

School District of Edgefield County

Report on Financial Statements

For the fiscal year ended June 30, 2015

School District of Edgefield County

Members of the Board of Trustees

GREG ANDERSON, SUPERINTENDENT

<u>Name</u>	<u>Term of office</u>	
	<u>From</u>	<u>To</u>
Mr. Brad Covar, Chairman	2012	2016
Mrs. Robin Ball, Vice-Chairperson	2012	2016
Mr. Willie Campbell, Secretary	2015	2019
Dr. John Carrol Wates	2015	2019
Mr. Chris Hoffman	2015	2019
Ms. Latoya Hammond	2012	2016
Mr. James Bibbs, Sr.	2012	2016

School District of Edgefield County

Contents

	<u>Page</u>
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-9
Basic Financial Statements	<u>Exhibit</u>
Government-wide Financial Statements	
Statement of Net Position.....	1 10
Statement of Activities.....	2 11
Fund Financial Statements	
Balance Sheet - Governmental Funds.....	3 12
Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Position.....	3 13
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.....	4 14
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	4 15
Statement of Net Position - Proprietary Fund.....	5 16
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund.....	6 17
Statement of Cash Flows - Proprietary Fund.....	7 18
Statement of Fiduciary Assets and Liabilities - Agency Fund.....	8 19
Notes to Financial Statements.....	20-44
Required Supplementary Information	<u>Schedule</u>
Budgetary Comparison Schedule	
General Fund.....	1 45-53
Schedule of the District's Proportionate Share of the Net Pension Liability.....	2 54
Schedule of the District's Contributions.....	3 55
Supplementary Information	
Governmental Funds	
Special Revenue Fund	
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance.....	A-1 56-60

School District of Edgefield County

Contents, Continued

Supplementary Information, Continued	Schedule	Page
Summary Schedule for Designated Restricted State Grants.....	A-2	61
EIA Combined Schedule of Revenues, Expenditures and Changes in Fund Balance.....	A-3	62-65
EIA Summary Schedule by Program.....	A-4	66
School Building Fund		
Schedule of Revenues, Expenditures and Changes in Fund Balance.....	B	67
Debt Service Fund		
Schedule of Revenues, Expenditures and Changes in Fund Balance.....	C	68
Proprietary Fund		
Food Service Fund		
Schedule of Revenues, Expenses and Changes in Net Position.....	D	69
Agency Fund - Student Activities		
Schedule of Receipts, Disbursements and Changes in Due to Student Organizations.....	E	70
Schedule of Receipts, Disbursements, and Changes in Due to Student Organizations by Schools.....	F	71
Detailed Schedule of Due to State Department of Education/ Federal Government.....	G	72
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		73-74
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance		75-76
Schedule of Expenditures of Federal Awards		77
Notes to the Schedule of Expenditures of Federal Awards		78
Schedule of Findings and Questioned Costs		79
Summary Schedule of Prior Audit Findings		80



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, 2015, 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, 2015, 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.

Implementation of New Accounting Standard

As discussed in Note 16 to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* (an amendment of GASB Statement No. 27), effective July 1, 2014. 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, the Budgetary Comparison Schedule – General Fund, the schedule of the District's proportionate share of the net pension liability, and the schedule of the District's contributions, as listed in the table of contents, 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 3, 2015 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 3, 2015

School District of Edgefield County

Management's Discussion and Analysis (MD&A)

Year ended June 30, 2015

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, 2015.

FINANCIAL HIGHLIGHTS

The Base Student Cost (BSC), is the main source of state funding. The District's 2014-2015 general fund budget was built based in a BSC of \$2,120. This was an increase from \$2,101 in 2013-2014. In the spring of 2014 the SC Department of Education announced that the Base Student Cost would only be funded at \$2,100 for the 2014-15 year. Although the maximum allowed millage increase was 7.34 mills (4.05 banked from the prior year and 3.29 mills for 14-15), the Board did not raise the millage for the 2014-2015 school year. The budget was balanced without a millage increase or using a portion of the General Fund unassigned fund balance for the first time in several years. Edgefield County Schools' net position decreased \$281,485 during the fiscal year. The District's liabilities exceeded its assets at June 30, 2015 by \$22.2 million primarily a result of the implementation of GASB 68 and the recording of a \$39.5 net pension liability.

The budget increased from \$ 26,514,914 in 2013-14 to \$ 27,000,045 in 2014-15 primarily because of a step increase for all employees, the State Health Plan employer cost increasing 6.8%, retirement increasing .37%, and a transfer of \$344,538 in salaries and benefits from At-Risk funds into the general fund due to cuts in the Special Revenue Fund. 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.

School District of Edgefield County

Management's Discussion and Analysis (MD&A)

Year ended June 30, 2015

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

Edgefield County Schools' net position decreased \$281,485 during the fiscal year. The District's liabilities exceeded its assets at June 30, 2015 by \$22.2 million primarily a result of the implementation of GASB 68 and the recording of a \$39.5 net pension liability.

By far the largest portion of the District's total assets (69%) 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, 2015

The following table presents a comparative summary of the District's net position for the fiscal year ended June 30, 2015 and 2014.

	Governmental Activities		Business-type Activities	
	2015	2014	2015	2014
Assets and Deferred Outflows of Resources:				
Current assets	\$ 9,526,948	\$ 9,632,339	\$ 35,180	\$ 33,029
Capital assets, net	21,604,758	22,574,965	173,628	137,996
Deferred outflows of resources	<u>3,116,835</u>	<u>-</u>	<u>186,630</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>34,428,541</u>	<u>32,207,304</u>	<u>395,438</u>	<u>171,025</u>
Liabilities and Deferred Inflows of Resources:				
Current liabilities	6,690,580	6,646,979	(478,851)	(750,197)
Long-term liabilities	45,174,432	45,305,971	2,232,948	2,201,426
Deferred inflows of resources	<u>3,143,951</u>	<u>-</u>	<u>188,254</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>55,008,963</u>	<u>51,952,950</u>	<u>1,942,351</u>	<u>1,451,229</u>
Net Position:				
Net investment in capital assets	12,341,687	11,822,638	173,628	137,996
Restricted	750,111	720,899	-	-
Unrestricted	<u>(33,852,220)</u>	<u>(33,289,183)</u>	<u>(1,720,541)</u>	<u>(1,418,200)</u>
Total net position	<u>(20,760,422)</u>	<u>(20,745,646)</u>	<u>(1,546,913)</u>	<u>(1,280,204)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 34,248,541</u>	<u>\$ 31,207,304</u>	<u>\$ 395,438</u>	<u>\$ 171,025</u>

Comparative information for 2015 and 2014 Statement of Activities is presented in the chart below. The chart shows that in spite of the suppressed funding levels in 2014-2015, that the primary mission of the school district was preserved (classroom instruction). 56.9% of District resources went directly into classrooms at our schools (not including instructional support functions).

	Governmental Activities		Business-type Activities	
	2015	2014	2015	2014
Revenues:				
Program revenues:				
Charges for services	\$ 1,445	\$ 1,335	\$ 419,742	\$ 442,397
Operating grants and contributions	18,842,919	17,638,115	1,494,623	1,439,825
Capital grants	-	-	-	-
General revenues:				
Property taxes	11,210,836	11,173,699	-	-
Intergovernmental	5,635,102	5,531,794	-	-
Miscellaneous and transfers	<u>18,041</u>	<u>(86,232)</u>	<u>150,255</u>	<u>269,491</u>
Total revenues	<u>35,708,343</u>	<u>34,258,711</u>	<u>2,064,620</u>	<u>2,151,713</u>
Expenses:				
Instruction	20,337,552	20,274,591	-	-
Support services	14,950,634	14,000,573	2,331,329	2,239,103
Community services	29,983	5,343	-	-
Intergovernmental	146,387	147,549	-	-
Interest and other charges	<u>258,563</u>	<u>320,589</u>	<u>-</u>	<u>-</u>
Total expenses	<u>35,723,119</u>	<u>34,748,645</u>	<u>2,331,329</u>	<u>2,239,103</u>
Increase (decrease) in net position	<u>\$ (14,776)</u>	<u>\$ (489,934)</u>	<u>\$ (266,709)</u>	<u>\$ (87,390)</u>

School District of Edgefield County
Management's Discussion and Analysis (MD&A)
Year ended June 30, 2015

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.

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 \$3,815,844, a decrease of \$126,275 which is the result of increased facilities' operations and maintenance costs. 100% 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 - \$706,862
- Restricted for special revenue purposes - \$87,552
- Committed to capital projects - \$24,551

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 2014-2015 budget (and portions of other fund transfers accounted for here under miscellaneous) was expended for staffing in the District.

Expenditures by Object	Fiscal Year 2015	2015 % of Actual	Fiscal Year 2014
Salaries and Wages	\$ 16,519,550	61.6%	\$ 17,150,335
Fringe Benefits	6,536,244	24.3%	6,101,170
Purchased Services	1,701,919	6.3%	1,779,934
Supplies	1,724,902	6.4%	1,627,227
Capital Outlay	22,476	.1%	216,848
Miscellaneous	<u>341,849</u>	<u>1.3%</u>	<u>308,100</u>
	<u>\$ 26,846,940</u>	<u>100.00%</u>	<u>\$ 27,183,614</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 expenditures in excess of revenues of \$52,687 and assets totaling \$719,920.

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 deficit of \$1,546,913.

School District of Edgefield County
Management's Discussion and Analysis (MD&A)
Year ended June 30, 2015

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.

CAPITAL ASSETS

As of June 30, 2015, the District had invested a net amount of \$21,604,758 in governmental capital assets, including school buildings, athletic facilities, buses, vehicles, computers and other equipment. Total depreciation expense for the year was \$1,361,322. Accumulated depreciation is \$24,468,958.

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 \$9,599,326 in general obligation bonds and other long-term obligations outstanding, of which \$1,716,461 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, 2015.

	Principal outstanding <u>July 1, 2014</u>	<u>Additions</u>	<u>Reductions</u>	Principal outstanding <u>June 30, 2015</u>	Amounts due <u>in one year</u>
Governmental activities					
General obligation bonds					
School District:					
February 1, 2008	\$ 6,175,000	\$ -	\$ 1,470,000	\$ 4,705,000	\$ 1,515,000
August 14, 2012	<u>4,710,000</u>	<u>-</u>	<u>125,000</u>	<u>4,585,000</u>	<u>130,000</u>
Total bonds payable	10,885,000	-	1,595,000	9,290,000	1,645,000
Unearned bond premiums	71,144	-	19,854	51,290	19,854
Accrued compensated absences	<u>250,205</u>	<u>7,831</u>	<u>-</u>	<u>258,036</u>	<u>51,607</u>
Total governmental activities					
general long-term debt	<u>\$11,206,349</u>	<u>\$ 7,831</u>	<u>\$ 1,614,854</u>	<u>\$ 9,599,326</u>	<u>\$ 1,716,461</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 approximately \$1,303,000. Additional information on the District's long-term debt can be found in Note 5 of this report.

NET POSITION

The District implemented Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions* (an amendment of GASB Statement No. 27), in the fiscal year ended June 30, 2015. The implementation of the statement required the District to record beginning net pension liability and the effects on unrestricted net position of contributions made by the District during the measurement period (fiscal year ended June 30, 2014). To the extent practical, in the first period that this Statement is applied,

School District of Edgefield County

Management's Discussion and Analysis (MD&A)

Year ended June 30, 2015

changes made to comply with this Statement should be reported as an adjustment of prior periods, and financial statements presented for the periods affected should be restated. If restatement of all prior periods presented is not practical, the cumulative effect of applying this Statement, if any, should be reported as a restatement of beginning net position for the earliest period restated. In such circumstances, beginning balances for deferred inflows of resources and deferred outflows of resources related to pensions should not be reported. Since the information for the restatement of beginning balances of deferred inflows of resources or deferred outflows of resources is not available for the earliest period presented, the cumulative effect of the Statement implementation will be shown as restatement to ending net position as of June 30, 2014. As a result, ending total net position for the District for the year ended June 30, 2014 decreased by \$36,765,117 and \$2,201,426 for the governmental and business-type activities, respectively. This decrease resulted in the restatement of net position to a deficit balance of \$20,745,646 for the governmental activities and a restatement of net position to a deficit balance of \$1,280,204 for business-type activities for the year ended June 30, 2014.

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 2014-2015 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 2014-2015 school year was 3,323 average daily membership. For fiscal year 2014-2015, the School District employed approximately 275 certified staff and 246 other employees. Assessment rates show a stagnated growth pattern, but the local economy has proven to be relatively stable. In addition, vehicle sales remain strong. The unemployment rate compares favorably with the state's rate and the county's top employers and taxpayers have shown stable operations.

