

**CALHOUN COUNTY PUBLIC SCHOOLS  
ST. MATTHEWS, SOUTH CAROLINA**

ANNUAL FINANCIAL STATEMENTS  
WITH SUPPLEMENTAL INFORMATION  
YEAR ENDED JUNE 30, 2015  
AND INDEPENDENT AUDITORS' REPORT





**CALHOUN COUNTY PUBLIC SCHOOLS  
ST. MATTHEWS, SOUTH CAROLINA**

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## INDEPENDENT AUDITOR'S REPORT

The Board of Trustees  
Calhoun County Public Schools  
St. Matthews, South Carolina

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Calhoun County Public Schools, St. Matthews, South Carolina (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, and each major fund 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.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 8 and 40 through 42 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements.

The combining and individual fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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 statements and 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 10, 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, 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.

*J. W. Hunt and Company, LLP*

November 10, 2015



Calhoun County Public Schools  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015

As management of Calhoun County Public Schools (the District), we offer readers of the District's financial statements a narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2015. Please read the information presented here in conjunction with the District's financial statements which immediately follow this section.

Financial Highlights

On the governmental activities financial statements:

- The liabilities and deferred inflows of resources of the District exceeded its assets at the close of the most recent fiscal year yielding a net position of approximately -\$2.3 million. Of this amount, approximately \$20 million is a net pension liability that is due after one year.
- Governmental activities have an unrestricted net position of -\$40 million largely due to a net pension liability on a prior period adjustment.
- The District's net position increased by \$2,380,585. Program revenues accounted for \$9,393,480 or 41% of total revenues and general revenues accounted for \$13,489,086 or 59%.
- Total expenses decreased \$613,406 from \$21,115,387 in fiscal year 2014 to \$20,501,981 in fiscal year 2015.

On the fund financial statements:

- The District's governmental fund revenues and other financing sources exceeded expenditures and other financing uses by \$1,436,543.
- The District's general fund revenues and other financing sources exceeded expenditures and other uses by \$500,894. The General Fund total fund balance was reported as \$4,202,011, an increase of 13.5% from June 30, 2014.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and the required supplementary information. This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three parts: (1) government wide financial statements, (2) fund financial statements, and (3) notes to the financial statements themselves.

Government Wide Financial Statements. The government wide financial statements (Statement of Net Position and Statement of Activities) are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. Short-term and long-term information about the District's overall financial status are provided in these statements. These statements include all assets and liabilities using the accrual basis of accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

The Statement of Net Position and Statement of Activities report the District's net position and changes in net position. The change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has either improved or diminished. The causes of this change may be a result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the District is divided into two distinct kinds of activities:

Governmental Activities - Most of the District's programs and services are reported here including instruction, support service, operation and maintenance of plant, pupil transportation, and extracurricular activities.

Business-Type Activities - These services are provided for a charge for goods or services to recover all or part of the expenses of the goods or services provided. The District's food service activities are reported as business-type activities.

The Statement of Net Position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, for some items, revenues and expenses are reported in this statement that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include general fund, special revenue funds, Educational Improvement Act funds, debt service funds, and capital projects funds. The business-type activities of the District include a food service fund.

The government-wide financial statements can be found on pages 9 through 10 of this report.

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds - Most of the District's basic services are included in the governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balance left at year-end that is available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds - Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide statements. The District's food service fund is the only proprietary fund.

Fiduciary Funds - The District is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that assets reported in these funds are used only for their intended purpose and by those to whom the asset belongs. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance operations. The student activities fund, an agency fund, is the only fiduciary fund.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18 through 39 of this report.

Other Supplemental Information - In addition to the basic financial statements and accompanying notes, this also presents certain required supplementary information that further supports the financial statements with a comparison of the District's budget for the year and other supplementary information required by the South Carolina Department of Education.

### Financial Analysis of the District as a Whole

The table below provides a summary of the District's net assets for fiscal years 2015 and 2014:

	Governmental Activities			Business-Type Activities		
	2015	2014	Difference	2015	2014	Difference
Assets:						
Current and other assets	\$ 12,265,522	\$ 10,010,315	\$ 2,255,207	\$ (14,697)	\$ 16,731	\$ (31,428)
Capital assets	35,830,108	36,478,789	(648,681)	443,442	534,703	(91,261)
Total assets	\$ 48,095,630	\$ 46,489,104	\$ 1,606,526	\$ 428,745	\$ 551,434	\$ (122,689)
Deferred Outflows of Resources:						
Deferred Outflows	1,692,266	-	1,692,266	55,041	-	55,041
Total assets and deferred outflows of resources	\$ 49,787,896	\$ 46,489,104	\$ 1,692,266	\$ 483,786	\$ 551,434	\$ 55,041
Liabilities:						
Long-term liabilities outstanding	\$ 45,492,503	\$ 26,760,526	\$ 18,731,977	\$ 630,353	\$ 2,326	\$ 628,027
Other liabilities	4,806,148	3,938,193	867,955	2,894	440	2,454
Total liabilities	50,298,651	30,698,719	19,599,932	633,247	2,766	630,481
Deferred Inflows of Resources:						
Deferred Inflows	1,628,542	-	1,628,542	52,969	-	52,969
Net position:						
Invested in capital assets, net of related debt	32,266,618	8,058,383	24,208,235	443,442	534,703	(91,261)
Restricted	5,359,076	4,423,427	935,649	-	-	-
Unrestricted	(39,764,991)	3,308,575	(43,073,566)	(645,872)	13,965	(659,837)
Total net position	(2,139,297)	15,790,385	(17,929,682)	(202,430)	548,668	(751,098)
Total liabilities, deferred inflows of resources and net position	\$ 49,787,896	\$ 46,489,104	\$ 1,670,250	\$ 483,786	\$ 551,434	\$ (120,617)

The table below shows the changes in net position for fiscal year 2015. Fiscal year 2014 information is provided to have a comparison to current year revenue and expense.

	Governmental Activities			Business-Type Activities		
	<u>2015</u>	<u>2014</u>	<u>Difference</u>	<u>2015</u>	<u>2014</u>	<u>Difference</u>
Revenue:						
Program revenue:						
Charges for sales and services	\$ 10,647	\$ 1,411	\$ 9,236	\$ 90,617	\$ 106,676	\$ (16,059)
Operating grants and contributions	8,306,902	6,620,886	1,686,016	985,314	963,476	21,838
General revenue:						
Property taxes	13,438,383	13,582,126	(143,743)	-	-	-
Investment earnings	4,776	112,150	(107,374)	-	-	-
Other	4,738	2,734	2,004	41,189	32,790	8,399
Total revenue	<u>21,765,446</u>	<u>20,319,307</u>	<u>1,446,139</u>	<u>1,117,120</u>	<u>1,102,942</u>	<u>14,178</u>
Expenses:						
Instruction	10,745,896	10,608,848	137,048	-	-	-
Support services	7,391,758	7,878,318	(486,560)	-	-	-
Community services	-	11,878	(11,878)	-	-	-
Intergovernmental	28,090	34,305	(6,215)	-	-	-
Interest and other charges	1,131,466	1,346,966	(215,500)	-	-	-
Food service	-	-	-	1,204,771	1,235,072	(30,301)
Total expenses	<u>19,297,210</u>	<u>19,880,315</u>	<u>(583,105)</u>	<u>1,204,771</u>	<u>1,235,072</u>	<u>(30,301)</u>
Change in net position	2,468,236	438,992	2,029,244	(87,651)	(132,130)	44,479
NET POSITION AS OF JULY 1, 2014	15,790,385	15,351,393	438,992	548,668	648,912	(100,244)
PRIOR PERIOD ADJUSTMENT	<u>(20,397,918)</u>	<u>-</u>	<u>(20,397,918)</u>	<u>(663,447)</u>	<u>-</u>	<u>(663,447)</u>
NET POSITION JUNE 30, 2015	<u>\$ (2,139,297)</u>	<u>\$ 15,790,385</u>	<u>\$ (17,929,682)</u>	<u>\$ (202,430)</u>	<u>\$ 516,782</u>	<u>\$ (719,212)</u>

### Financial Analysis of the District Funds

As of the close of the current fiscal year, the District's governmental funds combined ending fund balance was \$9,561,087, an increase of \$1,436,543. Of the fund balance, \$2,570,106 is the fund balance for Educational Facilities Corporation for Calhoun County Schools, Inc.

### General Fund Budgetary Highlights

The District uses a site-based budget to provide flexibility for each school to allocate funds to identified needs. The District allocates dollars to the schools on an equitable basis for supplies in areas of instruction, media, guidance and administration.

The District budgeted \$14,994,057 of revenue. Of the \$14,994,057 revenue budgeted to be received from local and state sources, we had a negative variance in revenue of \$56,056.

- Actual local revenues were \$304,422 lower than expected. This was due to increased property tax collections of \$146,715, Medicaid funding not budgeted of \$37,647, Miscellaneous Revenue under budgeted of \$8,280, an increase in interest revenue and tuition from other LEAs for regular school day of \$12,721 and a \$509,285 over projection in other funds collected.

- State revenues were \$248,366 higher than expected due to restricted state funding being higher than anticipated.
- Operating transfers in were \$20,456 lower than anticipated.
- Operating transfers out were \$173,452 higher than expected.
- In total, actual expenditures were less than budget spending plan by \$743,115. Of the \$14,808,393 budgeted, \$14,065,278 was spent.

#### Capital Asset and Debt Administration

Capital Assets - As of June 30, 2015, the District had invested \$50,730,374 in a broad range of depreciable capital assets, including school buildings, athletic facilities, technology equipment and various types of equipment to operate three schools and one administrative office. This amount represents a net increase of \$496,957 from last year. (More detailed information about fixed assets can be found in Note 6 to the financial statements.) Total depreciation expense for the year was \$1,639,050.

Capital Assets (Net of accumulated depreciation)					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		Total Percent Change
	2015	2014	2015	2014	2015-2014
Land	\$ 1,073,687	\$ 1,073,687	\$ -	\$ -	0.00%
Buildings and improvements	32,699,002	33,807,396	-	-	-3.28%
Equipment	2,057,419	1,597,706	443,442	534,703	17.28%
Total	<u>\$ 35,830,108</u>	<u>\$ 36,478,789</u>	<u>\$ 443,442</u>	<u>\$ 534,703</u>	<u>14.00%</u>

Long-Term Debt - As of June 30, 2015, the District had \$1,397,000 in general obligation bonds outstanding and \$26,535,000 in EFC Revenue Bonds. This represents a net decrease of \$975,000 in debt compared to the prior year. Note 10 in the financial statements will give detailed information about long-term debt.

There is a state statute limiting the amount of general obligation debt a governmental entity may issue. The limit is eight (8) percent of total assessed valuation. To exceed this limit an entity must go for a bond referendum.

The District maintains an "Aa1" rating from Moody's and an "AA+" rating from Standard and Poor's for general obligation debt.

Economic Factor and Next Year's Budget and Rates - The County in which the District resides in is predominantly a rural area. The District's economy depends heavily on manufacturing for both its employment and tax base. The outlook is for manufacturing to grow at a steady rate to add to the County's employment and tax base. Student enrollment increased in the District for the school year 2015.

Request for Information - 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 Office of Finance, Calhoun County Public Schools, 125 Herlong Avenue, Post Office Box 215, St. Matthews, South Carolina 29135.

**CALHOUN COUNTY PUBLIC SCHOOLS  
ST. MATTHEWS, SOUTH CAROLINA**

**STATEMENT OF NET POSITION  
JUNE 30, 2015**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 7,565,462	\$ 7,308	\$ 7,572,770
Restricted cash	55,218	-	55,218
Restricted investments	2,514,888	-	2,514,888
Property taxes receivable (net of allowance for uncollectible property taxes of \$50,261)	734,315	-	734,315
Due from governmental units and other receivables	1,350,427	9,277	1,359,704
Internal balances	45,212	(45,212)	-
Inventories and prepaid expenses	-	13,930	13,930
Capital assets not being depreciated:			
Land	1,073,687	-	1,073,687
Capital assets net of accumulated depreciation:			
Buildings	32,699,002	-	32,699,002
Equipment	2,057,419	443,442	2,500,861
Total capital assets, net of depreciation	35,830,108	443,442	36,273,550
Total assets	48,095,630	428,745	48,524,375
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows	1,692,266	55,041	1,747,307
Total Deferred outflows of resources	1,692,266	55,041	1,747,307
Total assets and deferred outflows of resources	\$ 49,787,896	\$ 483,786	\$ 50,271,682
<b>LIABILITIES:</b>			
Accounts payable and other current liabilities	\$ 1,553,457	\$ 1,513	\$ 1,554,970
Deferred revenue	604,504	-	604,504
Unamortized bond premiums	539,493	-	539,493
Long-term liabilities:			
Due within one year:			
Accrued interest	105,252	-	105,252
Bonds and capital leases	1,934,948	-	1,934,948
Compensated absences	68,494	1,381	69,875
Due in more than one year:			
Bonds and capital leases	26,073,030	-	26,073,030
Compensated absences	102,741	2,072	104,813
Net pension liability due after one year	19,316,732	628,281	19,945,013
Total liabilities	50,298,651	633,247	50,931,898
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows	1,628,542	52,969	1,681,511
Total Deferred inflows of resources	1,628,542	52,969	1,681,511
<b>NET POSITION:</b>			
Invested in capital assets, net of related debt	32,266,618	443,442	32,710,060
Restricted for:			
Capital projects	1,454,723	-	1,454,723
Debt service	3,904,353	-	3,904,353
Unrestricted	(39,764,991)	(645,872)	(40,410,863)
Total net position	(2,139,297)	(202,430)	(2,341,727)
Total liabilities, deferred inflows of resources and net position	\$ 49,787,896	\$ 483,786	\$ 50,271,682

*THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS*

**CALHOUN COUNTY PUBLIC SCHOOLS  
ST. MATTHEWS, SOUTH CAROLINA**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
Instruction	\$ 10,745,896	\$ 10,647	\$ 6,100,936	\$ -	\$ (4,634,313)	\$ -	\$ (4,634,313)
Support services	7,391,758	-	2,058,001	-	(5,333,757)	-	(5,333,757)
Intergovernmental	28,090	-	28,090	-	-	-	-
Interest and other charges	1,131,466	-	119,875	-	(1,011,591)	-	(1,011,591)
Total governmental activities	19,297,210	10,647	8,306,902	-	(10,979,661)	-	(10,979,661)
Business-type activities:							
Food service	1,204,771	90,617	985,314	-	-	(128,840)	(128,840)
Total business-type activities	1,204,771	90,617	985,314	-	-	(128,840)	(128,840)
Total primary government	\$ 20,501,981	\$ 101,264	\$ 9,292,216	\$ -	(10,979,661)	(128,840)	(11,108,501)
General revenues:							
Property taxes levied for:							
General purposes					10,534,905	-	10,534,905
Debt service					2,903,478	-	2,903,478
Medicaid					37,647	-	37,647
Local revenue					8,280	-	8,280
Restricted investment earnings					4,776	-	4,776
Transfer in/(out)					(41,189)	41,189	-
Total general revenues					13,447,897	41,189	13,489,086
Change in net position					2,468,236	(87,651)	2,380,585
Net position, beginning of year					15,790,385	548,668	16,339,053
Prior Period adjustment					(20,397,918)	(663,447)	(21,061,365)
Net position, end of year					\$ (2,139,297)	\$ (202,430)	\$ (2,341,727)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**CALHOUN COUNTY PUBLIC SCHOOLS  
ST. MATTHEWS, SOUTH CAROLINA**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015

	General	Special Revenue	EIA	Debt Service Fund	SCAGO Debt Service Fund	School Building Fund	SCAGO School Building Fund	Total Governmental Funds
ASSETS:								
Cash and cash equivalents	\$ 4,464,456	\$ -	\$ -	\$ 1,378,855	\$ -	\$ 1,722,151	\$ -	\$ 7,565,462
Restricted cash equivalents	-	-	-	-	-	-	55,218	55,218
Restricted investments	-	-	-	-	2,509,334	-	5,554	2,514,888
Property taxes receivable, net	718,151	-	-	16,164	-	-	-	734,315
Due from other funds	342,051	142,556	481,000	-	-	485,325	-	1,450,932
Other receivables	397,739	949,923	14,208	-	-	-	-	1,361,870
Total assets	\$ 5,922,397	\$ 1,092,479	\$ 495,208	\$ 1,395,019	\$ 2,509,334	\$ 2,207,476	\$ 60,772	\$ 13,682,685
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:								
Liabilities:								
Accounts payable and accrued liabilities	\$ 746,282	\$ 26,750	\$ 7,899	\$ -	\$ -	\$ 721,350	\$ -	\$ 1,502,281
Due to other funds	380,000	944,988	-	-	-	92,175	-	1,417,163
Due to other governmental units	-	613	2,933	-	-	-	-	3,546
Total liabilities	1,126,282	972,351	10,832	-	-	813,525	-	2,922,990
Deferred inflows of resources:								
Unavailable property tax revenue	594,104	-	-	-	-	-	-	594,104
Unearned grant revenue	-	120,128	484,376	-	-	-	-	604,504
Total deferred inflows of resources	594,104	120,128	484,376	-	-	-	-	1,198,608
Fund balances:								
Restricted	-	-	-	1,395,019	2,509,334	1,393,951	60,772	5,359,076
Unassigned	4,002,011	-	-	-	-	-	-	4,002,011
Assigned	200,000	-	-	-	-	-	-	200,000
Total fund balances	4,202,011	-	-	1,395,019	2,509,334	1,393,951	60,772	9,561,087
Total liabilities and fund balances	\$ 5,922,397	\$ 1,092,479	\$ 495,208	\$ 1,395,019	\$ 2,509,334	\$ 2,207,476	\$ 60,772	\$ 13,682,685
Total fund balances								\$ 9,561,087
Amounts reported for governmental activities in the statement of net assets are different because of the following:								
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. The cost of assets is \$50,667,687 and the accumulated depreciation is \$14,837,579.								35,830,108
Property taxes receivable not available to pay for current-period expenditures and therefore are deferred in the funds.								594,104
The net pension asset is not an available resource and, therefore, is not reported in the funds								1,144,911
Unearned bond premiums are not available to pay for current period expenditures and are therefore not reported in the funds. The premiums of \$768,368 have been amortized by \$32,697 annually.								(539,493)
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.								
Revenue bonds payable								(26,535,000)
GO bonds payable								(1,397,000)
Arbitrage payable								(47,631)
Capital lease obligations								(75,978)
Accrued compensated absences								(171,235)
Accrued interest								(105,252)
Accrued Benefits in governmental activities are not financial resources and therefore are not reported in the funds								(20,397,918)
Net position of governmental activities								\$ (2,139,297)

*THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS*



**CALHOUN COUNTY PUBLIC SCHOOLS  
ST. MATTHEWS, SOUTH CAROLINA**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	General <u>Fund</u>	Special Revenue <u>Fund</u>	EIA <u>Fund</u>	Debt <u>Service Fund</u>	SCAGO Debt <u>Service Fund</u>	School <u>Building Fund</u>	SCAGO School <u>Building Fund</u>	Total Governmental <u>Funds</u>
REVENUES:								
Local property taxes	\$ 6,358,252	\$ -	\$ -	\$ 2,769,661	\$ -	\$ -	\$ -	\$ 9,127,913
Other local	45,927	185,164	-	-	118,638	996	1	350,726
Total local	6,404,179	185,164	-	2,769,661	118,638	996	1	9,478,639
State	8,533,822	491,732	1,310,288	118,193	-	-	-	10,454,035
Federal	-	1,844,593	-	-	-	-	-	1,844,593
Total revenues	14,938,001	2,521,489	1,310,288	2,887,854	118,638	996	1	21,777,267
EXPENDITURES:								
Current:								
Instruction	7,357,573	1,455,214	868,297	-	-	-	-	9,681,084
Support services	6,595,307	1,326,388	112,171	-	4,000	92,896	5,750	8,136,512
Intergovernmental	-	28,090	-	-	-	-	-	28,090
Debt service:								
Principal	-	-	-	2,618,000	975,000	-	-	3,593,000
Interest	-	-	-	18,780	1,294,181	-	-	1,312,961
Purchased Services	-	-	-	24,947	-	-	-	24,947
Capital outlay	112,398	-	-	-	-	794,453	-	906,851
Total expenditures	14,065,278	2,809,692	980,468	2,661,727	2,273,181	887,349	5,750	23,683,445
Excess (deficiency) of revenues over expenditure	872,723	(288,203)	329,820	226,127	(2,154,543)	(886,353)	(5,749)	(1,906,178)
OTHER FINANCING SOURCES (USES):								
Premiums on bonds issued	-	-	-	-	-	17,167	-	17,167
Proceeds of general obligation bonds	-	-	-	-	-	3,359,000	-	3,359,000
Proceeds of sale of fixed assets	7,743	-	-	-	-	-	-	7,743
Transfers in	362,915	313,717	7,581	-	2,155,004	380,000	653	3,219,870
Transfers out	(742,487)	(25,514)	(337,401)	-	(653)	(2,155,004)	-	(3,261,059)
Total other financing sources (uses)	(371,829)	288,203	(329,820)	-	2,154,351	1,601,163	653	3,342,721
Net change in fund balances	500,894	-	-	226,127	(192)	714,810	(5,096)	1,436,543
Fund balances - July 1, 2014	3,701,117	-	-	1,168,892	2,509,526	679,141	65,868	8,124,544
Fund balances - June 30, 2015	\$ 4,202,011	\$ -	\$ -	\$ 1,395,019	\$ 2,509,334	\$ 1,393,951	\$ 60,772	\$ 9,561,087

*THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS*

**CALHOUN COUNTY PUBLIC SCHOOLS  
ST. MATTHEWS, SOUTH CAROLINA**

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

Total net change in fund balance - governmental funds	\$ 1,436,543
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Amounts reported for governmental activities in the statement of activities are different because of the following:

Capital outlays are reported in governmental funds as expenditures. Not all capital outlay is capitalized, only those items over \$5,000. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense (\$1,547,789) in the period exceeds capital outlays (\$906,852).	(640,937)
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The net effect of various miscellaneous transactions involving capital assets (i.e., sales) is to decrease net assets.	(7,743)
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Some of the capital assets acquired in prior years were financed with capital leases. The amount financed by the leases is reported in the governmental funds as a source of financing. On the other hand, the capital leases are not revenues in the statement of activities but rather constitute long-term liabilities in the statement of net assets.

Capital lease payments	178,428
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Bonds issued	\$ (3,359,000)	
Bond premiums	32,696	
Bond principal retirement	3,593,000	266,696

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 deferred in the governmental funds. Deferred tax revenues decreased by this amount this year.	12,201
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Excess earnings resulting from arbitrage must be rebated to the US Treasury on the fifth anniversary of the issuance of the tax-exempt debt and five years thereafter until the debt has been repaid. The accrual of arbitrage was increased during the year.	(5,192)
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In the statement of activities, compensated absences (vacation pay) 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). This year, vacation pay used (\$155,946) exceeds the amount earned (\$77,126) by \$78,820.	78,820
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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. The additional interest reported in the statement of activities is the net result of two factors. Accrued interest on bonds, leases, and contracts payable decreased by \$4,510.	4,510
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The District Implemented GASB 68 during the year. The District is able to recognize the Retirement expense paid during the year as a deferred inflow or outflow of resources.	1,144,911
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Change in net assets of governmental activities	\$ 2,468,236
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*THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS*

**CALHOUN COUNTY PUBLIC SCHOOLS  
ST. MATTHEWS, SOUTH CAROLINA**

STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2015

	Enterprise Fund - <u>Food Services</u>
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 7,308
Due from other governmental units	9,277
Inventories - supplies and materials	13,930
Total current assets	<u>30,515</u>
Capital assets:	
Equipment	1,136,373
Less accumulated depreciation	(692,931)
Total capital assets	<u>443,442</u>
Total assets	<u>473,957</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred OutFlows of Resources	<u>55,041</u>
Total Deferred outflows of resources	<u>55,041</u>
Total assets and deferred outflows of resources	<u><u>\$ 528,998</u></u>
LIABILITIES:	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 4,966
Due to other funds	45,212
Total current liabilities	<u>50,178</u>
Long-term liabilities:	
Net pension liability due after one year	628,281
Total Liabilities	<u>678,459</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows of Resources	<u>52,969</u>
Total Deferred Inflows of resources	<u>52,969</u>
NET POSITION:	
Invested in capital assets	443,442
Unrestricted	(645,872)
Total net position	<u>(202,430)</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 528,998</u></u>

*THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS*

**CALHOUN COUNTY PUBLIC SCHOOLS  
ST. MATTHEWS, SOUTH CAROLINA**

STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2015

	Enterprise Fund - <u>Food Services</u>
OPERATING REVENUES:	
Proceeds from sale of meals	\$ 90,617
Total operating revenues	<u>90,617</u>
OPERATING EXPENSES:	
Food costs	542,621
Salaries and wages	465,406
Supplies and materials	61,302
Depreciation	91,261
Other operating costs	44,181
Total operating expenses	<u>1,204,771</u>
Operating loss	<u>(1,114,154)</u>
NONOPERATING REVENUES:	
USDA reimbursements	958,847
Commodities received from USDA	26,398
Other federal and state aid	69
Total nonoperating revenues	<u>985,314</u>
Loss before operating transfers	<u>(128,840)</u>
Transfers in:	
Operating transfer in	41,189
Change in net position	<u>(87,651)</u>
Total net position - July 1, 2014	548,668
Prior period adjustment	<u>(663,447)</u>
Total net position - June 30, 2015	<u><u>\$ (202,430)</u></u>

*THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS*

**CALHOUN COUNTY PUBLIC SCHOOLS  
ST. MATTHEWS, SOUTH CAROLINA**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2015

	Enterprise Fund - <u>Food Services</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Received from patrons	\$ 127,198
Payments to employees for services	(501,776)
Payments to suppliers for goods and services	(583,641)
Payments to others	(44,181)
Net cash used by operating activities	<u>(1,002,400)</u>
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES:</b>	
Transfer out	41,189
Federal and state aid	958,916
Net cash received from noncapital financing activities	<u>1,000,105</u>
Net decrease in cash and cash equivalents	(2,295)
Cash and cash equivalents - July 1, 2014	<u>9,603</u>
Cash and cash equivalents - June 30, 2015	<u><u>\$ 7,308</u></u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (1,114,154)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	91,261
Commodities used	26,398
Changes in assets and liabilities:	
Accounts receivable	36,581
Inventories	(7,448)
Accounts payable	1,332
Accrued compensated absences	869
Deferred revenue	-
Deferred outflow of resources	<u>(37,239)</u>
Net cash used by operating activities	<u><u>\$ (1,002,400)</u></u>
Noncash capital and financing transactions:	
During the year, the District received \$26,398 of food commodities from the U.S. Department of Agriculture.	

*THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS*

**CALHOUN COUNTY PUBLIC SCHOOLS  
ST. MATTHEWS, SOUTH CAROLINA**

**STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2015**

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	<u>Agency Funds</u>
ASSETS:	
Cash and cash equivalents	\$ 95,058
Due from other funds	11,443
Total assets	<u>106,501</u>
 LIABILITIES:	
Accounts payable	809
Due to student groups	<u>105,692</u>
Total liabilities	<u>106,501</u>
 NET POSITION	 <u><u>\$ -</u></u>

*THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS*

**CALHOUN COUNTY PUBLIC SCHOOLS  
ST. MATTHEWS, SOUTH CAROLINA**

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NOTES TO FINANCIAL STATEMENTS, JUNE 30, 2015

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The financial statements of Calhoun County Public Schools (the District) have been prepared in conformity with generally accepted accounting principles 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 accompanying financial statements present the District and its component unit, an entity for which the District is considered to be financially accountable. The blended component unit, although legally a separate entity is, in substance, part of the District's operations. The more significant of the District's accounting policies are described below.

*Reporting Entity:*

The definition of a primary government is an entity that has a separately elected governing body, is legally separate from other entities and is fiscally independent of other state and local governmental entities. The management of the District believes that although Calhoun County Public Schools does not have the power to directly levy taxes, it meets the fiscally independent test since Calhoun County (the County) is required by State law to maintain local effort and therefore cannot materially affect the tax levy submitted by the District. The District has therefore been classified as a primary government and these financial statements include the accounts of the District and its component unit operations as well as the agency funds for which it is responsible.

Blended Component Unit - The SCAGO Educational Facilities Corporation (SCAGO) is a nonprofit entity formed in 2007 for the purpose of undertaking certain obligations with respect to the acquisition or sale of real and/or personal property in connection with the design, construction, operation, financing and refinancing of educational facilities to be used by the District and such other projects located in and for the benefit of the District as permitted by applicable law. SCAGO does not issue separate financial statements.

The District entered into a lease purchase agreement with SCAGO that required a transfer of the District's governmental assets to SCAGO for the aforementioned purpose. Over a period of 25 years, beginning in 2007-2008, the District will issue general obligation bonds, the proceeds of which will be used to repurchase the improved and newly constructed assets.

CALHOUN COUNTY PUBLIC SCHOOLS  
ST. MATTHEWS, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

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*Governmental Funds:*

General Fund - The general operating fund of the District is used to account for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not allocated by law or contractual agreement to other funds are recorded in the General Fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid through the general fund. This is a budgeted fund, and any fund balance is considered a resource available for use.

Special Revenue Funds - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. The District has two Special Revenue Funds:

1. The Special Projects Fund is used to account for financial resources provided by federal, state, and local projects and grants. Budgets are prepared on a per project basis, generally with approval of the funding source. These budgets are not a part of the formal budget process approved by the board of trustees.
2. The Educational Improvement Act (EIA) Fund is used to account for the revenue from the South Carolina Education Improvement Act of 1984, which is legally required by the state to be accounted for as a specific revenue source. Budgets are prepared on a per project basis. These budgets are not a part of the formal budget process approved by the board of trustees.

Debt Service Funds - These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for debt principal and interest.

School Building Funds (Capital Projects) - These funds are used to account for financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition and construction of capital facilities and other capital assets. Capital project funds exclude those types of capital related outflows financed by the proprietary funds.

*Proprietary Fund:*

Enterprise Fund - This fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that the costs of providing goods or services to the students on a continuing basis is financed or recovered through user charges. The measurement focus is on capital maintenance and the determination of net income.



CALHOUN COUNTY PUBLIC SCHOOLS  
ST. MATTHEWS, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

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*Fiduciary Funds:*

Agency Funds - These funds are used to account for assets held by the District in a trustee capacity as an agent for student organizations and schools. Agency funds are custodial in nature and do not involve measurement of results of operations.

*Basis of Presentation:*

Government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. As a general rule the effect of interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely, to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or segment. Program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. In addition, program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements are also provided in the report for all of the governmental funds, proprietary funds, and the fiduciary funds of the District. Fiduciary funds are reported by fund type.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund are food service charges. Operating expenses for the District's enterprise fund include food production costs, supplies, administrative costs, and depreciation on capital assets. All revenues or expenses not meeting this definition are reported as nonoperating revenues and expenses.

The District reports the General Fund, Special Revenue Fund, Education Improvement Act Fund, School Building Funds, Debt Service Funds, SCAGO Debt Service and Building Funds as major governmental funds.

*Measurement Focus and Basis of Accounting:*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied by the County. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net position (assets and deferred outflows less liabilities and deferred inflows) are used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased the District's net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered "measurable" when transferred to the District's account by the County Treasurer and are recognized at that time. Revenue from federal, state and other grants designated for payment of specific District expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as unearned revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

*Budget:*

The District adopts an annual budget for the general fund, and certain special revenue funds prior to the beginning of each fiscal year. The adopted budget specifies expenditure limits appropriated to each function. Changes between functions require approval of the Board of Trustees.

The budgets as amended are prepared on a basis consistent with generally accepted accounting principles which is consistent with actual financial statement results, including significant accruals, to provide meaningful comparisons. Encumbrances (excluded from actual expenditures in the budget comparison) are not utilized.

*Cash and Cash Equivalents:*

The District considers cash equivalents to be short-term highly liquid investments that are readily convertible to known amounts of cash and so near to maturity that they present negligible risk of changes in value because of changes in interest rates.

CALHOUN COUNTY PUBLIC SCHOOLS  
ST. MATTHEWS, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS

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*Cash with County Treasurer:*

The County Treasurer, fiscal agent for the District, receives monies from local, state, and federal sources on behalf of the District. The monies held by the County are collateralized with government investments held by the pledging institution's agent in the name of the County. Market value approximates cost on the investments. These monies are remitted to the District once a claim has been presented to the County.

*Inventories:*

Purchased food and food supplies are carried in an inventory account at cost on the first-in, first-out method of accounting and are subsequently charged to expense when used. USDA food commodities are priced at values assigned by the Federal Government which approximate local wholesale prices.

*Capital Assets:*

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Real property (land, land improvements and buildings) acquired or constructed prior to June 30, 2001 were recorded at cost or estimated historical cost. Acquisitions subsequent to June 30, 2001 have been recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

All reported capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	40
Improvements other than buildings	15
Furniture and equipment	10
Vehicles	10
Computers	5

Proprietary Fund equipment purchases are capitalized in the Proprietary Fund at cost and depreciated on a straight-line basis over 10 years.

*Fund Balances:*

The governmental funds have the following types of fund balances:

*Nonspendable* - The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale.

*Restricted* - Fund balance should be reported as restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed* - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority should be reported as committed fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

*Assigned* - Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance, except for stabilization arrangements. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. The District board approved a motion to assign \$200,000 for employee increases in salary.

*Unassigned* - Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The District reports assigned fund balance when it appropriates a portion of fund balance in the next fiscal year's general fund budget.

The District applies restricted resources when an expenditure is incurred for the purposes for which both restricted and unrestricted net assets are available. The District applies committed amounts, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

*Net Position:*

Net position is composed of net assets invested in capital assets, net of related debt, and consists of capital assets reduced by accumulated depreciation and the outstanding balances of

any borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt, that has not been spent, is included in the same net assets component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

*Compensated Absences:*

Compensated absences are absences for which employees will be paid. A liability for compensated absences, including all salary related payments, is accrued as employees earn the rights to the benefits.

Annual vacation is earned by employees up to a maximum of thirty days.

As of June 30, 2015, the liability for compensated absences has been recorded in the amount of \$174,688. Amounts paid during the year from current resources will be charged to the funds from which the employees are paid.

*Use of Estimates:*

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

*Subsequent Events:*

The District has considered subsequent events through November 10, 2015, the date of issuance, in preparing the financial statements and notes thereto.

*Recent Accounting Pronouncements:*

**NOTE 2 - CASH 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. Savings and loan associations to the extent they are secured by federal deposit insurance.
4. Certificates of deposit where the certificates are collaterally secured by securities of the types described in (1) and (2) above held by a third party as escrow agent or custodian, of a market value not less than the amounts of the certificates of deposit plus interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
5. Repurchase agreements when collateralized by securities noted above.

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*Deposits:*

The District's bank balances at June 30, 2015, totaled \$867,856. Of this balance, \$250,000 was collateralized by Federal Deposit Insurance. The balance is collateralized by obligations of the United States of America and its agencies (as required by state law) and is held at the Bank of New York Mellon under the District's control via book entry.

At June 30, 2015, the County held \$5,140,662 of the District's funds in a money market account which was collateralized in the same manner as the District's own cash.

*Investments:*

As of June 30, 2015, the SCAGO had the following investments:

<u>Investment</u>	<u>Fair Value</u>	<u>Cost</u>
Money Market Funds	\$ 242,264	\$ 242,264
United States Agency	<u>2,272,624</u>	<u>2,272,624</u>
Total	<u>\$ 2,514,888</u>	<u>\$ 2,514,888</u>

The United States Agency security held by SCAGO at June 30, 2015 matures in less than one year and carries an investment grade of AAA at June 30, 2015. Amortized cost approximates fair value for this discounted bond.

Interest Rate Risk

The 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. However, the District limits its risk by restricting its investment maturities to no more than one year.

Credit Risk

The District has no investment policy that would limit its investment choices other than those that are mandated by state law.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer.

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**NOTE 3 - PROPERTY TAXES:**

Property taxes are levied by Calhoun County on real and personal properties owned on the preceding December 31 of each fiscal year ended June 30. Liens attach to the property at the time taxes are levied which is usually in November. These taxes are due without penalty through January 15. Penalties are added to taxes depending on the date paid as follows:

January 15 through February 1	3% of tax
February 2 through March 16	10% of tax
March 17 through March 31	15% of tax plus collection cost

Current year real and personal taxes become delinquent on April 1. The levy date for motor vehicles is the first day of the month in which the motor vehicle license expires.

**NOTE 4 - COMPLIANCE AND ACCOUNTABILITY:**

No individual funds incurred expenditures in excess of budgeted appropriations for the year ended June 30, 2015.

**NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS:**

*Due to/from Other Funds:*

The outstanding balances between funds result mainly from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

As of June 30, 2015, the composition of interfund balances is as follows:

	DUE FROM OTHER <u>FUNDS</u>	DUE TO OTHER <u>FUNDS</u>
General Fund	\$ 342,051	380,000
Special Revenue Fund	142,556	944,988
Education Improvement Act	481,000	-
Building Fund	485,326	92,175
Enterprise Fund	-	45,212
Pupil Activity	11,442	-
	<hr/>	<hr/>
Total	\$ 1,578,572	\$ 1,578,572

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*Interfund Transfers:*

Transfers are used to move revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

During the year ended June 30, 2015, the following transfers were made:

<u>FUND</u>	TRANSFERS <u>TO</u>	TRANSFERS <u>FROM</u>
General Fund		
Education Improvement Fund	\$ 7,581	\$ 337,401
Special Revenue Fund	313,717	25,514
Proprietary Fund	41,189	-
School Building Fund	380,000	-
Special Revenue Fund		
General Fund	25,514	313,717
Education Improvement Fund		
General Fund	337,401	7,581
School Building Fund		
General Fund	-	380,000
Debt Service - SCAGO		
School Building - Other	653	2,155,004
Debt Service - Other		
Debt Service - SCAGO	2,155,004	653
Proprietary Fund		
General Fund	-	41,189
Total	<u>\$ 3,261,059</u>	<u>\$ 3,261,059</u>



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**NOTE 6 - CAPITAL ASSETS:**

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

	BEGINNING <u>BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	ENDING <u>BALANCE</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,073,687	\$ -	\$ -	\$ 1,073,687
Total capital assets not being depreciated	1,073,687	-	-	1,073,687
Other capital assets:				
Buildings and improvements	44,699,875	25,470	-	44,725,345
Machinery and equipment	4,380,757	881,382	(393,483)	4,868,656
Total other capital assets being depreciated at cost	49,080,632	906,852	(393,483)	49,594,001
Less accumulated depreciation for:				
Buildings and improvements	(10,892,479)	(1,133,864)	-	(12,026,343)
Machinery and equipment	(2,783,051)	(413,925)	385,739	(2,811,237)
Total accumulated depreciation	(13,675,530)	(1,547,789)	385,739	(14,837,580)
Other capital assets, net	35,405,102	(640,937)	(7,744)	34,756,421
Governmental activities, capital assets, net	\$ 36,478,789	\$ (640,937)	\$ (7,744)	\$ 35,830,108
Business type activities:				
Equipment	\$ 1,152,785	\$ -	\$ (16,412)	\$ 1,136,373
Less accumulated depreciation	(618,082)	(91,261)	16,412	(692,931)
Business type activities, capital assets, net	\$ 534,703	\$ (91,261)	\$ -	\$ 443,442

Depreciation was charged to the District's activities on the statement of activities as follows:

Governmental activities:	
Instruction	\$ 1,230,459
Support services	317,330
Business-type activities:	
Food service	91,261

**NOTE 7 - DEFERRED COMPENSATION PLANS:**

Several optional deferred compensation plans are available to State employees. Certain employees of the District have elected to participate. The multiple-employer plans, created under Internal Revenue Code Sections 457 and 401(k) are accounted for as agency funds of the State and included in the Comprehensive Annual Financial Report (CAFR) of the State of South Carolina. Employees may withdraw the current value of their contributions when they terminate State employment. Employees may also withdraw contributions prior to termination if they meet requirements specified by the applicable plan.

Compensation deferred under the Section 401(k) plan is placed in trust for the contributing employee. The State has no liability for losses under the plan. The Administration has amended the Section 457 plan to comply with Internal Revenue changes.

In addition to the Section 401(k) plan discussed above, employees may participate in additional plans available through sources other than the State. The District is not required to make contributions on behalf of employees participating in these plans.

**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.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960. 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 Description:*

The District contributes to the South Carolina Retirement System (SCRS) which is a cost sharing multiple employer defined benefit pension plan. SCRS 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.

- 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-year earned service requirement, respectively. 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.

The 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.

For the year ended June 30, 2015, the District's total payroll for all employees was \$11,115,412. Total covered payroll was \$10,903,456. Covered payroll refers to all compensation paid by the District to active employees covered by the Plan.

