

Kentucky Community And Technical College System

*Independent Auditors' Reports for the Year Ended
June 30, 2004 and Schedules Required by
Government Auditing Standards and
OMB Circular A-133 for the Year Ended June 30, 2004*

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED UPON THE AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Regents of the
Kentucky Community and Technical College System

and

the Secretary of Finance and
Administration Cabinet of the
Commonwealth of Kentucky

We have audited the financial statements of the Kentucky Community and Technical College System (System) (a component unit of the Commonwealth of Kentucky) as of and for the year ended June 30, 2004, and have issued our report thereon dated November 18, 2004 in which report we cited our reliance on the report of another auditor on the financial statements of Paducah Junior College, Incorporated, a component unit of the System. 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.

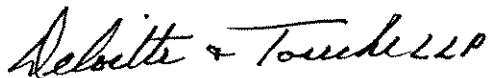
Internal Control Over Financial Reporting

In planning and performing our audit, we considered the System'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 assurance 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 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 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 System's internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the System, in a separate letter dated November 18, 2004.

Compliance and Other Matters

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

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



November 18, 2004

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER COMPLIANCE APPLICABLE TO EACH MAJOR FEDERAL AWARD PROGRAM AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

To the Board of Regents of the
Kentucky Community and Technical College System

and

the Secretary of Finance and
Administration Cabinet of the
Commonwealth of Kentucky

Compliance

We have audited the compliance of the Kentucky Community and Technical College System (System) (a component unit of the Commonwealth of Kentucky) 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, 2004. The System'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 the System's management. Our responsibility is to express an opinion on the System'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 the System'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 the System's compliance with those requirements.

In our opinion, the System 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, 2004.

Internal Control Over Compliance

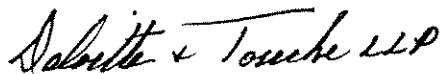
The management of the System is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the System's internal control over 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 internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the System's internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a 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 that would be material in relation to a major federal program 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 System's internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the System as of and for the year ended June 30, 2004 and have issued our report thereon dated November 18, 2004 in which report we cited our reliance on the report of another auditor on the financial statements of Paducah Junior College, Incorporated, a component unit of the System. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards of the System is presented for the purpose of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. This schedule is the responsibility of the management of the System. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

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



November 18, 2004

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2004

Part I - Summary of Auditor's Results

1. The independent auditors' report on the financial statements of the Kentucky Community and Technical College System (System) expressed an unqualified opinion.
2. No instance of noncompliance considered material to the financial statements was disclosed by the audit.
3. The independent auditors' report on compliance with requirements applicable to major federal award programs expressed an unqualified opinion.
4. The audit disclosed no findings required to be reported by OMB Circular A-133.
5. The System's major programs were:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Department of Education:	
Student Financial Aid Cluster:	
Federal Supplemental Education Opportunity Grants	84.007
Federal Work Study Program	84.033
Federal Pell Grant Program	84.063
Department of Health and Human Services:	
Pass Through:	
Ready to Work	93.558

6. A threshold of \$2,943,841 was used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133.
7. The System qualifies as a low-risk auditee as that term is defined in OMB Circular A-133.

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2004

Part II - Financial Statement Findings Section

<u>Reference Number</u>	<u>Findings</u>	<u>Questioned Costs</u>
	No matters are reportable.	

Part III - Federal Award Findings and Questioned Cost Section

<u>Reference Number</u>	<u>Findings</u>	<u>Questioned Costs</u>
	No matters are reportable.	

