

# **School District of Edgefield County**

*Report on Financial Statements*

*For the fiscal year ended June 30, 2014*

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# School District of Edgefield County

## *Members of the Board of Trustees*

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GREG ANDERSON, SUPERINTENDENT

<u>Name</u>	<u>Term of office</u>	
	<u>From</u>	<u>To</u>
Dr. John Carrol Wates, Board Chairman	2010	2014
Mr. Brad Covar, Vice-Chairman	2012	2016
Mrs. Bridget Clark, Secretary	2010	2014
Ms. Latoya Hammond	2012	2016
Mr. James Bibbs, Sr.	2012	2016
Mrs. Robin Ball	2012	2016
Mr. William Herrin	2011	2014

# School District of Edgefield County

## Contents

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	<u>Page</u>
<b>Independent Auditor's Report</b> .....	1-2
<b>Management's Discussion and Analysis</b> .....	3-8
<b>Basic Financial Statements</b>	<b><u>Exhibit</u></b>
Government-wide Financial Statements	
Statement of Net Position.....	1      9
Statement of Activities.....	2      10
Fund Financial Statements	
Balance Sheet - Governmental Funds.....	3      11
Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Position.....	3      12
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.....	4      13
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	4      14
Statement of Net Position - Proprietary Fund.....	5      15
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund.....	6      16
Statement of Cash Flows - Proprietary Fund.....	7      17
Statement of Fiduciary Assets and Liabilities - Agency Fund.....	8      18
Notes to Financial Statements.....	19-36
<b>Required Supplementary Information</b>	<b><u>Schedule</u></b>
Budgetary Comparison Schedule General Fund.....	1      37-45
<b>Supplementary Information</b>	
Governmental Funds	
Special Revenue Fund	
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance.....	A-1      46-50
Summary Schedule for Designated Restricted State Grants.....	A-2      51

# School District of Edgefield County

## Contents, Continued

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### Supplementary Information, Continued

EIA Combined Schedule of Revenues, Expenditures and Changes in Fund Balance.....	A-3	52-55
EIA Summary Schedule by Program.....	A-4	56
School Building Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.....	B	57
Debt Service Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.....	C	58
Proprietary Fund Food Service Fund Schedule of Revenues, Expenses and Changes in Net Position.....	D	59
Agency Fund - Student Activities Schedule of Receipts, Disbursements and Changes in Due to Student Organizations.....	E	60
Schedule of Receipts, Disbursements, and Changes in Due to Student Organizations by Schools.....	F	61
Detailed Schedule of Due to State Department of Education/ Federal Government.....	G	62
<b>Independent Auditor's 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.....</b>		<b>63-64</b>
<b>Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance.....</b>		<b>65-66</b>
<b>Schedule of Expenditures of Federal Awards.....</b>		<b>67</b>
<b>Notes to the Schedule of Expenditures of Federal Awards.....</b>		<b>68</b>
<b>Schedule of Findings and Questioned Costs.....</b>		<b>69</b>
<b>Summary Schedule of Prior Audit Findings.....</b>		<b>70</b>



## Independent Auditor's Report

Board of Trustees  
School District of Edgefield County  
Edgefield, South Carolina

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the School District of Edgefield County (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 15 to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective July 1, 2013. We audited the adjustment described in Note 15 that was applied to restate the 2013 financial statements. In our opinion, the adjustment is appropriate and has been properly applied. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-8 and 37-45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial schedules and other supplementary information, including the schedule of expenditures of federal awards, as required by the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial schedules and other supplementary information, including the schedule of expenditures of federal awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2014 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Greenwood, South Carolina  
November 26, 2014

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## School District of Edgefield County

### Management's Discussion and Analysis (MD&A)

#### Year ended June 30, 2014

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#### **INTRODUCTION**

This discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2014.

#### **FINANCIAL HIGHLIGHTS**

The Base Student Cost (BSC), the main source of state funding, increased from \$2,012 in 2012-2013 to \$2,101 in 2013-2014. Despite the increase in the Base Student Cost, it was still only the funding level of the early 2,000s. A decrease in the value of a mill in the county and a drop in student enrollment caused a decrease in local, state, and federal funding. Although the maximum allowed millage increase was 9.20 mills (5.15 banked from the prior year and 4.05 mills for 13-14), the Board raised the millage only 5.15 mills and approved this budget with 200.88 mills. Preliminary budget projections for the fiscal year 2013-2014 indicated the budget would show a deficit of \$314,531 and the Board voted to subsidize the budget with this amount from the fund balance. Edgefield County Schools' net position decreased \$ 577,372 or 3% during the fiscal year and \$998,315 was required from the fund balance. The District's assets exceeded its liabilities at June 30, 2014 by 16.9 million.

The budget increased from \$25,754,726 in 2012-2013 to \$ 26,514,914 in 2013-14 primarily because of a step increase for all employees, the State Health Plan employer cost increasing 6.37%, retirement increasing .3%, and a transfer of over \$200,000 in salaries and benefits from federal funds into the general fund due to federal cuts. Despite conservation of general funds, the District was able to continue to deliver quality educational services to all students and maintain favorable student to teacher ratios in the current year.

#### **OVERVIEW OF FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements and accompanying notes. These statements are organized so the reader can understand Edgefield County Schools as a financial whole, or as an entire operating entity.

The statement of net position and statement of activities provide information about the activities of the whole school district, presenting both an aggregate view and a longer-term view of our finances. Fund financial statements provide the next level of detail. For government 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 District's most significant funds with all other non-major funds presented in total in a single column.

**Statement of Net Position and Statement of Activities** - One of the most important questions asked about the District's finances is, "is the District better or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector. All of the current year's revenues and expenses are taken into consideration, regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. The change in net position provides the reader a tool to assist in determining whether the District's health is improving or deteriorating. The reader will need to consider property tax laws, funding issues, student enrollment growth or decline, facility conditions and other economic factors in arriving at their conclusion regarding the overall health of the District.

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## School District of Edgefield County

### *Management's Discussion and Analysis (MD&A)*

*Year ended June 30, 2014*

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**Fund Financial Statements** - The fund financial statements provide detailed information about the most significant funds, not the District as a whole. Some funds are required to be established by State or Federal statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District's three types of funds, governmental, fiduciary and proprietary, use different accounting approaches as further described in the notes to the financial statements.

**Governmental Funds** - Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide for a short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or less financial resources available to spend in the near future to finance the District's programs. The relationship (or differences) between the governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.

**Fiduciary Funds** - The District is the trustee, or fiduciary, for its scholarship program and the other items listed as private purpose trusts. It is also responsible for other assets that, due to a trust agreement, can be used only for the trust beneficiaries. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position. We exclude these activities from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

**Proprietary Funds** - Proprietary Funds are used to present financial information about the activities within the organization that operate those funds like a business such as the Food Service program.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position can serve over time as a useful indicator of a government's financial position. The District's governmental activities assets exceeded liabilities by \$16,019,471 as of June 30, 2014. District governmental liabilities are 50% of total governmental assets.

By far the largest portion of the District's total assets (70%) reflects its investment in capital assets (e.g., land, buildings and improvements, vehicles, furniture and equipment). 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 net position invested in 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 operating activities, the acquisition and payment of debt and the acquisition and disposal of capital assets.



**School District of Edgefield County**  
**Management's Discussion and Analysis (MD&A)**  
**Year ended June 30, 2014**

The following table presents a comparative summary of the District's net position for the fiscal year ended June 30, 2014 and 2013.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Assets:</b>				
Current assets	\$ 9,632,339	\$ 13,475,821	\$ 33,029	\$ 30,164
Capital assets, net	<u>22,574,965</u>	<u>21,127,185</u>	<u>137,996</u>	<u>143,151</u>
Total assets	<u>32,207,304</u>	<u>34,603,006</u>	<u>171,025</u>	<u>173,315</u>
<b>Liabilities:</b>				
Current liabilities	6,646,979	6,851,260	(750,197)	(835,297)
Long-term liabilities	<u>9,540,854</u>	<u>11,154,903</u>	-	-
Total liabilities	<u>16,187,833</u>	<u>18,006,163</u>	<u>(750,197)</u>	<u>(835,297)</u>
<b>Net Position:</b>				
Net investment in capital assets	11,822,638	11,167,752	137,966	143,151
Restricted	720,899	3,440,243	-	-
Unrestricted	<u>3,475,934</u>	<u>1,988,848</u>	<u>783,226</u>	<u>865,461</u>
Total net position	<u>16,019,471</u>	<u>16,596,843</u>	<u>921,222</u>	<u>1,008,612</u>
Total liabilities and net position	<u>\$ 32,207,304</u>	<u>\$ 34,603,006</u>	<u>\$ 171,025</u>	<u>\$ 173,315</u>

Comparative information for 2014 and 2013 Statement of Activities is presented in the chart below. The chart shows that in spite of the suppressed funding levels in 2013-2014, that the primary mission of the school district was preserved (classroom instruction). 58.7% of District resources went directly into classrooms at our schools (not including instructional support functions).

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Revenues:</b>				
<b>Program revenues:</b>				
Charges for services	\$ 1,335	\$ 5,885	\$ 442,397	\$ 475,323
Operating grants and contributions	17,638,115	18,949,345	1,439,825	1,385,771
Capital grants	-	-	-	-
<b>General revenues:</b>				
Property taxes	11,173,699	10,768,317	-	-
Intergovernmental	5,531,794	5,394,452	-	-
Miscellaneous and transfers	<u>(86,232)</u>	<u>(26,146)</u>	<u>269,491</u>	<u>209,919</u>
Total revenues	<u>34,258,711</u>	<u>35,091,853</u>	<u>2,151,713</u>	<u>2,071,013</u>
<b>Expenses:</b>				
Instruction	20,274,591	20,698,192	-	-
Support services	14,000,573	13,492,654	2,239,103	2,100,901
Community services	5,343	9,718	-	-
Intergovernmental	147,549	235,553	-	-
Interest and other charges	<u>320,589</u>	<u>340,079</u>	<u>-</u>	<u>-</u>
Total expenses	<u>34,748,645</u>	<u>34,776,196</u>	<u>2,239,103</u>	<u>2,100,901</u>
Increase (decrease) in net position	<u>\$ (489,934)</u>	<u>\$ 315,657</u>	<u>\$ (87,390)</u>	<u>\$ (29,888)</u>

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

**School District of Edgefield County**  
**Management's Discussion and Analysis (MD&A)**  
**Year ended June 30, 2014**

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$3,942,119, a decrease of \$3,466,877 which is the result of increased facilities' operations and maintenance costs. \$3,121,952 or 99.5% of general fund balance constitutes unassigned fund balance, which is available for spending at the District's discretion. The administration intends to maintain this balance in order to be assured District operations continue to run smoothly despite unexpected budget cuts and the SDE's failure to make payments in a timely manner, both serious issues in recent years.

The remaining fund balance is nonspendable, restricted, or committed, which indicates that it is not available for spending because it has already been restricted/committed as follows:

- Restricted for debt service - \$590,059
- Restricted for special revenue purposes - \$81,575
- Committed to capital projects - \$132,673

The general fund is the principal operating fund of the District. As the table below illustrates, the largest portions of the general fund expenditures each year are for salary and fringe benefits. 85.5% of the 2013-2014 budget (and portions of other fund transfers accounted for here under miscellaneous) was expended for staffing in the District.

	<u>Fiscal Year</u> <u>2014</u>	<u>2014 % of</u> <u>Budget</u>	<u>Fiscal Year</u> <u>2013</u>	<u>Percent</u> <u>Change</u>
<b>Expenditures by Object</b>				
Salaries and Wages	\$ 17,150,335	63.1%	\$ 16,631,138	3.1%
Fringe Benefits	6,101,170	22.4%	5,984,635	1.9%
Purchased Services	1,779,934	6.6%	1,489,279	19.5%
Supplies	1,627,227	6.0%	1,498,052	8.6%
Capital Outlay	216,848	.8%	62,831	245.1%
Miscellaneous	308,100	1.1%	409,002	-24.7%
	<u>\$ 27,183,614</u>	<u>100.00%</u>	<u>\$ 26,074,937</u>	

Fiduciary funds are used to account for operations that are financial and operated in as a trust. The pupil activity fund is the only fiduciary fund. This fund had revenues in excess of expenditures of \$47,265 and assets totaling \$765,034.

Proprietary funds are used to account for funds that the District operates like a business. The Food Service operation is the only proprietary fund that the District operates. The fund had an end of year net position total of \$921,222.

**BUDGETARY HIGHLIGHTS**

Over the course of the year, the District's General Fund expenditure and revenue budgets both traditionally increase slightly over the prior year operations, all things constant, if for no other reason than mandated salary and benefit increases. The District continues to employ strict cost control measures and takes a conservative approach to budgeted revenues in order to combat state funding levels that are comparable to the late 1990s.

A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in the fund financial statements of this report.

## School District of Edgefield County

### Management's Discussion and Analysis (MD&A)

Year ended June 30, 2014

#### CAPITAL ASSETS

As of June 30, 2014, the District had invested a net amount of \$22,574,965 in governmental capital assets, including school buildings, athletic facilities, buses, vehicles, computers and other equipment. Total depreciation expense for the year was \$1,136,722. Accumulated depreciation is \$23,115,945.

The detailed schedule for 2014 and more information can be located in Note 4 of the notes to the financial statements.

#### DEBT ADMINISTRATION

At year-end, the District had \$11,206,349 in general obligation bonds and other long-term obligations outstanding, of which \$1,664,895 is due within one year. The following table presents a summary of the District's outstanding long-term debt for the fiscal year ended June 30, 2014.

	Principal outstanding <u>July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	Principal outstanding <u>June 30, 2014</u>	Amounts due <u>in one year</u>
<b>Governmental activities</b>					
General obligation bonds					
School District:					
September 8, 2009	\$ 305,000	\$ -	\$ 305,000	\$ -	\$ -
February 1, 2008	7,295,000	-	1,120,000	6,175,000	1,470,000
August 14, 2012	<u>4,860,000</u>	<u>-</u>	<u>150,000</u>	<u>4,710,000</u>	<u>125,000</u>
Total bonds payable	12,460,000	-	1,575,000	10,885,000	1,595,000
Unearned bond premiums	95,267	-	24,123	71,144	19,854
Accrued compensated absences	248,450	1,755	-	250,205	50,041
Capital lease obligations	<u>96,667</u>	<u>-</u>	<u>96,667</u>	<u>-</u>	<u>-</u>
Total governmental activities					
general long-term debt	<u>\$12,900,384</u>	<u>\$ 1,755</u>	<u>\$ 1,695,790</u>	<u>\$11,206,349</u>	<u>\$ 1,664,895</u>

State statutes currently limit the amount of general obligation debt a District may issue to 8% of its total assessed valuation. The current remaining debt limitation for the District is \$1,294,000. Additional information on the District's long-term debt can be found in Note 5 of this report.

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The School District is coextensive with the area and boundaries of Edgefield County, which is located in the southwestern section of South Carolina. It has a land area of 481 square miles and is bordered to the north by Greenwood County, to the northeast by Saluda County, to the south by Aiken County and to the west by McCormick County. The population of Edgefield County, according to the 2010 Census, is 26,985.

In the 2013-2014 school year, The School District operated four elementary schools, two middle schools, one high school, and one career center. Kindergarten classes were available for all five-year-olds within the School District. Enrollment for the 2013-2014 school year was 3,270 average daily membership. For fiscal year 2013-2014, the School District employed approximately 284 certified staff and 250 other employees. Assessment rates show a stagnated growth pattern, but the local economy has proven to be relatively stable with planned small additions to local industries. The unemployment rate compares favorably with the state's rate and the county's top employers and taxpayers have shown stable operations.

