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## School Facilities Construction Commission

Finance and Administration Cabinet

229 W. Main Street, Suite 102

Frankfort, Kentucky 40601

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(888) 979-6152 Fax

STEVE BESHEAR

Governor

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Secretary

BERNARD J. SANDFOSS

Chairman

KRISTI CULPEPPER

Executive Director

January 7, 2014

Dr. Thomas Richey, Superintendent  
Henderson County Schools  
1805 2nd Street  
Henderson, Kentucky 42420-3367

Dear Dr. Richey:

Pursuant to KRS 157.622, the School Facilities Construction Commission (SFCC) is hereby making an official Offer of Assistance to the Henderson County Schools Board of Education. Acceptance of this Offer of Assistance commits the school district to adhere to the statutes and regulations governing this program. This Offer of Assistance is in the amount of **\$172,545 annual debt service** on bonds to be sold for proposed construction or major renovation of facilities outlined in your most current approved facility plan. These funds or any of those escrowed for the purpose of receiving this offer must be used only on a Priority One Project of your district's facility plan. House Bill 265 of the 2012 Regular Session of the General Assembly states:

"Notwithstanding KRS 157.611 to 157.640, 157.650, 157.655, 157.660, and 157.665, the School Facilities Construction Commission is authorized to make an additional \$100,000,000 in offers of assistance during the 2012-2014 biennium in anticipation of debt service availability during the 2014-2016 biennium. No bonded indebtedness based on the above amount is to be incurred during the 2012-2014 biennium. No offers shall be made if the interest rate applicable to the debt issued by the School Facilities Construction Commission exceeds five and one-half percent."

This means that while the Commission is making this offer now, no bonds may be sold prior to June 30, 2014, which assumes that funding is included in the 2014-2016 biennium. In order for your district to be eligible to accept this offer, it will be necessary for you to verify that your district has transferred to the **SFCC Escrow - Current Offer (Code 8738)** accounts the fund balances remaining in both the **Building Fund** and **Capital Outlay Fund** as of June 30, 2013, plus interest accumulated on these funds. Regulations governing our agency can be found at <http://www.lrc.state.ky.us/kar/TITLE750.HTM> on the Internet.

In responding to this Offer of Assistance, you must provide this office with (1) an excerpt of your Board Minutes either accepting or rejecting the offer within **thirty (30) days** of receipt of this offer, (2) the page from your District's 2013 Audit verifying the remaining fund balances in both the Building Fund and the Capital Outlay Fund (3) a copy of a General Ledger entry showing the transfer of your fund balances into the Building Fund and Capital Outlay SFCC Escrow Current Accounts, as stated in the preceding paragraph. We look forward to working with you and trust this assistance will be an integral part of a quality educational program in your school district.

Sincerely,

*Kristi Culpepper*

Kristi Culpepper  
Executive Director



An Equal Opportunity Employer M/F/D

**Henderson County School District**  
**Notes to the Basic Financial Statements**  
**June 30, 2013**

**NOTE 6 – ACCRUED SICK LEAVE**

In accordance with generally accepted governmental accounting principles, the District has recorded accrued sick leave as a liability in the District-wide statement of net assets since the majority of these liabilities are not expected to be liquidated with expendable available financial resources. Accrued sick leave, which has no maximum accumulation, is payable upon retirement at 30% of the value of accumulated sick leave.

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

Compensated absences are generally liquidated by the General Fund.

**NOTE 7-FUND BALANCES**

The following is a summary of fund balances for the fiscal year ended June 30, 2013:

	General Fund	Special Revenue	Construction Fund	FSPK Fund	SEEK Capital Outlay Fund	Debt Service	Totals
<b><u>NON-SPENDABLE:</u></b>							
Prepaid expenses	\$ 121,936	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,936
<b><u>COMMITTED:</u></b>							
Sick leave	641,795	-	-	-	-	-	641,795
<b><u>ASSIGNED:</u></b>							
State Revenue Shortfall	1,607,000	-	-	-	-	-	1,607,000
Future technology	429,000	-	-	-	-	-	429,000
Future bus purchases	643,000	-	-	-	-	-	643,000
Future HVAC repairs	643,000	-	-	-	-	-	643,000
Roof repairs	536,000	-	-	-	-	-	536,000
Preschool start up costs	1,072,000	-	-	-	-	-	1,072,000
Purchase obligations	979,207	-	-	-	-	-	979,207
<b>Total Assigned</b>	<b>5,909,207</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,909,207</b>
<b><u>RESTRICTED:</u></b>							
Special Programs	-	(899,309)	-	-	-	-	(899,309)
Debt Service	-	-	-	-	-	(11,205)	(11,205)
Construction	-	-	97,960	175,459	56,922	-	330,341
<b>Total Restricted</b>	<b>-</b>	<b>(899,309)</b>	<b>97,960</b>	<b>175,459</b>	<b>56,922</b>	<b>(11,205)</b>	<b>(580,173)</b>
Unassigned	14,616,174	-	-	-	-	-	14,616,174
<b>Total Fund Balances</b>	<b>\$ 21,289,112</b>	<b>\$ (899,309)</b>	<b>\$ 97,960</b>	<b>\$ 175,459</b>	<b>\$ 56,922</b>	<b>\$ -</b>	<b>\$ 20,708,939</b>

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HENDERSON COUNTY BOARD OF EDUCATION  
JOURNAL INQUIRY

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YEAR PER	JOURNAL SRC	EFF DATE	ENT DATE	JNL DESC	CLERK	ENTITY	AUTO-REV	STATUS	BUD YEAR	JNL TYPE		
2013 13	17 GEN	06/30/2013	07/24/2013	eoY ent	9251cc10		IN	Hist	2013	N		
LN	ORG	OBJECT	PROJ	REF1	REF2	REF3	ACCOUNT DESCRIPTION			LINE DESCRIPTION	DEBIT	CREDIT OB
1	31	8770		CC			UNASSIGNED FUND BALANCE				56,921.71	
2	31	8738		CC			RESTRICTED-SFCC ESCROW-CURRENT					56,921.71
3	32	8770		CC			UNASSIGNED FUND BALANCE				175,459.03	
4	32	8738		CC			RESTRICTED-SFCC ESCROW-CURRENT					175,459.03
5	36	8770		CC			UNASSIGNED FUND BALANCE					99,249.76
6	36	8735		CC			RESTRICTED-FUTURE CONSTR BG-1				99,249.76	
7	52	8770		CC			UNASSIGNED FUND BALANCE				370,725.32	
8	52	8712		CC			UNRESTRICTED NET ASSETS					370,725.32
9	54	8770		CC			UNASSIGNED FUND BALANCE				320.00	
10	54	8712		CC			UNRESTRICTED NET ASSETS					320.00
54		-8712								** JOURNAL TOTAL	702,675.82	702,675.82
										** GRAND TOTAL	702,675.82	702,675.82

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