Factors under consideration by the District's administration during the process of developing the fiscal year 2015-2016 budget were to address continued suppressed EFA Base Student Cost funding levels that compare to the early 2000s, 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.

School District of Edgefield County

Management's Discussion and Analysis (MD&A)

Year ended June 30, 2015

All the factors above were considered when adopting the budget for fiscal year 2015-2016. Anticipated budgeted expenditures in the General Fund for fiscal year 2015-2016 will be \$27,724,134. Although the maximum allowed millage increase was 12.44 mills (7.34 from the prior years that was banked plus 5.10 mills for the current year), The Board only raised millage 2.5 mills and approved this budget with 203.38 mills. Keeping tax increases to a minimum and balancing the budget without dipping into the reserve fund were two major considerations when the 2015-16 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, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current assets			
Cash and investments	\$ 5,496,989	\$ -	\$ 5,496,989
Deposits with Edgefield County Treasurer	1,272,833	-	1,272,833
Accounts receivable	41,082	-	41,082
Property taxes receivable, net	980,031	-	980,031
Due from other governmental units	1,736,013	-	1,736,013
Inventories	-	35,180	35,180
Total current assets	<u>9,526,948</u>	<u>35,180</u>	<u>9,562,128</u>
Non-current assets			
Non-depreciable capital assets	422,103	-	422,103
Depreciable capital assets, net of accumulated depreciation	21,182,655	173,628	21,356,283
Total non-current assets	<u>21,604,758</u>	<u>173,628</u>	<u>21,778,386</u>
Total assets	<u>31,131,706</u>	<u>208,808</u>	<u>31,340,514</u>
Deferred Outflows of Resources			
Deferred outflows - pension	3,116,835	186,630	3,303,465
Total Assets and Deferred Outflows of Resources	<u>\$ 34,248,541</u>	<u>\$ 395,438</u>	<u>\$ 34,643,979</u>
Liabilities, Deferred Inflows of Resources and Net Position			
Current liabilities			
Accounts payable and accrued expenses	\$ 634,537	\$ 4,350	\$ 638,887
Unearned revenue	145,602	-	145,602
Accrued salaries and benefits	3,624,140	-	3,624,140
Internal balances	483,201	(483,201)	-
Accrued interest	86,639	-	86,639
Current portion of non-current liabilities:			
Bonds payable	1,645,000	-	1,645,000
Bond premiums	19,854	-	19,854
Compensated absences	51,607	-	51,607
Total current liabilities	<u>6,690,580</u>	<u>(478,851)</u>	<u>6,211,729</u>
Non-current liabilities			
Bonds payable	7,645,000	-	7,645,000
Bond premiums	31,436	-	31,436
Compensated absences	206,429	-	206,429
Net pension liability	37,291,567	2,232,948	39,524,515
Total non-current liabilities	<u>45,174,432</u>	<u>2,232,948</u>	<u>47,407,380</u>
Total liabilities	<u>51,865,012</u>	<u>1,754,097</u>	<u>53,619,109</u>
Deferred Inflows of Resources			
Deferred inflows - pension	3,143,951	188,254	3,332,205
Net position			
Net investment in capital assets	12,341,687	173,628	12,515,315
Restricted for:			
Debt service	725,560	-	725,560
Capital projects	24,551	-	24,551
Unrestricted	(33,852,220)	(1,720,541)	(35,572,761)
Total net position	<u>(20,760,422)</u>	<u>(1,546,913)</u>	<u>(22,307,335)</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 34,248,541</u>	<u>\$ 395,438</u>	<u>\$ 34,643,979</u>

See Notes to Financial Statements

School District of Edgefield County

Exhibit 2 - Statement of Activities

For the fiscal year ended June 30, 2015

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	
Primary Government							
Governmental activities:							
Instruction	\$ 20,337,552	\$ 833	\$ 10,859,692	\$ -	\$ (9,477,028)		\$ (9,477,028)
Support services	14,950,634	612	7,983,227	-	(6,966,794)		(6,966,794)
Community services	29,983	-	-	-	(29,983)		(29,983)
Intergovernmental	146,387	-	-	-	(146,387)		(146,387)
Interest and other charges	258,563	-	-	-	(258,563)		(258,563)
Total governmental activities	<u>35,723,119</u>	<u>1,445</u>	<u>18,842,919</u>	<u>-</u>	<u>(16,878,755)</u>		<u>(16,878,755)</u>
Business-type activities:							
Food service	<u>2,331,329</u>	<u>419,742</u>	<u>1,494,623</u>	<u>-</u>		<u>\$ (416,964)</u>	<u>(416,964)</u>
Total business-type activities	<u>2,331,329</u>	<u>419,742</u>	<u>1,494,623</u>	<u>-</u>		<u>(416,964)</u>	<u>(416,964)</u>
Total primary government	<u>\$ 38,054,448</u>	<u>\$ 421,187</u>	<u>\$ 20,337,542</u>	<u>\$ -</u>	<u>(16,878,755)</u>	<u>(416,964)</u>	<u>(17,295,719)</u>
General revenues:							
Property taxes levied for:							
General purposes					9,224,277	-	9,224,277
Debt service					1,986,559	-	1,986,559
Federal and state aid not restricted for specific purpose					5,635,102	-	5,635,102
Unrestricted investment earnings					3,135	-	3,135
Miscellaneous					165,161	-	165,161
Transfers					(150,255)	150,255	-
Total general revenues and transfers					<u>16,863,979</u>	<u>150,255</u>	<u>17,014,234</u>
Change in net position					<u>(14,776)</u>	<u>(266,709)</u>	<u>(281,485)</u>
Net position, beginning of year, as previously reported					16,019,471	921,222	16,940,693
Restatement, see note 16					<u>(36,765,117)</u>	<u>(2,201,426)</u>	<u>(38,966,543)</u>
Net position, beginning of year, as restated					<u>(20,745,646)</u>	<u>(1,280,204)</u>	<u>(22,025,850)</u>
Net position, end of year					<u>\$ (20,760,422)</u>	<u>\$ (1,546,913)</u>	<u>\$ (22,307,335)</u>

See Notes to Financial Statements

School District of Edgefield County

Exhibit 3 - Balance Sheet - Governmental Funds

June 30, 2015

	Special Revenue Funds					Total Governmental Funds
	General	Special Revenue - Other	Education Improvement Act	Capital Projects	Debt Service	
Assets						
Cash and investments	\$ 5,496,989	\$ -	\$ -	\$ -	\$ -	\$ 5,496,989
Deposits with Edgefield County Treasurer	562,104	-	-	26,929	683,800	1,272,833
Accounts receivable	41,082	-	-	-	-	41,082
Property taxes receivable, net	851,632	-	-	-	128,399	980,031
Due from other governmental units	410,292	1,253,583	72,138	-	-	1,736,013
Due from other funds	1,094,945	-	-	-	-	1,094,945
Total assets	\$ 8,457,044	\$ 1,253,583	\$ 72,138	\$ 26,929	\$ 812,199	\$ 10,621,893
Liabilities						
Accounts payable and accrued liabilities	\$ 634,537	\$ -	\$ -	\$ -	\$ -	\$ 634,537
Unearned revenue, other	-	73,483	72,119	-	-	145,602
Due to other funds	483,201	1,092,548	19	2,378	-	1,578,146
Accrued salaries and benefits	3,624,140	-	-	-	-	3,624,140
Total liabilities	4,741,878	1,166,031	72,138	2,378	-	5,982,425
Deferred inflows of resources						
Unavailable revenue - property taxes	718,287	-	-	-	105,337	823,624
Total deferred inflows of resources	718,287	-	-	-	105,337	823,624
Fund balances:						
Restricted for special revenue purposes	-	87,552	-	-	-	87,552
Restricted for debt service	-	-	-	-	706,862	706,862
Restricted for capital projects	-	-	-	24,551	-	24,551
Unassigned	2,996,879	-	-	-	-	2,996,879
Total fund balances	2,996,879	87,552	-	24,551	706,862	3,815,844
Total liabilities, deferred inflows of resources and fund balances	\$ 8,457,044	\$ 1,253,583	\$ 72,138	\$ 26,929	\$ 812,199	\$ 10,621,893

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, 2015**

Total governmental fund balances \$ 3,815,844

Amounts reported for governmental activities in the Statement of Net Position are different because of the following:

Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. 21,604,758

A portion of property taxes receivable are not available to pay for current period expenditures and therefore are unavailable in the funds. 823,624

Unearned bond premiums are deferred in the Statement of Net Position. (51,290)

Deferred inflows and outflows of resources are not reported in the funds:

 Deferred outflows related to pension 3,116,835
 Deferred inflows related to pension (3,143,951)

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 (9,290,000)
 Net pension liability (37,291,567)
 Compensated absences (258,036)
 Accrued interest (86,639)

Net position of governmental activities \$ (20,760,422)

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, 2015

	Special Revenue Funds					Total Governmental Funds
	General	Special Projects	Education Improvement Act	Capital Projects	Debt Service	
REVENUES						
Local						
Property taxes	\$ 9,216,559	\$ -	\$ -	\$ -	\$ 1,835,797	\$ 11,052,356
Investment earnings	1,160	-	-	115	1,860	3,135
Other	183,931	283,482	-	-	-	467,413
Total local sources	9,401,650	283,482	-	115	1,837,657	11,522,904
Intergovernmental						
State	-	33,956	-	-	-	33,956
Federal	17,373,566	1,472,499	1,776,900	-	150,762	20,773,727
Total revenues	43,771	3,476,522	-	-	-	3,520,293
	26,818,987	5,266,459	1,776,900	115	1,988,419	35,850,880
EXPENDITURES						
Current:						
Instruction	15,654,806	3,067,644	682,252	-	-	19,404,702
Support services	11,043,270	2,795,975	425,628	-	-	14,264,873
Community services	-	27,829	779	-	-	28,608
Intergovernmental	146,387	-	-	-	-	146,387
Debt service:						
Principal	-	-	-	-	1,595,000	1,595,000
Interest	2,477	-	-	-	275,968	278,445
Other	-	-	-	-	648	648
Capital outlay	-	-	-	108,237	-	108,237
Total expenditures	26,846,940	5,891,448	1,108,659	108,237	1,871,616	35,826,900
Excess of revenues over (under) expenditures	(27,953)	(624,989)	668,241	(108,122)	116,803	23,980
OTHER FINANCING SOURCES (USES)						
Operating transfers in	694,033	656,758	-	-	-	1,350,791
Operating transfers out	(807,013)	(25,792)	(668,241)	-	-	(1,501,046)
Total other financing sources (uses)	(112,980)	630,966	(668,241)	-	-	(150,255)
Net change in fund balances	(140,933)	5,977	-	(108,122)	116,803	(126,275)
FUND BALANCE, beginning of year	3,137,812	81,575	-	132,673	590,059	3,942,119
FUND BALANCE, end of year	\$ 2,996,879	\$ 87,552	\$ -	\$ 24,551	\$ 706,862	\$ 3,815,844

See Notes to Financial Statements

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, 2015

Total net change in fund balance - governmental funds \$ (126,275)

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	\$ 391,115	
Depreciation expense	<u>(1,361,322)</u>	(970,207)

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	1,595,000
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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.

7,718

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	19,854
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In the Statement of Activities, certain operating expenses - compensated absences (annual leave), and other post employment benefits - 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).

Compensated absences	(7,831)
District's portion of collective pension expense	(2,613,715)

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities

2,060,149

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.

