Balance
For the Year Ended June 30, 2007

| FUND ACCOUNTS | CASH BALANCES AT BEGINNING OF YEAR | CASH RECEIPTS | CASH DISBURSEMENTS | NET TRANSFERS | CASH BALANCES AT END OF YEAR | NET ACCOUNTS RECEIVABLE (PAYABLE) | FUND BALANCES June 30, 2007 |
|---|---|---|---|---|---|---|---|
| Art | $ - | $ 201 | $ 7,822 | $ 7,621 | $ - | $ - | $ - |
| Athletic general | 178 | 183,899 | 180,395 | 7,814 | 11,496 | - | 11,496 |
| Band, concert | 76 | 11,578 | 17,985 | 7,021 | 690 | - | 690 |
| Baseball | 4,492 | 72,069 | 72,779 | (814) | 2,968 | (450) | 2,518 |
| ACT/SAT Prep | - | 15,305 | 13,593 | (1,712) | - | - | - |
| Basketball, boys | 6,624 | 19,565 | 22,521 | 3,266 | 6,934 | - | 6,934 |
| Basketball, girls | 1,610 | 12,301 | 14,670 | 1,131 | 372 | - | 372 |
| Beta Club | 156 | 6,857 | 6,293 | (534) | 186 | - | 186 |
| Bookstore | 536 | 3,471 | 6,447 | 2,440 | - | - | - |
| Book/Course fees | - | 137,556 | 22,517 | (114,839) | 200 | - | 200 |
| Cheerleading | 1,886 | 19,328 | 21,636 | 1,733 | 1,311 | - | 1,311 |
| Choral music | 3,249 | 94,596 | 93,749 | 2,283 | 6,379 | - | 6,379 |
| CLEP Testing | - | 480 | 360 | - | 120 | - | 120 |
| Cross country | 1,637 | 7,731 | 7,787 | (13) | 1,568 | - | 1,568 |
| Dance team | 4,355 | 13,009 | 17,308 | 2,169 | 2,225 | - | 2,225 |
| Debate | - | 371 | 233 | (15) | 123 | - | 123 |
| Diplomacy club | 219 | 4,060 | 4,276 | - | 3 | - | 3 |
| Dragon club | 3,300 | - | 354 | 1,090 | 4,036 | - | 4,036 |
| Dragon stadium | - | 8,000 | - | 8,000 | 16,000 | - | 16,000 |
| English | - | 431 | 13,707 | 13,276 | - | - | - |
| Faculty Fund | 100 | 2,394 | 2,423 | - | 71 | - | 71 |
| Family & Consumer | - | 204 | 8,598 | 8,394 | - | - | - |
| FCA | 136 | - | 80 | (5) | 51 | - | 51 |
| FCCLA | 2,237 | 9,929 | 9,938 | 197 | 2,425 | - | 2,425 |
| FCCLA Reg #6 | 890 | 2,212 | 2,064 | 280 | 1,318 | - | 1,318 |
| Field hockey | 2,024 | 17,714 | 21,172 | 1,434 | - | - | - |
| FEA | 89 | - | 65 | (24) | - | - | - |
| Field trips | - | 6,808 | 5,000 | (1,808) | - | - | - |
| Football | 3,656 | 38,295 | 31,406 | (3,103) | 7,442 | - | 7,442 |
| Foreign language | - | 70 | 7,073 | 7,003 | - | - | - |
| French club | 127 | - | - | (15) | 112 | - | 112 |
| Freshman class | - | 7,737 | 5,044 | (2,693) | - | - | - |
| Bowling club | 4 | - | - | (4) | - | - | - |
| General | 7,269 | 38,595 | 27,718 | 37,337 | 55,483 | (14,227) | 41,256 |
| General - Savings | 40,000 | 2,563 | - | (42,563) | - | - | - |
| Golf, boys | 570 | 1,642 | 2,042 | 87 | 257 | - | 257 |
| Golf, girls | 864 | 1,742 | 3,267 | 661 | - | - | - |
| Guidance | 371 | 1,738 | 1,711 | (84) | 314 | - | 314 |
| Honor Society | 169 | 1,150 | 1,174 | (28) | 117 | - | 117 |
| Ind Arts | - | 10,297 | 11,918 | 1,621 | - | - | - |
| Juniors | 1,834 | 13,599 | 7,303 | (5,947) | 2,183 | - | 2,183 |
| Kickoff classic | - | 30,418 | 23,650 | (4,706) | 2,062 | - | 2,062 |
| Library | 36 | 1,771 | 2,224 | 417 | - | - | - |
| Literary club | - | 36 | 34 | (2) | - | - | - |
| Locker | 7,195 | - | 570 | 3,321 | 9,946 | - | 9,946 |

See independent auditors' report.

