

CALHOUN COUNTY PUBLIC SCHOOLS
ST. MATTHEWS, SOUTH CAROLINA

ANNUAL FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2013
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, 2013, 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.

(Continued) - 1.

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

Opinion

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, 2013, 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 7 through 12 and 43 through 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The 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.

(Concluded) - 2.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2013, 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 19, 2013

(Concluded) - 3.

Calhoun County Public Schools
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2013

As management of Calhoun County Public School District, we offer readers of the Calhoun County Public School District's financial statements a narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2013. Please read the information presented here in conjunction with the District's financial statements which immediately follow this section.

Financial Highlights

General revenue accounted for \$13,481,262 or 66 percent of all governmental activities revenues. Program specific revenues in the form of charges for services, sales, grants, and contributions accounted for \$6,676,891 or 33 percent. The total governmental revenue amounted to \$20,158,153.

- The District had \$19,929,677 in expenses related to governmental activities; only \$6,676,891 of these expenses was offset by program specific charges for services, grants or contributions. General revenue of \$13,481,262 was adequate to provide for these programs.
- The assets of Calhoun County Public Schools exceeded its liabilities at the close of the fiscal year by \$16,646,835 (net assets).
- As of the close of the current fiscal year, the District's governmental funds combined ending fund balance was \$8,008,653, an increase of \$382,428. Of the fund balance, \$2,589,930 is the fund balance for Educational Facilities Corporation for Calhoun County Schools, Inc.
- Among the major funds, the general fund had \$14,067,353 in revenue and \$13,525,109 in expenditures for an excess of \$542,244. Net transfers out to other funds and other financing sources of \$202,294 increased the excess of revenue over expenditures resulting in the fund balance of \$3,273,060.
- At end of the fiscal year, the unassigned fund balance of the general fund was \$3,265,839 or 24% of the total general fund expenditures.
- The District reduced its outstanding revenue bonded debt by \$890,000.

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 Assets 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 Assets and Statement of Activities report the District's net assets and changes in those assets. The change in net assets 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 Assets 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 basis 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 Assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 13-14 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 Assets 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 22-42 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 year 2013 and 2012:

	Governmental Activities		Business-Type Activities		Total	Total
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Assets:						
Current and other assets	\$ 10,227,172	\$ 9,821,714	\$ 163,973	\$ 173,923	\$ 10,391,145	\$ 9,995,637
Capital assets	37,355,079	38,378,571	522,832	604,787	37,877,911	38,983,358
Total assets	<u>\$ 47,582,251</u>	<u>\$ 48,200,285</u>	<u>\$ 686,805</u>	<u>\$ 778,710</u>	<u>\$ 48,269,056</u>	<u>\$ 48,978,995</u>
Liabilities:						
Long-term liabilities						
outstanding	\$ 29,936,378	\$ 30,839,523	\$ 4,242	\$ 4,242	\$ 29,940,620	\$ 30,843,765
Other liabilities	1,679,836	1,623,201	1,765	671	1,681,601	1,623,872
Total liabilities	<u>31,616,214</u>	<u>32,462,724</u>	<u>6,007</u>	<u>4,913</u>	<u>31,622,221</u>	<u>32,467,637</u>
Net assets:						
Invested in capital assets,						
net of related debt	7,752,450	8,514,146	522,832	604,787	8,275,282	9,118,933
Restricted	4,735,599	5,097,707	-	-	4,735,599	5,097,707
Unrestricted	3,477,988	2,125,708	157,966	169,010	3,635,954	2,294,718
Total net assets	<u>15,966,037</u>	<u>15,737,561</u>	<u>680,798</u>	<u>773,797</u>	<u>16,646,835</u>	<u>16,511,358</u>
Total liabilities and net assets	<u>\$ 47,582,251</u>	<u>\$ 48,200,285</u>	<u>\$ 686,805</u>	<u>\$ 778,710</u>	<u>\$ 48,269,056</u>	<u>\$ 48,978,995</u>

Financial Analysis of the District as a Whole (Continued)

The table below shows the changes in net position for fiscal year 2013. Fiscal year 2012 information is provided to have a comparison to current year revenue and expense.

	Governmental Activities		Business-Type Activities		Total	Total
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenue:						
Program revenue:						
Charges for sales and services	\$ 386	\$ 484	\$ 130,739	\$ 171,012	\$ 131,125	\$ 171,496
Operating grants and contributions	6,676,505	6,595,259	882,940	894,157	7,559,445	7,489,416
Capital grants and contributions	-	-	-	-	-	-
General revenue:						
Property taxes	13,307,935	13,077,924	-	-	13,307,935	13,077,924
Investment earnings	121,113	93,987	-	-	121,113	93,987
Other	52,214	95,929	-	-	52,214	95,929
Total revenue	<u>20,158,153</u>	<u>19,863,583</u>	<u>1,013,679</u>	<u>1,065,169</u>	<u>21,171,832</u>	<u>20,928,752</u>
Expenses:						
Instruction	10,333,132	10,063,078	-	-	10,333,132	10,063,078
Support services	8,108,025	8,043,908	-	-	8,108,025	8,043,908
Community services	3,717	4,568	-	-	3,717	4,568
Intergovernmental	50,363	325,255	-	-	50,363	325,255
Interest and other charges	1,434,440	1,378,864	-	-	1,434,440	1,378,864
Food service	-	-	1,138,564	1,115,181	1,138,564	1,115,181
Total expenses	<u>19,929,677</u>	<u>19,815,673</u>	<u>1,138,564</u>	<u>1,115,181</u>	<u>21,068,241</u>	<u>20,930,854</u>
Increase (decrease) in net position	228,476	47,910	(124,885)	(50,012)	103,591	(2,102)
NET POSITION JULY 1, 2012,	<u>15,737,561</u>	<u>15,689,651</u>	<u>773,797</u>	<u>823,809</u>	<u>16,511,358</u>	<u>16,513,460</u>
NET POSITION JUNE 30, 2013	<u>\$ 15,966,037</u>	<u>\$ 15,737,561</u>	<u>\$ 648,912</u>	<u>\$ 773,797</u>	<u>\$ 16,614,949</u>	<u>\$ 16,511,358</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 \$8,008,659, an increase of \$382,428. Of the fund balance, \$2,589,930 is the fund balance for Educational Facilities Corporation for Calhoun County Schools, Inc. The District has reviewed its capital improvement needs and is addressing the facilities needs through the Educational Facilities Corporation (EFC) for Calhoun County Schools, Inc. This study included student enrollment and facility needs for the next twenty-five years.

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 \$13,839,002 of revenue. Of the \$13,839,002 revenue budgeted to be received from local and state sources, we had a favorable variance in revenue of \$228,351.

- Actual local revenues were \$393,717 higher than expected. This was due to increased property tax collections of \$449,759, Medicaid funding not budgeted of \$26,454, Insurance Proceeds over budgeted of \$3,866, an increase in interest revenue and tuition from other LEAs for regular school day of \$1,370 and a \$80,000 over projection in other funds collected.
- State revenues were \$165,366 lower than expected due to restricted state funding being less than anticipated.
- Operating transfers in were \$54,392 higher than anticipated.
- Operating transfers out were \$115,825 lower than expected.
- In total, actual expenditures were less than budget spending plan by \$454,754. Of the \$13,979,863 budgeted, \$13,525,109 were spent.

Capital Asset and Debt Administration

Capital Assets - As of June 30, 2013, the District had invested \$49,538,163 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 \$287,935 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 \$1,627,125.

Capital Assets (Net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Total Percent Change 2013-2012
	2013	2012	2013	2012	
Land	\$ 1,073,687	\$ 1,073,687	\$ -	\$ -	0.00%
Buildings and improvements	34,842,933	35,613,534	-	-	-2.16%
Equipment	1,438,459	1,691,350	522,832	604,787	-14.58%
Total	<u>\$ 37,355,079</u>	<u>\$ 38,378,571</u>	<u>\$ 522,832</u>	<u>\$ 604,787</u>	<u>-2.67%</u>

Long-Term Debt - as of June 30, 2013, the District had \$676,000 in general obligation bonds outstanding and \$28,445,000 in EFC Revenue Bonds. This represents a net decrease of \$890,000 in revenue bonded 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.

Educational Facilities Corporation for Calhoun County Schools, Inc. (EFC)

Pursuant to a School Facilities Purchase and Use Agreement and a Base Lease Agreement between the District and the EFC, dated December 27, 2006, a plan was implemented to finance capital projects of the District through proceeds of SCAGO installment purchase revenue bonds. On December 27, 2006, the EFC closed on an installment purchase revenue bond transaction of \$32,985,000. The proceeds were used to acquire, construct, and equip new school facilities, additions to, renovations of, repairs of, and improvements to the District’s existing facilities.

Key uses of the funding included the following:

- Construct a new St. Matthew K-8 school.
- Construct a new state-of-the-art media center at Calhoun County High School.
- Renovate existing high school.
- Construct addition and renovation of Sandy Run School for grades K-8.
- Renovation of the Guinyard facility for the District office.

The St. Matthew K-8 and Sandy Run K-8 were completed in July 2009. The Calhoun High School and the District Office were completed in June of 2010.

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 decreased in the District for the school year 2013.