<u>20,531</u>

Change in net position of governmental activities

<u>\$ (14,776)</u>

School District of Edgefield County

Exhibit 5 - Statement of Net Position - Proprietary Fund

June 30, 2015

Assets

Current assets

Due from other funds	\$ 483,201
Inventories	35,180
Total current assets	<u>518,381</u>

Noncurrent assets

Equipment	347,417
Less: Accumulated depreciation	<u>173,789</u>
Total noncurrent assets	<u>173,628</u>

Total assets 692,009

Deferred Outflows of Resources

Deferred outflows - pension	<u>186,630</u>
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Total Assets and Deferred Outflows of Resources \$ 878,639

Liabilities

Current liabilities

Accounts payable and accrued expenses	<u>\$ 4,350</u>
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Non-current liabilities

Net pension liability	<u>2,232,948</u>
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Total liabilities 2,237,298

Deferred Inflows of Resources

Deferred inflows - pension	<u>188,254</u>
----------------------------	----------------

Net Position

Net investment in capital assets	173,628
Unrestricted	<u>(1,720,541)</u>
Total net position	<u>(1,546,913)</u>

Total Liabilities, Deferred Inflows of Resources, and Net Position \$ 878,639

See Notes to Financial Statements

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, 2015

OPERATING REVENUES	
Meal sales	\$ 418,382
Other operating revenues	1,360
Total operating revenues	<u>419,742</u>
OPERATING EXPENSES	
Food costs	916,577
Salaries and wages	1,202,122
Supplies	114,460
Depreciation	29,219
Other operating costs	68,951
Total operating expenses	<u>2,331,329</u>
Operating loss	<u>(1,911,587)</u>
NON-OPERATING REVENUES	
Interest income	3,287
Commodities received from USDA	112,644
USDA reimbursements	1,378,692
Total non-operating revenues	<u>1,494,623</u>
Loss before operating transfers	<u>(416,964)</u>
OPERATING TRANSFERS IN	<u>150,255</u>
Change in net position	<u>(266,709)</u>
NET POSITION, beginning of year as previously reported	921,222
Restatement, see Note 16	<u>(2,201,426)</u>
NET POSITION, beginning of year as restated	<u>(1,280,204)</u>
NET POSITION, end of year	<u><u>\$ (1,546,913)</u></u>

See Notes to Financial Statements

School District of Edgefield County

Exhibit 7 - Statement of Cash Flows - Proprietary Fund

For the fiscal year ended June 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

Received from patrons	\$ 419,742
Payments to employees for services	(782,911)
Payments to employees for benefits	(386,065)
Payments to suppliers for goods and services	(761,843)
Other payments	(68,951)
	<u>(1,580,028)</u>
Net cash used for operating activities	<u>(1,580,028)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Nonoperating grants received	1,378,692
Cash in lieu of USDA commodities	112,644
Operating transfers in from general fund	150,255
	<u>1,641,591</u>
Net cash received from non-capital financing activities	<u>1,641,591</u>

CASH FLOWS FOR CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	(64,850)
	<u>(64,850)</u>
Net cash used for capital and related financing activities	<u>(64,850)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on investments	3,287
	<u>3,287</u>
Net cash received from investing activities	<u>3,287</u>
Net change in cash and cash equivalents	<u>-</u>

CASH AND CASH EQUIVALENTS, JULY 1, 2014

CASH AND CASH EQUIVALENTS, JUNE 30, 2015

Reconciliation of operating loss to net cash used for operating activities

Operating loss	\$ (1,911,587)
Adjustments to reconcile operating loss to net cash used for operating activities	
Depreciation	29,219
Change in deferred and accrued amounts	
Inventories	(2,152)
Accounts payable and accrued expenses	(388)
Deferred outflows of resources	(186,630)
Deferred inflows or resources	188,254
Net pension liability	31,522
Due to/from other funds	271,734
	<u>271,734</u>
Net cash used for operating activities	<u>\$ (1,580,028)</u>

See Notes to Financial Statements

School District of Edgefield County**Exhibit 8 - Statement of Fiduciary Assets and Liabilities - Agency Fund****June 30, 2015**

	<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>
ASSETS							
Cash	\$ 457,981	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 457,981
Investments	-	98,328	57,029	4,422	8,054	90,154	257,987
Accounts receivable	3,952	-	-	-	-	-	3,952
	<u>\$ 461,933</u>	<u>\$ 98,328</u>	<u>\$ 57,029</u>	<u>\$ 4,422</u>	<u>\$ 8,054</u>	<u>\$ 90,154</u>	<u>\$ 719,920</u>
LIABILITIES							
Accounts payable	\$ 25,404	\$ -	\$ -	\$ -	\$ -	\$ -	25,404
Deferred scholarship	-	98,328	57,029	4,422	8,054	90,154	257,987
Due to student organizations	436,529	-	-	-	-	-	436,529
	<u>\$ 461,933</u>	<u>\$ 98,328</u>	<u>\$ 57,029</u>	<u>\$ 4,422</u>	<u>\$ 8,054</u>	<u>\$ 90,154</u>	<u>\$ 719,920</u>

See Notes to Financial Statements

School District of Edgefield County

Notes to Financial Statements

June 30, 2015

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, 2015

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, 2015

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 - 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, 2015

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, 2015, 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, 2015

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. The District's cash consists of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

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, 2015 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, 2015

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.

School District of Edgefield County

Notes to Financial Statements

June 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

Adoption of new accounting standards

Effective for the fiscal year ended June 30, 2015, the District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)*. As a result of this implementation, the District will now report its portion of the State of South Carolina's net pension liability. Since the information for the restatement of beginning balances of deferred inflows of resources or deferred outflows of resources is not available for the earliest period presented, the cumulative effect of the Statement implementation will be shown as restatement to ending net position as of June 30, 2014. The effect of this implementation is discussed in Note 16.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Carolina Retirement System (SCRS) and additions to/deductions from SCRS's fiduciary net position have been determined on the same basis as they are reported by SCRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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.

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.

School District of Edgefield County

Notes to Financial Statements

June 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

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. 68, *Accounting and Financial Reporting for Pensions, (an amendment of GASB Statement No. 27)* 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 implemented this statement for the year ended June 30, 2015.

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.

School District of Edgefield County

Notes to Financial Statements

June 30, 2015

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - (Continued)

- 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.
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, 2015, the carrying amount of the District's deposits was \$1,838,999 and the bank balance was \$2,184,841. At June 30, 2015, 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 \$1,272,833.

At June 30, 2015, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Fair value</u>
Local government investment pool	Various	\$ 4,115,971
Merrill Lynch Mutual Funds (Pupil Activity Fund Scholarship investments)	Various	245,511
First Citizens – Certificates of deposit	Various	12,476
		<u>\$ 4,373,958</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.

School District of Edgefield County

Notes to Financial Statements

June 30, 2015

III. DETAILED NOTES ON ALL FUNDS - (Continued)

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

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.

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	\$	1,838,999
Investments		<u>4,373,958</u>
	\$	<u><u>6,212,957</u></u>
Statement of Net Position	\$	5,496,989
Statement of Fiduciary Assets and Liabilities		<u>715,968</u>
	\$	<u><u>6,212,957</u></u>

NOTE 2 - PROPERTY TAXES

Assessed valuation of taxable property for 2014 for the District was approximately \$73,600,000. The tax rate for the District totaled 225.88 mills, of which 200.88 mills were for the general fund and 25.00 mills were for the debt service fund. Taxes receivable of \$851,632 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

School District of Edgefield County

Notes to Financial Statements

June 30, 2015

III. DETAILED NOTES ON ALL FUNDS - (Continued)

NOTE 2 - PROPERTY TAXES – (Continued)

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, 2015 consisted of taxes, intergovernmental grants, reimbursements and interest. All intergovernmental receivables are considered collectible in full.

A summary of the principal items of intergovernmental receivables follows:

Governmental activities		
Due from state and/or federal government		
General fund		
Tier 3 tax reimbursement	\$	311,406
Local government investment pool		98,886
EIA		72,138
Special projects		
Title I		324,193
IDEA		320,298
Preschool handicapped		7,337
Occupational education		9,627
Adult education		51,752
Other special revenue programs		540,376
Total governmental activities	\$	<u>1,736,013</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, 2015, unavailable revenue related to property taxes reported in the governmental funds totaled \$718,287 and \$105,337 in the general and debt service funds, respectively.

School District of Edgefield County

Notes to Financial Statements

June 30, 2015

III. DETAILED NOTES ON ALL FUNDS - (Continued)

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Balance June 30, 2014</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance June 30, 2015</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 422,103	\$ -	\$ -	\$ 422,103
Total capital assets, not being depreciated	<u>422,103</u>	<u>-</u>	<u>-</u>	<u>422,103</u>
Capital assets, being depreciated				
Improvements	6,333,376	153,563	-	6,486,939
Buildings	36,681,129	-	-	36,681,129
Equipment	<u>2,254,302</u>	<u>237,552</u>	<u>8,309</u>	<u>2,483,545</u>
Total capital assets, being depreciated	<u>45,268,807</u>	<u>391,115</u>	<u>8,309</u>	<u>45,651,613</u>
Total cost	<u>45,690,910</u>	<u>391,115</u>	<u>8,309</u>	<u>46,073,716</u>
Less accumulated depreciation				
Improvements	876,236	452,930	-	1,329,166
Buildings	20,346,836	801,065	-	21,147,901
Equipment	<u>1,892,873</u>	<u>107,327</u>	<u>8,309</u>	<u>1,991,891</u>
Total accumulated depreciation	<u>23,115,945</u>	<u>1,361,322</u>	<u>8,309</u>	<u>24,468,958</u>
Governmental activities capital assets, net	<u>\$ 22,574,965</u>	<u>\$ (970,207)</u>	<u>\$ -</u>	<u>\$ 21,604,758</u>
Business-type activities				
Equipment	\$ 282,568	\$ 64,850	\$ -	\$ 347,418
Less accumulated depreciation	<u>144,571</u>	<u>29,219</u>	<u>-</u>	<u>173,790</u>
Business-type activities capital assets, net	<u>\$ 137,997</u>	<u>\$ 35,631</u>	<u>\$ -</u>	<u>\$ 173,628</u>

Included in the totals above is equipment acquired under capital leases totaling \$395,304 at June 30, 2015 (see Note 5). Accumulated depreciation on this equipment totaled \$316,868 at June 30, 2015.

During the year ended June 30, 2015, the District had depreciation expense of \$1,361,322 for governmental activities. This depreciation expense has been allocated to instruction, support services, and community services activities in the amounts of \$783,424, \$576,770 and \$1,128, respectively.

School District of Edgefield County

Notes to Financial Statements

June 30, 2015

III. DETAILED NOTES ON ALL FUNDS - (Continued)

NOTE 5 - LONG-TERM DEBT

Changes in long-term obligations for the year ended June 30, 2015 were as follows:

	Principal outstanding <u>June 30, 2014</u>	<u>Additions</u>	<u>Reductions</u>	Principal outstanding <u>June 30, 2015</u>	<u>Amounts due in one year</u>
Governmental activities					
General obligation bonds					
February 1, 2008	\$ 6,175,000	\$ -	\$ 1,470,000	\$ 4,705,000	\$ 1,515,000
August 14, 2012	<u>4,710,000</u>	-	<u>125,000</u>	<u>4,585,000</u>	<u>130,000</u>
Total bonds payable	10,885,000	-	1,595,000	9,290,000	1,645,000
Unearned bond premiums	71,144	-	19,854	51,290	19,854
Accrued compensated absences	<u>250,205</u>	<u>7,831</u>	-	<u>258,036</u>	<u>51,607</u>
Total governmental activities general long-term debt	<u>\$11,206,349</u>	<u>\$ 7,831</u>	<u>\$ 1,614,854</u>	<u>\$ 9,599,326</u>	<u>\$ 1,716,461</u>

General obligation bonds consist of the following at June 30, 2015:

<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, 2015</u>
February 1, 2008	4.10 - 4.75	Feb	2018	\$ 11,545,000	\$ 4,705,000
August 14, 2012	1.00 - 1.70	Mar	2022	<u>5,000,000</u>	<u>4,585,000</u>
				<u>\$ 16,545,000</u>	<u>\$ 9,290,000</u>

The annual requirements to amortize all general obligation bonds outstanding at June 30, 2015, 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>
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	1,040,000	48,055	1,088,055
2021-2022	<u>2,125,000</u>	<u>52,205</u>	<u>2,177,205</u>
	<u>\$ 9,290,000</u>	<u>\$ 687,293</u>	<u>\$ 9,977,293</u>

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.

School District of Edgefield County

Notes to Financial Statements

June 30, 2015

III. DETAILED NOTES ON ALL FUNDS - (Continued)

NOTE 5 - LONG-TERM DEBT - (Continued)

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, 2015, the remaining debt margin available to the District was approximately \$1,303,000.

NOTE 6 - SHORT TERM OBLIGATIONS

The District issued \$795,000 in tax anticipation notes, series 2014D, in September, 2014, with a coupon rate of 1.0%. The tax anticipation notes were repaid in December, 2014 including interest incurred of \$905.