# OLDHAM COUNTY BOARD OF EDUCATION
# SOUTH OLDHAM HIGH SCHOOL
# ACTIVITY FUND

Statement of Receipts, Disbursements and Fund Balance
For the Year Ended June 30, 2007

| FUND ACCOUNTS | CASH BALANCES AT BEGINNING OF YEAR | CASH RECEIPTS | CASH DISBURSEMENTS | NET TRANSFERS | CASH BALANCES AT END OF YEAR | NET ACCOUNTS RECEIVABLE (PAYABLE) | FUND BALANCES June 30, 2007 |
|---|---|---|---|---|---|---|---|
| Math | $ - | $ - | $ 1,929 | $ 1,929 | $ - | $ - | $ - |
| German club | - | 450 | 447 | (3) | - | - | - |
| Natl arts society | 425 | 702 | 890 | (237) | - | - | - |
| Parking sticker | 3,587 | 5,250 | 7,860 | - | 977 | - | 977 |
| PE / Health | - | 257 | 245 | (12) | - | - | - |
| Scholarship | 14,207 | 3,000 | 10,575 | 1,250 | 7,882 | - | 7,882 |
| Scholastic comp | - | 52 | 52 | - | - | - | - |
| School paper | 3,418 | 7,670 | 8,848 | 140 | 2,380 | - | 2,380 |
| School pictures | - | 1,953 | - | (1,953) | - | - | - |
| Science | - | 4,741 | 16,374 | 11,633 | - | - | - |
| Seniors | 7,157 | 29,915 | 34,481 | 5,471 | 8,062 | - | 8,062 |
| Soccer, boys | 4,149 | 13,997 | 11,875 | (4,876) | 1,395 | - | 1,395 |
| Soccer, girls | 9,083 | 11,597 | 14,528 | (1,794) | 4,358 | - | 4,358 |
| Social Studies | - | 2,294 | 4,707 | 2,506 | 93 | - | 93 |
| Softball | 3,625 | 4,469 | 3,136 | (1,472) | 3,486 | - | 3,486 |
| Sophomores | 1,122 | 2,693 | 1,605 | 443 | 2,653 | - | 2,653 |
| Ski club | - | 1,355 | 1,206 | - | 149 | - | 149 |
| Spirit Pep Club | - | 276 | 160 | (15) | 101 | - | 101 |
| Sp Ed/LD MMD | - | 219 | 234 | 15 | - | - | - |
| Sp Ed/TMD | 137 | 2,043 | 1,888 | - | 292 | (172) | 120 |
| Special Project | 1,223 | 1,867 | 1,921 | - | 1,169 | - | 1,169 |
| STLP | 48 | 669 | 735 | 18 | - | - | - |
| Student council | 53 | 1,148 | 872 | (278) | 51 | - | 51 |
| Swim team | 1,173 | 4,080 | 2,575 | (293) | 2,385 | - | 2,385 |
| Technology | 3,482 | 1,069 | 12,395 | 8,191 | 347 | - | 347 |
| Teens Who Care | - | 1 | - | (1) | - | - | - |
| Tennis, boys | 50 | 545 | 1,870 | 1,275 | - | - | - |
| Tennis, girls | 6 | 3,278 | 3,776 | 1,469 | 977 | - | 977 |
| Testing | 3,047 | 3,583 | 27,942 | 21,312 | - | - | - |
| Textbook Replace | 2,187 | 1,450 | 3,486 | - | 151 | - | 151 |
| Theater | 4,536 | 8,008 | 7,982 | 952 | 5,514 | - | 5,514 |
| Track | 298 | 8,820 | 971 | - | 8,147 | - | 8,147 |
| Vandalism | 253 | 579 | 1,109 | 331 | 54 | - | 54 |
| Vending - general | 494 | 2,642 | 2,888 | - | 248 | - | 248 |
| Vending - pop | 1,140 | 7,517 | 9,596 | 1,288 | 349 | - | 349 |
| Vending - staff | - | 1,020 | 40 | (890) | 90 | - | 90 |
| Volleyball | 2,925 | 2,053 | 4,084 | (131) | 763 | - | 763 |
| Wrestling | 2,012 | 30,875 | 25,286 | (326) | 7,275 | - | 7,275 |
| Xerox | - | 23,751 | 31,900 | 13,871 | 5,722 | (519) | 5,203 |
| Yearbook | 38,240 | 47,735 | 57,647 | 500 | 28,828 | - | 28,828 |
| TOTALS | $ 203,966 | $ 1,043,345 | $ 1,017,021 | $ - | $ 230,290 | $ (15,368) | $ 214,922 |

See independent auditors' report.