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, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 5,574,675	\$ 1,536	\$ 5,576,211
Restricted cash	67,090	-	67,090
Restricted investments	2,513,465	-	2,513,465
Property taxes receivable (net of allowance for uncollectible property taxes of \$43,488)	675,464	-	675,464
Due from governmental units and other receivables	912,190	14,839	927,029
Internal balances	(138,953)	138,953	-
Inventories and prepaid expenses	8,600	8,645	17,245
Unamortized bond issue cost	614,644	-	614,644
Capital assets not being depreciated:			
Land	1,073,687	-	1,073,687
Capital assets net of accumulated depreciation:			
Buildings	34,842,933	-	34,842,933
Equipment	1,438,459	522,832	1,961,291
Total capital assets, net of depreciation	37,355,079	522,832	37,877,911
Total assets	47,582,254	686,805	48,269,059
LIABILITIES:			
Accounts payable and other current liabilities	997,545	1,128	998,673
Deferred revenue	77,408	-	77,408
Unamortized bond premiums	604,886	-	604,886
Long-term liabilities:			
Due within one year:			
Accrued interest	112,467	-	112,467
Bonds and capital leases	2,464,101	-	2,464,101
Compensated absences	88,512	1,952	90,464
Due in more than one year:			
Bonds and capital leases	27,138,528	-	27,138,528
Compensated absences	132,770	2,927	135,697
Total liabilities	31,616,217	6,007	31,622,224
NET POSITION:			
Invested in capital assets, net of related debt	7,752,450	522,832	8,275,282
Restricted for:			
Capital projects	1,390,310	-	1,390,310
Debt service	3,345,289	-	3,345,289
Unrestricted	3,477,988	157,966	3,635,954
Total net position	\$ 15,966,037	\$ 680,798	\$ 16,646,835

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, 2013

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	\$ 10,333,132	\$ 386	\$ 4,992,551	\$ -	\$ (5,340,195)	\$ -	\$ (5,340,195)
Support services	8,108,025	-	1,636,207	-	(6,471,818)	-	(6,471,818)
Community services	3,717	-	3,717	-	-	-	-
Intergovernmental	50,363	-	42,046	-	(8,317)	-	(8,317)
Interest and other charges	1,434,440	-	1,984	-	(1,432,456)	-	(1,432,456)
Total governmental activities	19,929,677	386	6,676,505	-	(13,252,786)	-	(13,252,786)
Business-type activities:							
Food service	1,138,564	130,739	882,940	-	-	(124,885)	(124,885)
Total business-type activities	1,138,564	130,739	882,940	-	-	(124,885)	(124,885)
Total primary government	\$ 21,068,241	\$ 131,125	\$ 7,559,445	\$ -	\$ (13,252,786)	\$ (124,885)	\$ (13,377,671)
General revenues:							
Property taxes levied for:							
General purposes					10,439,415	-	10,439,415
Debt service					2,868,520	-	2,868,520
Medicaid					26,454	-	26,454
Local revenue					57,646	-	57,646
Restricted investment earnings					121,113	-	121,113
Transfer in/(out)					(31,886)	31,886	-
Total general revenues					13,481,262	31,886	13,513,148
Change in net position					228,476	(92,999)	135,477
Net position, beginning of year					15,737,561	773,797	16,511,358
Net position, end of year					\$ 15,966,037	\$ 680,798	\$ 16,646,835

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, 2013

	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	\$ 3,139,257	\$ -	\$ -	\$ 969,211	\$ -	\$ 1,466,207	\$ -	\$ 5,574,675
Restricted cash equivalents	-	-	-	-	-	-	67,090	67,090
Restricted investments	-	-	-	-	2,509,217	-	4,248	2,513,465
Property taxes receivable, net	662,141	-	-	13,323	-	-	-	675,464
Due from other funds	430,956	54,539	45,606	-	109,871	733,198	-	1,374,170
Other receivables	303,196	513,759	85,860	-	9,375	-	-	912,190
Prepaid expenses	7,221	1,379	-	-	-	-	-	8,600
Total assets	\$ 4,542,771	\$ 569,677	\$ 131,466	\$ 982,534	\$ 2,628,463	\$ 2,199,405	\$ 71,338	\$ 11,125,654
LIABILITIES AND FUND BALANCES:								
Liabilities:								
Accounts payable and accrued liabilities	\$ 702,419	\$ 51	\$ -	157,467	\$ -	\$ 53,407	\$ -	\$ 913,344
Due to other funds	-	515,087	74,174	-	108,241	825,396	1,630	1,524,528
Due to other governmental units	-	33,678	745	-	-	-	-	34,423
Unearned property tax	567,292	-	-	-	-	-	-	567,292
Unearned revenue	-	20,861	56,547	-	-	-	-	77,408
Total liabilities	1,269,711	569,677	131,466	157,467	108,241	878,803	1,630	3,116,995
Fund balances:								
Nonspendable	7,221	-	-	-	-	-	-	7,221
Restricted	-	-	-	825,067	2,520,222	1,320,602	69,708	4,735,599
Unassigned	3,265,839	-	-	-	-	-	-	3,265,839
Total fund balances	3,273,060	-	-	825,067	2,520,222	1,320,602	69,708	8,008,659
Total liabilities and fund balances	\$ 4,542,771	\$ 569,677	\$ 131,466	\$ 982,534	\$ 2,628,463	\$ 2,199,405	\$ 71,338	\$ 11,125,654
Total fund balances \$ 8,008,659								
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 \$49,561,444 and the accumulated depreciation is \$12,206,365. 37,355,079								
Deferred charges are not reported in the funds because they are not current financial resources, but they are reported in the statement of net assets. 614,644								
Property taxes receivable not available to pay for current-period expenditures and therefore are deferred in the funds. 567,292								
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 \$32,696 annually. (604,886)								
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 (28,445,000)								
GO bonds payable (676,000)								
Arbitrage payable (38,374)								
Capital lease obligations (481,629)								
Accrued compensated absences (221,281)								
Accrued interest (112,467)								
Net position of governmental activities \$ 15,966,037								

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, 2013

	General Fund	Special Revenue Fund	EIA Fund	Debt Service Fund	SCAGO Debt Service Fund	School Building Fund	SCAGO School Building Fund	Total Governmental Funds
REVENUES:								
Local property taxes	\$ 6,279,545	\$ -	\$ -	\$ 2,724,378	\$ -	\$ -	\$ -	\$ 9,003,923
Other local	27,588	160,050	-		119,139	57,504	2	364,283
Total local	6,307,133	160,050	-	2,724,378	119,139	57,504	2	9,368,206
State	7,760,220	288,594	1,071,804	123,512	-	-	-	9,244,130
Federal	-	1,589,169	-	-	-	-	-	1,589,169
Total revenues	14,067,353	2,037,813	1,071,804	2,847,890	119,139	57,504	2	20,201,505
EXPENDITURES:								
Current:								
Instruction	7,054,787	1,331,095	614,180	-	-	-	-	9,000,062
Support services	6,333,756	890,351	111,616	-	-	493,259	8,934	7,837,916
Community services	-	3,717	-	-	-	-	-	3,717
Intergovernmental	8,317	42,046	-	-	-	-	-	50,363
Debt service:								
Principal				2,480,000	890,000	-	-	3,370,000
Interest	14,269	-	-	38,373	1,381,463	-	-	1,434,105
Dues and fees	-	-	-	257	4,000	-	-	4,257
Purchased Services	-	-	-	172,704	-	-	-	172,704
Capital outlay	113,980	-	7,432	-	-	400,265	-	521,677
Total expenditures	13,525,109	2,267,209	733,228	2,691,334	2,275,463	893,524	8,934	22,394,801
Excess (deficiency) of revenues over expenditure	542,244	(229,396)	338,576	156,556	(2,156,324)	(836,020)	(8,932)	(2,193,296)
OTHER FINANCING SOURCES (USES):								
Proceeds from capital lease	125,000	-	-	-	-	-	-	125,000
Premiums on bonds issued	-	-	-	-	-	21,610	-	21,610
Proceeds of general obligation bonds	-	-	-	-	-	2,461,000	-	2,461,000
Transfers in	367,181	249,150	8,851	-	2,167,113	-	-	2,792,295
Transfers out	(289,887)	(19,754)	(347,427)	-	-	(2,167,113)	-	(2,824,181)
Total other financing sources (uses)	202,294	229,396	(338,576)	-	2,167,113	315,497	-	2,575,724
Net change in fund balances	744,538	-	-	156,556	10,789	(520,523)	(8,932)	382,428
Fund balances - July 1, 2012	2,528,522	-	-	668,511	2,509,433	1,841,125	78,640	7,626,231
Fund balances - June 30, 2013	\$ 3,273,060	\$ -	\$ -	\$ 825,067	\$ 2,520,222	\$ 1,320,602	\$ 69,708	\$ 8,008,659

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, 2013

Total net change in fund balance - governmental funds	\$ 382,428	
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 (\$1,545,170) in the period exceeds capital outlays (\$521,678).		(1,023,492)
Some of the capital assets acquired this year 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 issued	\$ (125,000)	
Capital lease payments	<u>172,795</u>	47,795
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	(2,461,000)	
Bond premiums	32,696	
Amortized bond costs	(33,224)	
Bond principal retirement	<u>3,370,000</u>	908,472
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.		(33,077)
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 reduced not reduced during the year.		-
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 earned (\$145,980) exceeds the amount used (\$87,971) by \$58,009.		(58,009)
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 \$4,359.		<u>4,359</u>
Change in net assets of governmental activities	\$	<u><u>228,476</u></u>