*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

- 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

The District's contributions to the Plan for the year ended June 30, 2015 were \$1,710,967. Plan members contributions to the Plan for the year ended June 30, 2015 were \$862,152.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions:*

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 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 our consulting actuary, Gabriel, Roeder, Smith and Company.

At June 30, 2015, the District reported a liability of \$19,945,013 for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2013, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Library's proportion of the net pension liability was based on a projection of the Library's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At July 1, 2013, the District's proportion of SCRS was 0.115847 percent.

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For the year ended June 30, 2015, the District recognized pension expense of \$1,397,919. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual results	\$ 565,158	\$ -
Net difference between projected and actual earnings on Plan investments	-	1,681,511
District contributions subsequent to the measurement date	1,182,149	-
	<hr/>	<hr/>
Total	\$ 1,747,307	\$ 1,681,511
	<hr/>	<hr/>

The \$1,182,149 of deferred outflows of resources resulting from the District's contributions subsequent to the measurement date 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 will be recognized in pension expense as follows:

<u>Measurement Period Ending June 30,</u>	<u>SCRS</u>
2016	\$ 262,800
2017	262,800
2018	262,800
2019	406,287
Thereafter	-
Net balance of deferred outflows/(inflows) of resources	<hr/> <u>1,194,687</u> <hr/>

*Actuarial Assumptions:*

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.

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

	<b>SCRS</b>
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.

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.

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.

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<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Expected Arithmetic Real Rate of Return</b>	<b>Long Term Expected Portfolio Real Rate of Return</b>
Short Term		5.0%	
Cash	2.0%	0.3%	0.01%
Short Duration	3.0%	0.6%	0.02%
Domestic Fixed Income	13.0%		
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	9.0%		
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	32.0%		
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 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. The following table presents the sensitivity of the net pension liability to changes in the discount rate.

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*Sensitivity of the Library's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:*

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.5 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-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

<b>Sensitivity of the District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate</b>			
<b>System</b>	<b>1.00% Decrease (6.50%)</b>	<b>Current Discount Rate (7.50%)</b>	<b>1.00% Increase (8.50%)</b>
<b>SCRS</b>	\$ 25,810,081	\$ 19,945,013	\$ 15,051,864

*Plan Fiduciary Net Position:*

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. The CAFR of the Pension Trust Funds is publicly available on PEBA's Retirement Benefits' website at [www.retirement.sc.gov](http://www.retirement.sc.gov), or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960.

**NOTE 9 - POST-EMPLOYMENT AND OTHER EMPLOYEE BENEFITS:**

In accordance with the South Carolina Code of Laws and the annual Appropriation Act, the State of South Carolina provides certain health care, dental, and life insurance benefits to active and certain retired State employees and certain surviving dependents of retirees. All permanent full-time and certain permanent part-time employees of the District are eligible to receive these benefits. The State provides post-employment health and dental benefits to employees who retire from State service or who terminated with at least 20 years of State service who meet one or more of the eligibility requirements, such as age, length of service, and hire date.

Generally those who retire must have at least 10 years of retirement service credit to qualify for State-funded benefits. Benefits are effective at date of retirement when the employee is eligible for retirement benefits.

These benefits are provided through annual appropriations by the General Assembly to the District for its active employees and to the State Budget and Control Board for all participating State retirees except the portion funded through the pension surcharge and provided from other applicable revenue sources of the District for its active employees who are not funded by State General Fund appropriations. The State finances health and dental plan benefits on a pay-as-you-go basis.

The District paid \$538,845, \$513,381, and \$462,320, during the years ended June 30, 2015, 2014 and 2013, respectively, applicable to 5.00%, 4.92%, and 4.55%, respectively, of surcharges included with the employer contributions for these post-employment retirement



benefits. These amounts were remitted to the SCRS for distribution to the Division of Insurance Services for retiree health and dental insurance benefits.

Information regarding the cost of insurance benefits applicable to District retirees is not available. By State law, the District currently has no liability for retirement benefits. Accordingly, the cost of providing these benefits for retirees is not included in the accompanying financial statements.

In addition, the State General Assembly periodically directs the SCRS to pay supplemental (cost of living) increases to retirees. Such increases are primarily funded from the SCRS's earnings; however, a portion of the required amount is appropriated from the State General Fund annually.

**NOTE 10 - LONG TERM AND SHORT TERM DEBT:**

The outstanding SCAGO Installment Purchase Revenue Bonds Series 2006 have interest rates ranging from 4.5 to 5.0 percent and maturities through the year ending June 30, 2032. Principal outstanding at June 30, 2015 is \$26,535,000. Interest expense on these bonds totaled \$1,294,181 of which none has been capitalized in the government-wide financial statements.

Interest paid on the debt issued by the District is exempt from federal income tax. The District sometimes temporarily reinvests the proceeds of such tax-exempt debt in materially higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this practice as arbitrage. The bonds did not meet the six month spend down requirement to have an exception to the arbitrage calculation. Excess earnings (the difference between the interest paid on the debt and the investment earnings received) resulting from arbitrage must be rebated to the United States Treasury on the fifth anniversary of the issuance of the tax-exempt debt and every five years thereafter until the debt has been repaid, in accordance with the arbitrage regulations. The District has accrued \$42,439 for arbitrage due in December 2016.

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The following schedule summarizes SCAGO's Revenue Bond debt service requirements subsequent to June 30, 2015:

YEAR	PRINCIPAL	INTEREST	TOTAL
2016	\$ 1,020,000	\$ 1,250,400	\$ 2,270,400
2017	1,075,000	1,198,025	2,273,025
2018	1,130,000	1,142,900	2,272,900
2019	1,185,000	1,085,025	2,270,025
2020	1,245,000	1,024,275	2,269,275
2021-25	7,255,000	4,095,125	11,350,125
2026-30	9,280,000	2,077,813	11,357,813
2031-32	4,345,000	197,662	4,542,662
Total	<u>\$ 26,535,000</u>	<u>\$ 12,071,225</u>	<u>\$ 38,606,225</u>

For payment of principal and interest on general obligation bonds, the full faith, credit and resources of the District are pledged. Further, Calhoun County will levy and collect annually taxes sufficient to pay such obligations.

Under the provisions of Article X, Section 14 of the Constitution of the State of South Carolina, each county, incorporated municipality and special purpose district may, in such manner and upon such terms and conditions as the General Assembly shall prescribe by general law, incur general obligation debt authorized by a majority vote of the qualified electors thereof voting in a referendum, without limitation as to amount, and incur, without an election, general obligation debt (in addition to bonded indebtedness existing on November 30, 1977, and bonded indebtedness authorized by a majority vote of qualified electors) in an amount not exceeding 8% of the assessed value of all taxable property therein. Existing judicial interpretations of the Constitution provide that debt issued to refund general obligation debt legitimately incurred are excluded from computations of "bonded indebtedness" for purposes of that issue. Also excluded from the debt limit is debt issued in anticipation of the collection of ad valorem taxes.

The District's debt limitation at June 30, 2015 is computed below:

2014 Assessed value - as provided by Calhoun County	\$ 81,442,468
	<u>X 8%</u>
Constitutional debt limit	6,515,397
Debt subject to limit	<u>(1,397,000)</u>
Legal debt available without a referendum	<u>\$ 5,118,397</u>

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Long-term liability balances and activity for the year ended June 30, 2015, were as follows:

	July 1, <u>2014</u>	<u>Additions</u>	<u>Reductions</u>	June 30, <u>2015</u>	Amounts Due Within <u>One Year</u>
Compensated absences	\$ 252,639	\$ 78,914	\$ 156,865	\$ 174,688	\$ 69,875
Revenue bonds	27,510,000	-	975,000	26,535,000	1,020,000
Capital lease (See below)	254,406	-	178,428	75,978	24,948
	<u>\$ 28,017,045</u>	<u>\$ 78,914</u>	<u>\$ 1,310,293</u>	<u>\$ 26,785,666</u>	<u>\$ 1,114,823</u>

During the year ended June 30, 2015, the District issued a short term General Obligation Bond to provide funding for the annual debt service needs of the District and the annual installment payment on the 2006 Series SCAGO Installment Purchase Revenue Bonds. As of June 30, 2015, the debt has an outstanding balance of \$1,397,000. The following is a summary of short term obligations at June 30, 2015:

	July 1, <u>2014</u>	<u>Additions</u>	<u>Reductions</u>	June 30, <u>2015</u>	Amounts Due Within <u>One Year</u>
General obligation bonds	\$ 656,000	\$ 3,359,000	\$ 2,618,000	\$ 1,397,000	\$ 890,000

The District has a lease agreement for computers which have a cost of \$583,870 and accumulated depreciation of \$349,142 which was paid off during the year. The District has a lease agreement for various vehicles and equipment which have a cost of \$98,288 and accumulated depreciation of \$27,994. Payments of \$26,095 are made annually with an interest rate of 1.51%. The amortization of the capital lease is included in the depreciation expense. The following is a schedule of future minimum lease payments required under capital lease obligations:

YEAR ENDING <u>JUNE 30,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2016	\$ 24,948	\$ 1,147	\$ 26,095
2017	25,324	771	26,095
2018	25,706	388	26,094
Total	<u>\$ 75,978</u>	<u>\$ 2,306</u>	<u>\$ 78,284</u>

**NOTE 11 - ECONOMIC DEPENDENCY:**

The District receives approximately 35.70% of its property tax revenue from two industrial taxpayers.

**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. The District has purchased insurance from commercial insurers and feels the coverage provided is adequate.

**NOTE 13 - CONTINGENCIES AND COMMITMENTS:**

The District is party to various legal proceedings which normally occur in government operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the District.

In the normal course of operations, the District receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

**NOTE 14 - SUBSEQUENT EVENTS:**

On September 30, 2015, the District issued a tax anticipation note for \$1,618,000 due April 14, 2016 with interest at 1.50%.

On September 17, 2015, the District issued \$2,266,000 Series B general obligation bond for the purpose of funding the lease payments to SCAGO. The interest rate on the Series B bond is 2.00%, with a maturity date of March 1, 2016.

Subsequent to year end, the Board approved the resolution to refinance the SCAGO bonds, totaling \$26,535,000, if the market is favorable.

**CALHOUN COUNTY PUBLIC SCHOOLS  
ST. MATTHEWS, SOUTH CAROLINA**

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>(Negative)</u>
REVENUES:				
Local	\$ 6,708,601	\$ 6,708,601	\$ 6,404,179	\$ (304,422)
State	8,285,456	8,285,456	8,533,822	248,366
Total revenues	14,994,057	14,994,057	14,938,001	(56,056)
EXPENDITURES:				
Current:				
Instruction	7,702,425	7,706,477	7,357,573	348,904
Support services	7,081,318	6,993,017	6,595,307	397,710
Intergovernmental	12,500	12,500	-	12,500
Debt service	36,000	36,000	-	36,000
Capital outlay	11,650	60,399	112,398	(51,999)
Total expenditures	14,843,893	14,808,393	14,065,278	743,115
Excess of revenues over expenditures	150,164	185,664	872,723	687,059
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of assets	-	-	7,743	7,743
Operating transfers in	383,371	383,371	362,915	(20,456)
Operating transfers out	(533,535)	(569,035)	(742,487)	(173,452)
Total other financing sources (uses)	(150,164)	(185,664)	(371,829)	(186,165)
Net change in fund balances	-	-	500,894	500,894
Fund balance - July 1, 2014			3,701,117	
Fund balance - June 30, 2015			\$ 4,202,011	

**CALHOUN COUNTY PUBLIC SCHOOLS  
ST. MATTHEWS, SOUTH CAROLINA**

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>(Negative)</u>
REVENUES:				
Local	\$ 100,000	\$ 196,824	\$ 185,164	\$ (11,660)
State	537,534	618,442	491,732	(126,710)
Federal	1,548,782	2,100,033	1,844,593	(255,440)
Total revenues	<u>2,186,316</u>	<u>2,915,299</u>	<u>2,521,489</u>	<u>(393,810)</u>
EXPENDITURES:				
Current:				
Instruction	1,730,017	1,651,021	1,455,214	195,807
Support services	788,616	1,584,485	1,326,388	258,097
Community services	-	125	-	125
Intergovernmental	28,000	28,090	28,090	-
Capital outlay	-	56,548	-	56,548
Total expenditures	<u>2,546,633</u>	<u>3,320,269</u>	<u>2,809,692</u>	<u>510,577</u>
Deficiency of revenue over expenditures	(360,317)	(404,970)	(288,203)	116,767
OTHER FINANCING SOURCES (USES):				
Operating transfers in	370,317	414,970	313,717	(101,253)
Operating transfers out	(10,000)	(10,000)	(25,514)	(15,514)
Total other financing sources (uses)	<u>360,317</u>	<u>404,970</u>	<u>288,203</u>	<u>(116,767)</u>
Net change in fund balances	-	-	-	-
Fund balance - July 1, 2014			-	
Fund balance - June 30, 2015			<u>\$ -</u>	

**CALHOUN COUNTY PUBLIC SCHOOLS  
ST. MATTHEWS, SOUTH CAROLINA**

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION IMPROVEMENT ACT  
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Positive <u>(Negative)</u>
REVENUES:				
State	\$ 675,781	\$ 1,378,958	\$ 1,310,288	\$ (68,670)
Total revenues	675,781	1,378,958	1,310,288	(68,670)
EXPENDITURES:				
Current:				
Instruction	377,236	975,785	868,297	107,488
Support services	-	99,224	112,171	(12,947)
Capital outlay	-	544	-	544
Total expenditures	377,236	1,075,553	980,468	95,085
Excess of revenue over expenditures	298,545	303,405	329,820	(26,415)
OTHER FINANCING SOURCES (USES):				
Operating transfers in	19,826	22,013	7,581	14,432
Operating transfers out	(318,371)	(325,418)	(337,401)	11,983
Total other financing sources (uses)	(298,545)	(303,405)	(329,820)	26,415
Net change in fund balances	-	-	-	-
Fund balance - July 1, 2014			-	
Fund balance - June 30, 2015			\$ -	