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

Federal Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Education:			
Student Financial Aid Cluster:			
Federal Supplemental Education Opportunity Grants	84.007		\$ 441,433
Federal Work Study Program	84.033		2,366,183
Federal Pell Grant Program	84.063		<u>66,591,386</u>
Subtotal			<u>69,399,002</u>
Trio Cluster:			
Student Support Services	84.042		2,262,319
Educational Talent Search	84.044		333,884
Upward Bound	84.047		<u>1,478,208</u>
Subtotal			<u>4,074,411</u>
Fund for the Improvement of Education	84.215		165,915
Strengthening Institutions	84.031		690,645
Fund for the Improvement of Postsecondary Education	84.116		312,646
Gaining Early Awareness/Readiness Undergrad Program	84.334		1,218,207
Educational Opportunity Centers Program	84.066		230,133
Child Care Access/Parents in School Grant	84.335		80,271
Migrant Education Grant	84.141		<u>367,419</u>
Subtotal			<u>3,065,236</u>
Pass thru funds:			
CPE - KY Adult Education	84.002	DAEL-2003-062	384
CPE - KY Adult Education	84.002	DAEL-2003-021	6,782
CPE - KY Adult Education	84.002	DAEL-2003-078	1,150
CPE - KY Adult Education	84.002	DAEL-2003-090	1,196
CPE - KY Adult Education	84.002	DAEL-2003-062	153
CPE - KY Adult Education	84.002	DAEL-2003-031	41
CPE - KY Adult Education	84.002	DAEL-2003-033	4,768
CPE - KY Adult Education	84.002	KAE-2004-060	20,835
CPE - KY Adult Education	84.002	KAE-2004-081	3,665
CPE - KY Adult Education	84.002	KAE-2004-026	127,079
CPE - KY Adult Education	84.002	KAE-2004-020	23,293
CPE - KY Adult Education	84.002	KAE-2004-062	22,273
CPE - KY Adult Education	84.002	KAE-2004-042	61,905
CPE - KY Adult Education	84.002	KAE-2004-044	75,692
CPE - KY Adult Education	84.002	KAE-2004-039	53,369
CPE - KY Adult Education	84.002	KAE-2004-019	21,366
CPE - KY Adult Education	84.002	KAE-2004-064	34,102
CPE - KY Adult Education	84.002	DAEL-2006-070	3,475
CPE - KY Adult Education	84.002	DAEL-2003-023	11,295
CPE - KY Adult Education	84.002	DAEL-2003-070	5,739
CPE - KY Adult Education	84.002	DAEL-2003-037	11,807
CPE - KY Adult Education	84.002	DAEL-2003-006	2,259
CPE - KY Adult Education	84.002	DAEL-2003-036	1,877
CPE - KY Adult Education	84.002	KAE-2004-029	<u>263,131</u>

See note to schedule of expenditures of federal awards.

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

Federal Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
CPE - KY Adult Education	84.002	KAE-2004-092	\$ 111,835
CPE - KY Adult Education	84.002	KAE-2004-049	182,185
CPE - KY Adult Education	84.002	KAE-2004-006	42,600
CPE - KY Adult Education	84.002	KAE-2004-048	36,674
CPE - KY Adult Education	84.002	DEL-2003-098	4,282
CPE - KY Adult Education	84.002	KAE-2004-097	264,292
KY Dept. for Technical Education	84.048	Perkins 02-03	37,454
KY Dept. for Technical Education	84.048	Perkins 02-03 Secondary	(112)
KY Dept. for Technical Education	84.048	Perkins 02-03 (Carry Forward)	42,873
KY Dept. for Technical Education	84.048	Perkins 02-03 Secondary (C/F)	410
KY Dept. for Technical Education	84.048	Perkins/Assessments	(8,559)
KY Dept. for Technical Education	84.048	Perkins/Prof Development	10,311
KY Dept. for Technical Education	84.048	Perkins Program Evaluation	
KY Dept. for Technical Education	84.048	Perkins 02-03 DACUM/Workkeys	1,547
KY Dept. for Technical Education	84.048	Perkins 03-04	6,873,222
KY Dept. for Technical Education	84.048	Perkins 03-04 Secondary	67,042
KY Dept. for Technical Education	84.048	Perkins/Carryforward	648,120
KY Dept. for Technical Education	84.048	Perkins 02-03 Secondary (C/F)	545
KY Dept. for Technical Education	84.048	M-04037203	102,456
KY Dept. for Technical Education	84.048	M-04037203	20,267
KY Dept. for Technical Education	84.048	M-04037203	3,898
KY Dept. for Technical Education	84.048	M-04037203	70,714
KY Dept. for Technical Education	84.048	M-04037203	13,097
KY Dept. for Technical Education	84.048	M-04037203	1,721
KY Dept. for Technical Education	84.048	M-04037203	1,877
KY Dept. for Technical Education	84.048	M-04037203	1,680
KY Dept. for Technical Education	84.048	M-04037203	13,400
KY Dept. for Technical Education	84.048	M-04037203	6,227
KY Dept. for Technical Education	84.048	M-04037203	9,147
KY Dept. for Technical Education	84.048	M-04037203	14,075
KY Dept. for Technical Education	84.048	M-03090465	4,000
KY Dept. for Technical Education	84.048	Certificate Training	2,018
Christian Co. Schools	84.048	Sub of # M-03225259	908
KY Dept. for Technical Education	84.048	Tech Prep Sub - Murray HS	2,247
KY Dept. for Technical Education	84.048	Tech Prep - Bellevue HS	(471)
KY Dept. for Technical Education	84.048	Sub # M-02187263	130
Murray Board of Education	84.048	Murray Board of Ed Tech Prep	4,000
Cab. For Workforce Development	84.048	M-03214989	127,557
KY Dept. for Technical Education	84.048	Gateway/Tech Prep	25,000
Ohio County Public Schools	84.048	Tech Prep/Ohio County	1,000
Daviess County Public Schools	84.048	Sub of # M-01160097	4,000
McLean County Public Schools	84.048	Tech Prep/McLean County	1,500
KY Dept. for Technical Education	84.048	M-04098149	738
KY Dept. for Technical Education	84.048	M-04085368	1,088
KY Dept. for Technical Education	84.048	M-04084446	2,680
KY Dept. for Technical Education	84.048	M-04084565	6,184

See note to schedule of expenditures of federal awards.