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## School District of Edgefield County

### *Management's Discussion and Analysis (MD&A)*

*Year ended June 30, 2014*

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Factors under consideration by the District's administration during the process of developing the fiscal year 2014-2015 budget were to address continued suppressed EFA Base Student Cost funding levels that compare to the 1990s, balance the budget without using money in the reserve fund, improve academic achievement and improve upon its recruitment efforts to be able to hire and retain the most highly qualified instructional staff without raising local taxes. Although state projections are at or above expectations, potential salary increases, increased health costs, and continued cuts to Federal funds will continue to create a challenging budget outlook in 2015-2016.

The District's primary goal is to have a well-run instructional program in a financially sound environment. Conservative budgeting and reduction in spending has permitted the school district to absorb the budget cuts in prior years without negatively impacting programs. Flexibility legislation and a sound fund balance have also eased the burden of the budget cuts in prior years on the School District. However, there is no doubt the state implementation of Act 388, the overall state of the economy and increased health costs and state infrastructure needs which compete with education funding are to blame for the suppressed Base Student Cost funding levels. The majority of state revenues are now dependent upon sales tax collections as opposed to the more stable prior model of dependence on real estate taxes.

All the factors above were considered when adopting the budget for fiscal year 2014-2015. Anticipated budgeted expenditures in the General Fund for fiscal year 2014-2015 will be \$27,000,045. Although the maximum allowed millage increase was 7.34 mills (4.05 from the prior year that was banked plus 3.29 mills for the current year), The Board did not raise millage and approved this budget with 200.88 mills. Not raising local taxes and balancing the budget without dipping into the reserve fund were two major considerations when the 2014-15 budget was created.

#### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Financial Services Office, Edgefield County School District, 425 Lee Street, Johnston, South Carolina 29832, (Telephone # 803-275-1122).

# School District of Edgefield County

## Exhibit 1 - Statement of Net Position

June 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
<b>Current assets</b>			
Cash and investments	\$ 5,726,289	\$ -	\$ 5,726,289
Deposits with Edgefield County Treasurer	1,203,790	-	1,203,790
Accounts receivable	25,548	-	25,548
Property taxes receivable, net	838,968	-	838,968
Due from other governmental units	1,821,884	-	1,821,884
Prepaid items	15,860	-	15,860
Inventories	-	33,029	33,029
Total current assets	<u>9,632,339</u>	<u>33,029</u>	<u>9,665,368</u>
<b>Non-current assets</b>			
Non-depreciable capital assets	422,103	-	422,103
Depreciable capital assets, net of accumulated depreciation	22,152,862	137,996	22,290,858
Total non-current assets	<u>22,574,965</u>	<u>137,996</u>	<u>22,712,961</u>
Total assets	<u>\$ 32,207,304</u>	<u>\$ 171,025</u>	<u>\$ 32,378,329</u>
<b>Liabilities and Net Position</b>			
<b>Current liabilities</b>			
Accounts payable and accrued expenses	\$ 701,183	\$ 4,738	\$ 705,921
Unearned revenue	163,255	-	163,255
Accrued salaries and benefits	3,254,941	-	3,254,941
Internal balances	754,935	(754,935)	-
Accrued interest	107,170	-	107,170
Current portion of non-current liabilities:			
Bonds payable	1,595,000	-	1,595,000
Unearned bond premium	19,854	-	19,854
Compensated absences	50,641	-	50,641
Total current liabilities	<u>6,646,979</u>	<u>(750,197)</u>	<u>5,896,782</u>
<b>Non-current liabilities</b>			
Bonds payable	9,290,000	-	9,290,000
Unearned bond premiums	51,290	-	51,290
Compensated absences	199,564	-	199,564
Total non-current liabilities	<u>9,540,854</u>	<u>-</u>	<u>9,540,854</u>
Total liabilities	<u>16,187,833</u>	<u>(750,197)</u>	<u>15,437,636</u>
<b>Net assets</b>			
Net investment in capital assets	11,822,638	137,996	11,960,634
Restricted for:			
Debt service	588,226	-	588,226
Capital projects	132,673	-	132,673
Unrestricted	3,475,934	783,226	4,259,160
Total net position	<u>16,019,471</u>	<u>921,222</u>	<u>16,940,693</u>
Total liabilities and net position	<u>\$ 32,207,304</u>	<u>\$ 171,025</u>	<u>\$ 32,378,329</u>

See Notes to Financial Statements

**School District of Edgefield County**

*Exhibit 2 - Statement of Activities*

*For the fiscal year ended June 30, 2014*

Functions and Programs	Expenses	Program revenues			Net revenue (expense) and changes in net position		
		Charges for Sales and Service	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
<b>Primary Government</b>							
Governmental activities:							
Instruction	\$ 20,274,591	\$ 790	\$ 10,433,373	\$ -	\$ (9,840,429)		\$ (9,840,429)
Support services	14,000,573	545	7,204,742	-	(6,795,285)		(6,795,285)
Community services	5,343	-	-	-	(5,343)		(5,343)
Intergovernmental	147,549	-	-	-	(147,549)		(147,549)
Interest and other charges	320,589	-	-	-	(320,589)		(320,589)
Total governmental activities	<u>34,748,645</u>	<u>1,335</u>	<u>17,638,115</u>	<u>-</u>	<u>(17,109,195)</u>		<u>(17,109,195)</u>
Business-type activities:							
Food service	<u>2,239,103</u>	<u>442,397</u>	<u>1,439,825</u>	<u>-</u>		<u>\$ (356,881)</u>	<u>(356,881)</u>
Total business-type activities	<u>2,239,103</u>	<u>442,397</u>	<u>1,439,825</u>	<u>-</u>		<u>(356,881)</u>	<u>(356,881)</u>
Total primary government	<u>\$ 36,987,748</u>	<u>\$ 443,732</u>	<u>\$ 19,077,940</u>	<u>\$ -</u>	<u>(17,109,195)</u>	<u>(356,881)</u>	<u>(17,466,076)</u>
General revenues:							
Property taxes levied for:							
General purposes					9,095,069	-	9,095,069
Debt service					2,078,630	-	2,078,630
Federal and state aid not restricted for specific purpose					5,531,794	-	5,531,794
Unrestricted investment earnings					5,401	-	5,401
Miscellaneous					177,858	-	177,858
Transfers					(269,491)	269,491	-
Total general revenues and transfers					<u>16,619,261</u>	<u>269,491</u>	<u>16,888,752</u>
Change in net position					<u>(489,934)</u>	<u>(87,390)</u>	<u>(577,324)</u>
Net position, beginning of year, as previously reported					16,596,843	1,008,612	17,605,455
Restatement, see note 15					<u>(87,438)</u>	<u>-</u>	<u>(87,438)</u>
Net position, beginning of year, as restated					<u>16,509,405</u>	<u>1,008,612</u>	<u>17,518,017</u>
Net position, end of year					<u>\$ 16,019,471</u>	<u>\$ 921,222</u>	<u>\$ 16,940,693</u>

See Notes to Financial Statements

# School District of Edgefield County

## Exhibit 3 - Balance Sheet - Governmental Funds

June 30, 2014

	Special Revenue Funds					Total Governmental Funds
	General	Special Projects	Education Improvement Act	Capital Projects	Debt Service	
<b>Assets</b>						
Cash and investments	\$ 5,726,289	\$ -	\$ -	\$ -	\$ -	\$ 5,726,289
Deposits with Edgefield County Treasurer	504,120	-	-	132,673	566,997	1,203,790
Accounts receivable	25,548	-	-	-	-	25,548
Property taxes receivable, net	710,569	-	-	-	128,399	838,968
Due from other governmental units	542,846	1,029,304	249,734	-	-	1,821,884
Due from other funds	1,034,208	-	-	-	-	1,034,208
Prepaid items	15,860	-	-	-	-	15,860
<b>Total assets</b>	<b>\$ 8,559,440</b>	<b>\$ 1,029,304</b>	<b>\$ 249,734</b>	<b>\$ 132,673</b>	<b>\$ 695,396</b>	<b>\$ 10,666,547</b>
<b>Liabilities</b>						
Accounts payable and accrued liabilities	\$ 701,183	\$ -	\$ -	\$ -	\$ -	\$ 701,183
Unearned revenue, other	-	132,543	30,712	-	-	163,255
Due to other funds	754,935	815,186	219,022	-	-	1,789,143
Accrued salaries and benefits	3,254,941	-	-	-	-	3,254,941
<b>Total liabilities</b>	<b>4,711,059</b>	<b>947,729</b>	<b>249,734</b>	<b>-</b>	<b>-</b>	<b>5,908,522</b>
<b>Deferred inflows of resources</b>						
Unavailable revenue - property taxes	710,569	-	-	-	105,337	815,906
<b>Total deferred inflows of resources</b>	<b>710,569</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>105,337</b>	<b>815,906</b>
<b>Fund balances:</b>						
Nonspendable	15,860	-	-	-	-	15,860
Restricted for special revenue purposes	-	81,575	-	-	-	81,575
Restricted for debt service	-	-	-	-	590,059	590,059
Restricted for capital projects	-	-	-	132,673	-	132,673
Unassigned	3,121,952	-	-	-	-	3,121,952
<b>Total fund balances</b>	<b>3,137,812</b>	<b>81,575</b>	<b>-</b>	<b>132,673</b>	<b>590,059</b>	<b>3,942,119</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 8,559,440</b>	<b>\$ 1,029,304</b>	<b>\$ 249,734</b>	<b>\$ 132,673</b>	<b>\$ 695,396</b>	<b>\$ 10,666,547</b>

See Notes to Financial Statements

## School District of Edgefield County

### Exhibit 3 - Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Position, Continued June 30, 2014

Total governmental fund balances	\$	3,942,119
<b>Amounts reported for governmental activities in the Statement of Net Position are different because of the following:</b>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.		22,574,965
A portion of property taxes receivable are not available to pay for current period expenditures and therefore are unavailable in the funds.		815,906
Unearned bond premiums are deferred in the Statement of Net Position.		(71,144)
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds payable		(10,885,000)
Compensated absences		(250,205)
Accrued interest		(107,170)
Net position of governmental activities	<b>\$</b>	<b>16,019,471</b>

See Notes to Financial Statements



## School District of Edgefield County

### Exhibit 4 - Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds

For the fiscal year ended June 30, 2014

	Special Revenue Funds					Total Governmental Funds
	General	Special Projects	Education Improvement Act	Capital Projects	Debt Service	
<b>REVENUES</b>						
Local						
Property taxes	\$ 9,273,090	\$ -	\$ -	\$ -	\$ 1,927,515	\$ 11,200,605
Investment earnings	1,952	-	-	2,103	1,346	5,401
Other	215,256	211,407	-	-	-	426,663
Total local sources	<u>9,490,298</u>	<u>211,407</u>	<u>-</u>	<u>2,103</u>	<u>1,928,861</u>	<u>11,632,669</u>
Intergovernmental						
State	-	41,131	-	-	-	41,131
Federal	16,616,898	505,560	2,374,130	-	151,115	19,647,703
Total revenues	<u>26,152,901</u>	<u>4,097,113</u>	<u>2,374,130</u>	<u>2,103</u>	<u>2,079,976</u>	<u>34,706,223</u>
<b>EXPENDITURES</b>						
Current:						
Instruction	15,593,313	2,550,917	1,540,989	-	-	19,685,219
Support services	11,442,752	1,829,238	321,593	-	-	13,593,583
Community services	-	5,188	-	-	-	5,188
Intergovernmental	147,549	-	-	-	-	147,549
Debt service						
Principal	-	-	-	-	1,671,667	1,671,667
Interest	-	-	-	-	325,537	325,537
Other	-	-	-	-	8,201	8,201
Capital outlay	-	-	-	2,466,665	-	2,466,665
Total expenditures	<u>27,183,614</u>	<u>4,385,343</u>	<u>1,862,582</u>	<u>2,466,665</u>	<u>2,005,405</u>	<u>37,903,609</u>
Excess of revenues over (under) expenditures	(1,030,713)	(288,230)	511,548	(2,464,562)	74,571	(3,197,386)
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	809,956	308,719	200,075	-	-	1,318,750
Operating transfers out	(777,558)	(20,443)	(711,623)	(78,617)	-	(1,588,241)
Total other financing sources (uses)	<u>32,398</u>	<u>288,276</u>	<u>(511,548)</u>	<u>(78,617)</u>	<u>-</u>	<u>(269,491)</u>
Net change in fund balances	(998,315)	46	-	(2,543,179)	74,571	(3,466,877)
<b>FUND BALANCE, beginning of year</b>	<u>4,136,127</u>	<u>81,529</u>	<u>-</u>	<u>2,675,852</u>	<u>515,488</u>	<u>7,408,996</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 3,137,812</u>	<u>\$ 81,575</u>	<u>\$ -</u>	<u>\$ 132,673</u>	<u>\$ 590,059</u>	<u>\$ 3,942,119</u>

See Notes to Financial Statements

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**School District of Edgefield County****Exhibit 4 - Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities, Continued**  
**For the fiscal year ended June 30, 2014**

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Total net change in fund balance - governmental funds \$ (3,466,877)

**Amounts reported for governmental activities in the Statement of Activities are different because of the following:**

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Details supporting this adjustment are as follows:

Capital outlay	\$ 2,584,502	
Depreciation expense	<u>(1,136,722)</u>	
		1,447,780

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Bond principal retirement	1,575,000	
Capital lease principal retirement	<u>96,667</u>	
		1,671,667

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered "available revenues" and are unavailable in the governmental funds. Unavailable tax revenues increased by this amount this year.

(178,021)

Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Amortization of bond premiums		24,123
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In the Statement of Activities, certain operating expenses - compensated absences (annual leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).