**CALHOUN COUNTY PUBLIC SCHOOLS**  
**ST. MATTHEWS, SOUTH CAROLINA**  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
1000 Local Sources:			
1200 Revenue from local government units other than LEAs:			
1210 Ad valorem taxes - including delinquent	\$ 5,208,169	\$ 5,398,760	\$ 190,591
1240 Penalties and interest on taxes	250,000	274,599	24,599
1280 Revenue in lieu of taxes	739,247	670,772	(68,475)
1300 Tuition:			
1310 Student Tuition Out of District	-	9,600	9,600
1320 From other LEAs for regular day school	400	1,047	647
1500 Earnings on investments:			
1510 Interest on investments	1,000	3,474	2,474
1900 Other revenue from local sources:			
1930 Medicaid	-	37,647	37,647
1990 Miscellaneous Revenue	500	8,280	7,780
1999 Revenue from other local sources	509,285	-	(509,285)
Total local sources	<u>6,708,601</u>	<u>6,404,179</u>	<u>(304,422)</u>
3000 Revenue from State Sources:			
3100 Restricted state funding:			
3130 Special programs:			
3131 Handicapped transportation	15,000	23,382	8,382
3160 Transportation salaries	106,905	133,002	26,097
3162 Transportation workmen's comp	12,502	12,564	62
3180 Employee fringe benefits	1,001,493	1,083,574	82,081
3181 Retiree insurance	426,755	450,494	23,739
3300 Education Finance Act:			
3310 Full time programs:			
3311 Kindergarten	138,017	140,836	2,819
3312 Primary	383,202	409,372	26,170
3313 Elementary	647,737	650,636	2,899
3314 High school	93,324	112,957	19,633
3316 Speech handicapped	143,554	142,027	(1,527)
3317 Homebound	3,240	2,045	(1,195)
3320 Part-time programs:			
3321 Emotionally handicapped	14,346	10,844	(3,502)
3322 Educable mentally handicapped	55,064	51,849	(3,215)
3323 Learning disabilities	176,024	204,405	28,381
3324 Hearing handicapped	5,683	8,428	2,745
3325 Visually handicapped	5,683	8,664	2,981
3326 Orthopedically handicapped	-	6,877	6,877
3327 Vocational	410,164	436,027	25,863
3330 Other EFA programs:			
3331 Autism	25,576	30,644	5,068

**CALHOUN COUNTY PUBLIC SCHOOLS**  
**ST. MATTHEWS, SOUTH CAROLINA**



GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES (CONTINUED):			
3300 Education Finance Act (Continued):			
3332 Gifted and Talented Education Pupils	\$ -	\$ 29,561	\$ 29,561
3334 Limited English Proficiency	-	14,384	14,384
3351 Academic Assistance	-	52,864	52,864
3352 Pupils in Poverty	246,976	339,814	92,838
3000 State Sources:			
3800 State revenue in lieu of taxes:			
3810 Reimbursement for local residential property tax relief	785,313	785,314	1
3820 Homestead exemption	268,093	268,093	-
3825 Reimbursement for property tax relief (tier 3)	2,500,000	2,500,000	-
3830 Merchant's inventory tax	22,805	22,805	-
3840 Manufacturers depreciation reimbursement	700,000	524,498	(175,502)
3890 Other state property tax revenues	98,000	77,862	(20,138)
Total state sources	8,285,456	8,533,822	248,366
Total revenue all sources	14,994,057	14,938,001	(56,056)
EXPENDITURES:			
100 Instruction:			
110 General instruction:			
111 Kindergarten program:			
100 Salaries	416,775	417,940	(1,165)
200 Employee benefits	176,751	168,290	8,461
400 Supplies and materials	4,643	4,076	567
112 Primary programs:			
100 Salaries	561,294	507,121	54,173
200 Employee benefits	209,724	199,727	9,997
400 Supplies and materials	7,569	5,356	2,213
113 Elementary programs:			
100 Salaries	1,732,414	1,679,603	52,811
200 Employee benefits	623,401	596,990	26,411
300 Purchased services - other than tuition	270	270	-
370 Purchased services - tuition	3,212	3,852	(640)
400 Supplies and materials	12,482	10,235	2,247
114 High school programs:			
100 Salaries	876,071	829,225	46,846
200 Employee benefits	326,347	284,702	41,645
300 Purchased services - other than tuition	35,860	85,461	(49,601)
370 Purchased services - tuition	5,788	7,859	(2,071)
400 Supplies and materials	33,540	34,276	(736)
115 Vocational programs:			
100 Salaries	201,621	201,621	-
200 Employee benefits	72,046	77,624	(5,578)
300 Purchased services - other than tuition	275,000	250,337	24,663
400 Supplies and materials	1,485	1,479	6
600 Other Objects	-	210	(210)
118 Montessori Programs:			
100 Salaries	145,420	137,651	7,769
200 Employee benefits	60,274	46,847	13,427

CALHOUN COUNTY PUBLIC SCHOOLS

**ST. MATTHEWS, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES (CONTINUED):			
100 Instruction (Continued):			
120 Exceptional programs:			
121 Educable mentally handicapped:			
100 Salaries	\$ 178,517	\$ 178,517	\$ -
200 Employee benefits	66,320	66,320	-
124 Visually handicapped:			
100 Salaries	7,184	6,409	775
200 Employee benefits	2,484	2,196	288
125 Hearing handicapped:			
100 Salaries	16,082	16,082	-
200 Employee benefits	5,715	5,715	-
126 Speech handicapped:			
100 Salaries	148,382	148,382	-
200 Employee benefits	56,803	56,803	-
600 Other objects	2,980	1,230	1,750
127 Learning disabilities:			
100 Salaries	432,033	431,778	255
200 Employee benefits	149,837	147,861	1,976
128 Emotionally handicapped:			
100 Salaries	30,672	16,339	14,333
200 Employee benefits	9,068	6,642	2,426
300 Purchased services	1,500	-	1,500
130 Preschool programs:			
137 Pre-School Handicapped-Self-Contained (3 & 4 year olds):			
100 Salaries	49,398	50,572	(1,174)
200 Employee benefits	22,692	26,432	(3,740)
139 Four year-old early childhood:			
100 Salaries	35,083	35,083	-
200 Employee benefits	20,360	18,205	2,155
300 Purchased services	600	-	600
145 Homebound:			
100 Salaries	18,000	12,855	5,145
200 Employee benefits	4,289	2,998	1,291
300 Purchased services	10,180	5,130	5,050
147 Child Development Education Pilot Program:			
100 Salaries	63,626	63,088	538
200 Employee benefits	26,442	24,312	2,130
148 Tuition to LEA:			
300 Purchased services	8,700	-	8,700
149 Other special programs:			
100 Salaries	205,000	192,488	12,512
200 Employee benefits	48,852	28,071	20,781
300 Purchased services	168,486	168,491	(5)

**CALHOUN COUNTY PUBLIC SCHOOLS**  
**ST. MATTHEWS, SOUTH CAROLINA**  
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE ( <u>UNFAVORABLE</u> )
EXPENDITURES (CONTINUED):			
100 Instruction (Continued):			
140 Special programs:			
141 Gifted and talented - academic:			
100 Salaries	\$ 16,000	\$ -	\$ 16,000
200 Employee benefits	3,815	-	3,815
300 Purchased services	3,776	-	3,776
400 Supplies and materials	6,669	-	6,669
500 Capital outlay	181	-	181
160 Other exceptional programs:			
161 Autism:			
100 Salaries	49,906	41,504	8,402
200 Employee benefits	18,258	16,005	2,253
162 Limited English Proficiency:			
300 Travel	-	454	(454)
170 Summer school program:			
175 Instructional programs beyond regular school day:			
100 Salaries	-	297	(297)
200 Employee benefits	-	71	(71)
180 Adult/continuing educational programs:			
181 Adult basic education programs:			
300 Purchased services	36,600	36,491	109
Total instruction	<u>7,706,477</u>	<u>7,357,573</u>	<u>348,904</u>
200 Supporting Services:			
210 Pupil services:			
211 Attendance and social work:			
100 Salaries	112,715	109,726	2,989
200 Employee benefits	44,860	36,447	8,413
400 Supplies and materials	3,064	2,289	775
212 Guidance:			
100 Salaries	292,421	294,146	(1,725)
200 Employee benefits	103,284	94,757	8,527
300 Purchased services	462	229	233
400 Supplies and materials	3,139	2,212	927
213 Health:			
200 Employee benefits	4,913	-	4,913
300 Purchased services	21,500	22,908	(1,408)
400 Supplies and materials	3,000	2,020	980
220 Instructional staff services:			
221 Improvement of instruction - curriculum development:			
100 Salaries	132,125	132,125	-
200 Employee benefits	36,542	36,542	-
300 Purchased services	23,032	14,325	8,707
400 Supplies and materials	5,910	4,082	1,828
600 Other objects	-	1,500	(1,500)

**CALHOUN COUNTY PUBLIC SCHOOLS**  
**ST. MATTHEWS, SOUTH CAROLINA**  
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES (CONTINUED):			
200 Supporting Services (Continued):			
220 Instructional staff services (Continued):			
222 Library and media:			
100 Salaries	\$ 238,310	\$ 231,719	\$ 6,591
200 Employee benefits	92,039	80,230	11,809
300 Purchased services	3,254	4,067	(813)
400 Supplies and materials	19,109	15,803	3,306
600 Other objects	50	50	-
223 Supervisor of special projects:			
100 Salaries	89,246	88,334	912
200 Employee benefits	25,779	26,015	(236)
300 Purchased services	-	43	(43)
400 Supplies and materials	-	1,603	(1,603)
230 General and administrative services:			
231 Board of Education:			
100 Salaries	9,500	8,935	565
200 Employee benefits	188,589	185,184	3,405
300 Purchased services	87,200	40,168	47,032
318 Audit services	28,000	26,500	1,500
400 Supplies and materials	6,400	6,504	(104)
600 Other objects	16,100	12,319	3,781
232 Office of Superintendent:			
100 Salaries	215,048	216,158	(1,110)
200 Employee benefits	81,246	59,993	21,253
300 Purchased services	8,330	6,521	1,809
400 Supplies and materials	9,247	7,256	1,991
500 Capital outlay	910	-	910
600 Other objects	1,592	4,291	(2,699)
233 School administration:			
100 Salaries	739,537	735,145	4,392
200 Employee benefits	260,704	259,708	996
300 Purchased services	13,295	13,063	232
400 Supplies and materials	10,144	9,514	630
250 Finance and operations services:			
252 Fiscal services:			
100 Salaries	209,261	209,261	-
200 Employee benefits	67,528	61,653	5,875
300 Purchased services	56,268	52,550	3,718
400 Supplies and materials	13,849	9,211	4,638
600 Other objects	13,134	19,714	(6,580)
254 Operation and maintenance of plant services:			
100 Salaries	564,613	572,152	(7,539)
200 Employee benefits	267,747	256,138	11,609
300 Purchased services	443,500	360,981	82,519
321 Public utilities	13,300	11,564	1,736
400 Supplies and materials	119,132	168,043	(48,911)
470 Energy	485,000	449,651	35,349
500 Capital outlay	21,735	59,150	(37,415)
600 Other objects	2,640	186	2,454

**CALHOUN COUNTY PUBLIC SCHOOLS  
ST. MATTHEWS, SOUTH CAROLINA  
GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES (CONTINUED):			
200 Supporting Services (Continued):			
250 Finance and operations services (Continued):			
255 Pupil transportation:			
100 Salaries	\$ 498,128	\$ 455,098	\$ 43,030
200 Employee benefits	139,047	118,226	20,821
300 Purchased services	54,130	34,200	19,930
400 Supplies and materials	15,705	9,992	5,713
257 Internal services:			
100 Salaries	31,425	31,425	-
200 Employee benefits	12,888	11,023	1,865
300 Purchased services	76,450	56,919	19,531
400 Supplies and materials	12,313	1,542	10,771
500 Capital outlay	53,424	53,248	176
258 Security:			
300 Purchased services	107,000	102,114	4,886
260 Data and technology processing services:			
264 Staff services:			
100 Salaries	137,886	139,176	(1,290)
200 Employee benefits	44,856	42,368	2,488
300 Purchased services	2,780	2,643	137
400 Supplies and materials	4,760	4,378	382
500 Capital outlay	35	-	35
266 Data processing services:			
100 Salaries	177,235	177,235	-
200 Employee benefits	61,603	61,603	-
300 Purchased services	231,216	210,076	21,140
400 Supplies and materials	9,700	5,661	4,039
600 Other objects	-	3,078	(3,078)
270 Support services pupil activity:			
271 Pupil services activity:			
100 Salaries	108,061	101,575	6,486
200 Employee benefits	27,971	23,452	4,519
300 Purchased services	15,000	15,328	(328)
600 Other objects	23,500	24,660	(1,160)
Total supporting services	<u>7,053,416</u>	<u>6,707,705</u>	<u>345,711</u>
400 Other Services:			
255 Pupil Transportation			
720 Transits	12,500	-	12,500
500 Debt Service:			
319 Legal services	6,000	-	6,000
620 Interest	30,000	-	30,000
Total debt service	<u>36,000</u>	<u>-</u>	<u>36,000</u>
Total expenditures	<u>14,808,393</u>	<u>14,065,278</u>	<u>743,115</u>
Excess of revenues over expenditures	185,664	872,723	687,059