Changes in short-term obligations for the year ended June 30, 2015 were as follows:

	Principal outstanding <u>July 1, 2014</u>	<u>Additions</u>	<u>Reductions</u>	Principal outstanding <u>June 30, 2015</u>
Governmental activities				
Tax Anticipation Notes				
School District: Series 2014D	\$ -	\$ 795,000	\$ 795,000	\$ -
Total	<u>\$ -</u>	<u>\$ 795,000</u>	<u>\$ 795,000</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, 2015 consisted of the following individual fund amounts:

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 694,033	\$ 807,013
Special projects	656,758	25,792
Education Improvement Act	-	668,241
Food service	<u>150,255</u>	<u>-</u>
	<u>\$ 1,501,046</u>	<u>\$ 1,501,046</u>

As of June 30, 2015, amounts due from (to) other funds related to the District's pooled cash are as follows:

	<u>General fund</u>	<u>Special projects</u>	<u>Education Improvement Act</u>	<u>Capital projects</u>	<u>Food service</u>	<u>Total</u>
Due from general fund	\$ -	\$ -	\$ -	\$ -	\$ 483,201	\$ 483,201
Due from special projects	1,092,548	-	-	-	-	1,092,548
Due from EIA fund	19	-	-	-	-	19
Due from capital projects	2,378	-	-	-	-	2,378
	<u>1,094,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>483,201</u>	<u>1,578,146</u>
Due to general fund	-	1,092,548	19	2,378	-	1,094,945
Due to food service	483,201	-	-	-	-	483,201
	<u>\$ 483,201</u>	<u>\$ 1,092,548</u>	<u>\$ 19</u>	<u>\$ 2,378</u>	<u>\$ -</u>	<u>\$ 1,578,146</u>

School District of Edgefield County

Notes to Financial Statements

June 30, 2015

IV. OTHER INFORMATION

NOTE 8 – PENSION PLAN

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the Budget and Control Board, which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the Systems and serves as a co-trustee of the Systems in conducting that review. PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the South Carolina Retirement Systems' Pension Trust Funds. The CAFR is publicly available on the Retirement Benefits' link on PEBA's website at www.retirement.sc.gov, or a copy may be obtained by submitting a request to South Carolina Public Employee Benefit Authority, Retirement Systems Finance, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan descriptions:

The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public school districts, and political subdivisions.

Membership:

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits:

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation. A brief summary of benefit terms for each system is presented below.

School District of Edgefield County

Notes to Financial Statements

June 30, 2015

IV. OTHER INFORMATION - (Continued)

NOTE 8 - PENSION PLAN – (Continued)

SCRS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five or eight years earned service requirement, respectively.

The benefit formula for full benefits effective since July 1, 1989 for the SCRS is 1.82 percent of an employee's average final compensation (AFC) multiplied by the number of years of credited service. For Class II members, AFC is the average annual earnable compensation during 12 consecutive quarters and includes an amount for up to 45 days termination pay at retirement for unused annual leave. For Class III members, AFC is the average annual earnable compensation during 20 consecutive quarters and termination pay for unused annual leave at retirement is not included. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

Contributions:

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. The PEBA Board may increase the SCRS employer and employee contribution rates on the basis of the actuarial valuations, but any such increase may not result in a differential between the employee and employer contribution rate that exceeds 2.9 percent of earnable compensation for SCRS. An increase in the contribution rates adopted by the board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the board are insufficient to maintain a thirty year amortization schedule of the unfunded liabilities of the plans, the board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty-year amortization period; and, this increase is not limited to one-half of one percent per year.

- Required **employee** contribution rates for fiscal year 2014-2015 are as follows:

SCRS

Employee Class Two	8.00% of earnable compensation
Employee Class Three	8.00% of earnable compensation

State ORP

	8.00% of earnable compensation
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School District of Edgefield County

Notes to Financial Statements

June 30, 2015

IV. OTHER INFORMATION - (Continued)

NOTE 8 - PENSION PLAN – (Continued)

- Required employer contributions for fiscal year 2014-2015 are as follows:

SCRS

Employer Class Two	10.75% of earnable compensation
Employer Class Three	10.75% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation

State ORP

Employer Contribution	10.75% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation

Of the ORP employer contribution of 10.75% of earnable compensation, 5% of earnable compensation must be remitted by the employer directly to the ORP vendor to be allocated to the member's account with the remainder of the employer contribution remitted to SCRS.

Contributions to the SCRS pension plan from the District for the years ended June 30, 2015, 2014, and 2013 were \$2,183,507, \$2,177,491, and \$2,169,986, respectively. Contributions to the ORP pension plan from the District for the years ended June 30, 2015, 2014, and 2013 were \$34,592, \$60,322, and \$28,551, respectively.

Effective January 1, 2001, Section 9-1-2210 of the South Carolina Code of Laws allows employees eligible for service retirement to participate in the TERI Program. 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 benefit adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not earn service credit, and are ineligible for disability retirement benefits. The TERI program will end effective June 30, 2018 and a member's participation may not continue after this date.

Net pension liability:

At June 30, 2015, the District reported a liability of \$39,524,515 for its proportionate share of the SCRS net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 projected forward to June 30, 2014. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the District's proportionate share of the SCRS plan was .229571%, which was the same as its proportionate share of the net pension liability measured as of June 30, 2013, respectively.

Pension expense:

For the year ended June 30, 2015, the District recognized pension expense for the SCRS plan of \$2,770,219.

School District of Edgefield County

Notes to Financial Statements

June 30, 2015

IV. OTHER INFORMATION - (Continued)

NOTE 8 - PENSION PLAN – (Continued)

Deferred inflows of resources and deferred outflows of resources:

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for each of the respective plans:

	<u>SCRS</u>	
	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between expected and actual experience	\$ 1,119,958	\$ -
Net difference between projected and actual earnings on pension plan investments	-	3,332,205
District contributions subsequent to the measurement date	<u>2,183,507</u>	-
Total	<u>\$ 3,303,465</u>	<u>\$ 3,332,205</u>

The \$2,183,507 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date for the SCRS plan during the year ended June 30, 2015 will be recognized as a reduction of the net pension liability in the year ending June 30, 2016.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the SCRS and PORS plans, respectively:

	<u>SCRS</u>
Year ended June 30:	
2016	\$ (486,637)
2017	(486,637)
2018	(486,637)
2019	(752,336)
2020	-

Actuarial assumptions and methods:

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through June 30, 2010, and the next experience study is scheduled to be conducted after the June 30, 2015 annual valuation is complete.

The most recent annual actuarial valuation reports adopted by the PEBA Board and Budget and Control Board are as of July 1, 2013. The net pension liability of each defined benefit pension plan was therefore determined by PEBA's consulting actuary, Gabriel, Roeder, Smith and Company (GRS) based on the July 1, 2013 actuarial valuations, using membership data as of July 1, 2013, projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2014, using generally accepted actuarial procedures. Information included in the following schedules is based on the certification provided by GRS.

School District of Edgefield County

Notes to Financial Statements

June 30, 2015

IV. OTHER INFORMATION - (Continued)

NOTE 8 - PENSION PLAN – (Continued)

Actuarial assumptions and methods (continued):

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2013 valuations for the SCRS plan administered by PEBA.

	SCRS
Actuarial cost method	Entry age
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	levels off at 3.5%
Includes inflation at	2.75%
Benefit adjustments	lesser of 1% or \$500

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000.

Former Job Class	Males	Females
Educators and Judges	RP-2000 Males (with White Collar adjustment) multiplied by 110%	RP-2000 Females (with White Collar adjustment) multiplied by 95%
General Employees and Members of the General Assembly	RP-2000 Males multiplied by 100%	RP-2000 Females multiplied by 90%
Public Safety, Firefighters and members of the South Carolina National Guard	RP-2000 Males (with Blue Collar adjustment) multiplied by 115%	RP-2000 Females (with Blue Collar adjustment) multiplied by 115%

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30 year capital market outlook at the end of the third quarter 2012. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment Commission (RSIC) using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

School District of Edgefield County

Notes to Financial Statements

June 30, 2015

IV. OTHER INFORMATION - (Continued)

NOTE 8 - PENSION PLAN – (Continued)

Actuarial assumptions and methods (continued):

The RSIC has exclusive authority to invest and manage the retirement trust funds' assets. As co-fiduciary of the Systems, statutory provisions and governance policies allow the RSIC to operate in a manner consistent with a long-term investment time horizon. The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted annually by the RSIC. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation which is summarized in the table on the following page. For actuarial purposes, the 7.50 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.75 percent inflation component.

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Short Term			
Cash	2.0%	0.3%	0.01%
Short Duration	3.0%	0.6%	0.02%
Domestic Fixed Income			
Core Fixed Income	7.0%	1.1%	0.08%
High Yield	2.0%	3.5%	0.07%
Bank Loans	4.0%	2.8%	0.11%
Global Fixed Income			
Global Fixed Income	3.0%	0.8%	0.02%
Emerging Markets Debt	6.0%	4.1%	0.25%
Global Public Equity	31.0%	7.8%	2.42%
Global Tactical Asset Allocation	10.0%	5.1%	0.51%
Alternatives			
Hedge Funds (Low Beta)	8.0%	4.0%	0.32%
Private Debt	7.0%	10.2%	0.71%
Private Equity	9.0%	10.2%	0.92%
Real Estate (Broad Market)	5.0%	5.9%	0.29%
Commodities	3.0%	5.1%	0.15%
Total Expected Real Return	100.0%		5.88%
Inflation for Actuarial Purposes			2.75%
Total Expected Nominal Return			8.63%

Discount rate:

The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

School District of Edgefield County

Notes to Financial Statements

June 30, 2015

IV. OTHER INFORMATION - (Continued)

NOTE 8 - PENSION PLAN – (Continued)

Sensitivity analysis:

The following table presents the District’s proportionate share of the net pension liabilities of the respective plans calculated using the discount rate of 7.50 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1.00 percent lower (6.50 percent) or 1.00 percent higher (8.50 percent) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.50%)	Current Discount Rate (7.50%)	1.00% Increase (8.50%)
SCRS	\$ 51,147,168	\$ 39,524,515	\$ 29,827,889

Pension plan fiduciary net position:

The net pension liability is calculated separately for each system and represents that particular system’s total pension liability determined in accordance with GASB No. 67 less that System’s fiduciary net position. As of June 30, 2015, net pension liability amounts for SCRS and PORS are as follows (amounts expressed in thousands):

System	Total Pension Liability	Plan Fiduciary Net Position	Plan’s Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension
SCRS	\$ 42,955,205,796	\$ 25,738,521,026	\$ 17,216,684,770	59.9%

The total pension liability is calculated by the System’s actuary, and each plan’s fiduciary net position is reported in the System’s financial statements. The net pension liability is disclosed in accordance with the requirements of GASSB 67 in the System’s notes to the financial statements and required supplementary information.

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued CAFR containing financial statements and required supplementary information for SCRS which can be accessed via the contact information provided above.

NOTE 9 – DEFERRED COMPENSATION PLAN

The District offers their employees a deferred compensation plan, created in accordance with Internal Revenue Code Section 457, which is administered and controlled by the State of South Carolina. The plan, available to all District employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Great West Retirement Services - South Carolina Deferred Compensation Program, PO Box 173764, Denver, CO 80217-3764, (under state contract) is the program administrator of the 457 plan as well as the 401k plan, which is also available to District employees at their option.

School District of Edgefield County

Notes to Financial Statements

June 30, 2015

IV. OTHER INFORMATION - (Continued)

NOTE 10 - 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.

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 \$1,046,000, \$1,011,000 and \$931,000 applicable to the surcharge included with the employer contribution for retirement benefits for the fiscal years ended June 30, 2015, 2014 and 2013, 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, 2015, 2014 and 2013.

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 11 - 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.

School District of Edgefield County

Notes to Financial Statements

June 30, 2015

IV. OTHER INFORMATION - (Continued)

NOTE 11 - COMMITMENTS AND CONTINGENCIES – (Continued)

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. At June 30, 2015, the District was in the process of securing new operating leases for copiers. During the year, total lease payments amounted to approximately \$150,000. Approximate remaining payments due under contracts in place at June 30, 2015, are as follows:

<u>Year</u>	<u>Lease payment</u>
2015	\$ 500
	<u>\$ 500</u>

NOTE 12 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters 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 \$14,404 were made by the District for this purpose during the current year.

School District of Edgefield County

Notes to Financial Statements

June 30, 2015

IV. OTHER INFORMATION - (Continued)

NOTE 13 - 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.

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 14 - 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, 2015, the District has determined that there are no amounts outstanding for arbitrage rebates.

NOTE 15 - RELATED PARTY

The District Superintendent also served as legal counsel for the District for a portion of the year ended June 30, 2015.

School District of Edgefield County

Notes to Financial Statements

June 30, 2015

IV. OTHER INFORMATION - (Continued)

NOTE 16 - RESTATEMENT

The District implemented Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)*, in the fiscal year ended June 30, 2015. The implementation of the statement required the District to record beginning net pension liability and the effects on unrestricted net position of contributions made by the District during the measurement period (fiscal year ended June 30, 2014). As a result, ending unrestricted net position for the District for the year ended June 30, 2014 decreased by \$36,765,117 and \$2,201,426 for the governmental and business-type activities, respectively. This decrease resulted in the restatement of total net position to a deficit balance of \$20,745,646 for the governmental activities and a restatement of total net position to a deficit balance of \$1,280,204 for business-type activities for the year ended June 30, 2014.