(1,755)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

13,149

Change in net position of governmental activities

\$ (489,934)

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**School District of Edgefield County****Exhibit 5 - Statement of Net Position - Proprietary Fund****June 30, 2014**

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**Assets****Current assets**

Due from other funds	\$	754,935
Inventories		<u>33,029</u>
Total current assets		<u>787,964</u>

**Noncurrent assets**

Equipment		282,567
Less: Accumulated depreciation		<u>144,571</u>
Total noncurrent assets		<u>137,996</u>
Total assets	\$	<u><u>925,960</u></u>

**Liabilities****Current liabilities**

Accounts payable and accrued expenses	\$	<u>4,738</u>
Total liabilities		<u>4,738</u>

**Net Position**

Net investment in capital assets		137,996
Unrestricted		<u>783,226</u>
Total net position		<u>921,222</u>
Total liabilities and net position	\$	<u><u>925,960</u></u>

**See Notes to Financial Statements**

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**School District of Edgefield County****Exhibit 6 - Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund****For the fiscal year ended June 30, 2014**

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**OPERATING REVENUES**

Meal sales	\$	442,381
Other operating revenues		16
Total operating revenues		<u>442,397</u>

**OPERATING EXPENSES**

Food costs		839,645
Salaries and wages		1,192,988
Supplies		89,133
Depreciation		26,522
Other operating costs		90,815
Total operating expenses		<u>2,239,103</u>
Operating loss		<u>(1,796,706)</u>

**NON-OPERATING REVENUES**

Interest income		2,106
Commodities received from USDA		102,277
USDA reimbursements		1,335,442
Total non-operating revenues		<u>1,439,825</u>
Loss before operating transfers		<u>(356,881)</u>

**OPERATING TRANSFERS IN**

Change in net position		<u>269,491</u>
		(87,390)

**NET POSITION, beginning of year**1,008,612**NET POSITION, end of year**\$ 921,222

## School District of Edgefield County

### Exhibit 7 - Statement of Cash Flows - Proprietary Fund

For the fiscal year ended June 30, 2014

#### CASH FLOWS FROM OPERATING ACTIVITIES

Received from patrons	\$ 442,397
Payments to employees for services	(804,820)
Payments to employees for benefits	(388,168)
Payments to suppliers for goods and services	(744,266)
Other payments	(90,815)
	<u>(1,585,672)</u>
Net cash used for operating activities	<u>(1,585,672)</u>

#### CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Nonoperating grants received	1,335,442
Operating transfers in from general fund	269,491
	<u>1,604,933</u>
Net cash received from non-capital financing activities	<u>1,604,933</u>

#### CASH FLOWS FOR CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	(21,367)
	<u>(21,367)</u>
Net cash used for capital and related financing activities	<u>(21,367)</u>

#### CASH FLOWS FROM INVESTING ACTIVITIES

Interest on investments	2,106
	<u>2,106</u>
Net cash received from investing activities	<u>2,106</u>
Net change in cash and cash equivalents	<u>-</u>

#### CASH AND CASH EQUIVALENTS, JULY 1, 2013

#### CASH AND CASH EQUIVALENTS, JUNE 30, 2014

	<u>-</u>
	<u>\$ -</u>
Reconciliation of operating loss to net cash used for operating activities	
Operating loss	\$ (1,796,706)
Adjustments to reconcile operating loss to net cash used for operating activities	
Depreciation	26,522
Commodities received from the USDA	102,277
Change in deferred and accrued amounts	
Inventories	(2,865)
Accounts payable and accrued expenses	4,738
Due to/from other funds	80,362
	<u>80,362</u>
Net cash used for operating activities	<u>\$ (1,585,672)</u>

See Notes to Financial Statements

**School District of Edgefield County****Exhibit 8 - Statement of Fiduciary Assets and Liabilities - Agency Fund****June 30, 2014**

	<u>Pupil Activity</u>	<u>Strom Thurmond Scholarship</u>	<u>J Carson Scholarship</u>	<u>ART Scholarship</u>	<u>Stamey Scholarship</u>	<u>Broadus Scholarship</u>	<u>Total</u>
<b>ASSETS</b>							
Cash	\$ 489,216	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 489,216
Due from other government	-	2,000	-	-	-	-	2,000
Investments	-	106,852	62,184	4,613	8,354	91,815	273,818
	<u>\$ 489,216</u>	<u>\$ 108,852</u>	<u>\$ 62,184</u>	<u>\$ 4,613</u>	<u>\$ 8,354</u>	<u>\$ 91,815</u>	<u>\$ 765,034</u>
<b>LIABILITIES</b>							
Deferred scholarship	\$ -	\$ 108,852	\$ 62,184	\$ 4,613	\$ 8,354	\$ 91,815	\$ 275,818
Due to student organizations	489,216	-	-	-	-	-	489,216
	<u>\$ 489,216</u>	<u>\$ 108,852</u>	<u>\$ 62,184</u>	<u>\$ 4,613</u>	<u>\$ 8,354</u>	<u>\$ 91,815</u>	<u>\$ 765,034</u>

*See Notes to Financial Statements*

# School District of Edgefield County

## Notes to Financial Statements

June 30, 2014

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The School District of Edgefield County (the District) is governed by a seven member board of education (the Board). The District provides regular and exceptional education for students in kindergarten through grade twelve.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District has elected not to apply Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989, to its governmental and business-type activities and to its proprietary funds. The following is a summary of the more significant policies.

#### A. Reporting Entity

The District's financial statements include all funds over which the Board is considered to be financially accountable. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity because it does not meet the financial accountability criteria for inclusion established by governmental accounting standards. Board members have decision-making authority, the power to designate management, the ability to significantly influence operations and the primary accountability for fiscal matters. The District invests funds and receives property tax revenues through its relationship with Edgefield County.

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. The District has no component units.

#### B. Basis of Presentation

The statements of the District are presented as follows:

**Government-wide financial statements** - The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the District, except for fiduciary funds. For the most part, the effect of interfund activity has been removed from these statements. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in part by fees charged to external parties.

The government-wide statements are prepared using the economic resources management focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

# School District of Edgefield County

## Notes to Financial Statements

June 30, 2014

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

#### B. Basis of Presentation, continued

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Depreciation expense has been allocated to individual functions in the governmental activities. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, including taxes, which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

**Fund financial statements** - Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The District has no non-major funds. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the District finances and meets cash flow needs of its proprietary activities.

Fiduciary funds are reported using the economic resources measurement focus.

#### Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the District's financial position and results of operations and disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

#### C. Measurement Focus and Basis of Accounting

##### Fund accounting

The accounts of the District are organized and operated on the basis of funds during the fiscal year, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. The various funds are grouped into the categories governmental, proprietary, and fiduciary.



# School District of Edgefield County

## Notes to Financial Statements

June 30, 2014

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

#### C. Measurement Focus and Basis of Accounting, Continued

##### **Governmental Funds**

Governmental funds are used to account for all or most of a District's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general capital assets (school building fund), and the servicing of general long-term debt (debt retirement fund).

*General Fund* - to account for all financial transactions not properly accounted for in another fund. The District uses this fund to account for expenditures principally for administration, instruction, pupil services, operation, and maintenance of plant and related fixed charges.

*Special Revenue Funds* - to account for the proceeds of specific revenue sources (other than debt service or major capital projects) that are restricted to expenditures for specified purposes. The District has two special revenue funds:

1. The Education Improvement Act (EIA) Fund, a budgeted fund used to account for the revenue from the Education Improvement Act of 1984 and legally required to be accounted for as a specific revenue source.
2. Special Revenue Fund - Other, a budgeted fund used to account for financial resources provided by federal, state, and local projects and grants.

*Capital Projects (Building) Fund* - to account for financial resources that are restricted, committed, or assigned to expenditures for capital outlays.

*Debt Service Fund* - to account for financial resources that are restricted, committed, or assigned to expenditures for principal and interest payments.

##### **Proprietary Funds**

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to provide sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds). The District has no internal service funds.

Within proprietary funds, operating revenues and expenses are presented in the Statement of Revenue, Expenses and Changes in Fund Net Position. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. Sales for food service represent the operating revenues of the District's proprietary fund. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

*Enterprise Funds* - to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or covered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Food Service Fund is the District's only enterprise fund and is used to account for the United States Department of Agriculture (USDA) approved school breakfast and lunch programs.

# School District of Edgefield County

## Notes to Financial Statements

June 30, 2014

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

#### C. Measurement Focus and Basis of Accounting, continued

##### **Fiduciary Funds**

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The District's fiduciary funds consist of agency funds which are custodial in nature and do not involve measurement of results of operation. The agency funds are used to account for amounts held for student activity organizations and scholarships.

##### **Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred. Under the modified accrual basis of accounting, revenues and expenditures are recognized when they become both measurable and available/due.

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources associated with the current fiscal period are considered to be both measurable and available at fiscal year-end: property taxes, interest, tuition, grants, student fees and rentals.

Unavailable revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Delinquent property taxes and property taxes for which there is an enforceable legal claim as of June 30, 2014, but which have not met the revenue recognition criteria, have been recorded as unavailable revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as unavailable revenue. On governmental fund financial statements, receivables that will not be collected within the available period (60 days) have also been reported as unavailable revenue.

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

# School District of Edgefield County

## Notes to Financial Statements

June 30, 2014

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

#### C. Measurement Focus and Basis of Accounting, continued

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation, are not recognized in governmental funds.

#### D. Assets, Liabilities, and Equity or Net Position

##### Cash and Cash Equivalents and Investments

The District's investments are carried at fair value, except that repurchase agreements and U.S. Government Agencies that have a maturity at the time of purchase of one year or less are shown at amortized cost.

##### Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. On fund financial statements, these receivables and payables are classified as "due from other funds" or "due to other funds." These amounts are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for net residual amounts due between governmental and business-type activities, which are presented as internal balances.

##### Inventories

Under the system of accounting for inventories, materials and supplies are carried in an inventory account at cost using the first-in, first-out method of accounting and are subsequently charged to expense when consumed. Inventories include food, supplies, and commodities. An amount for commodities received from the USDA, but not consumed as of June 30, 2014 has been recorded at fair value as provided by the USDA.

##### Capital Assets

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activities column of the government-wide statement of net position and in the respective fund.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The cost and accumulated depreciation of property sold or retired are removed from the accounts, and gains or losses, if any, are reflected in revenue or expenditures/expenses for the year. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

In the enterprise fund, assets acquired or constructed by grants and shared revenues externally restricted for capital acquisitions and construction are reported as revenue in the period received in accordance with GASB Statement No. 33.

# School District of Edgefield County

## Notes to Financial Statements

June 30, 2014

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

#### D. Assets, Liabilities, and Equity or Net Position, continued

With the exception of land and construction in progress, all reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental activities estimated lives</u>	<u>Business-type activities estimated lives</u>
Land improvements	15 - 40 years	N/A
Buildings and improvements	15 - 50 years	20 years
Furniture and equipment	5 - 20 years	3 - 12 years
Vehicles	5 - 10 years	6 years

#### Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation leave. A liability for compensated absences is reported on the government-wide financial statements.

In the governmental fund financial statements, the current portion of compensated absences is the amount expected to be paid using expendable available financial resources and is reported as an expenditure and fund liability in the fund that will pay it. The remainder of the compensated absences liability is not reported. In the proprietary fund, compensated absences are recorded as an expense and liability.

#### Accrued Liabilities and Long-term Obligations

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

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

Bond premiums and discounts are deferred and amortized over the life of the bonds, using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

For governmental funds, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

#### Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

# School District of Edgefield County

## Notes to Financial Statements

June 30, 2014

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

#### D. Assets, Liabilities, and Equity or Net Position, continued

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

##### **Fund Balances and Net Position**

This Statement defines five classifications of governmental funds balances: nonspendable, restricted, committed, assigned, and unassigned. Where applicable, these classifications are presented on the face of the governmental fund balance sheet.

For the government-wide financial statements the District applies restricted resources when an expenditure is incurred for the purposes for which both restricted and unrestricted net position are available. For the governmental funds financial statements, the District applies committed, then assigned, then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

##### **Interfund Activity**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental funds and enterprise balances are eliminated.

Exchange transactions between funds are reported as revenue in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

#### E. New Account Pronouncements

The GASB has issued several new pronouncements that the District has reviewed for application to their accounting and reporting.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, is effective for financial statements for periods beginning after December 15, 2012. This statement improves financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The District implemented this statement for the year ended June 30, 2014.

# School District of Edgefield County

## Notes to Financial Statements

June 30, 2014

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

#### E. New Account Pronouncements, continued

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, intends to improve financial reporting for most governments that provide their employees with pension benefits. The statement is effective for financial statements for periods beginning after June 15, 2014. The District will implement the new guidance with the 2015 financial statements.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, intends to improve accounting and financial reporting of combinations and disposals of government operations of U.S. state and local governments. The statement is effective for financial statements for periods beginning after December 15, 2013. The District will implement the new guidance with the 2015 financial statements.

### II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The budgetary data reflected in the financial statements is prepared and adopted on a basis consistent with accounting principles generally accepted in the United States of America. The following procedures are used in establishing budgetary data:

- The Superintendent submits a proposed budget to the District Board of Education prior to May 1 each year.
- Taxpayers are given the opportunity to comment on the proposed budget in regular open Board meetings.
- The budget is legally adopted prior to June 30.
- Amendments are made during the year as approved by the Board of Education.
- Budgets for certain special revenue funds are adopted through submission and subsequent approval of a project application to the appropriate authorizing agency.
- Budgets are not adopted for the debt service fund or the building fund.

The budget is used as a management control device during the year for the general and special revenue funds.

Encumbrances represent uncompleted purchase orders, contracts and other commitments outstanding at year end. The District's encumbrances lapse at year end.

### III. DETAILED NOTES ON ALL FUNDS

#### NOTE 1 - DEPOSITS, AMOUNTS ON DEPOSIT WITH EDGEFIELD COUNTY TREASURER AND INVESTMENTS

The District is authorized by South Carolina state law to invest in the following types of investments:

1. Obligations of the United States and agencies thereof.
2. General obligations of the State of South Carolina or any of its political units.
3. Banks and savings and loan associations to the extent they are guaranteed by the Federal Deposit Insurance Corporation.
4. Deposits in certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificate of deposit so secured, including interest.

# School District of Edgefield County

## Notes to Financial Statements

June 30, 2014

### III. DETAILED NOTES ON ALL FUNDS - (Continued)

#### NOTE 1 - DEPOSITS, AMOUNTS ON DEPOSIT WITH EDGEFIELD COUNTY TREASURER AND INVESTMENTS - (Continued)

5. The State Treasurer's Local Government Investment Pool (monitored by the State Treasurer for investments invested in government-guaranteed securities in accordance with South Carolina State laws).
6. Repurchase agreements.

**Custodial Credit Risk** - Custodial credit risk is the risk that the District's deposits will not be returned to it. The District has no formal policy regarding custodial credit risk. At June 30, 2014, the carrying amount of the District's deposits was \$4,834,212 and the bank balance was \$5,127,009. At June 30, 2014, all of the District's deposits were collateralized with securities held by the pledging financial institution's trust department or its agent, and in the District's name or insured by the Federal Deposit Insurance Corporation. Management believes there is no significant custodial risk associated with these deposits. Information was not available regarding the custodial credit risk of deposits with the Edgefield County Treasurer of \$1,203,790.

At June 30, 2014, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Fair value</u>
Local government investment pool	Various	\$ 1,381,293
Merrill Lynch Mutual Funds (Pupil Activity Fund Scholarship investments)	Various	260,851
First Citizens – Certificates of deposit	Various	<u>12,967</u>
		<u>\$ 1,655,111</u>

**Credit Risk** - South Carolina statutes authorize investments in certificates of deposit, savings accounts, repurchase agreements, the State Treasurer's Local Government Investment Pool, obligations of the U.S. Government and government agencies unconditionally guaranteed by the U.S. Government. The District has no investment policy that would further restrict its choices.

The Local Government Investment Pool (LGIP) is not rated. The fair value of the District's position in the LGIP approximates the same value of the District's shares. Further information may be obtained from the LGIP's complete financial statements. These financial statements may be obtained by writing to the following address:

Office of the State Treasurer  
Local Governmental Investment Pool  
Post Office Box 11778  
Columbia, South Carolina 29211

**Interest Rate Risk** - The School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Concentration of Credit Risk** – Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The School District places no limit on the amount that may be invested in one issuer.

# School District of Edgefield County

## Notes to Financial Statements

June 30, 2014

### III. DETAILED NOTES ON ALL FUNDS - (Continued)

#### NOTE 1 - DEPOSITS, AMOUNTS ON DEPOSIT WITH EDGEFIELD COUNTY TREASURER AND INVESTMENTS - (Continued)

A reconciliation of cash and investments as shown on the Statement of Net Position for the primary government and the Statement of Fiduciary Assets and Liabilities follows:

Deposits	\$	4,834,212
Investments		<u>1,655,111</u>
	\$	<u>6,489,323</u>
Statement of Net Position	\$	5,726,289
Statement of Fiduciary Assets and Liabilities		<u>763,034</u>
	\$	<u>6,489,323</u>

#### NOTE 2 - PROPERTY TAXES

Assessed valuation of taxable property for 2013 for the District was approximately \$75,048,000. The tax rate for the District totaled 227.38 mills, of which 200.88 mills were for the general fund and 26.5 mills were for the debt service fund. Taxes receivable of \$710,569 in the general fund and \$128,399 in the debt service fund are net of an allowance for uncollectible taxes.