**CALHOUN COUNTY PUBLIC SCHOOLS  
ST. MATTHEWS, SOUTH CAROLINA  
GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES (USES):			
Proceeds from Sale of Fixed Asset	\$ -	\$ 7,743	\$ 7,743
Transfers from (to) other funds:			
5230 Transfer from special revenue EIA fund	318,371	337,401	19,030
5280 Transfer from other funds indirect costs	65,000	25,514	(39,486)
421-710 Transfer to special revenue funds	(569,035)	(313,717)	255,318
422-710 Transfer to special revenue EIA funds	-	(7,581)	(7,581)
425-710 Transfer to food service fund	-	(41,189)	(41,189)
424-710 Transfer to SBF	-	(380,000)	(380,000)
Total other financing uses	<u>(185,664)</u>	<u>(371,829)</u>	<u>(186,165)</u>
Net change in fund balances	<u>-</u>	<u>500,894</u>	<u>500,894</u>
 FUND BALANCE, JULY 1, 2014		<u>3,701,117</u>	
 FUND BALANCE, JUNE 30, 2015		<u>\$ 4,202,011</u>	

**CALHOUN COUNTY PUBLIC SCHOOLS  
ST. MATTHEWS, SOUTH CAROLINA**

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2015

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION (EA Projects)	OTHER RESTRICTED STATE GRANTS (See Note)	OTHER SPECIAL REVENUE PROGRAMS (See Note)	TOTAL
REVENUES								
1000 Revenue from Local Sources:								
1900 Other revenue from local sources:								
1930 Medicaid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 142,505	\$ 142,505
1990 Miscellaneous loca revenue	-	-	-	-	-	-	500	500
1999 Revenue from other local sources	-	-	-	-	-	-	42,159	42,159
Total local sources	-	-	-	-	-	-	185,164	185,164
3000 Revenue from State Sources:								
3100 Restricted grants:								
3110 Occupational education:								
3118 EEDA career specialist	-	-	-	-	-	42,385	-	42,385
3120 General education:								
3127 Student health and fitness	-	-	-	-	-	19,736	-	19,736
3130 Special programs:								
3134 Child development education pilot program	-	-	-	-	-	52,779	-	52,779
3135 Reading Coaches	-	-	-	-	-	125,460	-	125,460
3136 Student health and fitness - nurses	-	-	-	-	-	67,406	-	67,406
3170 (Description missing):								
3177 Summer Reading Program	-	-	-	-	-	5,516	-	5,516
3190 Miscellaneous restricted grants:								
3193 Education license plates	-	-	-	-	-	607	-	607
3198 School technology initiative	-	-	-	-	-	9,215	-	9,215
3199 Other restricted state grants	-	-	-	-	-	-	745	745
3600 Education Lottery Act Revenue:								
3607 6-8 Enhancement	-	-	-	-	-	3,639	-	3,639
3610 K-5 Enhancement	-	-	-	-	-	83,061	-	83,061
3620 Digital Instructional Materials	-	-	-	-	-	36,792	-	36,792
3630 Technology Initiative	-	-	-	-	-	44,391	-	44,391
Total state sources	-	-	-	-	-	490,987	745	491,732
4000 Revenue from Federal Sources:								
4200 Occupational education:								
4210 Vocational aid	-	-	-	-	-	-	29,250	29,250
4300 Elementary and Secondary Education Act of 1965:								
4310 Title I, Basic State Grant Programs	573,167	-	-	-	-	-	-	573,167
4312 Rural and low-income school program, Title II	-	-	-	-	-	-	45,262	45,262
4340 Title V - Informed Parental	-	-	-	-	-	-	7,277	7,277
4351 Improving Teacher Quality	-	-	-	-	-	-	107,987	107,987
4500 Programs for children with disabilities:								
4510 IDEA	-	833,238	-	-	-	-	-	833,238
4520 Pre-school	-	-	36,365	-	-	-	-	36,365
4900 Other federal sources:								
4990 Other Federal Revenue	-	-	-	-	-	-	120,178	120,178
4999 Revenue from other Federal Sources	-	-	-	-	-	-	91,869	91,869
Total federal sources	573,167	833,238	36,365	-	-	-	401,823	1,844,593
Total revenue all sources	573,167	833,238	36,365	-	-	490,987	587,732	2,521,489

**CALHOUN COUNTY PUBLIC SCHOOLS**  
**ST. MATTHEWS, SOUTH CAROLINA**  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION (EA Projects)	OTHER RESTRICTED STATE GRANTS (See Note)	OTHER SPECIAL REVENUE PROGRAMS (See Note)	TOTAL
EXPENDITURES								
100 Instruction:								
111 Kindergarten programs:								
400 Supplies and materials	\$ 1,972	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,972.00
112 Primary programs:								
100 Salaries	52,868	-	-	-	-	62,295	48,539	163,702
200 Employee benefits	17,667	-	-	-	-	16,756	15,556	49,979
300 Purchased services	-	-	-	-	-	-	-	-
400 Supplies and materials	-	-	-	-	-	12,220	-	12,220
113 Elementary programs:								
100 Salaries	225,201	-	-	-	-	-	33,990	259,191
200 Employee benefits	77,561	-	-	-	-	-	11,911	89,472
300 Purchased services	-	-	-	-	-	3,237	-	3,237
400 Supplies and materials	1,846	-	-	-	-	8,150	6,786	16,782
114 High school programs:								
100 Salaries	100,818	-	-	-	-	-	137,371	238,189
200 Employee benefits	33,227	-	-	-	-	-	38,592	71,819
300 Purchased services	-	-	-	-	-	-	4,017	4,017
400 Supplies and materials	-	-	-	-	-	-	2,647	2,647
115 Vocational programs:								
300 Purchased services	-	-	-	-	-	-	1,493	1,493
400 Supplies and materials	-	-	-	-	-	-	2,762	2,762
600 Other objects	-	-	-	-	-	-	3,000	3,000
118 Montessori programs:								
100 Salaries	-	-	-	-	-	18,058	-	18,058
200 Employee benefits	-	-	-	-	-	5,762	-	5,762
120 Exceptional programs:								
121 Educable mentally handicapped:								
100 Salaries	-	73,461	-	-	-	-	-	73,461
200 Employee benefits	-	34,980	-	-	-	-	-	34,980
400 Supplies and materials	-	-	-	-	-	-	-	-
122 Trainable mentally handicapped:								
400 Supplies and Materials	-	476	-	-	-	-	745	1,221
124 Visually handicapped:								
400 Supplies and materials	-	2,906	-	-	-	-	-	2,906
125 Hearing Handicapped								
100 Salaries	-	27,328	-	-	-	-	-	27,328
200 Employee benefits	-	10,804	-	-	-	-	-	10,804
126 Speech handicapped:								
400 Supplies and materials	-	66	-	-	-	-	-	66
127 Learning disabilities:								
100 Salaries	-	85,210	-	-	-	-	-	85,210
200 Employee benefits	-	41,975	-	-	-	-	-	41,975
400 Supplies and materials	-	2,078	-	-	-	-	1,248	3,326
128 Emotionally handicapped:								
100 Salaries	-	10,568	-	-	-	-	-	10,568
200 Employee benefits	-	3,704	-	-	-	-	-	3,704
400 Supplies and materials	-	-	-	-	-	-	600	600



**CALHOUN COUNTY PUBLIC SCHOOLS**  
**ST. MATTHEWS, SOUTH CAROLINA**  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

	<u>TITLE I</u> <u>(BA Projects)</u>	<u>IDEA</u> <u>(CA Projects)</u>	<u>PRESCHOOL</u> <u>HANDICAPPED</u> <u>(CG Projects)</u>	<u>DRUG</u> <u>FREE</u> <u>(FP/FQ Projects)</u>	<u>ADULT</u> <u>EDUCATION</u>	<u>OTHER</u> <u>RESTRICTED</u> <u>STATE</u> <u>GRANTS</u>	<u>OTHER</u> <u>SPECIAL</u> <u>REVENUE</u> <u>PROGRAMS</u>	<u>TOTAL</u>
EXPENDITURES								
100 Instruction (Continued):								
130 Preschool handicapped programs:								
133 Preschool handicapped self-contained (5 yr. olds):								
100 Salaries	\$ -	\$ -	\$ 20,674	\$ -	\$ -	\$ -	\$ -	\$ 20,674
200 Employee benefits	-	-	7,659	-	-	-	-	7,659
400 Supplies and materials	-	-	418	-	-	-	-	418
140 Special programs:								
147 Child development education pilot program:								
100 Salaries	-	-	-	-	-	27,625	-	27,625
200 Employee benefits	-	-	-	-	-	9,225	-	9,225
400 Supplies and materials	-	-	-	-	-	7,696	-	7,696
149 Other special programs:								
100 Salaries	-	16,588	-	-	-	-	6,600	23,188
200 Employee benefits	-	6,010	-	-	-	-	1,136	7,146
300 Purchased services	-	50	-	-	-	-	-	50
400 Supplies and materials	-	2,166	-	-	-	-	4,196	6,362
160 Other exceptional programs:								
161 Autism:								
100 Salaries	-	25,498	-	-	-	-	-	25,498
200 Employee benefits	-	10,125	-	-	-	-	-	10,125
170 Summer school program:								
171 Primary summer school:								
172 Elementary summer school:								
100 Salaries	-	-	-	-	-	4,050	3,900	7,950
200 Employee benefits	-	-	-	-	-	957	918	1,875
300 Purchased Services	-	-	-	-	-	510	7,385	7,895
175 Instructional programs beyond regular school day:								
100 Salaries	-	8,153	-	-	-	-	15,696	23,849
200 Employee benefits	-	1,928	-	-	-	-	3,635	5,563
400 Supplies and materials	-	-	-	-	-	-	863	863
600 Other objects	-	-	-	-	-	-	500	500
180 Adult/continuing educational programs:								
188 Parenting/family literacy:								
100 Salaries	200	-	-	-	-	-	-	200
200 Employee benefits	47	-	-	-	-	-	-	47
400 Supplies and materials	20,355	-	-	-	-	-	-	20,355
Total instruction	531,762	364,074	28,751	-	-	176,541	354,086	1,455,214
200 Supporting services:								
210 Pupil services:								
211 Attendance and social work:								
100 Salaries	-	-	-	-	-	-	37,052	37,052
200 Employee benefits	-	-	-	-	-	-	12,026	12,026

CALHOUN COUNTY PUBLIC SCHOOLS  
ST. MATTHEWS, SOUTH CAROLINA  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION (EA Projects)	OTHER RESTRICTED STATE GRANTS (See Note)	OTHER SPECIAL REVENUE PROGRAMS (See Note)	TOTAL
EXPENDITURES (CONTINUED)								
200 Supporting services (Continued):								
210 Pupil services (Continued):								
212 Guidance:								
100 Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,888	\$ 62,260	\$ 124,148
200 Employee benefits	-	-	-	-	-	18,364	18,656	37,020
300 Purchased services	-	-	-	-	-	-	2,440	2,440
400 Supplies and materials	-	-	-	-	-	-	1,003	1,003
213 Health:								
100 Salaries	-	-	-	-	-	87,533	85,235	172,768
200 Employee benefits	-	-	-	-	-	31,345	36,122	67,467
300 Purchased services	-	208,205	-	-	-	-	136	208,341
400 Supplies and materials	-	1,149	-	-	-	-	2,218	3,367
214 Psychological:								
100 Salaries	-	65,116	-	-	-	-	-	65,116
200 Employee benefits	-	19,470	-	-	-	-	-	19,470
300 Purchased services	-	1,558	-	-	-	-	-	1,558
400 Supplies and materials	-	1,180	-	-	-	-	-	1,180
221 Improvement of instruction - curriculum development:								
100 Salaries	-	-	-	-	-	95,857	700	96,557
200 Employee benefits	-	-	-	-	-	34,388	15,375	49,763
300 Purchased services	13,700	5,148	-	-	-	-	22,319	41,167
400 Supplies and materials	-	234	-	-	-	49	20,227	20,510
223 Supervision of special programs:								
100 Salaries	21,522	71,982	4,870	-	-	-	22,422	120,796
200 Employee benefits	6,183	25,801	2,744	-	-	-	7,732	42,460
300 Purchased services	-	12,440	-	-	-	-	13,154	25,594
400 Supplies and materials	-	1,636	-	-	-	-	299	1,935
224 Improvement of instruction - inservice and staff training:								
300 Purchased services	-	-	-	-	-	8,184	-	8,184
233 School administration								
100 Salaries	-	-	-	-	-	-	6,000	6,000
200 Employee benefits	-	-	-	-	-	-	1,401	1,401
300 Purchased services	-	-	-	-	-	-	256	256
250 Finance and operations services:								
251 Student transportation (Federal Mandated):								
100 Salaries	-	42,514	-	-	-	-	-	42,514
200 Employee benefits	-	12,072	-	-	-	-	-	12,072
254 Operation and Maintenance of Plant								
400 Supplies and materials	-	-	-	-	-	-	5,000	5,000