School District of Edgefield County

Schedule 1 - Budgetary Comparison Schedule - General Fund

For the fiscal year ended June 30, 2015

		<u>Budgeted Amounts</u>		<u>Variance</u>
		<u>Original and Final</u>	<u>Actual</u>	<u>with Final Budget</u>
REVENUES				
1000	Revenue from local sources			
1100	Taxes			
1110	Ad valorem taxes-including delinquent	\$ 8,778,456	\$ 9,216,559	\$ 438,103
1300	Tuition			
1310	From patrons for regular day school	-	15,416	15,416
1330	From patrons for adult/continuing ed	-	1,909	1,909
1500	Earnings on investments			
1510	Interest on investments	2,000	1,160	(840)
1900	Other revenue from local sources			
1910	Rentals	-	1,445	1,445
1990	Miscellaneous local revenue	-	100	100
1999	Revenue from other local sources	71,000	165,061	94,061
	Total local sources	8,851,456	9,401,650	550,194
3000	Revenue from state sources			
3100	Restricted state funding			
3113	12-month agriculture program	15,000	17,392	2,392
3130	Special programs			
3131	Handicapped transportation	-	3,107	3,107
3132	Home schooling	-	1,050	1,050
3160	School bus driver's salary	249,175	322,487	73,312
3161	EAA Bus Driver Salary and Fringe	-	2,385	2,385
3162	Transportation workers' compensation	-	28,119	28,119
3180	Fringe benefits employer contributions	3,040,383	3,134,278	93,895
3181	Retiree insurance	921,054	886,880	(34,174)
3300	Education Finance Act			
3310	Full-time programs			
3311	Kindergarten	377,624	400,327	22,703
3312	Primary	1,156,145	1,124,804	(31,341)
3313	Elementary	1,935,381	2,069,402	134,021
3314	High school	152,653	172,774	20,121
3315	Trainable mentally handicapped	12,082	33,577	21,495
3316	Speech handicapped	504,916	432,875	(72,041)
3317	Homebound	12,377	7,114	(5,263)
3320	Part-time programs			
3321	Emotionally handicapped	45,578	22,761	(22,817)
3322	Educable mentally handicapped	138,482	154,220	15,738
3323	Learning disabilities	874,977	480,134	(394,843)
3324	Hearing handicapped	6,884	8,402	1,518
3325	Visually handicapped	4,275	4,201	(74)
3326	Orthopedically handicapped	3,394	2,797	(597)
3327	Vocational	1,172,307	1,279,873	107,566

School District of Edgefield County

Schedule 1 - Budgetary Comparison Schedule - General Fund, Continued

For the fiscal year ended June 30, 2015

		<u>Budgeted Amounts</u>		<u>Variance</u>
		<u>Original and Final</u>	<u>Actual</u>	<u>with Final</u>
				<u>Budget</u>
REVENUES, Continued				
3000	Revenue from state sources, continued			
3300	Education Finance Act, continued			
3330	Other EFA programs			
3331	Autism	42,327	43,860	1,533
3332	High Achieving Student	85,051	91,953	6,902
3334	Limited English Proficiency	23,406	37,599	14,193
3351	Academic Assistance	167,877	172,136	4,259
3352	Pupils in Poverty	813,666	803,957	(9,709)
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	3,161,739	3,132,887	(28,852)
3830	Merchants inventory tax	50,000	37,193	(12,807)
3840	Manufacturers depreciation reimbursement	140,000	222,878	82,878
3890	Other state property tax revenues	130,000	156,369	26,369
	Total state sources	<u>17,322,528</u>	<u>17,373,566</u>	<u>51,038</u>
4000	Revenues from federal sources			
4900	Other federal sources			
4992	U.S. Forest Commission revenues	-	43,771	43,771
	Total federal sources	<u>-</u>	<u>43,771</u>	<u>43,771</u>
	Total revenue all sources	<u>\$ 26,173,984</u>	<u>\$ 26,818,987</u>	<u>\$ 645,003</u>

School District of Edgefield County

Schedule 1 - Budgetary Comparison Schedule - General Fund, Continued

For the fiscal year ended June 30, 2015

		<u>Budgeted Amounts</u>		<u>Variance</u>
		<u>Original and Final</u>	<u>Actual</u>	<u>with Final</u>
				<u>Budget</u>
EXPENDITURES				
100	INSTRUCTION			
110	General instruction			
111	Kindergarten programs			
100	Salaries	\$ 966,889	\$ 965,313	\$ 1,576
200	Employee benefits	372,344	449,308	(76,964)
400	Supplies and materials	6,825	5,854	971
		<u>1,346,058</u>	<u>1,420,475</u>	<u>(74,417)</u>
112	Primary programs			
100	Salaries	2,251,272	2,058,675	192,597
200	Employee benefits	952,771	956,155	(3,384)
400	Supplies and materials	17,459	15,865	1,594
		<u>3,221,502</u>	<u>3,030,695</u>	<u>190,807</u>
113	Elementary programs			
100	Salaries	3,635,330	3,751,659	(116,329)
200	Employee benefits	1,394,553	1,484,536	(89,983)
300	Purchased services	13,812	25,027	(11,215)
400	Supplies and materials	75,272	105,074	(29,802)
		<u>5,118,967</u>	<u>5,366,296</u>	<u>(247,329)</u>
114	High school programs			
100	Salaries	1,919,592	1,799,449	120,143
140	Terminal leave	-	-	-
200	Employee benefits	692,053	704,582	(12,529)
300	Purchased services	11,537	12,619	(1,082)
400	Supplies and materials	53,028	61,002	(7,974)
		<u>2,676,210</u>	<u>2,577,652</u>	<u>98,558</u>
115	Vocational programs			
100	Salaries	644,520	660,669	(16,149)
200	Employee benefits	209,053	229,842	(20,789)
300	Purchased services	35,816	21,603	14,213
400	Supplies and materials	14,348	37,941	(23,593)
500	Capital outlay	1,864	1,959	(95)
		<u>905,601</u>	<u>952,014</u>	<u>(46,413)</u>
	Total general instruction	<u>13,268,338</u>	<u>13,347,132</u>	<u>(78,794)</u>
120	Exceptional programs			
121	Educable mentally handicapped			
100	Salaries	54,163	78,187	(24,024)
200	Employee benefits	21,003	30,286	(9,283)
		<u>75,166</u>	<u>108,473</u>	<u>(33,307)</u>
122	Trainable mentally handicapped			
100	Salaries	65,958	105,708	(39,750)
200	Employee benefits	29,667	52,053	(22,386)
		<u>95,625</u>	<u>157,761</u>	<u>(62,136)</u>
123	Orthopedically handicapped			
300	Purchased services	-	1,000	(1,000)
		<u>-</u>	<u>1,000</u>	<u>(1,000)</u>
124	Visually handicapped			
300	Purchased services	-	2,192	(2,192)
		<u>-</u>	<u>2,192</u>	<u>(2,192)</u>
125	Hearing handicapped			
300	Purchased services	-	395	(395)
400	Supplies and materials	-	59	(59)
		<u>-</u>	<u>454</u>	<u>(454)</u>

School District of Edgefield County

Schedule 1 - Budgetary Comparison Schedule - General Fund, Continued

For the fiscal year ended June 30, 2015

		<u>Budgeted Amounts</u>		<u>Variance</u>
		<u>Original and Final</u>	<u>Actual</u>	<u>with Final</u>
				<u>Budget</u>
EXPENDITURES, Continued				
100	INSTRUCTION, Continued			
120	Exceptional programs, continued			
126	Speech handicapped			
100	Salaries	-	77	(77)
200	Employee benefits	-	6	(6)
		<u>-</u>	<u>83</u>	<u>(83)</u>
127	Learning disabilities			
100	Salaries	1,096,460	1,000,844	95,616
200	Employee benefits	398,030	387,162	10,868
		<u>1,494,490</u>	<u>1,388,006</u>	<u>106,484</u>
128	Emotionally handicapped			
100	Salaries	68,772	87,254	(18,482)
200	Employee benefits	32,475	38,695	(6,220)
		<u>101,247</u>	<u>125,949</u>	<u>(24,702)</u>
	Total exceptional programs	<u>1,766,528</u>	<u>1,783,918</u>	<u>(17,390)</u>
130	Preschool programs			
137	Pre-school handicapped - self contained			
100	Salaries	48,033	72,954	(24,921)
200	Employee benefits	17,681	37,831	(20,150)
		<u>65,714</u>	<u>110,785</u>	<u>(45,071)</u>
	Total preschool programs	<u>65,714</u>	<u>110,785</u>	<u>(45,071)</u>
140	Special programs			
141	Gifted and talented - academic			
100	Salaries	140,542	148,453	(7,911)
200	Employee benefits	48,938	52,518	(3,580)
600	Other objects	256	-	256
		<u>189,736</u>	<u>200,971</u>	<u>(11,235)</u>
145	Homebound			
100	Salaries	16,000	25,464	(9,464)
200	Employee benefits	3,026	5,692	(2,666)
300	Supplies and materials	-	1,213	(1,213)
		<u>19,026</u>	<u>32,369</u>	<u>(13,343)</u>
147	CDEPP			
100	Salaries	285,751	56	285,695
200	Employee benefits	127,830	4	127,826
		<u>413,581</u>	<u>60</u>	<u>413,521</u>
148	Gifted and Talented Artistic			
100	Salaries	25,020	18,793	6,227
200	Employee benefits	-	6,278	(6,278)
300	Purchased services	-	2,724	(2,724)
		<u>25,020</u>	<u>27,795</u>	<u>(2,775)</u>
149	Other special programs			
100	Salaries	101,654	51,929	49,725
200	Employee benefits	32,449	19,038	13,411
		<u>134,103</u>	<u>70,967</u>	<u>63,136</u>
	Total special programs	<u>781,466</u>	<u>332,162</u>	<u>449,304</u>

School District of Edgefield County

Schedule 1 - Budgetary Comparison Schedule - General Fund, Continued

For the fiscal year ended June 30, 2015

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u>
EXPENDITURES, Continued			
100 INSTRUCTION, Continued			
160 Other exceptional programs			
161 Autism			
100 Salaries	16,441	16,498	(57)
200 Employee benefits	8,113	8,272	(159)
	<u>24,554</u>	<u>24,770</u>	<u>(216)</u>
Total other exceptional programs	<u>24,554</u>	<u>24,770</u>	<u>(216)</u>
180 Adult/continuing educational programs			
181 Adult basic education programs			
100 Salaries	-	327	(327)
200 Employee benefits	-	1,063	(1,063)
400 Supplies and materials	-	140	(140)
	<u>-</u>	<u>1,530</u>	<u>(1,530)</u>
182 Adult secondary education programs			
300 Purchased services	-	193	(193)
400 Supplies and materials	-	388	(388)
	<u>-</u>	<u>581</u>	<u>(581)</u>
188 Parenting/family literacy			
100 Salaries	56,560	39,153	17,407
140 Terminal leave	-	934	(934)
200 Employee benefits	17,749	13,841	3,908
	<u>74,309</u>	<u>53,928</u>	<u>20,381</u>
Total adult/continuing educational programs	<u>74,309</u>	<u>56,039</u>	<u>18,270</u>
Total instruction	<u>15,980,909</u>	<u>15,654,806</u>	<u>326,103</u>
200 SUPPORT SERVICES			
210 Pupil services			
211 Attendance and social work services			
100 Salaries	29,779	29,782	(3)
200 Employee benefits	13,445	13,164	281
300 Purchased services	9,384	1,043	8,341
400 Supplies and materials	58	58	-
600 Other objects	65	75	(10)
	<u>52,731</u>	<u>44,122</u>	<u>8,609</u>
212 Guidance services			
100 Salaries	445,051	424,974	20,077
200 Employee benefits	154,935	138,095	16,840
300 Purchased services	6,717	13,270	(6,553)
400 Supplies and materials	2,111	1,440	671
	<u>608,814</u>	<u>577,779</u>	<u>31,035</u>
213 Health services			
100 Salaries	182,469	179,380	3,089
200 Employee benefits	73,399	65,302	8,097
300 Purchased services	5,719	5,882	(163)
400 Supplies and materials	11,748	15,083	(3,335)
600 Other objects	252	1,380	(1,128)
	<u>273,587</u>	<u>267,027</u>	<u>6,560</u>