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, 2013

	Enterprise Fund - <u>Food Services</u>
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 1,536
Due from other governmental units	14,839
Due from other funds	138,953
Inventories - supplies and materials	8,645
Total current assets	<u>163,973</u>
Capital assets:	
Equipment	1,050,406
Less accumulated depreciation	(527,574)
Total capital assets	<u>522,832</u>
Total assets	<u>686,805</u>
LIABILITIES:	
Current liabilities:	
Accounts payable and accrued liabilities	<u>6,007</u>
Total current liabilities	<u>6,007</u>
NET POSITION:	
Invested in capital assets	522,832
Unrestricted	<u>157,966</u>
Total net position	<u>\$ 680,798</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, 2013

	Enterprise Fund - <u>Food Services</u>
OPERATING REVENUES:	
Proceeds from sale of meals	\$ 130,739
Total operating revenues	<u>130,739</u>
OPERATING EXPENSES:	
Food costs	479,292
Salaries and wages	492,432
Supplies and materials	54,376
Depreciation	81,956
Other operating costs	30,508
Total operating expenses	<u>1,138,564</u>
Operating loss	<u>(1,007,825)</u>
NONOPERATING REVENUES:	
USDA reimbursements	857,415
Commodities received from USDA	25,455
Other federal and state aid	70
Total nonoperating revenues	<u>882,940</u>
Loss before operating transfers	(124,885)
Transfers in:	
Operating transfer in	<u>31,886</u>
Change in net position	(92,999)
Total net position - July 1, 2012	<u>773,797</u>
Total net position - June 30, 2013	<u>\$ 680,798</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, 2013

	<u>Enterprise Fund - Food Services</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Received from patrons	\$ 131,892
Payments to employees for services	(491,794)
Payments to suppliers for goods and services	(498,510)
Payments to others	(30,508)
Net cash used by operating activities	<u>(888,920)</u>
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES:	
Transfer out	31,886
Federal and state aid	857,485
Net cash received from noncapital financing activities	<u>889,371</u>
Net increase in cash and cash equivalents	451
Cash and cash equivalents - July 1, 2012	<u>1,085</u>
Cash and cash equivalents - June 30, 2013	<u><u>\$ 1,536</u></u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (1,007,825)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	81,956
Commodities used	25,455
Changes in assets and liabilities:	
Accounts receivable	1,153
Inventories	9,248
Accounts payable	455
Accrued compensated absences	638
Net cash used by operating activities	<u><u>\$ (888,920)</u></u>

Noncash capital and financing transactions:

During the year, the District received \$25,455 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, 2013

	<u>Agency Funds</u>
ASSETS:	
Cash and cash equivalents	\$ 60,022
Due from other funds	11,405
Total assets	<u>71,427</u>
LIABILITIES:	
Accounts payable	860
Due to student groups	70,567
Total liabilities	<u>71,427</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

NOTES TO FINANCIAL STATEMENTS, JUNE 30, 2013

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 units 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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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, 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 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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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 assets and the statement of activities) report information on all of the nonfiduciary activities of the school 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 school 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 school district's enterprise fund are food service charges. Operating expenses for the school 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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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 assets.

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 school 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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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.

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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

CAPITAL ASSETS (CONTINUED):

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 District has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement defines five classifications of governmental fund balances: nonspendable, restricted, committed, assigned and unassigned. Where applicable, these classifications are presented on the face of the governmental fund balance sheet.

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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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.

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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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, 2013, the liability for compensated absences has been recorded in the amount of \$226,161. 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 19, 2013, the date of issuance, in preparing the financial statements and notes thereto.

RECENT ACCOUNTING PRONOUNCEMENTS:

The District has adopted GASB Statements Nos. 62 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* (GASB 62) and 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* (GASB 63). GASB 62 incorporated into the GASB literature certain accounting and financial reporting guidance issued for the private sector. GASB 63 standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effect on a government's net position.

In March 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. GASB 65 is effective for periods beginning after December 15, 2012. When the District adopts GASB 65, bond issue costs of approximately \$615,000 will be charged to expense.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

RECENT ACCOUNTING PRONOUNCEMENTS (CONTINUED):

In June 2012, GASB issued Statements No. 67 and 68. Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25*, standardizes financial reporting by state and local governmental pension plans. Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, establishes accounting and financial reporting requirements related to the presentation of the net pension obligation for governments whose employees are provided with pensions through pension plans that are covered by the scope of this Statement. Statements No. 67 and 68 are effective for financial statements for periods beginning after June 15, 2013, and June 15, 2014, respectively. These Statements will have an impact on the financial statements, which has yet to be determined.

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.

DEPOSITS:

The District's bank balances at June 30, 2013, totaled \$1,178,299. 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, 2013, the County held \$3,698,793 of the District's funds in a money market account which was collateralized in the same manner as the District's own cash.

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

NOTE 2 - CASH AND INVESTMENTS (CONTINUED):

INVESTMENTS:

As of June 30, 2013, the SCAGO had the following investments:

<u>Investment</u>	<u>Fair Value</u>	<u>Cost</u>
Money Market Funds	\$ 241,154	\$ 241,154
United States Agency	<u>2,272,311</u>	<u>2,272,311</u>
Total	<u>\$ 2,513,465</u>	<u>\$ 2,513,465</u>

The United States Agency security held by SCAGO at June 30, 2013 matures in less than one year and carries an investment grade of Baa1 at June 30, 2013. 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.

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

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

NOTE 3 - PROPERTY TAXES (CONTINUED):

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, 2013.

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, 2013, the composition of interfund balances is as follows:

	DUE FROM OTHER <u>FUNDS</u>	DUE TO OTHER <u>FUNDS</u>
General Fund	\$ 430,956	\$ -
Special Revenue Fund	54,539	515,087
Education Improvement Act	45,606	74,174
Debit Service Fund	108,893	108,893
Building Fund	733,198	825,396
Enterprise Fund	138,953	-
Pupil Activity	11,405	-
Total	<u>\$ 1,523,550</u>	<u>\$ 1,523,550</u>

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

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED):

INTERFUND TRANSFERS:

Transfers are used to move unrestricted general fund 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, 2013, the following transfers were made:

<u>FUND</u>	<u>TRANSFERS TO</u>	<u>TRANSFERS FROM</u>
General fund		
Special Revenue	\$ -	\$ 367,181
Education Improvement Fund	289,887	-
Proprietary Fund	-	31,886
Special revenue		
General Fund	19,754	249,150
Education Improvement		
General Fund	347,427	8,851
Debt Service - SCAGO		
School Building - Other	-	2,167,113
School Building - Other		
Debt Service - SCAGO	2,167,113	-
Total	<u>\$ 2,824,181</u>	<u>\$ 2,824,181</u>

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

NOTE 6 - CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2013, was as follows:

	<u>BEGINNING BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ENDING 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	44,243,205	373,756		44,616,961
Machinery and equipment	3,956,617	147,922	(233,743)	3,870,796
Total other capital assets being depreciated at cost	48,199,822	521,678	(233,743)	48,487,757
Less accumulated depreciation for:				
Buildings and improvements	(8,629,671)	(1,144,358)		(9,774,029)
Machinery and equipment	(2,265,267)	(400,812)	233,743	(2,432,336)
Total accumulated depreciation	(10,894,938)	(1,545,170)	233,743	(12,206,365)
Other capital assets, net	37,304,884	(1,023,492)	-	36,281,392
Governmental activities, capital assets, net	\$ 38,378,571	\$ (1,023,492)	\$ -	\$ 37,355,079
Business type activities:				
Equipment	\$ 1,050,406	\$ -	\$ -	\$ 1,050,406
Less accumulated depreciation	(445,619)	(81,955)	-	(527,574)
Business type activities, capital assets, net	\$ 604,787	\$ (81,955)	\$ -	\$ 522,832

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

Governmental activities:	
Instruction	\$ 1,275,061
Support services	270,109
Business-type activities:	
Food service	81,956

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

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 - EMPLOYEE BENEFIT PLANS:

SOUTH CAROLINA RETIREMENT SYSTEM:

Substantially all employees of the District are covered by a retirement plan through the South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Retirement Division of the State Budget and Control Board, a public employee retirement system (PERS). Generally all District employees are required to participate in and contribute to the SCRS as a condition of employment unless exempted by law as provided in Section 9-1-480 of the South Carolina Code of Laws. This plan provides annuity benefits as well as disability, cost of living adjustment, death and group-life insurance benefits to eligible employees and retirees.

The Retirement Division maintains four independent defined benefit plans and issues its own publicly available CAFR which includes financial statements and required supplementary information. A copy of the separately issued CAFR may be obtained by writing to the Retirement Division, 202 Arbor Lake Drive, Columbia, South Carolina, 29223. Furthermore, the Division and the four pension plans are included in the CAFR of the State of South Carolina.