**CALHOUN COUNTY PUBLIC SCHOOLS**  
**ST. MATTHEWS, SOUTH CAROLINA**  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION (EA Projects) (See Note)	OTHER RESTRICTED STATE GRANTS (See Note)	OTHER SPECIAL REVENUE PROGRAMS (See Note)	TOTAL
EXPENDITURES (CONTINUED)								
200 Supporting services (Continued):								
250 Finance and operations services (Continued):								
255 Student transportation (State mandated):								
100 Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,447	\$ 1,447
200 Employee benefits	-	-	-	-	-	-	338	338
300 Purchased services	-	-	-	-	-	-	4,069	4,069
260 Data and technology processing services:								
264 Staff services:								
300 Purchased services	-	-	-	-	-	-	970	970
266 Technology and data processing services:								
100 Salaries	-	-	-	-	-	2,400	-	2,400
200 Employee benefits	-	-	-	-	-	565	-	565
300 Purchased services	-	-	-	-	-	34,007	-	34,007
400 Supplies and materials	-	-	-	-	-	53,799	-	53,799
271 Pupil Activity Services:								
100 Salaries	-	101	-	-	-	-	-	101
200 Employee benefits	-	24	-	-	-	-	-	24
660 Pupil activity	-	534	-	-	-	-	969	1,503
Total supporting services	41,405	469,164	7,614	-	-	428,379	379,826	1,326,388
400 Intergovernmental Expenditures:								
411 Payments to State Department of Education:								
720 Transits	-	-	-	-	-	-	28,090	28,090
412 Payments to Other Governmental Units:								
720 Transits	-	-	-	-	-	-	-	-
Total intergovernmental expenditures	-	-	-	-	-	-	28,090	28,090
Total expenditures	573,167	833,238	36,365	-	-	604,920	762,002	2,809,692
OTHER FINANCING SOURCES (USES):								
Transfers from (to) other funds:								
5210 Transfer from General Fund	-	-	-	-	-	113,933	199,784	313,717
431-791 Special Revenue Fund indirect costs	-	-	-	-	-	-	(25,514)	(25,514)
Total other financing sources (uses)	-	-	-	-	-	113,933	174,270	288,203
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	-	-	-
FUND BALANCE, JULY 1, 2014	-	-	-	-	-	-	-	-
FUND BALANCE, JUNE 30, 2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**CALHOUN COUNTY PUBLIC SCHOOLS**  
**ST. MATTHEWS, SOUTH CAROLINA**  
SPECIAL REVENUE FUND  
SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS  
FOR THE YEAR ENDED JUNE 30, 2015

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<u>SUBFUND</u>	<u>REVENUE</u>	<u>PROGRAMS</u>	<u>REVENUES</u>	<u>EXPENDITURES</u>	<u>SPECIAL REVENUE</u> <u>Interfund</u> <u>Transfers</u> <u>In/(Out)</u>	<u>Other Fund</u> <u>Transfers</u> <u>In/(Out)</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u> <u>Deferred</u>
918	3198	Technology Professional Development	\$ 9,215	\$ 9,215	\$ -	\$ -	\$ 15
919	3193	Education License Plates	607	607	-	-	233
924	3134	Child Development Education Pilot Program	52,779	52,779	-	-	9,905
926	3116	Education and Economic Development	5,516	5,516	-	-	5,065
928	3118	EEDA Career Specialist	42,385	80,253	-	37,868	-
935	3135	Reading Coach	125,460	130,245	-	4,785	-
936	3136	Student health and fitness - Nurses	67,406	118,876	-	51,470	-
937	3127	Student health and fitness - PE Teachers	19,736	19,736	-	-	11
960	3610	K-5 Enhancement	83,061	102,871	-	19,810	-
963	3630	Technology Initiative	44,391	44,391	-	-	68,620
965	3620	Digital Instruction Materials	36,792	36,792	-	-	-
967	3607	6-8 Enhancement	3,639	3,639	-	-	6,403
Totals			<u>\$ 490,987</u>	<u>\$ 604,920</u>	<u>\$ -</u>	<u>\$ 113,933</u>	<u>\$ 90,252</u>

**CALHOUN COUNTY PUBLIC SCHOOLS**  
**ST. MATTHEWS, SOUTH CAROLINA**  
EDUCATION IMPROVEMENT ACT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ALL PROGRAMS  
FOR THE YEAR ENDED JUNE 30, 2015

		<u>ACTUAL</u>
REVENUES		
3000 State Sources:		
3500 Education Improvement Act:		
3502	ADEPT	\$ 1,356
3504	Level Data	5,406
3505	School technology initiative	3,842
3509	Educating the 21st Century Musician	8,888
3511	Professional development	9,216
3518	Formative assessment	9,998
3525	Career and technology education equipment	44,268
3526	Refurbishment of K-8 Sciences	5,126
3532	National Board Certification (NBC) salary supplement	64,684
3533	Teacher of the year awards	1,077
3538	Students at risk of school failure	438,049
3541	CDEPP	241,387
3544	High achieving students	11,289
3550	Teacher salary increase	287,637
3555	School employer contributions	49,763
3558	Reading assistance	4,509
3577	Teacher supplies	32,000
3578	High schools that work/making middle grades work	3,193
3585	Aid to districts - special education	-
3592	Work-based learning	4,821
3595	EEDA Professional Development Funds	1,469
3597	Aid to districts	82,310
Total state sources		<u>1,310,288</u>
Total revenue all sources		<u>1,310,288</u>
EXPENDITURES		
100 Instruction:		
110 General instruction:		
112 Primary programs:		
100	Salaries	197,757
200	Employee benefits	65,172

**CALHOUN COUNTY PUBLIC SCHOOLS**  
**ST. MATTHEWS, SOUTH CAROLINA**  
EDUCATION IMPROVEMENT ACT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ALL PROGRAMS

		<u>ACTUAL</u>
EXPENDITURES		
100	Instruction (Continued):	
110	General instruction (Continued):	
113	Elementary programs:	
100	Salaries	\$ 49,118
200	Employee benefits	13,750
400	Supplies and materials	5,126
114	High school programs:	
100	Salaries	52,805
200	Employee benefits	20,113
300	Purchased services	-
400	Supplies and materials	4,970
600	Other objects	200
115	Career and technology education programs:	
100	Salaries	7,500
200	Employee benefits	1,739
400	Supplies and materials	44,268
118	Montessori Programs:	
300	Purchased services	12,000
120	Exceptional programs:	
126	Speech handicapped:	
100	Salaries	-
200	Employee benefits	-
140	Special programs:	
141	Gifted and talented - academic:	
100	Salaries	2,000
200	Employee benefits	464
300	Purchased services	203
400	Supplies and materials	924
147	Full Day 4K	
100	Salaries	180,483
200	Employee benefits	60,904
148	Gifted and talented - artistic:	
300	Purchased services	7,698
149	Other special programs:	
100	Salaries	54,545
200	Employee benefits	16,942
300	Purchased services	9,998
400	Supplies and materials	32,000
175	Instructional programs beyond regular school day:	
100	Salaries	22,404
200	Employee benefits	5,214
400	Supplies and materials	-
	Total instruction	<u>868,297</u>

**CALHOUN COUNTY PUBLIC SCHOOLS**  
**ST. MATTHEWS, SOUTH CAROLINA**  
EDUCATION IMPROVEMENT ACT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ALL PROGRAMS

		<u>ACTUAL</u>
EXPENDITURES (CONTINUED)		
200	Support Services:	
210	Pupil services:	
212	Guidance services:	
100	Salaries	\$ 1,667
200	Employee benefits	388
400	Supplies and materials	1,469
220	Instructional staff services:	
221	Improvement of instruction-curriculum development:	
100	Salaries	44,340
200	Employee benefits	13,833
300	Purchased services	18,727
400	Supplies and materials	9,795
223	Supervision of special programs:	
100	Salaries	7,250
200	Employee benefits	1,686
260	Technology and Data Processing Services	
100	Salaries	3,050
200	Employee benefits	718
300	Purchased services	8,704
400	Supplies and materials	544
270	Pupil Activity:	
271	Pupil Activity:	
100	Salaries	-
200	Employee benefits	-
	Total supporting services	<u>112,171</u>
	Total expenditures	<u>980,468</u>
OTHER FINANCING SOURCES (USES)		
	Interfund transfers, from (to) other funds:	
5210	Transfer from general fund (excludes indirect costs)	7,581
420-710	Transfer to general fund (excludes indirect costs)	<u>(337,401)</u>
	Total other financing sources (uses)	<u>(329,820)</u>
	Excess (deficiency) of revenues over (under) expenditures	-
	FUND BALANCE JULY 1, 2014	<u>-</u>
	FUND BALANCE JUNE 30, 2015	<u>\$ -</u>

**CALHOUN COUNTY PUBLIC SCHOOLS  
ST. MATTHEWS, SOUTH CAROLINA**

EDUCATION IMPROVEMENT ACT

SUMMARY SCHEDULE BY PROGRAM  
FOR THE YEAR ENDED JUNE 30, 2015

PROGRAM	<u>REVENUES</u>	<u>EXPENDITURES</u>	<u>OTHER FUND TRANSFERS IN/(OUT)</u>	<u>EIA FUND UNEARNED REVENUE</u>
3500 Education Improvement Act:				
3502 ADEPT	\$ 1,356.00	\$ 8,936.00	\$ 7,581.00	\$ -
3504 Level Data	5,406	5,406	-	-
3505 Technology support	3,842	3,842	-	10,000
3509 Educating the 21st Century Musician	8,888	8,888	-	-
3511 Professional development	9,216	9,216	-	1,432
3518 Formative assessment	9,998	9,998	-	2,528
3525 Career and technology education equipment	44,268	44,268	-	10,371
3526 Refurbishment of K-8 science kits	5,126	5,126	-	1,978
3532 National Board of Certification (NBC) - salary supplement	64,684	64,684	-	-
3533 Teacher of the year awards	1,077	1,077	-	-
3538 Students at risk of school failure	438,049	438,049	-	196,813
3541 CDEPP	241,387	241,387	-	163,541
3544 High achieving students	11,289	11,289	-	-
3550 Teacher salary increase	287,637	-	(287,638)	-
3555 School employer contributions	49,763	-	(49,763)	-
3558 Reading assistance	4,509	4,509	-	3,086
3577 Teacher supplies	32,000	32,000	-	-
3578 High schools that work/making middle grades work	3,193	3,193	-	3,047
3592 Work-based learning	4,821	4,821	-	3,290
3594 EEDA supplemental programs	-	-	-	2,254
3595 EEDA Professional Development Funds	1,469	1,469	-	1,471
3597 Aid to districts	82,310	82,310	-	84,565
Total	<u>\$ 1,310,288</u>	<u>\$ 980,468</u>	<u>\$ (329,820)</u>	<u>\$ 484,376</u>



**CALHOUN COUNTY PUBLIC SCHOOLS  
ST. MATTHEWS, SOUTH CAROLINA**

**DEBT SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>SCAGO</u>	<u>Other</u>	<u>Total</u>
<b>REVENUES</b>			
1000 Revenue from Local Sources:			
1200 Revenue from local governmental units other than LEAs:			
1210 Ad valorem taxes-including delinquent taxes (fiscally dependent LEA)	\$ -	\$ 864,667	\$ 864,667
1240 Penalties and interest on taxes (dependent)	-	52,543	52,543
1280 Revenue in lieu of taxes (dependent and independent)	-	1,850,907	1,850,907
1500 Earnings on investments:			
1510 Interest on investments	2,237	1,544	3,781
1531 Unrealized gain or loss on investments	116,401	-	116,401
Total local sources	<u>118,638</u>	<u>2,769,661</u>	<u>2,888,299</u>
3000 Revenue from State Sources:			
3800 State revenue in lieu of taxes:			
3820 Homestead exemption	-	40,122	40,122
3830 Merchant's inventory tax	-	4,456	4,456
3840 Manufacturers depreciation reimbursement	-	64,061	64,061
3890 Other state property tax revenues	-	9,554	9,554
Total state sources	<u>-</u>	<u>118,193</u>	<u>118,193</u>
Total revenue all sources	<u>118,638</u>	<u>2,887,854</u>	<u>3,006,492</u>
<b>EXPENDITURES</b>			
500 Debt Service:			
300 Purchased services	4,000	24,947	28,947
610 Redemption of principal	975,000	2,618,000	3,593,000
620 Interest	1,294,181	18,780	1,312,961
Total expenditures	<u>2,273,181</u>	<u>2,661,727</u>	<u>4,934,908</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
5110 Premiums on bonds sold	-	-	-
5112 Proceeds of general obligation bonds	-	-	-
5230 Transfer from EIA			-
5250 Transfer from School Building Fund	2,155,004	-	2,155,004
724-710 Transfer to School Building Fund	(653)	-	(653)
Total other financing sources	<u>2,154,351</u>	<u>-</u>	<u>2,154,351</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(192)	226,127	225,935
<b>FUND BALANCE, JULY 1, 2014</b>	<u>2,509,526</u>	<u>1,168,892</u>	<u>3,678,418</u>
<b>FUND BALANCE, JUNE 30, 2015</b>	<u>\$ 2,509,334</u>	<u>\$ 1,395,019</u>	<u>\$ 3,904,353</u>

**CALHOUN COUNTY PUBLIC SCHOOLS  
ST. MATTHEWS, SOUTH CAROLINA**

SCHOOL BUILDING FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>SCAGO</u>	<u>Other</u>	<u>Total</u>
<b>REVENUES</b>			
1000 Revenue from Local Sources:			
1500 Earnings on investments:			
1510 Interest on investments	\$ 1	\$ 996	\$ 997
Total local sources	<u>1</u>	<u>996</u>	<u>997</u>
Total revenue all sources	<u>1</u>	<u>996</u>	<u>997</u>
<b>EXPENDITURES</b>			
100 Instructional:			
112 Primary Programs:			
500 Capital outlay	-	53,461	53,461
113 Elementary Programs:			
500 Capital outlay	-	334,328	334,328
114 High School Programs:			
500 Capital outlay	-	220,390	220,390
149 Other Special Programs:			
500 Capital outlay	-	310	310
Total Instruction:	<u>-</u>	<u>608,489</u>	<u>608,489</u>
200 Support Services:			
211 Attendance and Social Work Services			
500 Capital outlay	-	620	620
212 Guidance Services			
500 Capital outlay	-	7,291	7,291
213 Health Services			
500 Capital outlay	-	1,215	1,215
214 Psychological Services			
500 Capital outlay	-	1,215	1,215
221 Improvement of Instruction Curriculum Dev.			
500 Capital outlay	-	2,740	2,740
222 Library and Media Services			
500 Capital outlay	-	3,646	3,646
223 Supervision of Special Programs			
500 Capital outlay	-	2,740	2,740
232 Office of Superintendent			
500 Capital outlay	-	1,835	1,835
233 School Administration			
500 Capital outlay	-	11,606	11,606
252 Fiscal Services			
500 Capital outlay	-	5,171	5,171
253 Facilities Acquisitions and Construction			
300 Purchased services	5,750	55,899	61,649
400 Supplies and materials	-	7,736	7,736
500 Capital outlay			
520 Construction services	-	25,470	25,470
540 Equipment	-	86,076	86,076