Property taxes are collected for the District by the Edgefield County Treasurer.

The District's property tax is levied on the assessed value listed as of January 1 for all real and business personal property located in the District's geographical area. Liens attach to the property at the time taxes are levied. Taxes are due without penalty, for real and personal property excluding automobiles, through January 15. After that time, penalties are added depending on the date paid as follows:

January 15 through February 1	3% of tax
February 2 through March 15	10% of tax
March 16 and thereafter	15% of tax

South Carolina Code Section 12-37-251(A) provides a property tax exemption for property classified pursuant to Section 12-43-220(C) (homestead exemption) from property taxes levied for other than bonded indebtedness and payments pursuant to lease purchase agreements for capital construction. The exemption applies against millage imposed for school operations and the amount of fair market value of the homestead that is exempt from such millage must be set by the Department of Revenue and Taxation based on the amount available in the State Property Tax Relief Fund.

#### NOTE 3 - RECEIVABLES

Intergovernmental receivables at June 30, 2014 consisted of taxes, intergovernmental grants, reimbursements and interest. All intergovernmental receivables are considered collectible in full.



# School District of Edgefield County

## Notes to Financial Statements

June 30, 2014

### III. DETAILED NOTES ON ALL FUNDS - (Continued)

A summary of the principal items of intergovernmental receivables follows:

Governmental activities	
Due from state and/or federal government	
General fund	\$ 542,846
EIA	249,734
Special projects	
Title I	274,888
IDEA	502,399
Preschool handicapped	12,454
Occupational education	15,776
Adult education	24,765
Other special revenue programs	<u>199,022</u>
Total governmental activities	<u>\$ 1,821,884</u>

Receivables for property taxes are reported net of the allowance for uncollectible accounts. Governmental funds report unavailable revenue (deferred inflows of resources) in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At June 30, 2014, unavailable revenue related to property taxes reported in the governmental funds totaled \$710,569 and \$105,337 in the general and debt service funds, respectively.

#### NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions/</u> <u>Transfers</u>	<u>Deletions/</u> <u>Transfers</u>	<u>Balance</u> <u>June 30, 2014</u>
<b>Governmental activities</b>				
Capital assets, not being depreciated				
Land	\$ 422,103	\$ -	\$ -	\$ 422,103
Construction in process	<u>1,886,921</u>	<u>-</u>	<u>(1,886,921)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>2,309,024</u>	<u>-</u>	<u>(1,886,921)</u>	<u>422,103</u>
Capital assets, being depreciated				
Improvements	1,910,572	2,584,502	1,838,302	6,333,376
Buildings	36,690,529	-	(9,400)	36,681,129
Equipment	<u>2,196,283</u>	<u>-</u>	<u>58,019</u>	<u>2,254,302</u>
Total capital assets, being depreciated	<u>40,797,384</u>	<u>2,584,502</u>	<u>1,886,921</u>	<u>45,268,807</u>
Total cost	<u>43,106,408</u>	<u>2,584,502</u>	<u>-</u>	<u>45,690,910</u>
Less accumulated depreciation				
Improvements	752,199	124,037	-	872,060
Buildings	19,412,911	933,925	-	20,346,836
Equipment	<u>1,814,113</u>	<u>78,760</u>	<u>-</u>	<u>1,892,873</u>
Total accumulated depreciation	<u>21,979,223</u>	<u>1,136,722</u>	<u>-</u>	<u>23,115,945</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 21,127,185</u>	<u>\$ 1,447,780</u>	<u>\$ -</u>	<u>\$ 22,574,965</u>
<b>Business-type activities</b>				
Equipment	\$ 261,200	\$ 21,367	\$ -	\$ 282,567
Less accumulated depreciation	<u>118,049</u>	<u>26,522</u>	<u>-</u>	<u>144,571</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 143,151</u>	<u>\$ (5,155)</u>	<u>\$ -</u>	<u>\$ 137,996</u>

# School District of Edgefield County

## Notes to Financial Statements

June 30, 2014

### III. DETAILED NOTES ON ALL FUNDS - (Continued)

#### NOTE 4 - CAPITAL ASSETS – (Continued)

Included in the totals above is equipment acquired under capital leases totaling \$395,304 at June 30, 2014 (see Note 5). Accumulated depreciation on this equipment totaled \$293,317 at June 30, 2014.

During the year ended June 30, 2014, the District had depreciation expense of \$1,136,722 for governmental activities. This depreciation expense has been allocated to instruction, support services, and community services activities in the amounts of \$676,459, \$460,087 and \$176, respectively.

#### NOTE 5 - LONG-TERM DEBT

Changes in long-term obligations for the year ended June 30, 2014 were as follows:

	Principal outstanding <u>July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	Principal outstanding <u>June 30, 2014</u>	Amounts due <u>in one year</u>
<b>Governmental activities</b>					
General obligation bonds					
School District:					
September 8, 2009	\$ 305,000	\$ -	\$ 305,000	\$ -	\$ -
February 1, 2008	7,295,000	-	1,120,000	6,175,000	1,470,000
August 14, 2012	<u>4,860,000</u>	-	<u>150,000</u>	<u>4,710,000</u>	<u>125,000</u>
Total bonds payable	12,460,000	-	1,575,000	10,885,000	1,595,000
Unearned bond premiums	95,267	-	24,123	71,144	19,854
Accrued compensated absences	248,450	1,755	-	250,205	50,641
Capital lease obligations	<u>96,667</u>	-	<u>96,667</u>	-	-
Total governmental activities general long-term debt	<u>\$12,900,384</u>	<u>\$ 1,755</u>	<u>\$ 1,695,790</u>	<u>\$11,206,349</u>	<u>\$ 1,664,895</u>

General obligation bonds consist of the following at June 30, 2014:

<u>Date of Issue</u>	<u>Interest Rates</u>	<u>Payment Dates</u>	<u>Maturity</u>	<u>Original Issue</u>	<u>Outstanding at June 30, 2014</u>
February 1, 2008	4.10 - 4.75	Feb	2018	\$ 11,545,000	\$ 6,175,000
August 14, 2012	1.00 - 1.70	Mar	2022	<u>5,000,000</u>	<u>4,710,000</u>
				<u>\$ 18,195,000</u>	<u>\$ 10,885,000</u>

The annual requirements to amortize all general obligation bonds outstanding at June 30, 2014, including interest payments over the life of the debt are as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,595,000	\$ 275,968	\$ 1,870,968
2016	1,645,000	226,318	1,871,318
2017	1,700,000	175,130	1,875,130
2018	1,755,000	122,155	1,877,155
2019	1,025,000	63,430	1,088,430
2020-2022	<u>3,165,000</u>	<u>100,260</u>	<u>3,265,260</u>
	<u>\$ 10,885,000</u>	<u>\$ 963,261</u>	<u>\$ 11,848,261</u>

# School District of Edgefield County

## Notes to Financial Statements

June 30, 2014

### III. DETAILED NOTES ON ALL FUNDS - (Continued)

#### NOTE 5 - LONG-TERM DEBT - (Continued)

Article X, Section 15 of the Constitution of the State of South Carolina, as amended, empowers each School District of the State to incur general obligation debt in such manner and upon such terms and conditions, as the General Assembly shall prescribe by law. After November 30, 1982, each School District may incur general obligation debt, without an election and upon such terms and conditions as the General Assembly may prescribe, in an amount not exceeding 8% of the assessed value of all taxable property of such School District.

Bonded indebtedness existing on November 30, 1982, and bonded indebtedness authorized by a majority vote of the qualified electors of the District voting in a referendum will not be considered in the computation of the 8% limitation. As of June 30, 2014, the remaining debt margin available to the District was approximately \$1,294,000.

#### NOTE 6 - SHORT TERM OBLIGATIONS

The District issued \$108,000 in general obligation bonds, series 2013D, on September 19, 2013, with a coupon rate of 1.00% to fund the capital lease principal and interest payment due in December 2013. The bonds matured on March 1, 2014.

Changes in short-term obligations for the year ended June 30, 2014 were as follows:

	Principal outstanding <u>July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	Principal outstanding <u>June 30, 2014</u>
<b>Governmental activities</b>				
General obligation bonds				
School District:				
Series 2013D	\$ -	\$ 108,000	\$ 108,000	\$ -
<b>Total</b>	<u>\$ -</u>	<u>\$ 108,000</u>	<u>\$ 108,000</u>	<u>\$ -</u>

#### NOTE 7 - TRANSFERS IN AND OUT/INTERFUND BALANCES

During the course of normal operations, the District has transactions between funds to provide services, construct assets, service debt, etc. These transactions are generally reflected as transfers. Total transfers during the year ended June 30, 2014 consisted of the following individual fund amounts:

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 809,956	\$ 777,558
Special projects	308,719	20,443
Education Improvement Act	200,075	711,623
Capital Projects	-	78,617
Food service	269,491	-
	<u>\$ 1,588,241</u>	<u>\$ 1,588,241</u>

# School District of Edgefield County

## Notes to Financial Statements

June 30, 2014

### III. DETAILED NOTES ON ALL FUNDS - (Continued)

#### NOTE 7 - TRANSFERS IN AND OUT/INTERFUND BALANCES - (Continued)

As of June 30, 2014, amounts due from (to) other funds related to the District's pooled cash are as follows:

	General fund	Special projects	Education Improvement Act	Food service	Total
Due from general fund	\$ -	\$ -	\$ -	\$ 754,935	\$ 754,935
Due from special projects	815,186	-	-	-	815,186
Due from EIA	219,022	-	-	-	219,022
	<u>1,034,208</u>	<u>-</u>	<u>-</u>	<u>754,935</u>	<u>1,789,143</u>
Due to general fund	-	815,186	219,022	-	1,034,208
Due to food service	754,935	-	-	-	754,935
Due to capital projects	-	-	-	-	-
	<u>\$ 754,935</u>	<u>\$ 815,186</u>	<u>\$ 219,022</u>	<u>\$ -</u>	<u>\$ 1,789,143</u>

### IV. OTHER INFORMATION

#### NOTE 8 - EMPLOYEE BENEFITS

Retirement Plan - Substantially all District employees are members of the South Carolina Retirement System, a cost-sharing multiple-employer plan administered by the Retirement Division of the South Carolina Public Employee Benefit Authority (PEBA), a public employee retirement system. The System provides retirement and disability benefits, cost of living adjustments on an ad hoc basis, life insurance benefits and survivor benefits. The Plan's provisions are established under Title 9 of the South Carolina Code of Laws. The System issues a publicly available financial report that includes financial statements and required information for the South Carolina Retirement System. That report may be obtained by writing the South Carolina Retirement System, Post Office Box 11960, Columbia, South Carolina 29211-1960.

Plan members are required to contribute 7.0% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 15.0% of annual covered payroll. In addition, the District contributes 0.15% of payroll to a group life insurance benefit for their participants. The District's contributions to the System for the years ended June 30, 2014, 2013 and 2012 were \$2,177,491, \$2,169,986, and \$1,947,435, respectively, which is 100% of the District's required contribution. District-wide contributions as a percentage of statewide contributions were not available for June 30, 2014, 2013 and 2012. Plan members who have at least 28 years or creditable service may elect early retirement with full benefits from the retirement system.

Employees eligible for service retirement may participate in the Teacher and Employee Retention Incentive Program (TERI). TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost of living adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not make SCRS contributions, do not earn service credit, and are ineligible to receive group life insurance benefits or disability retirement benefits. Effective July 1, 2006, TERI participants who entered the program July 1, 2005 or later, have to contribute to SCRS as long as they are covered under the TERI program. The TERI program will end effective June 30, 2018.

## School District of Edgefield County

### Notes to Financial Statements

June 30, 2014

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#### IV. OTHER INFORMATION - (Continued)

##### NOTE 8 - EMPLOYEE BENEFITS - (Continued)

**Optional Retirement Program** - Certain State employees may elect to participate in the Optional Retirement Program (ORP), a defined contribution plan. The ORP was established in 1987 under Title 9, Chapter 17, of the South Carolina Code of Laws. The ORP provides retirement and death benefits through the purchase of individual fixed or variable annuity contracts which are issued to, and become the property of, the participants. The State assumes no liability for this plan other than for payment of contributions to designated insurance companies. Employees who enroll in ORP are eligible to change their election to SCRS if done before the fifth anniversary of enrollment in ORP.

Under State law, contributions to the ORP are required at the same rates as for the SCRS, 10.45% plus the retiree surcharge of 4.55% from the employer in fiscal year 2013.

Certain of the District's employees have elected to be covered under optional retirement plans. The District's total contribution requirements to the ORP for the years ended June 30, 2014, 2013 and 2012 were \$60,322, \$28,551, and \$16,520, respectively (excluding the surcharge) from the District as employer, which is 100% of the District's required contribution. All amounts were remitted to the respective ORP companies. The obligation for payment of benefits resides with the insurance companies.

**Deferred Compensation Plans** - The District employees may participate in the 457 and/or 401(k) deferred compensation plans available to state and local governmental employees through the state public employee retirement system. These programs are administered by a state approved nongovernmental third party. There are no employer contributions made by the District to these plans.

##### NOTE 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

**Plan Description** - In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental and long-term disability benefits to retired State and school district employees and their covered dependents. The District contributes to the Retiree Medical Plan (RMP) and the Long-term Disability Plan (LTDP), cost-sharing multiple-employer defined benefit postemployment healthcare and long-term disability plans administered by the Employee Insurance Program (EIP), a part of the State Budget and Control Board (SBCB). Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires May 2, 2008 and after, retirees are eligible for benefits if they have established twenty-five years of service for 100% employer funding and fifteen through twenty-four years of service for 50% employer funding. Benefits become effective when the former employee retires under a State retirement system. Basic long-term disability benefits (BLTD) are provided to active state, public school district and participating local government employees approved for disability.

# School District of Edgefield County

## Notes to Financial Statements

June 30, 2014

### IV. OTHER INFORMATION - (Continued)

#### NOTE 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS - (Continued)

**Funding Policies** - Section 1-11-710 and 1-11-720 of the South Carolina Code of Laws of 1976, as amended, requires these postemployment healthcare and long-term disability benefits be funded through annual appropriations by the General Assembly for active employees to the EIP and participating retirees to the SBCB except the portion funded through the pension surcharge and provided from other applicable sources of the EIP for its active employees who are not funded by state general fund appropriations. Employers participating in the RMP are mandated by State statute to contribute at a rate assessed each year by the Office of the State Budget. The current rate is 4.92% of annual covered payroll. The EIP sets the employer contribution rate based on a pay-as-you-go basis. The District paid approximately \$1,011,000, \$931,000 and \$894,000 applicable to the surcharge included with the employer contribution for retirement benefits for the fiscal years ended June 30, 2014, 2013 and 2012, respectively. BLTD benefits are funded through a per person premium charged to State agencies, public school districts, and other participating local governments. The monthly premium per active employee paid to EIP was \$3.22 for the fiscal years ended June 30, 2014, 2013 and 2012.