NOTE 8 - EMPLOYEE BENEFIT PLANS (CONTINUED):

SOUTH CAROLINA RETIREMENT SYSTEM (CONTINUED):

Under the SCRS, employees are eligible for a full service retirement annuity upon reaching age 65 or completion of 30 years credited service regardless of age. The benefit formula for full benefits effective since July 1, 1989, for the System is 1.82% of an employee's average final compensation multiplied by the number of years of credited service. Early retirement options with reduced benefits are available as early as age 55. Employees are vested for a deferred annuity after 5 years' service and qualify for a survivor's benefit upon completion of 15 years credited service. Disability annuity benefits are payable to employees totally and permanently disabled provided they have a minimum of 5 years credited service. A group-life insurance benefit equal to an employee's annual rate of compensation is payable upon the death of an active employee with a minimum of one year of credited service.

Since July 1, 1988, employees participating in the SCRS have been required to contribute 6% of all compensation. Effective July 1, 2009, the employer contribution rate became 13.14% which included a 3.90% surcharge. Effective July 1, 2011, the employer contribution rate became 13.685% which included a 4.30% surcharge. The District's actual contributions to the SCRS for the years ended June 30, 2013, 2012, and 2011, were \$1,061,812, \$1,017,402, and \$958,731, respectively, and equaled the required contributions of 10.45%, 9.385%, and 9.24%, respectively (excluding the surcharge) for each year. Also, the District paid employer group life insurance contributions of \$15,241 for the year ended June 30, 2013, at the rate of .15% of compensation. Covered payroll for the current year was \$10,160,881.

Beginning July 1, 2004, the SCRS began offering an Optional Retirement Program (ORP). Effective July 1, 2012, the employer contribution rate was 10.00% which included a surcharge of 4.55%. Effective July 1, 2011, the employer contribution rate was 8.69% which included a surcharge of 4.30%. The District's actual contribution to the ORP for the years ended 2013, 2012, and 2011 was \$22,047, \$24,731, and \$25,643, on covered payroll of \$220,468, \$279,916, and \$315,031, respectively. The District also paid employer group life contributions of \$331 for the year ended June 30, 2013.

The amounts paid by the District for pension, group-life, and post-retirement benefits are reported as employer contribution expenditures within the applicable funds' functional expenditure to which the related salaries are charged.

Article X, Section 16, of the South Carolina Constitution requires that all State-operated retirement systems be funded on a sound actuarial basis.

Title 9 of the South Carolina Code of Laws of 1976, as amended, prescribes requirements relating to membership, benefits, and employee/employer contributions for each pension plan. Annual benefits, payable monthly for life, are based on length of service and on average final compensation.

NOTE 8 - EMPLOYEE BENEFIT PLANS (CONTINUED):

SOUTH CAROLINA RETIREMENT SYSTEM (CONTINUED):

SCRS does not make separate measurements of assets and pension benefit obligations for individual employers. Accordingly, information regarding the excess, if any, applicable to the District of the actuarially computed value of vested benefits over the total of the SCRS pension fund and any balance sheet accruals, less any pension prepayments or deferred charges, is not available. Under Title 9 of the South Carolina Code of Laws, the District's liability under the retirement plan is limited to the amount of contributions (stated as a percentage of covered payroll) established by the State Budget and Control Board. Therefore, the District's liability under the retirement plan is limited to the amounts appropriated in the South Carolina Appropriation Act for the applicable year and amounts from other applicable revenue sources. Accordingly, the District recognizes no contingent liability for unfunded costs associated with participation in the plan. All required contributions due to the plan were met.

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 \$462,320, \$466,151, and \$416,945, during the years ended June 30, 2013, 2012 and 2011, respectively, applicable to 4.55%, 4.30%, and 3.90%, respectively, 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.

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

NOTE 9 - POST-EMPLOYMENT AND OTHER EMPLOYEE BENEFITS (CONTINUED):

Information regarding the cost of insurance benefits applicable to District retirees is not available. By State law, the District 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, 2013 is \$28,445,000. Interest expense on these bonds totaled \$1,381,463 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 \$38,374 for arbitrage due in December 2016.

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

NOTE 10 - LONG TERM AND SHORT TERM DEBT (CONTINUED):

The following schedule summarizes SCAGO's Revenue Bond debt service requirements subsequent to June 30, 2013:

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2014	\$ 935,000	\$ 1,335,837	\$ 2,270,837
2015	975,000	1,294,181	2,269,181
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
2019-23	6,565,000	4,785,625	11,350,625
2024-28	8,430,000	2,924,888	11,354,888
2029-32	8,315,000	769,115	9,084,115
Total	<u>\$ 28,445,000</u>	<u>\$ 14,700,971</u>	<u>\$ 43,145,971</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 School District's debt limitation at June 30, 2013 is computed below:

2012 Assessed value - as provided by Calhoun County	\$ 81,202,149
	X 8%
Constitutional debt limit	<u>6,496,172</u>
Debt subject to limit	<u>(676,000)</u>
Legal debt available without a referendum	<u>\$ 5,820,172</u>

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

NOTE 10 - LONG TERM AND SHORT TERM DEBT (CONTINUED):

Long-term liability balances and activity for the year ended June 30, 2013, were as follows:

	July 1, <u>2012</u>	<u>Additions</u>	<u>Reductions</u>	June 30, <u>2013</u>	Amounts Due Within <u>One Year</u>
Compensated absences	\$ 167,514	\$ 152,737	\$ 94,090	\$ 226,161	\$ 88,512
Revenue bonds	29,335,000	-	890,000	28,445,000	935,000
Capital lease (See below)	529,333	125,000	172,704	481,629	200,886
	<u>\$ 30,031,847</u>	<u>\$ 277,737</u>	<u>\$ 1,156,794</u>	<u>\$ 29,152,790</u>	<u>\$ 1,224,398</u>

During the year ended June 30, 2013, 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, 2013, the debt has an outstanding balance of \$676,000. The following is a summary of short term obligations at June 30, 2013:

	July 1, <u>2012</u>	<u>Additions</u>	<u>Reductions</u>	June 30, <u>2013</u>	Amounts Due Within <u>One Year</u>
General obligation bonds	\$ 695,000	\$ 2,461,000	\$ 2,480,000	\$ 676,000	\$ 676,000

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

NOTE 10 - LONG TERM AND SHORT TERM DEBT (CONTINUED):

The District has a lease agreement for copy machines which have a cost of \$96,420 and accumulated depreciation of \$51,424. Payments of \$33,459 are to be made annually with an interest rate of 2.94%. The District has a lease agreement for computers which have a cost of \$583,870 and accumulated depreciation of \$347,963. Payments of \$157,466 are to be made annually with an interest rate of 2.00%. The District has a lease agreement for various vehicles and equipment which have a cost of \$98,288 and accumulated depreciation of \$5,372. 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>
2014	\$ 200,886	\$ 9,224	\$ 210,110
2015	204,765	5,345	210,110
2016	24,948	1,147	26,095
2017	25,324	771	26,095
2018	25,706	389	26,095
Total	<u>\$ 481,629</u>	<u>\$ 16,876</u>	<u>\$ 498,505</u>

NOTE 11 - OPERATING LEASES:

The District has four operating leases for copiers. The following is a schedule of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2013:

YEAR ENDING <u>JUNE 30,</u>	
2014	<u>\$ 5,456</u>
Total	<u>5,456</u>

NOTE 12 - ECONOMIC DEPENDENCY:

The District receives approximately 27.57% of its property tax revenue from two industrial taxpayers.

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

NOTE 13 - 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 14 - 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.

The District has committed \$125,125 for the design of various athletic facilities, \$99,997 for HVAC, and \$74,787 for food service equipment.

NOTE 15 - SUBSEQUENT EVENTS:

On July 17, 2013, the District issued a tax anticipation note for \$3,096,000 due April 3, 2014 with interest at 2.00%.

On September 19, 2013, the District issued \$1,627,000 Series A general obligation bond for the purpose of funding the lease payments to SCAGO. The interest rate on the Series A bond is .16%, with a maturity date of March 3, 2014.

CALHOUN COUNTY PUBLIC SCHOOLS
ST. MATTHEWS, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	(Budgetary Basis)	(Negative)
REVENUES:				
Local	\$ 5,913,416	\$ 5,913,416	\$ 6,307,133	\$ 393,717
State	7,913,218	7,925,586	7,760,220	(165,366)
Total revenues	13,826,634	13,839,002	14,067,353	228,351
EXPENDITURES:				
Current:				
Instruction	7,179,292	7,276,847	7,054,787	222,060
Support services	6,494,490	6,520,705	6,333,756	186,949
Intergovernmental	12,500	12,500	8,317	4,183
Debt service	36,000	36,000	14,269	21,731
Capital outlay	140,300	133,811	113,980	19,831
Total expenditures	13,862,582	13,979,863	13,525,109	454,754
Excess (deficiency) of revenues over expenditures	(35,948)	(140,861)	542,244	683,105
OTHER FINANCING SOURCES (USES):				
Proceeds from long-term notes	125,000	125,000	125,000	-
Operating transfers in	421,573	421,573	367,181	(54,392)
Operating transfers out	(510,625)	(405,712)	(289,887)	115,825
Total other financing sources (uses)	35,948	140,861	202,294	61,433
Net change in fund balances			744,538	744,538
Fund balance - July 1, 2012			2,528,522	
Fund balance - June 30, 2013			\$ 3,273,060	