**CALHOUN COUNTY PUBLIC SCHOOLS**  
**ST. MATTHEWS, SOUTH CAROLINA**  
SCHOOL BUILDING FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

	<u>SCAGO</u>	<u>Other</u>	<u>Total</u>
EXPENDITURES			
200 Support Services (Continued):			
254 Operation and Maintenance of School District			
500 Capital outlay	\$ -	\$ 1,835	\$ 1,835
255 Student Transportation - State Mandated			
500 Capital outlay	-	1,215	1,215
256 Food Services			
500 Capital outlay	-	3,075	3,075
258 Security			
500 Capital outlay	-	3,646	3,646
264 Staff Services			
500 Capital outlay	-	3,646	3,646
266 Technology and Data Processing Services			
300 Purchased services	-	17,812	17,812
400 Supplies and materials	-	11,347	11,347
500 Capital outlay	-	22,925	22,925
Total Support Services:	<u>5,750</u>	<u>278,761</u>	<u>284,511</u>
500 Debt Service:			
620 Interest	-	99	99
Total expenditures	<u>5,750</u>	<u>887,349</u>	<u>893,099</u>
OTHER FINANCING SOURCES (USES):			
5110 Premiums on bonds sold	-	17,167	17,167
5112 Proceeds of general obligation bonds	-	3,359,000	3,359,000
5240 Transfer from Debt Service Fund	653	-	653
423-710 Transfer to Debt Service Fund	-	(2,155,004)	(2,155,004)
5210 Transfer from General Fund	-	380,000	380,000
Total other financing sources	<u>653</u>	<u>1,601,163</u>	<u>1,601,816</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(5,096)	714,810	709,714
FUND BALANCE, JULY 1, 2014	<u>65,868</u>	<u>679,141</u>	<u>745,009</u>
FUND BALANCE, JUNE 30, 2015	<u>\$ 60,772</u>	<u>\$ 1,393,951</u>	<u>\$ 1,454,723</u>

**CALHOUN COUNTY PUBLIC SCHOOLS**  
**ST. MATTHEWS, SOUTH CAROLINA**  
**FOOD SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**REVENUES**

1000 Revenue from Local Sources:		
1600 Food service:		
1630 Special sales to pupils	\$	36,479
1640 Lunch sales to adults		20,919
1650 Breakfast sales to adults		1,264
1660 Special sales to adults		7,611
1900 Other revenue from local sources:		
1999 Revenue from other local sources		24,344
Total revenue from local sources		<u>90,617</u>
3000 Revenue from State Sources:		
3100 Restricted state funding:		
3140 School lunch:		
3142 Program aid		69
Total state sources		<u>69</u>
4000 Revenue from Federal Sources:		
4800 USDA reimbursement:		
4810 School lunch and after school snacks program		693,734
4830 School breakfast program		245,102
4860 Fresh fruits and vegetables program		20,011
4900 Other federal sources:		
4991 USDA commodities		26,398
Total federal sources		<u>985,245</u>
Total revenue all sources		<u>1,075,931</u>

**EXPENDITURES**

256 Food Service:		
100 Salaries		350,142
200 Employee benefits		115,264
300 Purchased services		40,165
400 Supplies and materials		602,995
500 Capital outlay		92,189
600 Other objects		4,016
Total expenditures		<u>1,204,771</u>

**OTHER FINANCING SOURCES (USES)**

Interfund transfers from (to) other funds:		
Transfer from general fund		41,189
Total other financing sources		<u>41,189</u>

CHANGE IN NET POSITION (87,651)

NET POSITION, JULY 1, 2014 548,668  
Prior period adjustment (663,447)

NET POSITION, JUNE 30, 2015 \$ (202,430)

**CALHOUN COUNTY PUBLIC SCHOOLS  
ST. MATTHEWS, SOUTH CAROLINA**

**PUPIL ACTIVITY FUND**

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS AND CHANGE IN  
AMOUNTS DUE TO PUPIL ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

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**RECEIPTS**

1000 Receipts from Local Sources:

1700 Pupil activities:

1790 Other \$ 308,922

Total receipts 308,922

**DISBURSEMENTS**

190 Instructional Pupil Activity:

660 Pupil activity 18,367

270 Support Services Pupil Activity:

271 Pupil service activities:

660 Pupil activity 206,924

272 Pupil service activities:

660 Pupil activity 2,155

273 Pupil service activities:

660 Pupil activity 58,453

Total disbursements 285,899

EXCESS OF REVENUES OVER EXPENDITURES 23,023

DUE TO STUDENT GROUPS, JULY 1, 2014 82,669

DUE TO STUDENT GROUPS, JUNE 30, 2015 \$ 105,692

**CALHOUN COUNTY PUBLIC SCHOOLS  
ST. MATTHEWS, SOUTH CAROLINA**

DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT  
JUNE 30, 2015

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<u>PROGRAM</u>	<u>GRANT OR PROJECT NUMBER</u>	<u>REVENUE AND SUBFUND CODES</u>	<u>DESCRIPTION</u>	<u>AMOUNT DUE TO SDE OR FEDERAL GOV'T</u>
NATIONAL BOARD CERTIFICATION	EIA	3532	Unexpended funds	\$ 180
HIGH ACHIEVING STUDENTS	EIA	3544	Unexpended funds	1,958
EDUCATING THE 21st CENTURY MUSICIAN	SRF	3509	Unexpended funds	795
SEVERLY MENTALLY DISABLED STUDENTS	SRF	3199	Unexpended funds	56
6-8 ENHANCEMENT	SRF	3607	Unexpended funds	557
				<hr/>
				\$ 3,546
				<hr/> <hr/>

**CALHOUN COUNTY PUBLIC SCHOOLS  
ST. MATTHEWS, SOUTH CAROLINA**

SCHOOL DISTRICT LOCATION RECONCILIATION SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2015

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<u>LOCATION ID</u>	<u>LOCATION DESCRIPTION</u>	<u>EDUCATION LEVEL</u>	<u>COST TYPE</u>	<u>TOTAL EXPENDITURES</u>
10	Districtwide	Non-school	Central	\$ 10,347,980
20	Calhoun County High	High School	School	4,911,205
45	Sandy Run Elementary	Elementary School	School	4,708,294
50	St. Matthews School	Elementary School	School	5,202,262
99	Orangeburg 4	Other School	School	4,374
Total expenditures/disbursements for all funds				<u><u>\$ 25,174,115</u></u>

The above expenditures are reconciled to the District's financial statements as follows:

General Fund (Subfund 100's)	\$ 14,065,278
Special Revenue Fund (Subfund 200's, 800's, and 900's)	2,809,692
Special Revenue EIA Fund (Subfund 300's)	980,468
Debt Service Fund (Subfund 400's)	4,934,908
Capital Projects Fund (Subfund 500's)	893,099
Proprietary Fund (Subfund 600's)	1,204,771
Trust and Agency Fund (Subfund 700's)	285,899
Total expenditures/disbursements for all funds	<u><u>\$ 25,174,115</u></u>



J. W. Hunt and Company, LLP

Certified Public Accountants

John C. Creech, Jr., CPA  
Anne H. Ross, CPA  
William T. Pouncey, CPA  
M. Riley Creech, CPA

**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***

The Board of Trustees  
Calhoun County Public Schools  
St. Matthews, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of Calhoun County Public Schools, St. Matthews, South Carolina (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 10, 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 from 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.

*J. W. Hunt and Company, LLP*

November 10, 2015



J. W. Hunt and Company, LLP

Certified Public Accountants

John C. Creech, Jr., CPA  
Anne H. Ross, CPA  
William T. Pouncey, CPA  
M. Riley Creech, CPA

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY OMB CIRCULAR A-133**

The Board of Trustees  
Calhoun County Public Schools  
St. Matthews, South Carolina

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

We have audited Calhoun County Public Schools, St. Matthews, South Carolina's (the District) 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.

*J. W. Hunt and Company, LLP*

November 10, 2015

**CALHOUN COUNTY PUBLIC SCHOOLS  
ST. MATTHEWS, SOUTH CAROLINA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, YEAR ENDED JUNE 30, 2015**

LEA SUBFUND CODE	FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	EXPENDITURES
	<u>U. S. Department of Agriculture</u>			
	Passed through the South Carolina State Department of Education:			
	Cash assistance:			
60X	School breakfast program	10.553	N/A	\$ 245,102
60X	School lunch program	10.555	N/A	693,734
60X	Fresh fruits and vegetable program	10.582	15FV016	20,011
	Non-cash assistance:			
60X	USDA Commodities (Food Distribution Program)	10.565	N/A	26,398
	Total U. S. Department of Agriculture			<u>985,245</u>
	<u>U. S. Department of Education</u>			
	Passed through the South Carolina State Department of Education:			
201	Title I	84.010	14BA016	573,167
203	IDEA - Special Education	84.027A	15CA016-01	\$ 615,624
204	IDEA - Special Education	84.027A	14CA016-01	<u>217,614</u>
				833,238
205	IDEA - Special Education Preschool Grants	84.173	15CG016	29,366
206	IDEA - Special Education Preschool Grants	84.173	14CG016	<u>6,999</u>
				36,365
227	Title VI - Rural and Low Income	84.358B	14BS016	45,262
264	Title III - Limited English Proficiency and Immigrant Students	84.365	15BP016	7,277
267	Improving Teacher Quality	84.367A	15TQ016-01	95,803
268	Improving Teacher Quality	84.367A	14TQ016-01	<u>12,184</u>
				107,987
271	Career and Technical Education (subprogram 10)	84.048	15VA016	1,493
273	Career and Technical Education (subprogram 09)	84.048	15VA016	20,000
274	Career and Technical Education (subprogram 06)	84.048	15VA016	5,161
276	Career and Technical Education (subprogram 17)	84.048	15VA016	-
277	Career and Technical Education (subprogram 04)	84.048	15VA016	1,995
278	Career and Technical Education (subprogram 14)	84.048	15VA016	<u>601</u>
				29,250
299	Gear Up	84.334A	P334A140210	56,047
	Total U. S. Department of Education			<u>1,688,593</u>
	<u>U. S. Department of Defense</u>			
	Direct Program			
290	ROTC	12.357	N/A	66,647
	Total U. S. Department of Defense			<u>66,647</u>
	<u>U.S. Department of Health and Human Services</u>			
240	SC Campaign to Prevent Teen Pregnancy	93.297	5 TP1AH000026-03-00	35,822
	Total U. S. Department of Health and Human Services			<u>35,822</u>
	<u>U.S. Department of Labor</u>			
801	WIA Youth Activities	17.259	15JAG101	53,531
	Total U. S. Department of Labor			<u>53,531</u>
	Total expenditures of federal awards			<u>\$ 2,829,838</u>

**CALHOUN COUNTY PUBLIC SCHOOLS  
ST. MATTHEWS, SOUTH CAROLINA**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015**

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**NOTE 1 - BASIS OF PRESENTATION:**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Calhoun County Public Schools (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 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 assets, or cash flows of the District.

**NOTE 2 - 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 costs 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.

**CALHOUN COUNTY PUBLIC SCHOOLS  
ST. MATTHEWS, SOUTH CAROLINA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015**

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**SECTION I - SUMMARY OF AUDITOR'S RESULTS:**

***Financial Statements***

Type of auditor's report issued: unmodified

Internal control over financial reporting:

Material weaknesses identified? no

Significant deficiencies identified that are not considered  
to be material weakness(es)? no

Noncompliance material to financial statements noted? no

***Federal Awards***

Internal control over major programs:

Material weaknesses identified? no

Significant deficiencies identified that are not considered  
to be material weakness(es)? no

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

Any audit findings disclosed that are required to be reported in accordance  
with section 510(a) of Circular A-133? no

Identification of major programs:

**CFDA Numbers      Name of Federal Program**

84.010	Title 1
84.367A	Improving Teacher Quality
12.357	ROTC

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? yes

**SECTION II - FINANCIAL STATEMENT FINDINGS**

There were no finding related to the financial statements.

**SECTION III - MAJOR FEDERAL AWARD PROGRAMS AUDIT FINDINGS**

There were no finding related to federal awards.

**CALHOUN COUNTY PUBLIC SCHOOLS  
ST. MATTHEWS, SOUTH CAROLINA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2015**

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**OTHER COMPLIANCE FINDINGS – FOR COMMERCIAL DRIVER’S LICENSE DRUG AND ALCOHOL  
TESTING PROGRAM**

Finding 14-02:	Failure to meet state requirements and administer random controlled substance testing for the forth consecutive year
Condition:	Calhoun County Public Schools performed random drug tests on 48% of school bus drivers
Criteria:	Districts are required to randomly drug test a minimum of 50% of school bus drivers.
Effect:	Calhoun County Public Schools is not in compliance with the Code of Federal Regulations (49 C.F.R. 382.305) because less than 50% of the average number of bus drivers were randomly tested for controlled substances.
Cause:	Administrative oversight.
Recommendation:	The staff at Calhoun County Public School should implement effective procedures to ensure that the drug testing center selects enough employees for testing.
Views of Responsible Officials and Planned Corrective Actions:	The District agrees with the finding. It appears the vendor did not exercise due diligence in selecting and testing the required number of employees to be tested. However, the District understands that the ultimate responsibility for the random testing is the responsibility of the District. The staff responsible for this, has again, not paid enough attention to detail. From this point forward, the Superintendent’s office will be extremely involved with the random testing of the bus drivers.