Effective May 1, 2008, the State established two trust funds through Act 195 for the purpose of funding and accounting for the employer costs of retiree health and dental insurance benefits and long-term disability insurance benefits. The South Carolina Retiree Health Insurance Trust Fund is primarily funded through the payroll surcharge. Other sources of funding include additional State appropriated dollars, accumulated EIP reserves, and income generated from investments. The Long Term Disability Insurance Trust Fund is primarily funded through investment income and employer contributions.

One may obtain complete financial statements for the benefit plans and the trust funds from Employee Insurance Program, 1201 Main Street, Suite 360, Columbia, South Carolina 29201.

#### NOTE 10 - COMMITMENTS AND CONTINGENCIES

The District participates in a number of federally assisted programs, which are audited in accordance with the Single Audit Act Amendments of 1996. Audits have not resulted in any material disallowed costs, however, grantor agencies may conduct further examinations based on reported questioned costs. Based on prior experience, the District believes that further examinations would not result in any material disallowed costs.

The District is a defendant in a lawsuit filed by a former District employee. It is the opinion of the District's management, after conferring with legal counsel, that the potential loss, if any, which might arise from this lawsuit is not measurable at the date these financial statements were available to be issued.

The District leases copiers under a non-cancelable operating lease expiring June 2015. The lease includes up to 7,000,000 free copies per year. After that a surcharge of \$0.0048 per copy is added to the minimum lease payment. The District did not exceed the copy limit during the year. The District also leases another copier under a separate non-cancelable operating lease expiring August 2015. During the year, total lease payments amounted to \$149,688. The leases have approximate remaining payments due as follows:

<u>Year</u>	<u>Lease payment</u>
2014	\$ 150,000
2015	500
	<u>\$ 150,500</u>

## School District of Edgefield County

### Notes to Financial Statements

June 30, 2014

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#### IV. OTHER INFORMATION - (Continued)

##### NOTE 11 - 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 for which the District carries state or commercial insurance. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. The District has had no significant reduction in coverage due to settled claims. Settled claims have not exceeded this coverage in the past three years. The District pays insurance premiums to certain State agencies and commercial insurers to cover risks that may occur in normal operations. The insurers promise to pay to or on behalf of the insured for covered economic losses sustained during the policy period in accordance with insurance policy and benefit program limits. For property losses, the District's deductible is \$2,500.

The District pays premiums to Knauff Insurance which issues policies, accumulates assets to cover the risks of loss, and pays claims incurred for covered losses related to the following assets, activities, and/or events:

1. Theft of, damage to, or destruction of assets;
2. Real property, its contents, and other equipment;
3. Motor vehicles;
4. Torts; and
5. Natural disasters

Knauff Insurance is a self-insurer and purchases reinsurance to obtain certain services and specialized coverage and to limit losses in the areas of property, boiler and machinery, automobile liability, and School Board liability insurance. Knauff Insurance's rates are determined actuarially.

The District obtains coverage through a commercial insurer for employee fidelity bond insurance for all employees for losses arising from theft or misappropriation, up to a maximum of \$100,000. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

Prior to July 1, 1978, school districts in South Carolina were exempt from unemployment tax. Legislation was enacted providing that, effective July 1, 1978, these employing units would no longer be excluded by the South Carolina Employment Security Commission. In lieu of payment of contributions, the District, as permitted by the Act, elected to be "self-insured," whereby it would reimburse the Commission's unemployment fund for any claims attributable to service in the employ of the District. Payments of claims for reimbursement to the Commission are paid out of the general operating fund. Payments of \$37,709 were made by the District for this purpose during the current year.

##### NOTE 12 - FUND BALANCE AND NET POSITION

The fund balances/net position and other credits have been classified to reflect the limitations and restrictions placed on the respective funds as follows:

###### **Governmental fund financial statements**

Fund balances - Nonspendable – balances that by their nature are unable to be spent.

Fund balances - Restricted – balances that can only be spent for the specific purpose stipulated by constitution, external resources providers, or through enabling legislation.

Fund balances - Committed – balances that can only be used for the specific purpose determined by the District's Board of Trustees. The Board of Trustees must take a formal action during one of its meetings to commit fund balance.

# School District of Edgefield County

## Notes to Financial Statements

June 30, 2014

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### IV. OTHER INFORMATION - (Continued)

#### NOTE 12 - FUND BALANCE AND NET POSITION - (Continued)

Fund balances - Assigned – balances meant to be used for a specific purpose but that do not meet the criteria as restricted or committed. Senior management at the District may assign fund balance.

Fund balances - Unassigned – balances that are spendable amounts not contained in other classifications.

#### **Government-wide and proprietary fund financial statements**

Net Investment in capital assets - represents the net cost less accumulated depreciation and outstanding debt attributable to the organization of the capital assets.

Restricted net position - represents net position restricted externally by creditors, grantors, contributors or laws and regulations of other governments; or restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position - represents the remainder of the School District's net position in the government-wide activities.

#### NOTE 13 - ARBITRAGE REBATE

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of (1) the amount earned on investments purchased with bond proceeds over (2) the amount of such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five year anniversary date of the bond issue. As of June 30, 2014, the District has determined that there are no amounts outstanding for arbitrage rebates.

#### NOTE 14 - RELATED PARTY

The District Superintendent also served as legal counsel for the District for a portion of the year ended June 30, 2014.

#### NOTE 15 - RESTATEMENT

Net position for the year ended June 30, 2013 has been restated by due to the implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. With the implementation of GASB Statement No. 65, the District is required to write off bond issuance costs incurred in prior years which were being amortized over the life of the bonds and to expense these amounts in the year of issuance. The restatement resulted in a decrease in Net Position of \$87,438.



**School District of Edgefield County**

**Schedule 1 - Budgetary Comparison Schedule - General Fund**

**For the fiscal year ended June 30, 2014**

		<u>Budgeted Amounts</u>		<u>Variance</u>
		<u>Original and Final</u>	<u>Actual</u>	<u>with Final Budget</u>
<b>REVENUES</b>				
1000	Revenue from local sources			
1100	Taxes			
1110	Ad valorem taxes-including delinquent	\$ 8,656,120	\$ 9,273,090	\$ 616,970
1300	Tuition			
1310	From patrons for regular day school	-	31,194	31,194
1330	From patrons for adult/continuing ed	-	4,869	4,869
1500	Earnings on investments			
1510	Interest on investments	2,000	1,952	(48)
1900	Other revenue from local sources			
1910	Rentals	-	1,335	1,335
1990	Miscellaneous local revenue	71,000	4,438	(66,562)
1999	Revenue from other local sources	314,531	173,420	(141,111)
	<b>Total local sources</b>	<b>9,043,651</b>	<b>9,490,298</b>	<b>446,647</b>
3000	Revenue from state sources			
3100	Restricted state funding			
3113	12-month agriculture program	15,000	16,339	1,339
3130	Special programs			
3131	Handicapped transportation	-	3,088	3,088
3160	School bus driver's salary	247,688	311,625	63,937
3162	Transportation workers' compensation	-	28,226	28,226
3165	Economic Education Development Act-Transportation	-	1,063	1,063
3180	Fringe benefits employer contributions	3,009,547	2,995,032	(14,515)
3181	Retiree insurance	828,684	916,405	87,721
3300	Education Finance Act			
3310	Full-time programs			
3311	Kindergarten	516,725	485,545	(31,180)
3312	Primary	1,415,678	1,417,949	2,271
3313	Elementary	1,921,305	1,917,409	(3,896)
3314	High school	295,718	188,731	(106,987)
3315	Trainable mentally handicapped	6,851	11,950	5,099
3316	Speech handicapped	378,105	499,398	121,293
3317	Homebound	19,463	25,708	6,245
3320	Part-time programs			
3321	Emotionally handicapped	53,216	45,096	(8,120)
3322	Educable mentally handicapped	177,284	136,968	(40,316)
3323	Learning disabilities	942,366	865,413	(76,953)
3324	Hearing handicapped	17,106	8,034	(9,072)
3325	Visually handicapped	4,188	4,229	41
3326	Orthopedically handicapped	9,117	5,538	(3,579)
3327	Vocational	1,287,500	1,159,493	(128,007)

**School District of Edgefield County****Schedule 1 - Budgetary Comparison Schedule - General Fund, Continued****For the fiscal year ended June 30, 2014**

	<u>Budgeted Amounts</u>		<u>Variance</u>
	<u>Original and Final</u>	<u>Actual</u>	<u>with Final</u>
			<u>Budget</u>
<b>REVENUES, Continued</b>			
3000 Revenue from state sources, continued			
3300 Education Finance Act, continued			
3330 Other EFA programs			
3331 Autism	13,480	41,865	28,385
3800 State revenue in lieu of taxes			
3810 Reimbursement for local property tax relief	1,553,034	1,553,034	-
3820 Homestead exemption	532,741	532,741	-
3825 Reimbursement for property tax relief	3,074,198	3,049,744	(24,454)
3830 Merchants inventory tax	50,000	49,590	(410)
3840 Manufacturers depreciation reimbursement	140,000	205,418	65,418
3890 Other state property tax revenues	130,000	141,267	11,267
	<u>16,638,994</u>	<u>16,616,898</u>	<u>(22,096)</u>
4000 Revenues from federal sources			
4900 Other federal sources			
4992 U.S. Forest Commission revenues	-	45,705	45,705
	<u>-</u>	<u>45,705</u>	<u>45,705</u>
<b>Total revenue all sources</b>	<b><u>\$ 25,682,645</u></b>	<b><u>\$ 26,152,901</u></b>	<b><u>\$ 470,256</u></b>

# School District of Edgefield County

## Schedule 1 - Budgetary Comparison Schedule - General Fund, Continued

For the fiscal year ended June 30, 2014

		<u>Budgeted Amounts</u>		<u>Variance</u>
		<u>Original and Final</u>	<u>Actual</u>	<u>with Final</u>
		<u>Budget</u>		
<b>EXPENDITURES</b>				
<b>100</b>	<b>INSTRUCTION</b>			
110	General instruction			
111	Kindergarten programs			
100	Salaries	\$ 930,100	\$ 953,819	\$ (23,719)
200	Employee benefits	355,212	355,212	-
400	Supplies and materials	6,825	7,014	(189)
		<u>1,292,137</u>	<u>1,316,045</u>	<u>(23,908)</u>
112	Primary programs			
100	Salaries	2,110,573	2,170,853	(60,280)
200	Employee benefits	869,268	735,268	134,000
400	Supplies and materials	16,846	16,344	502
		<u>2,996,687</u>	<u>2,922,465</u>	<u>74,222</u>
113	Elementary programs			
100	Salaries	3,777,636	3,754,152	23,484
200	Employee benefits	1,371,697	1,389,149	(17,452)
300	Purchased services	13,812	24,472	(10,660)
400	Supplies and materials	52,589	40,710	11,879
600	Other objects	-	150	(150)
		<u>5,215,734</u>	<u>5,208,633</u>	<u>7,101</u>
114	High school programs			
100	Salaries	1,927,673	1,863,939	63,734
140	Terminal leave	-	20,603	(20,603)
200	Employee benefits	619,943	658,667	(38,724)
300	Purchased services	11,537	6,862	4,675
400	Supplies and materials	59,800	63,309	(3,509)
		<u>2,618,953</u>	<u>2,613,380</u>	<u>5,573</u>
115	Vocational programs			
100	Salaries	630,760	621,705	9,055
200	Employee benefits	220,397	219,608	789
300	Purchased services	816	(105)	921
400	Supplies and materials	11,314	19,979	(8,665)
500	Capital outlay	1,864	1,969	(105)
		<u>865,151</u>	<u>863,156</u>	<u>1,995</u>
	Total general instruction	<u>12,988,662</u>	<u>12,923,679</u>	<u>64,983</u>
120	Exceptional programs			
121	Educable mentally handicapped			
100	Salaries	243,092	56,348	186,744
200	Employee benefits	98,168	21,120	77,048
		<u>341,260</u>	<u>77,468</u>	<u>263,792</u>
122	Trainable mentally handicapped			
100	Salaries	64,715	64,335	380
200	Employee benefits	28,502	25,096	3,406
		<u>93,217</u>	<u>89,431</u>	<u>3,786</u>

**School District of Edgefield County**

*Schedule 1 - Budgetary Comparison Schedule - General Fund, Continued*

*For the fiscal year ended June 30, 2014*

		<u>Budgeted Amounts</u>		<u>Variance</u>
		<u>Original and Final</u>	<u>Actual</u>	<u>with Final</u>
				<u>Budget</u>
<b>EXPENDITURES, Continued</b>				
<b>100</b>	<b>INSTRUCTION, Continued</b>			
120	Exceptional programs, continued			
123	Orthopedically handicapped			
300	Supplies and materials	-	8,032	(8,032)
		-	8,032	(8,032)
124	Visually handicapped			
300	Purchased services	-	6,780	(6,780)
		-	6,780	(6,780)
125	Hearing handicapped			
300	Purchased services	-	13,712	(13,712)
		-	13,712	(13,712)
126	Speech handicapped			
300	Purchased services	-	38,580	(38,580)
		-	38,580	(38,580)
127	Learning disabilities			
100	Salaries	905,819	1,129,140	(223,321)
200	Employee benefits	318,785	385,275	(66,490)
		1,224,604	1,514,415	(289,811)
128	Emotionally handicapped			
100	Salaries	129,840	112,207	17,633
200	Employee benefits	49,863	39,577	10,286
		179,703	151,784	27,919
129	Coordinated Early Intervening Services (CEIS)			
100	Salaries	105,000	-	105,000
		105,000	-	105,000
	Total exceptional programs	1,943,784	1,900,202	43,582
130	Preschool programs			
137	Pre-school handicapped - self contained			
100	Salaries	106,028	60,286	45,742
200	Employee benefits	44,075	22,627	21,448
		150,103	82,913	67,190
139	Early childhood programs			
400	Supplies and materials	-	4	(4)
		-	4	(4)
	Total preschool programs	150,103	82,917	67,186
140	Special programs			
141	Gifted and talented - academic			
100	Salaries	-	59,165	(59,165)
200	Employee benefits	-	10,361	(10,361)
300	Purchased services	-	3	(3)
600	Other objects	256	-	256
		256	69,529	(69,273)
145	Homebound			
100	Salaries	16,000	29,391	(13,391)
200	Employee benefits	3,026	5,386	(2,360)
300	Supplies and materials	-	825	(825)
		19,026	35,602	(16,576)
147	CDEPP			
100	Salaries	265,089	279,890	(14,801)
200	Employee benefits	114,634	123,133	(8,499)
		379,723	403,023	(23,300)