CALHOUN COUNTY PUBLIC SCHOOLS
ST. MATTHEWS, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	(Budgetary Basis)	(Negative)
REVENUES:				
Local	\$ 195,463	\$ 220,920	\$ 160,050	\$ (60,870)
State	294,180	401,409	288,594	(112,815)
Federal	1,395,160	1,831,678	1,589,169	(242,509)
Total revenues	1,884,803	2,454,007	2,037,813	(416,194)
EXPENDITURES:				
Current:				
Instruction	1,352,296	1,635,617	1,331,095	304,522
Support services	791,248	1,066,893	890,351	176,542
Community services	-	4,572	3,717	855
Intergovernmental	35,000	35,125	42,046	(6,921)
Capital outlay	-	-	-	-
Total expenditures	2,178,544	2,742,207	2,267,209	474,998
Excess (deficiency) of revenue over expenditures	(293,741)	(288,200)	(229,396)	58,804
OTHER FINANCING SOURCES (USES):				
Operating transfers in	303,741	298,200	249,150	(49,050)
Operating transfers out	(10,000)	(10,000)	(19,754)	(9,754)
Total other financing sources (uses)	293,741	288,200	229,396	(58,804)
Net change in fund balances			-	-
Fund balance - July 1, 2012			-	-
Fund balance - June 30, 2013			\$ -	-

CALHOUN COUNTY PUBLIC SCHOOLS
ST. MATTHEWS, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
EDUCATION IMPROVEMENT ACT
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	(Budgetary Basis)	
REVENUES:				
State	\$ 1,035,730	\$ 1,133,860	\$ 1,071,804	\$ (62,056)
Total revenues	1,035,730	1,133,860	1,071,804	(62,056)
EXPENDITURES:				
Current:				
Instruction	620,695	648,522	614,180	34,342
Support services	93,363	121,247	111,616	9,631
Capital outlay	-	7,516	7,432	84
Total expenditures	714,058	777,285	733,228	44,057
Excess (deficiency) of revenue over expenditures	321,672	356,575	338,576	17,999
OTHER FINANCING SOURCES (USES):				
Operating transfers in	34,901	-	8,851	8,851
Operating transfers out	(356,573)	(356,575)	(347,427)	9,148
Total other financing sources (uses)	(321,672)	(356,575)	(338,576)	17,999
Net change in fund balances			-	
Fund balance - July 1, 2012			-	
Fund balance - June 30, 2013			\$ -	

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, 2013

	<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	\$ 4,688,169	\$ 5,164,876	\$ 476,707
1240 Penalties and interest on taxes	250,000	346,688	96,688
1280 Revenue in lieu of taxes	889,247	765,611	(123,636)
1300 Tuition:			
1320 From other LEAs for regular day school	-	386	386
1500 Earnings on investments:			
1510 Interest on investments	1,000	1,984	984
1900 Other revenue from local sources:			
1930 Medicaid	-	26,454	26,454
1993 Insurance proceeds	5,000	1,134	(3,866)
1999 Revenue from other local sources	80,000	-	(80,000)
Total local sources	<u>5,913,416</u>	<u>6,307,133</u>	<u>393,717</u>
3000 Revenue from State Sources:			
3100 Restricted state funding:			
3130 Special programs:			
3131 Handicapped transportation	22,368	11,155	(11,213)
3132 Home instruction	6,000	-	(6,000)
3133 IDEA contingency	-	58,200	58,200
3160 Transportation salaries	106,905	136,831	29,926
3162 Transportation workmen's comp	12,502	12,614	112
3180 Employee fringe benefits	909,912	902,834	(7,078)
3181 Retiree insurance	338,754	415,439	76,685
3199 Other restricted state grants	-	67	67
3300 Education Finance Act:			
3310 Full time programs:			
3311 Kindergarten	155,302	155,208	(94)
3312 Primary	431,422	452,360	20,938
3313 Elementary	618,514	567,407	(51,107)
3314 High school	116,160	90,123	(26,037)
3315 Trainable mentally handicapped	9,435	-	(9,435)
3316 Speech handicapped	151,206	98,477	(52,729)
3317 Homebound	12,070	6,543	(5,527)

(Continued) - 1.

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):			
3000 State Sources (Continued):			
3300 Education Finance Act (Continued):			
3320 Part-time programs:			
3321 Emotionally handicapped	\$ 12,480	\$ 13,124	\$ 644
3322 Educable mentally handicapped	25,709	44,636	18,927
3323 Learning disabilities	141,162	177,403	36,241
3324 Hearing handicapped	16,022	5,183	(10,839)
3325 Visually handicapped	10,880	2,591	(8,289)
3326 Orthopedically handicapped	4,297	226	(4,071)
3327 Vocational	442,115	390,719	(51,396)
3330 Other EFA programs:			
3331 Autism	8,160	23,764	15,604
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	546,258	(153,742)
3890 Other state property tax revenues	98,000	72,846	(25,154)
Total state sources	<u>7,925,586</u>	<u>7,760,220</u>	<u>(165,366)</u>
Total revenue all sources	<u>13,839,002</u>	<u>14,067,353</u>	<u>228,351</u>
EXPENDITURES:			
100 Instruction:			
110 General instruction:			
111 Kindergarten program:			
100 Salaries	408,150	405,168	2,982
200 Employee benefits	153,878	149,928	3,950
300 Purchased services - other than tuition	-	414	(414)
400 Supplies and materials	2,813	2,832	(19)
112 Primary programs:			
100 Salaries	528,884	514,383	14,501
200 Employee benefits	205,768	188,966	16,802
400 Supplies and materials	8,836	8,835	1
113 Elementary programs:			
100 Salaries	1,683,302	1,679,603	3,699
200 Employee benefits	559,098	554,690	4,408
370 Purchased services - tuition	3,212	4,010	(798)
400 Supplies and materials	12,860	12,274	586
114 High school programs:			
100 Salaries	740,670	727,409	13,261
200 Employee benefits	258,881	246,106	12,775
300 Purchased services - other than tuition	35,730	24,725	11,005
370 Purchased services - tuition	5,788	9,867	(4,079)
400 Supplies and materials	34,045	21,027	13,018

(Continued) - 2.

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):			
110 General instruction (Continued):			
115 Vocational programs:			
100 Salaries	\$ 194,434	\$ 194,433	\$ 1
200 Employee benefits	67,294	70,757	(3,463)
300 Purchased services - other than tuition	275,000	250,506	24,494
400 Supplies and materials	1,485	1,459	26
118 Montessori Programs:			
100 Salaries	118,162	118,160	2
200 Employee benefits	43,278	43,280	(2)
120 Exceptional programs:			
121 Educable mentally handicapped:			
100 Salaries	188,535	187,759	776
200 Employee benefits	78,352	60,861	17,491
122 Trainable mentally handicapped:			
100 Salaries	11,745	11,638	107
200 Employee benefits	25,985	3,741	22,244
124 Visually handicapped:			
100 Salaries	18,988	18,987	1
200 Employee benefits	18,122	6,629	11,493
300 Purchased services	1,575	843	732
125 Hearing handicapped:			
100 Salaries	5,146	5,144	2
200 Employee benefits	2,025	1,603	422
126 Speech handicapped:			
100 Salaries	84,704	96,015	(11,311)
200 Employee benefits	30,129	32,659	(2,530)
600 Other objects	2,980	1,410	1,570
127 Learning disabilities:			
100 Salaries	397,896	397,701	195
200 Employee benefits	129,458	122,330	7,128
128 Emotionally handicapped:			
100 Salaries	27,847	27,844	3
200 Employee benefits	13,150	9,944	3,206
300 Purchased services	1,500	-	1,500
130 Preschool programs:			
133 Preschool handicapped self-contained:			
100 Salaries	47,102	27,476	19,626
200 Employee benefits	22,948	13,477	9,471
400 Supplies and materials	-	117	(117)
139 Four year-old early childhood:			
100 Salaries	256,997	255,392	1,605
200 Employee benefits	92,217	89,864	2,353
400 Supplies and materials	55	-	55

(Continued) - 3.

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):			
140 Special programs:			
145 Homebound:			
100 Salaries	\$ 18,000	\$ 17,625	\$ 375
200 Employee benefits	4,077	3,953	124
300 Purchased services	10,180	5,487	4,693
149 Other special programs:			
100 Salaries	160,000	171,506	(11,506)
200 Employee benefits	40,317	23,727	16,590
300 Purchased services	133,553	124,623	8,930
160 Other exceptional programs:			
161 Autism:			
100 Salaries	53,174	53,031	143
200 Employee benefits	21,922	18,078	3,844
180 Adult/continuing educational programs:			
181 Adult basic education programs:			
300 Purchased services	36,600	36,491	109
Total instruction	<u>7,276,847</u>	<u>7,054,787</u>	<u>222,060</u>
200 Supporting Services:			
210 Pupil services:			
211 Attendance and social work:			
100 Salaries	111,740	113,500	(1,760)
200 Employee benefits	43,319	39,607	3,712
400 Supplies and materials	1,853	1,848	5
212 Guidance:			
100 Salaries	289,895	284,074	5,821
200 Employee benefits	99,262	93,140	6,122
300 Purchased services	128	118	10
400 Supplies and materials	2,395	2,390	5
213 Health:			
200 Employee benefits	14,840	-	14,840
300 Purchased services	69,000	63,751	5,249
214 Psychological services:			
100 Salaries	16,014	16,014	-
200 Employee benefits	3,669	3,669	-
300 Purchased services	42,581	42,677	(96)
220 Instructional staff services:			
221 Improvement of instruction - curriculum development:			
100 Salaries	277,316	281,525	(4,209)
200 Employee benefits	88,985	84,037	4,948
300 Purchased services	21,231	23,408	(2,177)
400 Supplies and materials	4,397	4,660	(263)

(Continued) - 4.