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

Federal Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Florence-Darlington College	84.116	Sub of #P116J010009	\$ 3,200
CTC	84.116	Entrepreneurship Cluster Grant	15,974
Morehead State University	84.184	College Drinking/Ashland	1,030
Morehead State University	84.184	Proj to Reduce High Risk Drink	1,047
Council for Postsecondary Educ	84.281	Geometry for All (Eisenhower)	1,045
KY Depart. for Corrections	84.331	M-02367603	2,536
KY Depart. for Corrections	84.331	M-03336365	153,493
Council for Postsecondary Educ	84.334	GEAR-UP/Gateway	12,089
Morehead State University	84.334	GEAR-UP/Hazard	254,523
Western KY University	84.334	GEAR-UP Owensboro	3,077
Western KY University	84.334	GEAR-UP/Bowling Green	592
Murray State University	84.334	GEAR-UP/Madisonville	508
Morehead State University	84.334	GEAR-UP/Gateway	35,224
Council for Postsecondary Educ	84.334	GEAR-UP Hazard	176,707
Council for Postsecondary Educ	84.334	GEAR UP Expo	14,993
Council for Postsecondary Educ	84.334	GEAR UP EPAS	6,225
Council for Postsecondary Educ	84.334	GEAR UP KMSA	20,080
Western KY University	84.334	GEAR-UP Owensboro	12,691
Western KY University	84.334	GEAR_UP Hopkinsville	1,203
Murray State University	84.334	GEAR-UP/Madisonville	1,731
Business Education Partnership	84.341	Sub of #V341A030461	16,262
Federal Correctional Institution	84.XXX	J01202C-318	<u>100,286</u>
			<u>10,348,011</u>
Department of Health and Human Services:			
HRSA Nurse Education	93.359		<u>98,171</u>
Subtotal			<u>98,171</u>
Pass thru funds:			
University of Kentucky Research Foundation	93.000	Health & Safety Rsrch on Mines	5,000
University of Kentucky Research Foundation	93.189	M-400775	102,995
Big Sandy Area Dev. District	93.558	Adult Education - Instruction	1
Big Sandy Area Dev. District	93.558	02061307BS	21,600
KY Cabinet for Families & Children	93.558	M-02217733	146,371
KY Cabinet for Families & Children	93.558	M-031140373	2,985,668
Eastern KY University/CFC	93.558	Sub of # EKU-04-355	896
Eastern KY University/CFC	93.563	Sub of # EKU-04-355	896
Eastern KY University/CFC	93.778	Sub of # EKU-04-355	896
KY Dept. for Medicaid Services	93.778	M-03098529	914
KY Dept. for Medicaid Services	93.779	Sub of # EKU-04-495	<u>670</u>
Subtotal			<u>3,265,907</u>

See note to schedule of expenditures of federal awards.

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

Federal Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Federal Emergency Management Agency First Responder Counter, Terrorism Training Assistance	83.547		\$ 63,000
Subtotal			<u>63,000</u>
Department of Veterans Affairs All- Volunteer Force Educational Assistance	64.124		<u>310,408</u>
Subtotal			<u>310,408</u>
US Small Business Administration Somerset Academic and Technical Complex	59.000		<u>3,674,146</u>
Subtotal			<u>3,674,146</u>
Pass thru funds:			
University of Kentucky	59.037	SECC Small Business Dev Center	20,619
University of Kentucky	59.037	SECC Small Business Dev Center	<u>32,981</u>
Subtotal			<u>53,600</u>
National Science Foundation Education and Human Resources	47.076		<u>811,354</u>
Subtotal			<u>811,354</u>
Pass thru funds:			
Haywood Com. College	47.476	N/A	15,361
Univ. of Kentucky	47.046	HER-0227028	<u>29,824</u>
Subtotal			<u>45,185</u>
National Endowment for Humanities Pass thru funds:			
KY Humanities Council	45.129	2003-026	883
KY Humanities Council	45.129	2003-034	1,200
KY Humanities Council	45.129	2004-014	<u>2,365</u>
Subtotal			<u>4,448</u>

See note to schedule of expenditures of federal awards.