**School District of Edgefield County**

*Schedule 1 - Budgetary Comparison Schedule - General Fund, Continued*

*For the fiscal year ended June 30, 2014*

		<u>Budgeted Amounts</u>		<u>Variance</u>
		<u>Original and Final</u>	<u>Actual</u>	<u>with Final</u>
				<u>Budget</u>
<b>EXPENDITURES, Continued</b>				
<b>100</b>	<b>INSTRUCTION, Continued</b>			
140	Special programs, continued			
149	Other special programs			
100	Salaries	27,606	38,870	(11,264)
200	Employee benefits	8,054	17,474	(9,420)
		<u>35,660</u>	<u>56,344</u>	<u>(20,684)</u>
	Total special programs	<u>434,665</u>	<u>564,498</u>	<u>(129,833)</u>
160	Other exceptional programs			
161	Autism			
100	Salaries	-	21,270	(21,270)
200	Employee benefits	-	10,464	(10,464)
		<u>-</u>	<u>31,734</u>	<u>(31,734)</u>
	Total other exceptional programs	<u>-</u>	<u>31,734</u>	<u>(31,734)</u>
180	Adult/continuing educational programs			
181	Adult basic education programs			
100	Salaries	-	7,370	(7,370)
200	Employee benefits	-	2,413	(2,413)
400	Supplies and materials	-	2,053	(2,053)
500	Capital outlay	-	5,000	(5,000)
		<u>-</u>	<u>16,836</u>	<u>(16,836)</u>
182	Adult secondary education programs			
100	Salaries	-	500	(500)
200	Employee benefits	-	252	(252)
300	Purchased services	-	1,239	(1,239)
400	Supplies and materials	-	2,170	(2,170)
		<u>-</u>	<u>4,161</u>	<u>(4,161)</u>
183	Adult English Literacy			
400	Supplies and materials	-	4,051	(4,051)
		<u>-</u>	<u>4,051</u>	<u>(4,051)</u>
188	Parenting/family literacy			
100	Salaries	-	49,490	(49,490)
200	Employee benefits	-	15,311	(15,311)
400	Supplies and materials	-	434	(434)
		<u>-</u>	<u>65,235</u>	<u>(65,235)</u>
	Total adult/continuing educational programs	<u>-</u>	<u>90,283</u>	<u>(90,283)</u>
	Total instruction	<u>15,517,214</u>	<u>15,593,313</u>	<u>(76,099)</u>
<b>200</b>	<b>SUPPORT SERVICES</b>			
210	Pupil services			
211	Attendance and social work services			
100	Salaries	29,191	31,444	(2,253)
200	Employee benefits	12,806	8,778	4,028
300	Purchased services	9,384	791	8,593
400	Supplies and materials	58	183	(125)
600	Other objects	65	-	65
		<u>51,504</u>	<u>41,196</u>	<u>10,308</u>

**School District of Edgefield County**

*Schedule 1 - Budgetary Comparison Schedule - General Fund, Continued*

*For the fiscal year ended June 30, 2014*

		<u>Budgeted Amounts</u>		<u>Variance</u>
		<u>Original and Final</u>	<u>Actual</u>	<u>with Final</u>
				<u>Budget</u>
<b>EXPENDITURES, Continued</b>				
<b>200</b>	<b>SUPPORT SERVICES, Continued</b>			
210	Pupil services, Continued			
212	Guidance services			
100	Salaries	395,545	450,642	(55,097)
200	Employee benefits	139,574	147,865	(8,291)
300	Purchased services	6,820	10,809	(3,989)
400	Supplies and materials	1,818	1,618	200
		<u>543,757</u>	<u>610,934</u>	<u>(67,177)</u>
213	Health services			
100	Salaries	181,352	179,704	1,648
200	Employee benefits	69,319	69,132	187
300	Purchased services	5,814	6,913	(1,099)
400	Supplies and materials	11,653	14,718	(3,065)
600	Other objects	252	905	(653)
		<u>268,390</u>	<u>271,372</u>	<u>(2,982)</u>
214	Psychological services			
100	Salaries	66,466	66,466	-
200	Employee benefits	20,470	15,965	4,505
400	Supplies and materials	58	-	58
600	Other objects	357	-	357
		<u>87,351</u>	<u>82,431</u>	<u>4,920</u>
	Total pupil services	<u>951,002</u>	<u>1,005,933</u>	<u>(54,931)</u>
220	Instructional staff services			
221	Improvement of instruction - curriculum development			
100	Salaries	94,000	100,788	(6,788)
200	Employee benefits	26,141	28,064	(1,923)
300	Purchased services	21,890	12,558	9,332
400	Supplies and materials	57,091	61,521	(4,430)
600	Other objects	1,565	864	701
		<u>200,687</u>	<u>203,795</u>	<u>(3,108)</u>
222	Library and media services			
100	Salaries	381,658	388,309	(6,651)
200	Employee benefits	142,968	146,187	(3,219)
400	Supplies and materials	24,576	24,921	(345)
		<u>549,202</u>	<u>559,417</u>	<u>(10,215)</u>
223	Supervision of special programs			
100	Salaries	63,094	-	63,094
200	Employee benefits	18,832	12,728	6,104
		<u>81,926</u>	<u>12,728</u>	<u>69,198</u>
224	Improvement of instruction - inservice and staff training			
100	Salaries	55,000	900	54,100
200	Employee benefits	-	10,807	(10,807)
300	Purchased services	7,252	21,705	(14,453)
400	Supplies and materials	1,339	758	581
		<u>63,591</u>	<u>34,170</u>	<u>29,421</u>
	Total instructional staff services	<u>895,406</u>	<u>810,110</u>	<u>85,296</u>

**School District of Edgefield County**

*Schedule 1 - Budgetary Comparison Schedule - General Fund, Continued*

*For the fiscal year ended June 30, 2014*

		<u>Budgeted Amounts</u>		<u>Variance</u>
		<u>Original and Final</u>	<u>Actual</u>	<u>with Final</u>
				<u>Budget</u>
<b>EXPENDITURES, Continued</b>				
<b>200</b>	<b>SUPPORT SERVICES, Continued</b>			
230	General administration services			
231	Board of education			
100	Salaries	8,400	4,450	3,950
200	Employee benefits	14,385	52,185	(37,800)
300	Purchased services	20,798	7,950	12,848
318	Audit services	27,500	30,770	(3,270)
400	Supplies and materials	580	2,840	(2,260)
600	Other objects	140,912	93,821	47,091
		<u>212,575</u>	<u>192,016</u>	<u>20,559</u>
232	Office of the superintendent			
100	Salaries	172,005	178,808	(6,803)
200	Employee benefits	62,363	62,691	(328)
300	Purchased services	8,467	7,663	804
400	Supplies and materials	15,840	19,084	(3,244)
600	Other objects	1,140	6,232	(5,092)
		<u>259,815</u>	<u>274,478</u>	<u>(14,663)</u>
233	School administration			
100	Salaries	1,898,299	1,805,653	92,646
140	Terminal leave	-	5,309	(5,309)
200	Employee benefits	609,712	616,070	(6,358)
300	Purchased services	16,434	17,830	(1,396)
400	Supplies and materials	25,599	28,913	(3,314)
600	Other objects	10,454	4,799	5,655
		<u>2,560,498</u>	<u>2,478,574</u>	<u>81,924</u>
	Total general administration services	<u>3,032,888</u>	<u>2,945,068</u>	<u>87,820</u>
250	Finance and operations services			
251	Student transportation			
300	Purchased services	-	5,360	(5,360)
		<u>-</u>	<u>5,360</u>	<u>(5,360)</u>
252	Fiscal services			
100	Salaries	241,881	243,624	(1,743)
200	Employee benefits	82,394	83,931	(1,537)
300	Purchased services	16,950	26,668	(9,718)
400	Supplies and materials	9,142	6,194	2,948
600	Other objects	1,000	7,168	(6,168)
		<u>351,367</u>	<u>367,585</u>	<u>(16,218)</u>
254	Operation and maintenance of plant			
100	Salaries	1,080,056	1,066,340	13,716
200	Employee benefits	452,802	460,635	(7,833)
300	Purchased services	663,659	1,074,261	(410,602)
321	Public utilities	70,020	78,289	(8,269)
400	Supplies and materials	233,105	288,049	(54,944)
470	Energy	719,703	1,016,275	(296,572)
500	Capital outlay	30,000	73,524	(43,524)
600	Other objects	504	-	504
		<u>3,249,849</u>	<u>4,057,373</u>	<u>(807,524)</u>

# School District of Edgefield County

## Schedule 1 - Budgetary Comparison Schedule - General Fund, Continued

For the fiscal year ended June 30, 2014

		<u>Budgeted Amounts</u>		<u>Variance</u>
		<u>Original and Final</u>	<u>Actual</u>	<u>with Final</u>
				<u>Budget</u>
<b>EXPENDITURES, Continued</b>				
<b>200</b>	<b>SUPPORT SERVICES, Continued</b>			
250	Finance and operations services, continued			
255	Student transportation			
100	Salaries	647,760	736,624	(88,864)
200	Employee benefits	132,340	173,571	(41,231)
300	Purchased services	9,599	7,701	1,898
400	Supplies and materials	807	2,498	(1,691)
500	Capital outlay	2,784	-	2,784
600	Other objects	27,408	28,554	(1,146)
		<u>820,698</u>	<u>948,948</u>	<u>(128,250)</u>
258	Security			
300	Purchased services	103,593	193,111	(89,518)
400	Supplies and materials	3,475	-	3,475
		<u>107,068</u>	<u>193,111</u>	<u>(86,043)</u>
	Total finance and operation services	<u>4,528,982</u>	<u>5,572,377</u>	<u>(1,043,395)</u>
260	Central support services			
263	Information services			
100	Salaries	30,000	350	29,650
200	Employee benefits	4,637	-	4,637
300	Purchased services	-	11,862	(11,862)
		<u>34,637</u>	<u>12,212</u>	<u>22,425</u>
264	Staff services			
100	Salaries	81,826	100,460	(18,634)
200	Employee benefits	29,165	34,013	(4,848)
300	Purchased services	9,339	12,599	(3,260)
400	Supplies and materials	4,909	3,514	1,395
600	Other objects	1,124	966	158
		<u>126,363</u>	<u>151,552</u>	<u>(25,189)</u>
266	Technology and data processing services			
100	Salaries	314,874	357,333	(42,459)
140	Terminal leave	-	1,199	(1,199)
200	Employee benefits	96,912	110,981	(14,069)
300	Purchased services	43,224	152,694	(109,470)
400	Supplies and materials	16,498	73	16,425
600	Other objects	-	352	(352)
		<u>471,508</u>	<u>622,632</u>	<u>(151,124)</u>
	Total central support services	<u>632,508</u>	<u>786,396</u>	<u>(153,888)</u>
270	Support services pupil activity			
271	Pupil services activities			
100	Salaries	150,142	138,599	11,543
200	Employee benefits	24,486	31,174	(6,688)
500	Capital outlay	68,841	136,355	(67,514)
600	Other objects	15,000	16,740	(1,740)
		<u>258,469</u>	<u>322,868</u>	<u>(64,399)</u>
	Total support services pupil activity	<u>258,469</u>	<u>322,868</u>	<u>(64,399)</u>
	Total support services	<u>10,299,255</u>	<u>11,442,752</u>	<u>(1,143,497)</u>



**School District of Edgefield County**

*Schedule 1 - Budgetary Comparison Schedule - General Fund, Continued*

*For the fiscal year ended June 30, 2014*

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u>
<b>EXPENDITURES, Continued</b>			
<b>300 COMMUNITY SERVICES</b>			
<b>410 INTERGOVERNMENTAL EXPENDITURES</b>			
411 Payments to the State Department of Education			
720 Transits	70,000	45,523	24,477
412 Payments to the Other Governmental Units			
720 Transits	-	102,026	(102,026)
	<u>70,000</u>	<u>147,549</u>	<u>(77,549)</u>
Total intergovernmental expenditures			
	<u>70,000</u>	<u>147,549</u>	<u>(77,549)</u>
Total expenditures	<u>25,886,469</u>	<u>27,183,614</u>	<u>(1,297,145)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
5230 Transfer from special revenue EIA fund	753,267	711,623	(41,644)
5280 Transfer from other funds indirect cost	80,000	19,716	(60,284)
5250 Transfer from capital projects fund	-	78,617	78,617
421-710 Transfer to special revenue fund	(659,445)	(308,719)	350,726
422-710 Transfer to special revenue EIA fund	-	(199,348)	(199,348)
425-710 Transfer to food service fund	-	(269,491)	(269,491)
	<u>173,822</u>	<u>32,398</u>	<u>(141,424)</u>
Total other financing sources			
	<u>173,822</u>	<u>32,398</u>	<u>(141,424)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (30,002)</u>	<u>(998,315)</u>	<u>\$ (968,313)</u>
<b>FUND BALANCE, beginning of year</b>		<u>4,136,127</u>	
<b>FUND BALANCE, end of year</b>		<u>\$ 3,137,812</u>	

**School District of Edgefield County**

*Schedule A-1 - Combining Schedule of Revenues, Expenditures and Changes in Fund Balance*

*For the fiscal year ended June 30, 2014*

		Title I BA041 (201/202)	IDEA CA041 (203)	Preschool Handi- capped CG041 (205)	Occupational Education VA (207)	Adult Education (243)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Total
<b>REVENUES</b>									
1000	1930 Medicaid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 211,407	\$ 211,407
	Total local sources	-	-	-	-	-	-	211,407	211,407
2000	2100 Payments from other government units	-	-	-	-	-	40,759	372	41,131
	Total intergovernmental revenue	-	-	-	-	-	40,759	372	41,131
3000	3100 Restricted state funding								
	3110 Occupational education								
	3116 EEDA - misc.	-	-	-	-	-	5,446	-	5,446
	3118 EEDA Career specialists	-	-	-	-	-	122,244	-	122,244
	3120 General education								
	3127 Student health and fitness	-	-	-	-	-	27,309	-	27,309
	3130 Special programs								
	3136 Student health and fitness	-	-	-	-	-	123,706	-	123,706
	3190 Miscellaneous restricted state grants								
	3193 Education license plates	-	-	-	-	-	1,611	-	1,611
	3199 Other restricted state grants	-	-	-	-	-	-	5,944	5,944
3600	Education lottery act revenue								
	3607 6-8 enhancement	-	-	-	-	-	9,460	-	9,460
	3610 K-5 enhancement	-	-	-	-	-	162,194	-	162,194
	3620 Digital Instructional Material	-	-	-	-	-	6,059	-	6,059
3900	Other state revenue								
	3999 S.N.A.P -Adult Education	-	-	-	-	-	41,587	-	41,587
	Total state sources	-	-	-	-	-	499,616	5,944	505,560
4000	Revenues from federal sources								
	4200 Occupational education								
	4210 Vocational aid, Title I	-	-	-	51,198	-	-	-	51,198
	4300 Elementary and Secondary Education Act of 1965								
	4310 Title I	1,006,293	-	-	-	16,666	-	115,785	1,138,744
	4312 Rural and low-income school	-	-	-	-	-	-	63,538	63,538
	4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III	-	-	-	-	-	-	9,341	9,341
	4348 TAP Grant	-	-	-	-	-	-	624,933	624,933
	4351 Improving teacher quality	-	-	-	-	-	-	151,618	151,618
	4400 Adult education								
	4410 Basic adult education	-	-	-	-	67,911	-	-	67,911
	4430 State literacy resource	-	-	-	-	5,000	-	-	5,000
	4500 Programs for children with disabilities								
	4510 IDEA	-	1,106,095	-	-	-	-	-	1,106,095
	4520 Pre-School Grants	-	-	40,298	-	-	-	-	40,298
	4900 Other federal sources								
	4999 Revenue from other federal sources	-	-	-	-	-	-	80,339	80,339
	Total federal sources	1,006,293	1,106,095	40,298	51,198	89,577	-	1,045,554	3,339,015
	Total revenue all sources	1,006,293	1,106,095	40,298	51,198	89,577	540,375	1,263,277	4,097,113

**School District of Edgefield County**

*Schedule A-1 - Combining Schedule of Revenues, Expenditures and Changes in Fund Balance, Continued*