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	\$ 249,773	\$ 249,770	\$ 3
200 Employee benefits	92,040	90,498	1,542
300 Purchased services	2,983	2,440	543
400 Supplies and materials	20,260	13,895	6,365
223 Supervisor of special projects:			
100 Salaries	57,223	57,462	(239)
200 Employee benefits	22,733	16,368	6,365
300 Purchased services	13,606	5,129	8,477
400 Supplies and materials	3,644	3,295	349
230 General administration services:			
231 Board of Education:			
100 Salaries	6,000	7,280	(1,280)
200 Employee benefits	197,160	176,934	20,226
300 Purchased services	87,200	96,552	(9,352)
318 Audit services	25,300	22,000	3,300
400 Supplies and materials	6,400	6,776	(376)
600 Other objects	16,100	11,726	4,374
232 Office of Superintendent:			
100 Salaries	195,289	218,519	(23,230)
200 Employee benefits	52,048	55,695	(3,647)
300 Purchased services	8,434	7,004	1,430
400 Supplies and materials	10,988	10,335	653
600 Other objects	1,300	1,296	4
233 School administration:			
100 Salaries	489,685	496,565	(6,880)
200 Employee benefits	172,456	168,971	3,485
300 Purchased services	13,930	5,431	8,499
400 Supplies and materials	6,512	7,580	(1,068)
250 Finance and operations services:			
252 Fiscal services:			
100 Salaries	221,078	221,077	1
200 Employee benefits	63,407	60,919	2,488
300 Purchased services	46,581	44,838	1,743
400 Supplies and materials	21,149	11,394	9,755
600 Other objects	12,000	16,293	(4,293)
254 Operation and maintenance of plant services:			
100 Salaries	604,587	572,343	32,244
200 Employee benefits	240,358	232,088	8,270
300 Purchased services	442,550	372,271	70,279
321 Public utilities	25,850	13,455	12,395

(Continued) - 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>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES (CONTINUED):			
200 Supporting Services (Continued):			
250 Finance and operations services (Continued):			
254 Operation and maintenance of plant services (Continued):			
400 Supplies and materials	\$ 139,124	\$ 165,522	\$ (26,398)
470 Energy	485,000	490,899	(5,899)
500 Capital outlay	105,199	92,596	12,603
600 Other objects	2,640	-	2,640
255 Pupil transportation:			
100 Salaries	363,939	396,165	(32,226)
200 Employee benefits	105,808	101,653	4,155
300 Purchased services	54,130	44,746	9,384
400 Supplies and materials	11,119	12,955	(1,836)
600 Other objects	900	-	900
257 Internal services:			
100 Salaries	30,204	30,204	-
200 Employee benefits	11,837	10,080	1,757
300 Purchased services	163,420	48,929	114,491
400 Supplies and materials	12,488	12,067	421
500 Capital outlay	24,112	21,384	2,728
258 Security:			
300 Purchased services	56,000	70,227	(14,227)
400 Supplies and materials	6,006	3,063	2,943
260 Central support services:			
264 Staff services:			
100 Salaries	132,943	184,329	(51,386)
200 Employee benefits	42,768	46,318	(3,550)
300 Purchased services	4,508	7,664	(3,156)
400 Supplies and materials	4,517	4,358	159
266 Data processing services:			
100 Salaries	128,871	132,148	(3,277)
200 Employee benefits	43,285	43,643	(358)
300 Purchased services	72,985	62,281	10,704
400 Supplies and materials	9,700	7,164	2,536
270 Support services pupil activity:			
271 Pupil services activity:			
100 Salaries	82,400	72,204	10,196
200 Employee benefits	18,664	14,869	3,795
300 Purchased services	15,000	14,954	46
600 Other objects	11,700	26,697	(14,997)
Total supporting services	<u>6,654,516</u>	<u>6,447,736</u>	<u>206,780</u>

(Continued) - 6.

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):			
400 Other Services:			
255 Pupil Transportation			
720 Transits	\$ 12,500	\$ 8,317	\$ 4,183
500 Debt Service:			
319 Legal services	6,000	5,500	500
620 Interest	30,000	8,769	21,231
Total debt service	36,000	14,269	21,731
Total expenditures	13,979,863	13,525,109	454,754
Excess of revenues over expenditures	(140,861)	542,244	683,105
OTHER FINANCING SOURCES (USES):			
5400 Proceeds from long-term notes	125,000	125,000	-
Transfers from (to) other funds:			
5230 Transfer from special revenue EIA fund	356,573	347,427	(9,146)
5280 Transfer from other funds indirect costs	65,000	19,754	(45,246)
421-710 Transfer to special revenue funds	(405,712)	(289,887)	115,825
Total other financing uses	140,861	202,294	61,433
Net change in fund balances	-	744,538	744,538
FUND BALANCE, JULY 1, 2012		<u>2,528,522</u>	
FUND BALANCE, JUNE 30, 2013		<u>\$ 3,273,060</u>	

(Concluded) - 7.

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, 2013

	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
REVENUES								
1000 Revenue from Local Sources:								
1900 Other revenue from local sources:								
1930 Medicaid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 153,144	\$ 153,144
1990 Miscellaneous local revenue	-	-	-	-	-	-	4,051	4,051
1999 Revenue from other local sources	-	-	-	-	-	-	2,855	2,855
Total local sources	-	-	-	-	-	-	160,050	160,050
3000 Revenue from State Sources:								
3100 Restricted grants:								
3110 Occupational education:								
3116 EEDA miscellaneous	-	-	-	-	-	5,557	-	5,557
3117 EEDA 8th grade career awareness	-	-	-	-	-	-	-	-
3118 EEDA career specialist	-	-	-	-	-	81,496	-	81,496
3120 General education:								
3123 Formative assessment						4,840		4,840
3124 Career and technology education (CTE) technology initiative	-	-	-	-	-	-	-	-
3125 Career and technology equipment	-	-	-	-	-	9,988	-	9,988
3126 Refurbishment of K-8 science kits	-	-	-	-	-	-	-	-
3127 Student health and fitness	-	-	-	-	-	7,969	-	7,969
3128 High schools that work	-	-	-	-	-	-	-	-
3130 Special programs:								
3136 Student health and fitness - nurses	-	-	-	-	-	62,936	-	62,936
3190 Miscellaneous restricted grants:								
3193 Education license plates	-	-	-	-	-	979	-	979
3198 School technology initiative	-	-	-	-	-	-	-	-
3199 Other restricted state grants	-	-	-	-	-	-	815	815
3600 Education Lottery Act Revenue:								
3607 6-8 Enhancement	-	-	-	-	-	2,170	-	2,170
3610 K-5 Enhancement	-	-	-	-	-	111,844	-	111,844
Total state sources	-	-	-	-	-	287,779	815	288,594
4000 Revenue from Federal Sources:								
4200 Occupational education:								
4210 Vocational aid	-	-	-	-	-	-	35,747	35,747
4300 Elementary and Secondary Education Act of 1965:								
4310 Title I, Basic State Grant Programs	566,617	-	-	-	-	-	-	566,617
4312 Rural and low-income school program, Title II							29,340	29,340
4351 Improving Teacher Quality	-	-	-	-	-	-	116,350	116,350

(Continued) - 1

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)	IDEA (CA Projects) (203)	PRESCHOOL HANDICAPPED (CG Projects) (205)	DRUG FREE (FP/FQ Projects) (209)	ADULT EDUCATION (EA Projects) (See Note)	OTHER RESTRICTED STATE GRANTS (See Note)	OTHER SPECIAL REVENUE PROGRAMS (See Note)	TOTAL
REVENUES (CONTINUED)								
4000 Revenue from Federal Sources (Continued):								
4500 Programs for children with disabilities:								
4510 IDEA	\$ -	\$ 590,550	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 590,550
4520 Pre-school	-	-	70,146	-	-	-	-	70,146
4900 Other federal sources:								
4990 Other	-	-	-	-	-	-	180,419	180,419
Total federal sources	566,617	590,550	70,146	-	-	-	361,856	1,589,169
Total revenue all sources	566,617	590,550	70,146	-	-	287,779	522,721	2,037,813
EXPENDITURES								
100 Instruction:								
111 Kindergarten programs:								
400 Supplies and materials	-	-	-	-	-	-	1,000	1,000
112 Primary programs:								
100 Salaries	51,383	-	-	-	-	72,470	48,539	172,392
200 Employee benefits	16,334	-	-	-	-	20,257	16,260	52,851
400 Supplies and materials	-	-	-	-	-	5,806	-	5,806
113 Elementary programs:								
100 Salaries	220,971	-	-	-	-	-	33,170	254,141
200 Employee benefits	72,203	-	-	-	-	-	11,252	83,455
300 Purchased services	-	-	-	-	-	2,170	-	2,170
400 Supplies and materials	-	-	-	-	-	2,163	6,911	9,074
114 High school programs:								
100 Salaries	98,339	-	-	-	-	4,526	130,140	233,005
200 Employee benefits	30,720	-	-	-	-	1,031	29,793	61,544
300 Purchased services	-	-	-	-	-	-	3,480	3,480
115 Vocational programs:								
300 Purchased services	-	-	-	-	-	-	2,749	2,749
400 Supplies and materials	-	-	-	-	-	4,049	500	4,549
500 Capital outlay	-	-	-	-	-	6,296	5,123	11,419
118 Montessori programs:								
100 Salaries	-	-	-	-	-	17,357	-	17,357
200 Employee benefits	-	-	-	-	-	5,282	-	5,282

(Continued) - 2.