School District of Edgefield County

Schedule 1 - Budgetary Comparison Schedule - General Fund, Continued

For the fiscal year ended June 30, 2015

		<u>Budgeted Amounts</u>		<u>Variance</u>
		<u>Original and Final</u>	<u>Actual</u>	<u>with Final</u>
				<u>Budget</u>
EXPENDITURES, Continued				
200	SUPPORT SERVICES, Continued			
210	Pupil services, Continued			
214	Psychological services			
100	Salaries	67,444	67,444	-
200	Employee benefits	20,952	16,456	4,496
400	Supplies and materials	58	-	58
600	Other objects	357	-	357
		<u>88,811</u>	<u>83,900</u>	<u>4,911</u>
217	Career Specialist Services			
100	Salaries	-	35,233	(35,233)
200	Employee benefits	-	2,704	(2,704)
		<u>-</u>	<u>37,937</u>	<u>(37,937)</u>
	Total pupil services	<u>1,023,943</u>	<u>1,010,765</u>	<u>13,178</u>
220	Instructional staff services			
221	Improvement of instruction - curriculum development			
100	Salaries	94,000	94,112	(112)
140	Terminal leave	-	8	(8)
200	Employee benefits	26,742	28,197	(1,455)
300	Purchased services	21,890	4,217	17,673
400	Supplies and materials	66,091	62,903	3,188
600	Other objects	1,565	889	676
		<u>210,288</u>	<u>190,326</u>	<u>19,962</u>
222	Library and media services			
100	Salaries	391,753	372,519	19,234
200	Employee benefits	151,507	142,592	8,915
400	Supplies and materials	24,576	26,084	(1,508)
		<u>567,836</u>	<u>541,195</u>	<u>26,641</u>
224	Improvement of instruction - inservice and staff training			
300	Purchased services	7,252	3,285	3,967
400	Supplies and materials	1,339	133	1,206
		<u>8,591</u>	<u>3,418</u>	<u>5,173</u>
	Total instructional staff services	<u>786,715</u>	<u>734,939</u>	<u>51,776</u>
230	General administration services			
231	Board of education			
100	Salaries	8,400	4,675	3,725
200	Employee benefits	14,407	22,546	(8,139)
300	Purchased services	20,798	3,546	17,252
318	Audit services	27,500	34,600	(7,100)
400	Supplies and materials	580	2,048	(1,468)
600	Other objects	144,742	130,923	13,819
		<u>216,427</u>	<u>198,338</u>	<u>18,089</u>

School District of Edgefield County

Schedule 1 - Budgetary Comparison Schedule - General Fund, Continued

For the fiscal year ended June 30, 2015

		<u>Budgeted Amounts</u>		<u>Variance</u>
		<u>Original and Final</u>	<u>Actual</u>	<u>with Final</u>
				<u>Budget</u>
EXPENDITURES, Continued				
200	SUPPORT SERVICES, Continued			
230	General administration services, Continued			
232	Office of the superintendent			
100	Salaries	175,733	189,294	(13,561)
200	Employee benefits	65,548	66,523	(975)
300	Purchased services	8,467	16,821	(8,354)
400	Supplies and materials	15,840	17,794	(1,954)
600	Other objects	1,140	7,219	(6,079)
		<u>266,728</u>	<u>297,651</u>	<u>(30,923)</u>
233	School administration			
100	Salaries	1,716,767	1,704,017	12,750
200	Employee benefits	615,920	634,231	(18,311)
300	Purchased services	15,047	14,030	1,017
400	Supplies and materials	24,976	20,939	4,037
600	Other objects	10,454	4,304	6,150
		<u>2,383,164</u>	<u>2,377,521</u>	<u>5,643</u>
	Total general administration services	<u>2,866,319</u>	<u>2,873,510</u>	<u>(7,191)</u>
250	Finance and operations services			
252	Fiscal services			
100	Salaries	246,251	246,203	48
200	Employee benefits	85,997	86,803	(806)
300	Purchased services	19,950	27,947	(7,997)
400	Supplies and materials	9,142	9,466	(324)
600	Other objects	1,000	6,770	(5,770)
		<u>362,340</u>	<u>377,189</u>	<u>(14,849)</u>
254	Operation and maintenance of plant			
100	Salaries	1,101,304	1,039,414	61,890
200	Employee benefits	450,124	484,879	(34,755)
300	Purchased services	696,434	1,048,442	(352,008)
321	Public utilities	70,020	88,008	(17,988)
400	Supplies and materials	210,217	271,569	(61,352)
470	Energy	782,591	1,027,938	(245,347)
500	Capital outlay	30,000	20,517	9,483
600	Other objects	504	-	504
		<u>3,341,194</u>	<u>3,980,767</u>	<u>(639,573)</u>
255	Student transportation			
100	Salaries	650,781	733,492	(82,711)
200	Employee benefits	131,739	208,655	(76,916)
300	Purchased services	9,599	5,894	3,705
400	Supplies and materials	807	3,084	(2,277)
500	Capital outlay	2,784	-	2,784
600	Other objects	27,408	26,911	497
		<u>823,118</u>	<u>978,036</u>	<u>(154,918)</u>
258	Security			
300	Purchased services	103,593	163,975	(60,382)
400	Supplies and materials	3,475	954	2,521
		<u>107,068</u>	<u>164,929</u>	<u>(57,861)</u>
	Total finance and operation services	<u>4,633,720</u>	<u>5,500,921</u>	<u>(867,201)</u>

School District of Edgefield County

Schedule 1 - Budgetary Comparison Schedule - General Fund, Continued

For the fiscal year ended June 30, 2015

		<u>Budgeted Amounts</u>		<u>Variance</u>
		<u>Original and Final</u>	<u>Actual</u>	<u>with Final</u>
				<u>Budget</u>
EXPENDITURES, Continued				
200	SUPPORT SERVICES, Continued			
260	Central support services			
263	Information services			
100	Salaries	30,096	23,262	6,834
200	Employee benefits	4,827	5,459	(632)
400	Supplies and materials	-	588	(588)
		<u>34,923</u>	<u>29,309</u>	<u>5,614</u>
264	Staff services			
100	Salaries	83,393	89,978	(6,585)
200	Employee benefits	30,485	32,381	(1,896)
300	Purchased services	11,839	22,665	(10,826)
400	Supplies and materials	4,909	3,616	1,293
600	Other objects	1,124	991	133
		<u>131,750</u>	<u>149,631</u>	<u>(17,881)</u>
266	Technology and data processing services			
100	Salaries	229,996	237,126	(7,130)
140	Terminal leave	-	7,690	(7,690)
200	Employee benefits	91,480	76,137	15,343
300	Purchased services	48,124	181,328	(133,204)
400	Supplies and materials	16,498	34,882	(18,384)
		<u>386,098</u>	<u>537,163</u>	<u>(151,065)</u>
	Total central support services	<u>552,771</u>	<u>716,103</u>	<u>(163,332)</u>
270	Support services pupil activity			
271	Pupil services activities			
100	Salaries	150,142	156,074	(5,932)
200	Employee benefits	35,546	34,958	588
600	Other objects	15,000	16,000	(1,000)
		<u>200,688</u>	<u>207,032</u>	<u>(6,344)</u>
	Total support services pupil activity	<u>200,688</u>	<u>207,032</u>	<u>(6,344)</u>
	Total support services	<u>10,064,156</u>	<u>11,043,270</u>	<u>(979,114)</u>

School District of Edgefield County

Schedule 1 - Budgetary Comparison Schedule - General Fund, Continued

For the fiscal year ended June 30, 2015

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u>
EXPENDITURES, Continued			
410 INTERGOVERNMENTAL EXPENDITURES			
411 Payments to the State Department of Education			
720 Transits	70,000	60,403	9,597
412 Payments to the Other Governmental Units			
720 Transits	-	85,984	(85,984)
	<u>70,000</u>	<u>146,387</u>	<u>(76,387)</u>
Total intergovernmental expenditures			
500 DEBT SERVICE			
500 Debt Service			
620 Interest	-	2,477	(2,477)
	<u>-</u>	<u>2,477</u>	<u>(2,477)</u>
Total debt service expenditures			
Total expenditures	<u>26,115,065</u>	<u>26,846,940</u>	<u>(731,875)</u>
OTHER FINANCING SOURCES (USES)			
5230 Transfer from special revenue EIA fund	776,061	668,241	(107,820)
5280 Transfer from other funds indirect cost	50,000	25,792	(24,208)
421-710 Transfer to special revenue fund	(885,000)	(552,464)	332,536
422-710 Transfer to special revenue EIA fund	-	(104,294)	(104,294)
425-710 Transfer to food service fund	-	(150,255)	(150,255)
	<u>(58,939)</u>	<u>(112,980)</u>	<u>(54,041)</u>
Total other financing sources			
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (20)</u>	<u>(140,933)</u>	<u>\$ (140,913)</u>
FUND BALANCE, beginning of year		<u>3,137,812</u>	
FUND BALANCE, end of year		<u>\$ 2,996,879</u>	

School District of Edgefield County**Required Supplementary Information****Schedule 2 - Schedule of the District's Proportionate Share of the Net Pension Liability****For the fiscal year ended June 30, 2015**

	SCRS	
	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.22957%	0.22957%
District's proportionate share of the net pension liability	<u>\$ 39,524,515</u>	<u>\$ 41,176,848</u>
District's covered payroll during the measurement period	<u>\$ 20,842,075</u>	<u>\$ 20,981,404</u>
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	189.63810%	196.25402%
Plan fiduciary net position as a percentage of the total pension liability	59.90%	56.39%

School District of Edgefield County

Required Supplementary Information

Schedule 3 - Schedule of the District's Contributions

For the fiscal year ended June 30, 2015

	SCRS									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually required contribution	\$ 2,183,507	\$ 2,209,260	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	2,183,507	2,209,260	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered-employee payroll	\$ 20,637,339	\$ 20,842,075	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	10.58037%	10.60000%								

Note: Data unavailable for years prior to 2014

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, 2015

			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
REVENUES										
1000	1930	Medicaid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 283,482	\$ 283,482
		Total local sources	-	-	-	-	-	-	283,482	283,482
2000	2100	Payments from other government units	-	-	-	-	-	33,956	-	33,956
		Total intergovernmental revenue	-	-	-	-	-	33,956	-	33,956
3000	3100	Restricted state funding								
	3110	Occupational education						7,852	-	7,852
	3116	EEDA - misc.	-	-	-	-	-	84,770	-	84,770
	3118	EEDA career specialists	-	-	-	-	-	-	-	-
	3120	General education						26,655	-	26,655
	3127	Student health and fitness	-	-	-	-	-	-	-	-
	3130	Special programs						647,866	-	647,866
	3134	Child development education pilot program	-	-	-	-	-	219,555	-	219,555
	3135	Reading coaches	-	-	-	-	-	134,810	-	134,810
	3136	Student health and fitness	-	-	-	-	-	-	-	-
	3150	Adult education						7,082	-	7,082
	3155	DSS SNAP & E&T program	-	-	-	-	-	-	-	-
	3190	Miscellaneous restricted state grants						411	-	411
	3193	Education license plates	-	-	-	-	-	53,959	-	53,959
	3194	Digital instructional materials	-	-	-	-	-	-	5,027	5,027
	3199	Other restricted state grants	-	-	-	-	-	-	-	-
3600	3600	Education lottery act revenue						9,015	-	9,015
	3607	6-8 enhancement	-	-	-	-	-	155,522	-	155,522
	3610	K-5 enhancement	-	-	-	-	-	12,791	-	12,791
	3620	Digital instructional material	-	-	-	-	-	107,184	-	107,184
	3630	K-12 technology initiative	-	-	-	-	-	-	-	-
		Total state sources	-	-	-	-	-	1,467,472	5,027	1,472,499
4000	4200	Revenues from federal sources								
	4210	Occupational education Vocational aid, Title I	-	-	-	61,995	-	-	-	61,995
4300	4310	Elementary and Secondary Education Act of 1965 Title I	865,208	-	-	-	-	-	126,817	992,025
	4312	Rural and low-income school	-	-	-	-	-	-	12,446	12,446
	4341	Language Instruction for Limited English Proficient and Immigrant Students, Title III	-	-	-	-	-	-	8,099	8,099
	4348	TAP Grant	-	-	-	-	-	-	486,892	486,892
	4351	Improving teacher quality	-	-	-	-	-	-	159,568	159,568
	4353	Teacher Incentive Fund (TIF) 4	-	-	-	-	-	-	576,855	576,855
4400	4410	Adult education Basic adult education	-	-	-	-	73,602	-	-	73,602
	4430	State literacy resource	-	-	-	-	7,000	-	-	7,000
4500	4510	Programs for children with disabilities IDEA	-	933,573	-	-	-	-	-	933,573
	4520	Pre-School Grants	-	-	37,808	-	-	-	-	37,808
4800	4870	USDA Reimbursement School food service (equipment)	-	-	-	-	-	-	8,493	8,493
4900	4999	Other federal sources Revenue from other federal sources	-	-	-	-	-	-	118,166	118,166
		Total federal sources	865,208	933,573	37,808	61,995	80,602	-	1,497,336	3,476,522
		Total revenue all sources	865,208	933,573	37,808	61,995	80,602	1,501,428	1,785,845	5,266,459