*For the fiscal year ended June 30, 2014*

		Title I BA041 (201/202)	IDEA CA041 (203)	Preschool Handi- capped CG041 (205)	Occupational Education VA (207)	Adult Education (243)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Total
<b>EXPENDITURES</b>									
<b>100</b>	<b>INSTRUCTION</b>								
110	General instruction								
112	Primary programs								
100	Salaries	8,718	-	-	-	-	14,502	104,058	127,278
200	Employee benefits	2,094	-	-	-	-	19,067	39,992	61,153
300	Purchased services	-	-	-	-	-	-	1,899	1,899
400	Supplies and materials	-	-	-	-	-	19,874	1,845	21,719
113	Elementary programs								
100	Salaries	506,428	-	-	-	-	65,671	33,598	605,697
200	Employee benefits	174,945	-	-	-	-	31,467	7,865	214,277
300	Purchased services	103,077	-	-	-	-	-	17,714	120,791
400	Supplies and materials	77,191	-	-	-	-	17,130	84,221	178,542
114	High school programs								
100	Salaries	-	-	-	-	-	-	123,451	123,451
200	Employee benefits	-	-	-	-	-	-	29,602	29,602
300	Purchased services	-	-	-	-	-	-	4,327	4,327
400	Supplies and materials	-	-	-	-	-	-	1,198	1,198
600	Other objects	-	-	-	-	-	-	1,631	1,631
115	Vocational programs								
300	Purchased services	-	-	-	16,511	-	-	-	16,511
400	Supplies and materials	-	-	-	3,750	-	-	-	3,750
500	Capital outlay	-	-	-	15,388	-	-	-	15,388
120	Exceptional programs								
121	Educable mentally handicapped								
100	Salaries	-	23,715	-	-	-	-	15,611	39,326
200	Employee benefits	-	9,702	-	-	-	-	3,844	13,546
400	Supplies and materials	-	-	-	-	-	-	995	995
122	Trainable mentally handicapped								
100	Salaries	-	40,042	-	-	-	-	-	40,042
200	Employee benefits	-	25,065	-	-	-	-	-	25,065
400	Supplies and Materials	-	-	-	-	-	-	2,088	2,088
126	Speech handicapped								
100	Salaries	-	29,557	-	-	-	-	-	29,557
300	Purchased services	-	59,691	-	-	-	-	7,099	66,790
127	Learning disabilities								
100	Salaries	-	145,540	-	-	-	-	10,332	155,872
200	Employee benefits	-	70,249	-	-	-	-	2,388	72,637
300	Purchased services	-	-	-	-	-	-	6,392	6,392
400	Supplies and materials	-	-	-	-	-	-	38,826	38,826
128	Emotionally handicapped								
100	Salaries	-	-	-	-	-	-	4,750	4,750
200	Employee benefits	-	-	-	-	-	-	1,140	1,140
300	Purchased Services	-	-	-	-	-	-	80	80
400	Supplies and Materials	-	-	-	-	-	-	747	747

**School District of Edgefield County**

*Schedule A-1 - Combining Schedule of Revenues, Expenditures and Changes in Fund Balance, Continued*

*For the fiscal year ended June 30, 2014*

		Title I BA041 (201/202)	IDEA CA041 (203)	Preschool Handi- capped CG041 (205)	Occupational Education VA (207)	Adult Education (243)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Total
<b>EXPENDITURES, Continued</b>									
<b>100 INSTRUCTION, Continued</b>									
120	Exceptional programs, Continued								
129	Coordinated early intervening services (CEIS)								
100	Salaries	-	120,347	-	-	-	-	-	120,347
200	Employee benefits	-	39,885	-	-	-	-	-	39,885
130	Pre-school programs								
137	Pre-school handicapped - Self-contained								
100	Salaries	-	60,950	36,298	-	-	-	-	97,248
200	Employee benefits	-	44,100	4,000	-	-	-	-	48,100
400	Supplies and materials	-	-	-	-	-	-	191	191
139	Early childhood programs								
100	Salaries	-	-	-	-	-	23,274	-	23,274
200	Employee benefits	-	-	-	-	-	1,854	-	1,854
400	Supplies and materials	-	-	-	-	-	2,641	-	2,641
149	Other special programs								
100	Salaries	-	-	-	-	-	10,740	8,694	19,434
200	Employee benefits	-	-	-	-	-	-	2,789	2,789
300	Purchased services	-	7,780	-	-	-	-	1,494	9,274
400	Supplies and materials	-	5,900	-	-	-	-	4,463	10,363
160	Other Exceptional Programs								
161	Autism								
100	Salaries	-	6,692	-	-	-	-	-	6,692
200	Employee benefits	-	139	-	-	-	-	-	139
180	Adult continuing education programs								
181	Adult basic education programs								
100	Salaries	-	-	-	-	2,547	34,393	-	36,940
200	Employee benefits	-	-	-	-	478	488	-	966
300	Purchased services	-	-	-	-	500	-	-	500
400	Supplies and materials	-	-	-	-	7,343	1,608	2,000	10,951
182	Adult secondary education programs								
100	Salaries	-	-	-	-	37,750	900	-	38,650
200	Employee benefits	-	-	-	-	10,489	312	-	10,801
300	Purchased services	-	-	-	-	725	-	-	725
400	Supplies and materials	-	-	-	-	4,510	2,536	-	7,046
183	Adult english literacy (ESL)								
100	Salaries	-	-	-	-	5,800	-	-	5,800
200	Employee benefits	-	-	-	-	1,600	-	-	1,600
400	Supplies and materials	-	-	-	-	17,166	-	-	17,166
188	Parenting/family literacy								
300	Purchased services	-	-	-	-	-	-	7,466	7,466
400	Supplies and materials	4,826	-	-	-	-	-	182	5,008
Total instruction		877,279	689,354	40,298	35,649	88,908	246,457	572,972	2,550,917

**School District of Edgefield County**

*Schedule A-1 - Combining Schedule of Revenues, Expenditures and Changes in Fund Balance, Continued*

*For the fiscal year ended June 30, 2014*

		Title I BA041 (201/202)	IDEA CA041 (203)	Preschool Handi- capped CG041 (205)	Occupational Education VA (207)	Adult Education (243)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Total
<b>EXPENDITURES, Continued</b>									
<b>200 SUPPORT SERVICES</b>									
210	Pupil services								
212	Guidance services								
100	Salaries	-	-	-	-	-	48,430	-	48,430
200	Employee benefits	-	-	-	-	-	11,245	-	11,245
213	Health services								
100	Salaries	-	-	-	-	-	98,643	-	98,643
200	Employee benefits	-	-	-	-	-	25,063	-	25,063
300	Purchased services	-	14,000	-	-	-	-	19,211	33,211
214	Psychological services								
400	Supplies and materials	-	-	-	-	-	-	207	207
217	Career specialists								
100	Salaries	-	-	-	-	-	44,985	-	44,985
200	Employee benefits	-	-	-	-	-	17,584	-	17,584
220	Instructional staff services								
221	Improvement of instruction - curriculum development								
100	Salaries	-	-	-	-	-	-	691,436	691,436
200	Employee benefits	-	-	-	-	-	-	129,846	129,846
300	Purchased services	4,949	-	-	-	-	-	65,093	70,042
400	Supplies and materials	-	-	-	-	-	1,849	1,694	3,543
223	Supervision of special programs								
100	Salaries	46,845	225,441	-	-	-	8,820	-	281,106
200	Employee benefits	20,337	78,071	-	-	-	(12,144)	-	86,264
300	Purchased services	2,422	-	-	7,762	-	1,312	4,023	15,519
400	Supplies and materials	4,967	-	-	-	100	-	6,379	11,446
500	Capital outlay	-	-	-	2,390	-	-	-	2,390
224	Improvement of instruction - inservice and staff training								
100	Salaries	-	-	-	-	-	29,029	-	29,029
200	Employee benefits	-	-	-	-	-	2,477	-	2,477
300	Purchased services	-	-	-	5,397	-	-	21,806	27,203
400	Supplies and materials	-	-	-	-	-	-	19,185	19,185
250	Finance and operations services								
251	Student transportation								
100	Salaries	5,184	79,642	-	-	-	-	1,500	86,326
200	Employee benefits	1,202	16,214	-	-	-	-	345	17,761
300	Purchased services	22,769	3,373	-	-	-	347	9,805	36,294
254	Operation and maintenance of plant								
300	Purchased services	-	-	-	-	-	300	-	300
255	Student transportation								
100	Salaries	-	-	-	-	-	4,030	5,796	9,826
200	Employee benefits	-	-	-	-	-	949	-	949
300	Purchased services	-	-	-	-	569	5,900	22,459	28,928
Total support services		108,675	416,741	-	15,549	669	288,819	998,785	1,829,238

**School District of Edgefield County**

*Schedule A-1 - Combining Schedule of Revenues, Expenditures and Changes in Fund Balance, Continued*

*For the fiscal year ended June 30, 2014*

	Title I BA041 (201/202)	IDEA CA041 (203)	Preschool Handi- capped CG041 (205)	Occupational Education VA (207)	Adult Education (243)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Total
<b>300 COMMUNITY SERVICES</b>								
390 Other community services								
100 Salaries	-	-	-	-	-	4,125	-	4,125
200 Employee benefits	-	-	-	-	-	974	-	974
400 Supplies and materials	89	-	-	-	-	-	-	89
Total community services	89	-	-	-	-	5,099	-	5,188
Total expenditures	986,043	1,106,095	40,298	51,198	89,577	540,375	1,571,757	4,385,343
<b>OTHER FINANCING SOURCES (USES)</b>								
Interfund transfers from (to) other funds								
5210 Transfer from general fund	-	-	-	-	-	-	308,719	308,719
431-791 Special revenue indirect costs	(20,250)	-	-	-	-	-	(193)	(20,443)
Total other financing sources (uses)	(20,250)	-	-	-	-	-	308,526	288,276
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	-	-	-	-	-	46	46
<b>FUND BALANCE, beginning of year</b>	-	-	-	-	-	-	81,529	81,529
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 81,575	\$ 81,575

\* Listing of LEA subfund codes and titles included in these columns are as follows:

Adult Education  
243 Adult education - Federal

Other Restricted State Grants  
905 Career and technology education equipment  
919 Education license plates  
926 EEDA miscellaneous  
927 EEDA 8th grade awareness  
928 EEDA Career specialists  
933 Formative assessment  
936 Student health and fitness - nurses  
937 Student health and fitness  
960 K-5 enhancement  
967 6-8 enhancement  
980 First steps family literacy program

Other Special Revenue Grants  
113.30 SRF Travel  
113.40 SRF Supplies  
215 IDEA ARRA  
221.10 SRF Stipends  
221.20 SRF Employee Benefits  
221.30 SRF Program Impr srvs  
223 Title I program improvement ARRA  
237 Title I program improvement  
250 State fiscal stabilization fund (ARRA)  
251 Rural and low-income school program, Title VI (84.358B)  
253 Title II  
264 Title III ESL  
267 Improving teacher quality  
268 TAP Grant  
272 Navy Junior ROTC  
281 Peach grant  
295 State Energy Program (ARRA)  
299 Medicaid  
800 Gateway academy  
809 Pupil with disabilities  
890 Americorp

**School District of Edgefield County**  
*Schedule A-2 - Special Revenue Fund*  
**Summary Schedule for Designated Restricted State Grants**  
**For the year ended June 30, 2014**

<b>Subfund</b>	<b>Revenue</b>	<b>Programs</b>	<b>Revenues</b>	<b>Expenditures</b>	<b>Transfers In (Out)</b>	<b>Unavailable Revenue</b>
919	3193	Education license plates	\$ 1,611	\$ 1,611	\$ -	\$ 411
926	3116	EEDA - misc.	5,446	5,446	-	-
928	3118	EEDA Career specialists	122,244	122,244	-	-
936	3136	Student health and fitness	123,706	123,706	-	-
937	3127	Student health and fitness	27,309	27,309	-	-
960	3610	K-5 enhancement	162,194	162,194	-	-
965	3620	Digital instruction material	6,059	6,059	-	12,791
967	3607	6-8 enhancement	9,460	9,460	-	-
955	3999	SNAP adult education	41,587	41,587	-	8,099
980	2100	First steps family literacy program	40,759	40,759	-	-
			<b>\$ 540,375</b>	<b>\$ 540,375</b>	<b>\$ -</b>	<b>\$ 21,301</b>

# School District of Edgefield County

## Schedule A-3 - EIA Combined Schedule of Revenues, Expenditures and Changes in Fund Balance

For the fiscal year ended June 30, 2014

		<u>Total</u>
<b>REVENUES</b>		
3000	Revenue from state sources	
3500	Education Improvement Act:	
3502	Adept	\$ 5,226
3505	Technology initiative	7,241
3511	Professional development	17,855
3518	Formative Assessment	8,514
3525	Career and Technology Education Equipment	48,683
3526	EIA Science Kit Refurbishment	13,848
3532	National Board Certification (NBC) Salary Supplement	87,758
3533	Teacher of the year awards	1,077
3538	Students at risk of school failure	758,518
3540	Early childhood program	99,058
3544	High achieving students	62,910
3550	Teacher salary increase	711,623
3556	Adult education	170,784
3558	Reading	15,662
3571	Palmetto priority technical assistance	16,906
3577	Teacher supplies	77,000
3578	High schools that work	4,847
3585	Aid to districts-special education	15,388
3592	School to work transition act	16,102
3594	EEDA supplemental programs	75,002
3597	Aid to districts	160,128
	Total revenue from state sources	<u>2,374,130</u>
	<b>Total revenue</b>	<b><u>\$ 2,374,130</u></b>



**School District of Edgefield County**

*Schedule A-3 - EIA Combined Schedule of Revenues, Expenditures and Changes in Fund Balance, Continued*  
*For the fiscal year ended June 30, 2014*

<b>EXPENDITURES</b>		
<b>100</b>	<b>INSTRUCTION</b>	
110	General instruction	
111	Kindergarten programs	
100	Salaries	\$ 561
200	Employee benefits	280
		<u>841</u>
112	Primary programs	
100	Salaries	128,034
200	Employee benefits	41,474
400	Supplies and materials	18,535
		<u>188,043</u>
113	Elementary programs	
100	Salaries	144,822
200	Employee benefits	47,602
300	Purchased services	1,000
400	Supplies and materials	100,733
		<u>294,157</u>
114	High school programs	
100	Salaries	293,508
200	Employee benefits	98,377
300	Purchased services	92
400	Supplies and materials	26,728
		<u>418,705</u>
115	Vocational programs	
100	Salaries	7,500
200	Employee benefits	1,760
500	Capital Outlay	48,683
		<u>57,943</u>
120	Exceptional programs	
126	Speech handicapped	
100	Salaries	87,425
200	Employee benefits	27,724
300	Purchased Services	42,247
		<u>157,396</u>
130	Pre-school programs	
139	Early childhood programs	
100	Salaries	114,297
200	Employee benefits	44,118
300	Purchased services	1,179
400	Supplies and materials	5,300
		<u>164,894</u>
140	Special programs	
141	Gifted and talented - academic	
100	Salaries	52,326
200	Employee benefits	18,855
400	Supplies and materials	563
		<u>71,744</u>
147	CDEEP	
100	Salaries	76,766
200	Employee Benefits	28,161
		<u>104,927</u>
148	Gifted and talented - artistic	
100	Salaries	18,793
200	Employee benefits	6,127
		<u>24,920</u>