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)	IDEA (CA Projects) (203)	PRESCHOOL HANDICAPPED (CG Projects) (205)	DRUG FREE (FP/FQ Projects) (209)	ADULT EDUCATION (EA Projects) (See Note)	OTHER RESTRICTED STATE GRANTS (See Note)	OTHER SPECIAL REVENUE PROGRAMS (See Note)	TOTAL
EXPENDITURES								
100 Instruction (Continued):								
120 Exceptional programs:								
121 Educable mentally handicapped:								
100 Salaries	\$ -	\$ 56,481	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,481
200 Employee benefits	-	28,053	-	-	-	-	-	28,053
122 Trainable mentally handicapped:								
100 Salaries	-	3,391	-	-	-	-	-	3,391
200 Employee benefits	-	1,746	-	-	-	-	-	1,746
300 Purchased services	-	684	-	-	-	-	-	684
500 Capital outlay	-	2,078	-	-	-	-	-	2,078
123 Orthopedically handicapped:								
400 Supplies and materials	-	76	-	-	-	-	-	76
500 Capital outlay	-	657	-	-	-	-	-	657
125 Hearing Handicapped								
300 Purchased services	-	5,391	-	-	-	-	-	5,391
126 Speech handicapped:								
400 Supplies and materials	-	544	-	-	-	-	-	544
500 Capital outlay	-	6,643	-	-	-	-	-	6,643
127 Learning disabilities:								
100 Salaries	-	77,519	-	-	-	-	-	77,519
200 Employee benefits	-	37,215	-	-	-	-	-	37,215
400 Supplies and materials	-	3,163	-	-	-	-	-	3,163
500 Capital outlay	-	4,776	-	-	-	622	-	5,398
128 Emotionally handicapped:								
100 Salaries	-	4,839	-	-	-	-	-	4,839
200 Employee benefits	-	2,246	-	-	-	-	-	2,246
130 Preschool handicapped programs:								
133 Preschool handicapped self-contained (5 yr. olds):								
100 Salaries	-	-	41,475	-	-	-	-	41,475
200 Employee benefits	-	-	16,531	-	-	-	-	16,531
400 Supplies and materials	-	-	466	-	-	-	-	466
500 Capital outlay	-	-	722	-	-	-	815	1,537
140 Special programs:								
149 Other special programs:								
100 Salaries	-	35,519	-	-	-	-	10,197	45,716
200 Employee benefits	-	12,650	-	-	-	-	2,325	14,975
300 Purchased services	-	-	-	-	-	-	539	539
400 Supplies and materials	61	520	-	-	-	-	3,551	4,132

(Continued) - 3.

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)	IDEA (CA Projects) (203)	PRESCHOOL HANDICAPPED (CG Projects) (205)	DRUG FREE (FP/FQ Projects) (209)	ADULT EDUCATION (EA Projects) (See Note)	OTHER RESTRICTED STATE GRANTS (See Note)	OTHER SPECIAL REVENUE PROGRAMS (See Note)	TOTAL
EXPENDITURES (CONTINUED)								
100 Instruction (Continued):								
160 Other exceptional programs:								
161 Autism:								
100 Salaries	\$ -	\$ 26,423	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,423
200 Employee benefits	-	12,997	-	-	-	-	-	12,997
300 Purchased Services	-	3,780	-	-	-	-	-	3,780
400 Supplies and materials	-	132	-	-	-	-	-	132
170 Summer school program:								
175 Instructional programs beyond regular school day:								
100 Salaries	-	4,853	-	-	-	-	-	4,853
200 Employee benefits	-	1,090	-	-	-	-	-	1,090
300 Purchased services	-	51	-	-	-	-	-	51
Total instruction	490,011	333,517	59,194	-	-	142,029	306,344	1,331,095
200 Supporting services:								
210 Pupil services:								
211 Attendance and social work:								
100 Salaries	-	22,268	-	-	-	-	22,268	44,536
200 Employee benefits	-	6,903	-	-	-	-	6,903	13,806
400 Supplies and materials	-	-	-	-	-	-	2,194	2,194
212 Guidance:								
100 Salaries	-	-	-	-	-	-	62,170	62,170
200 Employee benefits	-	-	-	-	-	-	16,330	16,330
300 Purchased services	-	-	-	-	-	-	4,549	4,549
400 Supplies and materials	-	-	-	-	-	-	815	815
213 Health:								
100 Salaries	-	-	-	-	-	79,689	87,614	167,303
200 Employee benefits	-	-	-	-	-	27,447	27,194	54,641
300 Purchased services	-	80,365	-	-	-	-	-	80,365
400 Supplies and materials	-	-	-	-	-	-	1,284	1,284
214 Psychological:								
300 Purchased services	-	3,133	-	-	-	-	-	3,133
400 Supplies and materials	-	3,411	-	-	-	-	-	3,411
217 Career specialist services:								
100 Salaries	-	-	-	-	-	61,923	-	61,923
200 Employee benefits	-	-	-	-	-	19,573	-	19,573

(Continued) - 4.

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)	IDEA (CA Projects) (203)	PRESCHOOL HANDICAPPED (CG Projects) (205)	DRUG FREE (FP/FQ Projects) (209)	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):								
220 Instructional staff services:								
221 Improvement of instruction - curriculum development:								
200 Employee benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,188	\$ 12,188
300 Purchased services	9,945	2,783	-	-	-	3,095	13,385	29,208
400 Supplies and materials	-	-	-	-	-	1,744	11,469	13,213
223 Supervision of special programs:								
100 Salaries	48,578	68,398	7,562	-	-	-	28,737	153,275
200 Employee benefits	14,751	24,472	3,390	-	-	-	10,126	52,739
300 Purchased services	-	359	-	-	-	-	22,263	22,622
400 Supplies and materials	-	1,346	-	-	-	-	-	1,346
600 Other objects	-	-	-	-	-	-	692	692
233 School administration								
100 Salaries	-	-	-	-	-	-	6,000	6,000
200 Employee benefits	-	-	-	-	-	-	1,355	1,355
250 Finance and operations services:								
251 Student transportation (Federal Mandated):								
100 Salaries	-	33,322	-	-	-	-	-	33,322
200 Employee benefits	-	10,209	-	-	-	-	-	10,209
300 Purchased services	-	64	-	-	-	-	-	64
255 Student transportation (State mandated):								
100 Salaries	-	-	-	-	-	-	8,730	8,730
200 Employee benefits	-	-	-	-	-	-	1,986	1,986
258 Security:								
300 Purchased services	-	-	-	-	-	-	6,787	6,787
271 Pupil Activity Services:								
660 Pupil activity	-	-	-	-	-	-	582	582
Total supporting services	73,274	257,033	10,952	-	-	193,471	355,621	890,351
300 Community Services:								
390 Other community services:								
100 Salaries	-	-	-	-	-	-	322	322
200 Employee benefits	-	-	-	-	-	-	38	38
300 Purchased services	-	-	-	-	-	-	25	25
400 Supplies and materials	3,332	-	-	-	-	-	-	3,332
Total community services	3,332	-	-	-	-	-	385	3,717

(Continued) - 5.

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)	IDEA (CA Projects) (203)	PRESCHOOL HANDICAPPED (CG Projects) (205)	DRUG FREE (FP/FQ Projects) (209)	ADULT EDUCATION (EA Projects) (See Note)	OTHER RESTRICTED STATE GRANTS (See Note)	OTHER SPECIAL REVENUE PROGRAMS (See Note)	TOTAL
EXPENDITURES (CONTINUED)								
400 Intergovernmental Expenditures:								
411 Payments to State Department of Education:								
720 Transits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,046	\$ 42,046
Total intergovernmental expenditures	-	-	-	-	-	-	42,046	42,046
Total expenditures	566,617	590,550	70,146	-	-	335,500	704,396	2,267,209
OTHER FINANCING SOURCES (USES):								
Transfers from (to) other funds:								
5210 Transfer from General Fund	-	-	-	-	-	47,721	201,429	249,150
431-791 Special Revenue Fund indirect costs	-	-	-	-	-	-	(19,754)	(19,754)
Total other financing sources (uses)	-	-	-	-	-	47,721	181,675	229,396
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	-	-	-
FUND BALANCE, JULY 1, 2012	-	-	-	-	-	-	-	-
FUND BALANCE, JUNE 30, 2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Concluded) - 6.