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

Federal Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
US Department of Labor			
Pass thru funds:			
Harlan County Community Action	17.255	Southeast Scholars 2	\$ 29,082
Career Resource, Inc.	17.255	PSC04000025CC	27,825
Harlan County Community Action	17.255	Southeast Scholars 2	25,350
WIB - West KY	17.255	WIA-A030204	2,086
Green River ADD	17.258	WIA-JG3-14	1,638
Green River ADD	17.258	WIA-JG3-05	19,519
Green River ADD	17.258	WIA-JG43-05	61,070
KY Dept. for STW	17.258	M-03148956	48,039
WIB - West KY	17.259	WIA-A03021	723
WIB - West KY	17.259	WIA-A03422	405
WIB - West KY	17.259	WIA-A04210	38,418
WIB - West KY	17.259	WIA-A04206	42,137
WIB - West KY	17.259	WIA-A04422	50,779
WIB - Northern KY ADD	17.259	ED4-875-41-WIA	69,939
WIB - West KY	17.259	WIA-A04204	45,000
WIB- Tenco	17.260	FY03-1499	2,009
Henderson Chamber of Commerece	17.260	Sub of # AN-12750-03	226,497
WIB- Tenco	17.260	FY04-1499	72,642
KY Dept. of Training & Re-Employ.	17.267	M-03068078	97
KY Dept. of Training & Re-Employ.	17.267	M-03297309	54,871
KY Dept. of Training & Re-Employ.	17.267	M-03297309	47,387
KY Dept. of Training & Re-Employ.	17.267	M-03276698	11,626
CPE - KY Adult Education	17.276	KAE-2004-026	48,223
CPE - KY Adult Education	17.276	KAE-2004-044	45,658
CPE - KY Adult Education	17.276	KAE-2004-039	43,551
CPE - KY Adult Education	17.276	KAE-2004-029	66,115
CPE - KY Adult Education	17.276	KAE-2004-092	24,939
CPE - KY Adult Education	17.276	KAE-2004-049	56,269
CPE - KY Adult Education	17.276	KAE-2004-048	12,555
Subtotal			<u>1,174,449</u>
US Department of Agriculture – CSRS			
Rural Business Enterprise Grant	10.769		91,722
National Center for Excellence	10.772		10,212
Rural Business Enterprise Grant	10.773		14,712
Subtotal			<u>116,646</u>
Pass thru funds:			
S.Rgn SARE	10.200	Aquaculture Dev - Pine Mtn Reg	3,314
Eastern KY University	10.561	Sub # EKV-04-355	1,793
Bowling Green Enterprise Community	10.772	Enterprise Community Grant	10,415
Subtotal			<u>15,522</u>

See note to schedule of expenditures of federal awards.

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

Federal Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
US Department of Energy Pass thru funds: Paducah-Area Community Reuse Organization	81.XXX	Sub # DE-FC05-990R22744	\$ 2,767
Subtotal			<u>2,767</u>
US Department of Commerce Ashland East Park Industrial Center	11.300		<u>1,000,000</u>
Subtotal			<u>1,000,000</u>
Pass thru funds: KY Center for Rural Development – PRIDE KY Center for Rural Development – PRIDE	11.469 11.469	Pride/Somerset Pride/Clean Stream	76 <u>1,239</u>
Subtotal			<u>1,315</u>
Appalachian Regional Commission Appalachian RCCI Consortium	23.011		<u>298,232</u>
Subtotal			<u>298,232</u>
Pass thru funds: Appalachian Area Development KY Dept. for Local Govt.	23.002 23.011	Small Business Incubator Project KY School of Craft ARC Flex-E	60,175 <u>1,040</u>
Subtotal			<u>61,215</u>
US Department of Housing and Urban Development HUD Youthbuild Grant	14.243		<u>84,684</u>
Subtotal			<u>84,684</u>
US Agency for International Development Pass thru funds: ALO	98.XXX	KienGiang ComCollege Partnrshp	<u>24,188</u>
Subtotal			<u>24,188</u>
US Department of Defense Pass thru funds: University of Louisville	12.XXX	Sub # 02-0959	<u>136,135</u>
Subtotal			<u>136,135</u>
TOTAL FEDERAL AWARDS			<u><u>\$ 98,128,032</u></u>

See note to schedule of expenditures of federal awards.

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The accompanying schedule of expenditures of federal awards includes the federal grant transactions of the Kentucky Community and Technical College System (KCTCS), and has been prepared on the accrual basis of accounting.

The information included in the accompanying 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 the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.