**School District of Edgefield County**

**Schedule A-3 - EIA Combined Schedule of Revenues, Expenditures and Changes in Fund Balance, Continued**  
**For the fiscal year ended June 30, 2014**

<b>EXPENDITURES, Continued</b>		
<b>100 INSTRUCTION, Continued</b>		
140 Special programs, Continued		
149 Other Special Programs		
300 Purchased Services		<u>7</u>
		<u>7</u>
180 Adult/ continuing educational programs		
181 Adult basic education programs		
100 Salaries		20,276
200 Employee benefits		<u>3,602</u>
		<u>23,878</u>
182 Adult secondary education programs		
100 Salaries		22,525
200 Employee benefits		5,483
400 Supplies and materials		<u>4,170</u>
		<u>32,178</u>
183 Adult english literacy		
100 Salaries		823
200 Employee benefits		<u>533</u>
		<u>1,356</u>
	Total instruction	<u>1,540,989</u>
<b>200 SUPPORT SERVICES</b>		
210 Pupil Services		
211 Attendance and Social Work Services:		
100 Salaries		22,478
200 Employee Benefits		12,150
300 Purchased Services		<u>1,000</u>
		<u>35,628</u>
212 Guidance Services		
100 Salaries		26,992
200 Employee Benefits		<u>9,267</u>
		<u>36,259</u>
220 Instructional staff services		
221 Improvement of instruction - curriculum development		
100 Salaries		7,500
200 Employee benefits		2,583
300 Purchased services		11,522
400 Supplies and materials		<u>10,356</u>
		<u>31,961</u>
223 Supervision of special programs		
100 Salaries		125,696
200 Employee benefits		36,427
300 Purchased services		13,062
400 Supplies and materials		<u>484</u>
		<u>175,669</u>
224 Improvement of instruction - inservice and staff training		
100 Salaries		15,662
300 Purchased services		5,748
400 Supplies and materials		<u>3,595</u>
		<u>25,005</u>
250 Finance and operation services		
251 Student transportation		
100 Salaries		1,715
300 Purchased services		<u>5,615</u>
		<u>7,330</u>

**School District of Edgefield County**

**Schedule A-3 - EIA Combined Schedule of Revenues, Expenditures and Changes in Fund Balance, Continued**  
**For the fiscal year ended June 30, 2014**

<b>EXPENDITURES, Continued</b>		
<b>200</b>	<b>SUPPORT SERVICES, Continued</b>	
260	Central support services	
266	Technology and Data Processing Services	
500	Capital Outlay	7,241
		<u>7,241</u>
270		
271	Pupil Service Activities	
100	Salaries (Optional)	1,000
200	Employee Benefits (Optional)	200
300	Purchased Services (Optional)	1,300
		<u>2,500</u>
	Total support services	<u>321,593</u>
	Total expenditures	<u>1,862,582</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Interfund transfers from (to) other funds		
5210	Transfer from general fund	200,075
420-420	Transfer to general fund	<u>(711,623)</u>
	Total other financing sources/(uses)	<u>(511,548)</u>
	Excess of revenues over expenditures and other financing uses	-
<b>FUND BALANCE, beginning of year</b>		<u>-</u>
<b>FUND BALANCE, end of year</b>		<u><u>\$ -</u></u>

**School District of Edgefield County**  
**Schedule A-4 - EIA Summary Schedule by Program**  
**For the fiscal year ended June 30, 2014**

	<u>Revenues</u>	<u>Expenditures</u>	<u>Transfers In/(Out)</u>	<u>Unavailable Revenue</u>
3500 Education Improvement Act				
3502 Adept	\$ 5,226	\$ 5,226	\$ -	\$ 5,870
3505 Technology initiative	7,241	7,241	-	-
3511 Professional development	17,855	17,855	-	12,412
3518 Formative Assessment	8,514	8,514	-	-
3525 Career and technology education equipment	48,683	48,683	-	2,598
3526 Science kit refurbishment	13,848	13,848	-	3,428
3532 National Board Certification (NBC) Salary Supplement	87,758	87,758	-	-
3533 Teacher of the year awards	1,077	1,077	-	-
3538 Students at risk of school failure	758,518	758,518	-	-
3540 Early childhood program	99,058	265,319	166,261	-
3544 High achieving students	62,910	96,724	33,814	-
3550 Teacher salary increase	711,623	-	(711,623)	-
3556 Adult education	170,784	170,784	-	-
3558 Reading	15,662	15,662	-	-
3571 Palmetto priority technical assistance	16,906	16,906	-	-
3577 Teacher supplies	77,000	77,000	-	-
3578 High schools that work	4,847	4,847	-	2,048
3585 EAA palmetto gold and silver awards	15,388	15,388	-	-
3592 School to work transition act	16,102	16,102	-	-
3594 EEDA supplemental programs	75,002	75,002	-	4,356
3597 Aid to districts	160,128	160,128	-	-
Total	<u>\$ 2,374,130</u>	<u>\$ 1,862,582</u>	<u>\$ (511,548)</u>	<u>\$ 30,712</u>

**School District of Edgefield County**

**Schedule B - School Building Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance**

**For the fiscal year ended June 30, 2014**

<b>REVENUES</b>		
1000	Revenue from local sources	
1500	Earnings on investments	
	1510 Interest on investments	\$ 2,103
1900	Other revenue from local sources	
	Total local sources	<u>2,103</u>
	Total revenue all sources	<u>2,103</u>
<b>EXPENDITURES</b>		
250	Finance and operations	
253	Facilities acquisition and construction services	
	300 Purchased services	6,382
	400 Supplies and materials	24,949
	500 Capital outlay	
	520 Construction services	<u>2,435,334</u>
	Total finance and operations	<u>2,466,665</u>
	Total expenditures	<u>2,466,665</u>
<b>OTHER FINANCING SOURCES</b>		
Interfund transfers, from (to) other funds:		
420-710	Transfer to general fund	<u>(78,617)</u>
	Total other financing sources (uses)	<u>(78,617)</u>
	Deficiency of revenues under expenditures	(2,543,179)
	<b>FUND BALANCE, beginning of year</b>	<u>2,675,852</u>
	<b>FUND BALANCE, end of year</b>	<u><u>\$ 132,673</u></u>

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**School District of Edgefield County****Schedule C - Debt Service Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance****For the fiscal year ended June 30, 2014**

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<b>REVENUES</b>			
1000	Revenue from local sources		
1100	Taxes		
1110	Ad valorem taxes, including delinquent taxes	\$	1,927,515
1500	Earnings on investments		
1510	Interest on investments		1,346
	Total local sources		<u>1,928,861</u>
3000			
3800	State revenue in lieu of taxes		
3820	Homestead exemption		99,625
3830	Merchants inventory tax		6,578
3840	Manufacturer's depreciation reimbursement		27,099
3890	Other state property tax revenues		17,813
	Total state sources		<u>151,115</u>
	Total revenue all sources		<u>2,079,976</u>
<b>EXPENDITURES</b>			
500	Debt service		
610	Redemption of principal		1,671,667
620	Interest		325,537
690	Other objects		8,201
	Total debt service		<u>2,005,405</u>
	Total expenditures		<u>2,005,405</u>
	Excess of revenues over expenditures		74,571
	<b>FUND BALANCE, beginning of year</b>		<u>515,488</u>
	<b>FUND BALANCE, end of year</b>	<b>\$</b>	<b><u>590,059</u></b>

**School District of Edgefield County**

**Schedule D - Food Service Fund**

**Schedule of Revenues, Expenses and Changes in Net Position**

**For the fiscal year ended June 30, 2014**

<b>REVENUES</b>			
1000	Revenue from local sources		
1500	Earnings on investments		
1510	Interest on investments	\$	2,106
1600	Food services		
1610	Lunch sales to pupils		152,759
1620	Breakfast sales to pupils		19
1630	Special sales to pupils		221,171
1640	Lunch sales to adults		44,078
1650	Breakfast sales to adults		644
1660	Special sales to adults		23,710
1900	Other revenue from local sources		
1999	Revenue from other local sources		16
			<u>444,503</u>
4000	Revenue from federal sources		
4800	USDA reimbursements		
4810	School lunch and after school snacks program		961,678
4830	School breakfast program		373,764
4850	Cash in lieu of USDA commodities		102,277
			<u>1,437,719</u>
	Total revenue all sources		<u>1,882,222</u>
<b>EXPENSES</b>			
256	Food service		
100	Salaries		804,820
200	Employee benefits		388,168
300	Purchased services		66,663
400	Supplies and materials		928,778
500	Capital outlay		
540	Equipment		17,022
570	Depreciation		26,522
600	Other		7,130
	Total expenses		<u>2,239,103</u>
<b>OTHER FINANCING SOURCES</b>			
<b>Interfund transfers from other funds</b>			
5210	Transfer from general fund		<u>269,491</u>
	Change in net position		(87,390)
	<b>NET POSITION, beginning of year</b>		<u>1,008,612</u>
	<b>NET POSITION, end of year</b>	<b>\$</b>	<b><u>921,222</u></b>

Footnote: This schedule is presented in the format prescribed by the South Carolina Department of Education which varies in presentation from Exhibit 6.

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**School District of Edgefield County****Schedule E - Schedule of Receipts, Disbursements and Changes in Due to Student Organizations****Agency Funds - Student Activities****For the year ended June 30, 2014**

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**RECEIPTS**

1000 Revenues from local sources

1700 Pupil activities

1790 Other

\$ 2,181,501

Total revenues

2,181,501**DISBURSEMENTS**

270 Supporting services pupil activity

273 Trust and agency activities

660 Enterprise activities

2,134,236

Total disbursements

2,134,236

Excess of receipts over disbursements

47,265

**DUE TO STUDENT ORGANIZATIONS, beginning of year**441,951**DUE TO STUDENT ORGANIZATIONS, end of year**\$ 489,216

*This schedule is presented in the format prescribed by the South Carolina Department of Education.*



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**School District of Edgefield County****Schedule F - Agency Fund - Student Activities****Schedule of Receipts, Disbursements and Changes in Due to Student Organizations by Schools****For the fiscal year ended June 30, 2014**

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	<b>Due to student organizations July 1, 2013</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Excess of receipts over (under) disbursements</b>	<b>Due to student organizations June 30, 2014</b>
Strom Thurmond High School	\$ 180,231	\$ 1,096,166	\$ 1,092,593	\$ 3,573	\$ 183,804
Strom Thurmond Vocational	53,486	141,654	106,534	35,120	88,606
J.E.T. Middle	44,767	192,644	190,321	2,323	47,090
Merriwether Middle	31,507	264,420	268,308	(3,888)	27,619
Johnston Elementary	40,206	57,362	56,299	1,063	41,269
W.E. Parker Elementary	33,861	158,455	152,779	5,676	39,537
Douglas Elementary	26,766	52,912	57,174	(4,262)	22,504
Merriwether Elementary	31,127	217,888	210,228	7,660	38,787
	<b>\$ 441,951</b>	<b>\$ 2,181,501</b>	<b>\$ 2,134,236</b>	<b>\$ 47,265</b>	<b>\$ 489,216</b>

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**School District of Edgefield County***Schedule G - Detailed Schedule of Due to**State Department of Education/Federal Government**June 30, 2014*

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<u>Program</u>	<u>Grant or project number</u>	<u>Revenue code</u>	<u>Amount due</u>	<u>Status of Amount due</u>
None				



**Independent Auditor's 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***

Board of Trustees  
School District of Edgefield County  
Edgefield, South Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of School District of Edgefield County (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 26, 2014.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

A handwritten signature in black ink that reads "Elliott Davis, LLC". The signature is written in a cursive style with a long, sweeping underline.

Greenwood, South Carolina  
November 26, 2014



## **Independent Auditor's Report on Compliance for Each Major Federal Program and Report Internal Control Over Compliance**

Board of Trustees  
School District of Edgefield County  
Edgefield, South Carolina

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

We have audited the School District of Edgefield County's (the District's) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

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

### ***Auditor's Responsibility***

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

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

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

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

## Report on Internal Control Over Compliance

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

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

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

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

A handwritten signature in black ink that reads "Elliott Davis, LLC". The signature is written in a cursive style with a long, sweeping underline.

Greenwood, South Carolina  
November 26, 2014

# School District of Edgefield County

## Schedule of Expenditures of Federal Awards

For the fiscal year ended June 30, 2014

LEA Subfund Code	Federal granter/ Pass-through grantor/ Program title	Federal CFDA number	Pass through grantor's number	Total expenditures
<b>Title I, Part A Cluster</b>				
<b>United States Department of Education</b>				
Passed through South Carolina Department of Education				
201	Title I	84.010	13BA032	\$ 1,006,293
237	Title I - Focus Schools	84.010	13FO032	52,153
238	Title I Support	84.010	13BM032	3,868
239	Title I - Priority Schools	84.010	13BL032	59,764
	Total Title I, Part A Cluster			<u>1,122,078</u>
<b>Special Education Cluster</b>				
<b>United States Department of Education</b>				
Passed through South Carolina Department of Education				
203	Individuals with Disabilities Education Act (IDEA)	84.027	13CA032	1,106,095
205	IDEA Preschool Grants	84.173	13GG032	40,298
	Total Special Education Cluster			<u>1,146,393</u>
<b>Child Nutrition Cluster</b>				
<b>United States Department of Agriculture</b>				
Passed through South Carolina Department of Education				
600	School breakfast program - cash assistance	10.553	N/A	373,764
600	School lunch program: Cash assistance	10.555	N/A	1,063,955
	Total Child Nutrition Cluster			<u>1,437,719</u>
<b>OTHER PROGRAMS</b>				
Passed through South Carolina Department of Education				
207	Occupational Education	84.048	13VA032	51,198
243	Title I, Part C - Migrant Education	84.011	13BG032	16,666
243	Adult Education	84.002	13EA032	72,911
251	Title VI	84.358B	13BS032	63,538
264	Title III ESL	84.365	13BP032	9,341
267	Improving Teacher Quality	84.367	13TQ032	151,618
268	TAP Grant	84.374	13TT032-01	624,933
				<u>990,205</u>
	Total U.S. Department of Education			<u>990,205</u>
<b>United States Department of Defense</b>				
Direct program				
272	Naval Junior ROTC	12.990	N/A	80,339
<b>United States Department of Agriculture</b>				
Direct program				
100	U.S. Forest Commission Revenues	10.666	N/A	45,705
	Total federal assistance expended			<u>\$ 4,822,439</u>

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## School District of Edgefield County

### *Notes to Schedule of Expenditures of Federal Awards* *For the year ended June 30, 2013*

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#### **A. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the District under programs of the federal government for the year ended June 30, 2014. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

#### **B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.



**School District of Edgefield County**  
**Schedule of Findings and Questioned Costs**  
**For the year ended June 30, 2014**

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**Section I. Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued: Unmodified  
 Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes      X   no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes      X   none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes      X   no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? \_\_\_\_\_ yes      X   no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes      X   none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? \_\_\_\_\_ yes      X   no

Identification of major federal programs:

<u>CFDA #</u>	<u>Program / Cluster Name</u>
84.010	Title I Cluster
84.367	Title II – Improving Teacher Quality
84.374	TAP Grant

Dollar threshold used to distinguish between Type A and Type B Programs: \$300,000

Auditee qualified as low-risk auditee?   X   yes    \_\_\_\_\_ no

**Section II. Financial Statement Findings**

None

**Section III. Federal Award Questioned Costs & Findings**

None

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**School District of Edgefield County**

*Summary Schedule of Prior Audit Findings*

*For the year ended June 30, 2014*

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None reported.