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, 2015

		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
EXPENDITURES									
100 INSTRUCTION									
110	General instruction								
112	Primary programs								
100	Salaries	-	-	-	-	-	57,136	103,132	160,268
200	Employee benefits	-	-	-	-	-	19,433	35,625	55,058
300	Purchased services	-	-	-	-	-	-	2,870	2,870
400	Supplies and materials	-	-	-	-	-	1,292	2,638	3,930
500	Capital outlay	-	-	-	-	-	(1,000)	-	(1,000)
113	Elementary programs								
100	Salaries	513,254	-	-	-	-	20,001	33,343	566,598
200	Employee benefits	176,263	-	-	-	-	6,654	4,338	187,255
300	Purchased services	22,881	-	-	-	-	243	3,468	26,592
400	Supplies and materials	34,181	-	-	-	-	35,642	104,261	174,084
500	Capital outlay	-	-	-	-	-	108,184	-	108,184
114	High school programs								
100	Salaries	-	-	-	-	-	6,090	112,575	118,665
200	Employee benefits	-	-	-	-	-	1,480	27,539	29,019
300	Purchased services	-	-	-	-	-	-	3,268	3,268
400	Supplies and materials	-	-	-	-	-	-	1,761	1,761
600	Other objects	-	-	-	-	-	-	1,203	1,203
115	Vocational programs								
300	Purchased services	-	-	-	5,642	-	-	-	5,642
400	Supplies and materials	-	-	-	1,500	-	-	-	1,500
500	Capital outlay	-	-	-	33,088	-	-	-	33,088
120	Exceptional programs								
121	Educable mentally handicapped								
100	Salaries	-	44,620	-	-	-	-	-	44,620
200	Employee benefits	-	15,821	-	-	-	-	-	15,821
122	Trainable mentally handicapped								
100	Salaries	-	13,897	-	-	-	-	-	13,897
200	Employee benefits	-	7,270	-	-	-	-	-	7,270
123	Orthopedically handicapped								
100	Salaries	-	9,690	-	-	-	-	1,333	11,023
200	Employee benefits	-	977	-	-	-	-	196	1,173
126	Speech handicapped								
100	Salaries	-	96,007	-	-	-	-	19,586	115,593
200	Employee benefits	-	28,339	-	-	-	-	-	28,339
300	Purchased services	-	157,639	-	-	-	-	1,686	159,325
400	Supplies and materials	-	-	-	-	-	-	2,761	2,761
127	Learning disabilities								
100	Salaries	-	36,087	-	-	-	-	153	36,240
200	Employee benefits	-	13,467	-	-	-	-	-	13,467
300	Purchased services	-	-	-	-	-	-	15,385	15,385
400	Supplies and materials	-	-	-	-	-	-	29,117	29,117
128	Emotionally handicapped								
100	Salaries	-	209	-	-	-	-	-	209
200	Employee benefits	-	55	-	-	-	-	3,459	3,514

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, 2015

	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
EXPENDITURES, Continued								
100 INSTRUCTION, Continued								
120	Exceptional programs, Continued							
129	Coordinated early intervening services (CEIS)							
100	-	114,880	-	-	-	-	1,476	116,356
200	-	28,313	-	-	-	-	-	28,313
130	Pre-school programs							
137	Pre-school handicapped - Self-contained							
100	-	12,116	27,027	-	-	-	9,000	48,143
200	-	8,121	10,781	-	-	-	1,882	20,784
139	Early childhood programs							
100	-	-	-	-	-	23,116	-	23,116
200	-	-	-	-	-	1,926	-	1,926
400	-	-	-	-	-	1,722	-	1,722
140	Special programs							
147	Full day 4K							
100	-	-	-	-	-	442,850	-	442,850
200	-	-	-	-	-	183,414	-	183,414
300	-	-	-	-	-	33,484	-	33,484
400	-	-	-	-	-	45,335	-	45,335
149	Other special programs							
100	-	-	-	-	-	-	21,034	21,034
200	-	-	-	-	-	-	4,877	4,877
300	-	-	-	-	-	-	3,934	3,934
400	-	8,773	-	-	-	-	-	8,773
160	Other Exceptional Programs							
161	Autism							
100	-	11,048	-	-	-	-	-	11,048
200	-	5,486	-	-	-	-	-	5,486
180	Adult continuing education programs							
181	Adult basic education programs							
100	-	-	-	-	13,728	400	-	14,128
200	-	-	-	-	2,546	48	-	2,594
300	-	-	-	-	1,025	-	-	1,025
400	-	-	-	-	1,338	(370)	-	968
182	Adult secondary education programs							
100	-	-	-	-	35,899	-	-	35,899
200	-	-	-	-	11,485	-	-	11,485
300	-	-	-	-	-	1,922	-	1,922
400	-	-	-	-	1,250	1,328	-	2,578
183	Adult english literacy (ESL)							
100	-	-	-	-	7,500	-	-	7,500
200	-	-	-	-	2,000	-	-	2,000
300	-	-	-	-	300	-	-	300
400	-	-	-	-	250	800	-	1,050
188	Parenting/family literacy							
300	615	-	-	-	-	-	-	615
400	8,836	-	-	-	-	147	263	9,246
	<u>756,030</u>	<u>612,815</u>	<u>37,808</u>	<u>40,230</u>	<u>77,321</u>	<u>991,277</u>	<u>552,163</u>	<u>3,067,644</u>
	Total instruction							

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, 2015

		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
EXPENDITURES, Continued									
200	SUPPORT SERVICES								
210	Pupil services								
212	Guidance services								
100	Salaries	-	-	-	-	-	53,375	-	53,375
200	Employee benefits	-	-	-	-	-	18,065	-	18,065
213	Health services								
100	Salaries	-	-	-	-	-	103,167	-	103,167
200	Employee benefits	-	-	-	-	-	31,643	-	31,643
300	Purchased services	-	-	-	-	-	-	44,313	44,313
400	Supplies and materials	-	-	-	-	-	-	2,013	2,013
217	Career specialists								
200	Employee benefits	-	-	-	-	-	13,330	-	13,330
220	Instructional staff services								
221	Improvement of instruction - curriculum development								
100	Salaries	-	-	-	-	-	193,103	1,175,299	1,368,402
200	Employee benefits	-	-	-	-	-	73,917	303,712	377,629
300	Purchased services	19,260	-	-	-	1,100	443	64,408	85,211
400	Supplies and materials	-	-	-	-	1,250	1,614	1,963	4,827
223	Supervision of special programs								
100	Salaries	42,869	150,437	-	-	-	-	27,599	220,905
200	Employee benefits	20,466	51,100	-	-	-	-	9,930	81,496
300	Purchased services	2,328	-	-	16,701	-	750	6,611	26,390
400	Supplies and materials	1,097	-	-	-	-	-	(1,425)	(328)
224	Improvement of instruction - inservice and staff training								
100	Salaries	-	-	-	-	-	47,673	-	47,673
200	Employee benefits	-	-	-	-	-	16,602	3,751	20,353
300	Purchased services	-	-	-	5,064	-	-	45,611	50,675
400	Supplies and materials	-	-	-	-	-	-	20,970	20,970
250	Finance and operations services								
251	Student transportation								
100	Salaries	-	91,079	-	-	-	-	-	91,079
200	Employee benefits	-	16,172	-	-	-	-	-	16,172
300	Purchased services	-	11,970	-	-	-	-	2,218	14,188
255	Student transportation								
100	Salaries	-	-	-	-	-	1,026	5,338	6,364
200	Employee benefits	-	-	-	-	-	884	2,173	3,057
300	Purchased services	-	-	-	-	931	5,282	25,891	32,104
256	Food services								
500	Capital outlay	-	-	-	-	-	-	8,493	8,493
260	Central Support Services:								
264	Staff services								
300	Purchased services	-	-	-	-	-	-	450	450
266	Technology and data processing services								
500	Capital outlay	-	-	-	-	-	53,959	-	53,959
Total support services		86,020	320,758	-	21,765	3,281	614,833	1,749,318	2,795,975

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, 2015

	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
300 COMMUNITY SERVICES								
390 Other community services								
100 Salaries	-	-	-	-	-	-	26,333	26,333
400 Supplies and materials	187	-	-	-	-	-	1,309	1,496
Total community services	187	-	-	-	-	-	27,642	27,829
Total expenditures	842,237	933,573	37,808	61,995	80,602	1,606,110	2,329,123	5,891,448
OTHER FINANCING SOURCES (USES)								
Interfund transfers from (to) other funds								
5210 Transfer from general fund	-	-	-	-	-	104,682	552,076	656,758
431-791 Special revenue indirect costs	(22,971)	-	-	-	-	-	(2,821)	(25,792)
Total other financing sources (uses)	(22,971)	-	-	-	-	104,682	549,255	630,966
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	-	-	-	-	-	5,977	5,977
FUND BALANCE, beginning of year	-	-	-	-	-	-	81,575	81,575
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,552</u>	<u>\$ 87,552</u>

* 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, 2015

<u>Subfund</u>	<u>Revenue</u>	<u>Programs</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Transfers In (Out)</u>	<u>Unearned Revenue</u>
914	3194	Digital instructional materials	\$ 53,959	\$ 53,959	\$ -	\$ 647
918	3198	School technology initiative	-	-	-	18,194
919	3193	Education license plates	411	411	-	901
924	3134	Child development education pilot program	647,866	705,083	57,217	-
926	3116	EEDA - misc.	7,852	7,852	-	4,740
928	3118	EEDA Career specialists	84,770	84,770	-	-
935	3135	Reading coaches	219,555	267,020	47,465	-
936	3136	Student health and fitness	134,810	134,810	-	-
937	3127	Student health and fitness	26,655	26,655	-	-
955	3155	DSS SNAP & E&T program	7,082	7,082	-	-
960	3610	K-5 enhancement	155,522	155,522	-	26,031
963	3630	K-12 technology initiative	107,184	107,184	-	10,000
965	3620	Digital instruction material	12,791	12,791	-	-
967	3607	6-8 enhancement	9,015	9,015	-	4,990
955	3999	SNAP adult education	-	-	-	2,035
980	2100	First steps family literacy program	33,956	33,956	-	-
			<u>\$ 1,501,428</u>	<u>\$ 1,606,110</u>	<u>\$ 104,682</u>	<u>\$ 67,538</u>

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, 2015

		<u>Total</u>
REVENUES		
3000	Revenue from state sources	
3500	Education Improvement Act:	
3502	Adept	\$ 5,066
3504	Level data reimbursement	7,743
3505	Technology initiative	10,000
3511	Professional development	15,522
3518	Formative Assessment	17,521
3525	Career and Technology Education Equipment	46,443
3526	EIA Science Kit Refurbishment	7,818
3532	National Board Certification (NBC) Salary Supplement	97,296
3533	Teacher of the year awards	1,077
3538	Students at risk of school failure	379,903
3550	Teacher salary increase	569,682
3555	School employer contributions	98,559
3556	Adult education	135,818
3558	Reading	14,006
3577	Teacher supplies	66,250
3578	High schools that work	2,742
3592	School to work transition act	13,418
3594	EEDA supplemental programs	131,857
3595	EEDA homework center awards	319
3597	Aid to districts	155,860
	Total revenue from state sources	<u>1,776,900</u>
	Total revenue	<u>\$ 1,776,900</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, 2015****EXPENDITURES****100 INSTRUCTION**

110	General instruction		
111	Kindergarten programs		
100	Salaries	\$	1,077
			<u>1,077</u>
112	Primary programs		
100	Salaries		28,527
200	Employee benefits		5,381
300	Purchased services		299
400	Supplies and materials		11,195
			<u>45,402</u>
113	Elementary programs		
100	Salaries		180,656
200	Employee benefits		40,873
300	Purchased services		3,653
400	Supplies and materials		92,142
			<u>317,324</u>
114	High school programs		
100	Salaries		142,791
200	Employee benefits		45,910
400	Supplies and materials		8,565
600	Other objects		460
			<u>197,726</u>
115	Vocational programs		
100	Salaries		7,500
200	Employee benefits		1,796
500	Capital Outlay		46,443
			<u>55,739</u>
130	Pre-school programs		
139	Early childhood programs		
100	Salaries		32
200	Employee benefits		2
300	Purchased services		857
400	Supplies and materials		1,946
			<u>2,837</u>
140	Special programs		
147	CDEEP		
100	Salaries		2
			<u>2</u>
149	Other Special Programs		
400	Supplies and materials		12,750
			<u>12,750</u>
180	Adult/continuing educational programs		
181	Adult basic education programs		
100	Salaries		19,892
200	Employee benefits		6,223
			<u>26,115</u>
182	Adult secondary education programs		
100	Salaries		14,750
200	Employee benefits		3,030
400	Supplies and materials		500
			<u>18,280</u>
188	Parenting/family literacy		
140	Terminal leave		5,000
			<u>5,000</u>
	Total instruction		<u>682,252</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, 2015**

EXPENDITURES, Continued**200 SUPPORT SERVICES**

210	Pupil Services		
211	Attendance and Social Work Services:		
100	Salaries		48,608
200	Employee Benefits		17,542
			<u>66,150</u>
212	Guidance Services		
100	Salaries		23,945
200	Employee Benefits		6,961
300	Purchased services		4,353
400	Supplies and materials		319
			<u>35,578</u>
220	Instructional staff services		
221	Improvement of instruction - curriculum development		
100	Salaries		14,045
140	Terminal leave		9,000
200	Employee benefits		3,200
300	Purchased services		12,113
400	Supplies and materials		8,943
			<u>47,301</u>
223	Supervision of special programs		
100	Salaries		85,971
200	Employee benefits		27,152
400	Supplies and materials		4,174
			<u>117,297</u>
224	Improvement of instruction - inservice and staff training		
200	Employee benefits		1,626
300	Purchased services		(3,128)
400	Supplies and materials		8,327
			<u>6,825</u>
230	General administrative services		
233	School administration		
100	Salaries		23,500
200	Employee benefits		1,600
			<u>25,100</u>
250	Finance and operation services		
251	Student transportation		
100	Salaries		4,252
200	Employee benefits		2,033
300	Purchased services		11,993
			<u>18,278</u>
254	Operation and maintenance of plant		
100	Salaries		57,000
200	Employee benefits		18,700
			<u>75,700</u>
255	Student transportation (state mandated)		
100	Salaries		22,886
300	Purchased services		513
			<u>23,399</u>
260	Central support services		
266	Technology and Data Processing Services		
500	Capital Outlay		10,000
			<u>10,000</u>
	Total support services		<u>425,628</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, 2015**

EXPENDITURES, Continued		
300 COMMUNITY SERVICES		
390 Other community services		
400 Supplies and materials		779
		<u>779</u>
Total community services		779
Total expenditures		<u>1,108,659</u>
OTHER FINANCING SOURCES (USES)		
Interfund transfers from (to) other funds		
420-420 Transfer to general fund		<u>(668,241)</u>
Total other financing sources/(uses)		<u>(668,241)</u>
Excess of revenues over expenditures and other financing uses		-
FUND BALANCE, beginning of year		<u>-</u>
FUND BALANCE, end of year		<u><u>\$ -</u></u>

School District of Edgefield County
Schedule A-4 - EIA Summary Schedule by Program
For the fiscal year ended June 30, 2015

	<u>Revenues</u>	<u>Expenditures</u>	<u>Transfers In/(Out)</u>	<u>Unearned Revenue</u>
3500 Education Improvement Act				
3502 Adept	\$ 5,066	\$ 5,066	\$ -	\$ 1,075
3504 Level data reimbursement	7,743	7,743	-	-
3505 Technology initiative	10,000	10,000	-	-
3511 Professional development	15,522	15,522	-	15,791
3518 Formative Assessment	17,521	17,521	-	-
3525 Career and technology education equipment	46,443	46,443	-	296
3526 Science kit refurbishment	7,818	7,818	-	10,359
3532 National Board Certification (NBC) Salary Supplement	97,296	97,296	-	-
3533 Teacher of the year awards	1,077	1,077	-	-
3538 Students at risk of school failure	379,903	379,903	-	16,713
3550 Teacher salary increase	569,682	-	(569,682)	-
3555 School employer contributions	98,559	-	(98,559)	-
3556 Adult education	135,818	135,818	-	-
3558 Reading	14,006	14,006	-	1,068
3577 Teacher supplies	66,250	66,250	-	-
3578 High schools that work	2,742	2,742	-	5,546
3592 School to work transition act	13,418	13,418	-	-
3594 EEDA supplemental programs	131,857	131,857	-	-
3595 EEDA homework center awards	319	319	-	5,337
3597 Aid to districts	155,860	155,860	-	15,934
	<u>\$ 1,776,900</u>	<u>\$ 1,108,659</u>	<u>\$ (668,241)</u>	<u>\$ 72,119</u>
Total				

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, 2015**

REVENUES

1000	Revenue from local sources		
1500	Earnings on investments		
	1510 Interest on investments	\$	115
1900	Other revenue from local sources		
	Total local sources		<u>115</u>
	Total revenue all sources		<u>115</u>

EXPENDITURES

250	Finance and operations		
253	Facilities acquisition and construction services		
	500 Capital outlay		
	520 Construction services		108,237
	Total finance and operations		<u>108,237</u>
	Total expenditures		<u>108,237</u>

OTHER FINANCING SOURCES

	Deficiency of revenues under expenditures		(108,122)
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	FUND BALANCE, beginning of year		<u>132,673</u>
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	FUND BALANCE, end of year	\$	<u>24,551</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, 2015**

REVENUES			
1000	Revenue from local sources		
1100	Taxes		
1110	Ad valorem taxes, including delinquent taxes	\$	1,835,797
1500	Earnings on investments		
1510	Interest on investments		1,860
			<hr/>
	Total local sources		1,837,657
			<hr/>
3000			
3800	State revenue in lieu of taxes		
3820	Homestead exemption		96,303
3830	Merchants inventory tax		6,578
3840	Manufacturer's depreciation reimbursement		27,738
3890	Other state property tax revenues		20,143
			<hr/>
	Total state sources		150,762
			<hr/>
	Total revenue all sources		1,988,419
			<hr/>
EXPENDITURES			
500	Debt service		
610	Redemption of principal		1,595,000
620	Interest		275,968
690	Other objects		648
			<hr/>
	Total debt service		1,871,616
			<hr/>
	Total expenditures		1,871,616
			<hr/>
	Excess of revenues over expenditures		116,803
	FUND BALANCE, beginning of year		<hr/> 590,059
	FUND BALANCE, end of year	\$	<hr/> 706,862 <hr/>

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, 2015

REVENUES			
1000	Revenue from local sources		
1500	Earnings on investments		
1510	Interest on investments	\$	3,287
1600	Food services		
1610	Lunch sales to pupils		163,414
1620	Breakfast sales to pupils		-
1630	Special sales to pupils		194,296
1640	Lunch sales to adults		38,698
1650	Breakfast sales to adults		1,660
1660	Special sales to adults		20,314
1900	Other revenue from local sources		
1999	Revenue from other local sources		1,036
			<u>422,705</u>
3000	Revenue from state sources		
3100	Restricted state funding		
3140	School lunch		
3142	Program aid		324
			<u>324</u>
4000	Revenue from federal sources		
4800	USDA reimbursements		
4810	School lunch and after school snacks program		970,213
4830	School breakfast program		378,815
4850	Cash in lieu of USDA commodities		112,644
4860	Fresh fruits and vegetables		29,664
			<u>1,491,336</u>
	Total revenue all sources		<u>1,914,365</u>
EXPENSES			
256	Food service		
100	Salaries		782,911
200	Employee benefits		419,211
300	Purchased services		60,236
400	Supplies and materials		1,031,037
500	Capital outlay		
570	Depreciation		29,219
600	Other		8,715
	Total expenses		<u>2,331,329</u>
OTHER FINANCING SOURCES			
Interfund transfers from other funds			
5210	Transfer from general fund		150,255
	Change in net position		<u>(266,709)</u>
NET POSITION, beginning of year as previously reported			921,222
Restatement, see note 16			<u>(2,201,426)</u>
NET POSITION, beginning of year as restated			<u>(1,280,204)</u>
NET POSITION, end of year		\$	<u>(1,546,913)</u>

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

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, 2015**

RECEIPTS

1000	Revenues from local sources		
1700	Pupil activities		
1790	Other		\$ 1,654,509
	Total revenues		<u>1,654,509</u>

DISBURSEMENTS

270	Supporting services pupil activity		
273	Trust and agency activities		
660	Enterprise activities		<u>1,707,196</u>
	Total disbursements		<u>1,707,196</u>
	Excess of disbursements over receipts		(52,687)

DUE TO STUDENT ORGANIZATIONS, beginning of year 489,216

DUE TO STUDENT ORGANIZATIONS, end of year \$ 436,529

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

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, 2015**

	Due to student organizations July 1, 2014	Receipts	Disbursements	Excess of receipts over (under) disbursements	Due to student organizations June 30, 2015
Strom Thurmond High School	\$ 183,804	\$ 646,400	\$ 681,096	\$ (34,696)	\$ 149,108
Strom Thurmond Vocational	88,606	160,463	186,055	(25,592)	63,014
J.E.T. Middle	47,090	172,055	165,474	6,581	53,671
Merriwether Middle	27,619	238,058	229,079	8,979	36,598
Johnston Elementary	41,269	58,825	58,842	(17)	41,252
W.E. Parker Elementary	39,537	138,900	145,988	(7,088)	32,449
Douglas Elementary	22,504	45,917	50,767	(4,850)	17,654
Merriwether Elementary	38,787	193,891	189,895	3,996	42,783
	<u>\$ 489,216</u>	<u>\$ 1,654,509</u>	<u>\$ 1,707,196</u>	<u>\$ (52,687)</u>	<u>\$ 436,529</u>

School District of Edgefield County*Schedule G - Detailed Schedule of Due to**State Department of Education/Federal Government**June 30, 2015*

Program	Grant or project number	Revenue code	Amount due	Status of Amount due
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, 2015, 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 3, 2015.

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 Decosimo, LLC". The signature is written in a cursive style with a large, sweeping initial 'E'.

Greenwood, South Carolina
November 3, 2015



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, 2015. 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, 2015.

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.



Greenwood, South Carolina
November 3, 2015

School District of Edgefield County

Schedule of Expenditures of Federal Awards

For the fiscal year ended June 30, 2015

LEA Subfund Code	Federal granter/ Pass-through grantor/ Program title	Federal CFDA number	Pass through grantor's number	Total expenditures
Title I, Part A Cluster				
United States Department of Education				
Passed through South Carolina Department of Education				
201	Title I	84.010	13BA032	\$ 865,208
237	Title I - Focus Schools	84.010	13FO032	33,713
239	Title I - Priority Schools	84.010	13BL032	93,104
Total Title I, Part A Cluster				<u>992,025</u>
Special Education Cluster				
United States Department of Education				
Passed through South Carolina Department of Education				
203	Individuals with Disabilities Education Act (IDEA)	84.027	13CA032	933,573
205	IDEA Preschool Grants	84.173	13GG032	37,808
Total Special Education Cluster				<u>971,381</u>
Child Nutrition Cluster				
United States Department of Agriculture				
Passed through South Carolina Department of Education				
600	School breakfast program - cash assistance	10.553	N/A	378,815
School lunch program:				
600	Cash assistance	10.555	N/A	<u>1,112,521</u>
Total Child Nutrition Cluster				<u>1,491,336</u>
OTHER PROGRAMS				
Passed through South Carolina Department of Education				
207	Occupational Education	84.048	13VA032	61,995
243	Adult Education	84.002	13EA032	80,602
251	Title VI	84.358B	13BS032	12,446
262	Teacher Incentive Fund (TIF) 4	84.374B		576,855
264	Title III ESL	84.365	13BP032	8,099
267	Improving Teacher Quality	84.367	13TQ032	159,568
268	TAP Grant	84.374	13TT032-01	486,892
820	School Lunch Equipment	10.579	15NSLE	8,493
				<u>1,394,950</u>
Total U.S. Department of Education				<u>1,394,950</u>
Corporation for National and Community Service				
Direct program				
890	AmeriCorps	94.006	N/A	<u>70,677</u>
United States Department of Defense				
Direct program				
272	Naval Junior ROTC	12.990	N/A	<u>47,489</u>
United States Department of Agriculture				
Direct program				
100	U.S. Forest Commission Revenues	10.666	N/A	<u>43,771</u>
Total federal assistance expended				<u>\$ 5,011,629</u>

See notes to schedule of expenditures of federal awards.

School District of Edgefield County

Notes to Schedule of Expenditures of Federal Awards

For the year ended June 30, 2015

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, 2015. 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, 2015

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 no
- Significant deficiency(ies) identified? yes none reported

Noncompliance material to financial statements noted?

yes no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes 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 no

Identification of major federal programs:

<u>CFDA #</u>	<u>Program / Cluster Name</u>
10.553, 10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B Programs:

\$300,000

Auditee qualified as low-risk auditee?

yes no

Section II. Financial Statement Findings

None

Section III. Federal Award Questioned Costs & Findings

None

School District of Edgefield County

*Summary Schedule of Prior Audit Findings
For the year ended June 30, 2015*

None reported.