CALHOUN COUNTY PUBLIC SCHOOLS
ST. MATTHEWS, SOUTH CAROLINA

SPECIAL REVENUE FUND

SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS
FOR THE YEAR ENDED JUNE 30, 2013

SUBFUND	REVENUE	PROGRAMS	REVENUES	EXPENDITURES	SPECIAL REVENUE		SPECIAL REVENUE FUND UNEARNED REVENUE
					INTERFUND TRANSFERS IN/(OUT)	OTHER FUND TRANSFERS IN/(OUT)	
904	3124	Career and Technology Education (CTE) Technology Initiative	\$ -	\$ -	\$ -	\$ -	\$ -
905	3125	Career and Technology Education Equipment	9,988	9,988	-	-	-
908	3126	Refurbishment of K-8 Science Kits	-	-	-	-	-
911	3198	School Technology Initiative	-	-	-	-	-
916	3991	ADEPT (Assisting, Developing & Evaluating Professional Teaching)	-	-	-	-	-
919	3193	Education Licnese Plates	979	979	-	-	-
918	3151	Adult Education (State)	-	-	-	-	-
926	3116	EEDA Misc.	5,557	5,557	-	-	-
927	3117	EEDA 8th Grade Awareness	-	-	-	-	-
928	3118	EEDA Career Specialist	81,496	81,496	-	-	-
931	3161	EAA Bus Drivers	-	-	-	-	-
933	3123	Formative Assessment	4,840	4,840	-	-	-
936	3136	Student health and fitness - Nurses	62,936	107,136	-	44,200	-
937	3127	Teachers	7,969	7,969	-	-	6,847
938	3128	High Schools that Work	-	-	-	-	-
939	3999	Library Allocation	-	-	-	-	-
960	3610	K-5 Enhancement	111,844	115,366	-	3,522	-
967	3607	6-8 Enhancement	2,170	2,170	-	-	4,483

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, 2013

		<u>ACTUAL</u>
REVENUES		
3000 State Sources:		
3500 Education Improvement Act:		
3502	ADEPT	\$ 2,137
3511	Professional development	7,041
3525	Career and technology education equipment	21,723
3526	Refurbishment of K-8 Sciences	7,648
3532	National Board Certification (NBC) salary supplement	73,488
3533	Teacher of the year awards	1,074
3538	At-risk funding	405,068
3540	Early childhood program	56,293
3544	Gift student funding	14,206
3550	Teacher salary increase	164,177
3551	Adult education - remedial	118,744
3555	School employer contributions	64,506
3558	Reading assistance	5,064
3577	Teacher supplies	31,419
3578	High Schools That Work	8,020
3585	Aid to districts - special education	58,326
3592	School-to-work transition act	4,060
3597	Aid to districts	27,933
3599	Other EIA	877
Total state sources		<u>1,071,804</u>
Total revenue all sources		<u>1,071,804</u>
EXPENDITURES		
100 Instruction:		
110 General instruction:		
111	Kindergarten programs:	
	100 Salaries	7,500
	200 Employee benefits	1,684
112	Primary programs:	
	100 Salaries	215,725
	200 Employee benefits	66,697

(Continued) - 1.

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	\$ 30,000
	200 Employee benefits	6,747
	400 Supplies and materials	8,233
114	High school programs:	
	100 Salaries	59,865
	200 Employee benefits	23,309
	400 Supplies and materials	880
	500 Capital outlay	7,432
115	Career and technology education programs:	
	100 Salaries	8,500
	200 Employee benefits	1,756
	400 Supplies and materials	23,040
120	Exceptional programs:	
126	Speech handicapped:	
	100 Salaries	42,341
	200 Employee benefits	15,985
130	Preschool programs:	
139	Early childhood programs:	
	100 Salaries	40,819
	200 Employee benefits	12,689
	400 Supplies and materials	2,785
140	Special programs:	
141	Gifted and talented - academic:	
	100 Salaries	4,784
	200 Employee benefits	1,080
	400 Supplies and materials	1,520
148	Gifted and talented - artistic:	
	300 Purchased services	6,822
149	Other special programs:	
	400 Supplies and materials	31,419
	Total instruction	<u>621,612</u>

(Continued) - 2.

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:	
400 Supplies and materials	\$ 2,743
220 Instructional staff services:	
221 Improvement of instruction-curriculum development:	
100 Salaries	57,882
200 Employee benefits	18,714
300 Purchased services	8,927
400 Supplies and materials	3,178
222 Library and media:	
100 Salaries	7,500
200 Employee benefits	1,684
223 Supervision of special programs:	
100 Salaries	8,973
200 Employee benefits	2,015
Total supporting services	<u>111,616</u>
Total expenditures	<u>733,228</u>
OTHER FINANCING SOURCES (USES)	
Interfund transfers, from (to) other funds:	
5210 Transfer from general fund (excludes indirect costs)	8,851
420-710 Transfer to general fund (excludes indirect costs)	<u>(347,427)</u>
Total other financing sources (uses)	<u>(338,576)</u>
Excess (deficiency) of revenues over (under) expenditures	-
Fund balance July 1, 2012	<u>-</u>
Fund balance June 30, 2013	<u><u>\$ -</u></u>

(Concluded) - 3.

CALHOUN COUNTY PUBLIC SCHOOLS
ST. MATTHEWS, SOUTH CAROLINA

EDUCATION IMPROVEMENT ACT

SUMMARY SCHEDULE BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2013

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	\$ 2,137	\$ 10,988	\$ 8,851	\$ -
3511 Professional development	7,041	7,041	-	2,978
3518 Formative Assessment	-	-		8,480
3525 Junior scholars program	21,723	21,723	-	4,036
3526 Refurbishment of K-8 Science Kits	7,648	7,648	-	9,780
3532 National Board of Certification (NBC) - salary supplement	73,488	73,488	-	-
3533 Teacher of the year awards	1,074	1,074	-	-
3538 At-risk funding	405,068	405,068	-	3,085
3540 Early childhood program	56,293	56,293	-	2,362
3544 Gifted student funding	14,206	14,206	-	16,592
3550 Teacher salary increase	164,177	-	(164,177)	-
3551 Adult education - remedial	118,744	-	(118,744)	-
3555 School employer contributions	64,506	-	(64,506)	-
3558 Reading	5,064	5,064	-	7,664
3577 Teacher supplies	31,419	31,419	-	-
3578 High schools that work	8,020	8,020	-	1,057
3585 Aid to districts - special education	58,326	58,326	-	-
3592 School-to-work transition act	4,060	4,060	-	513
3597 Aid to districts	27,933	27,933	-	-
3599 Miscellaneous EIA funds	877	877	-	-
Total	<u>\$ 1,071,804</u>	<u>\$ 733,228</u>	<u>\$ (338,576)</u>	<u>\$ 56,547</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, 2013

	<u>SCAGO</u>	<u>Other</u>	<u>Total</u>
REVENUES			
1000 Revenue from Local Sources:			
1200 Revenue from local governmental units other than LEAs:			
1210 Ad valorem taxes-including delinquent taxes (fiscally dependent LEA)	\$ -	\$ 851,915	\$ 851,915
1240 Penalties and interest on taxes (dependent)	-	65,515	65,515
1280 Revenue in lieu of taxes (dependent and independent)	-	1,805,967	1,805,967
1500 Earnings on investments:			
1510 Interest on investments	119,139	981	120,120
Total local sources	<u>119,139</u>	<u>2,724,378</u>	<u>2,843,517</u>
3000 Revenue from State Sources:			
3800 State revenue in lieu of taxes:			
3820 Homestead exemption	-	38,888	38,888
3830 Merchant's inventory tax	-	4,456	4,456
3840 Manufacturers depreciation reimbursement	-	67,753	67,753
3890 Other state property tax revenues	-	12,415	12,415
Total state sources	<u>-</u>	<u>123,512</u>	<u>123,512</u>
Total revenue all sources	<u>119,139</u>	<u>2,847,890</u>	<u>2,967,029</u>
EXPENDITURES			
500 Debt Service:			
300 Purchased services	-	172,704	172,704
610 Redemption of principal	890,000	2,480,000	3,370,000
620 Interest	1,381,463	38,373	1,419,836
640 Dues and fees	4,000	257	4,257
Total expenditures	<u>2,275,463</u>	<u>2,691,334</u>	<u>4,966,797</u>
OTHER FINANCING SOURCES:			
5250 Transfer from School Building Fund	2,167,113	-	2,167,113
Total other financing sources	<u>2,167,113</u>	<u>-</u>	<u>2,167,113</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	10,789	156,556	167,345
FUND BALANCE, JULY 1, 2012	<u>2,509,433</u>	<u>668,511</u>	<u>3,177,944</u>
FUND BALANCE, JUNE 30, 2013	<u>\$ 2,520,222</u>	<u>\$ 825,067</u>	<u>\$ 3,345,289</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, 2013

	<u>SCAGO</u>	<u>Other</u>	<u>Total</u>
REVENUES			
1000 Revenue from Local Sources:			
1500 Earnings on investments:			
1510 Interest on investments	\$ 2	\$ 992	\$ 994
1900 Other revenue from local sources:			
1999 Revenue from other local sources	-	56,512	56,512
Total local sources	<u>2</u>	<u>57,504</u>	<u>57,506</u>
Total revenue all sources	<u>2</u>	<u>57,504</u>	<u>57,506</u>
EXPENDITURES			
250 Finance and Operations:			
253 Facilities acquisition and construction services:			
300 Purchased services	8,934	490,657	499,591
400 Supplies and materials	-	2,602	2,602
500 Capital outlay			
520 Construction services	-	209,821	209,821
530 Improvements other than building	-	174,554	174,554
540 Equipment	-	15,890	15,890
Total expenditures	<u>8,934</u>	<u>893,524</u>	<u>902,458</u>
OTHER FINANCING SOURCES (USES):			
5110 Premiums on bonds sold	-	21,610	21,610
5112 Proceeds of general obligation bonds	-	2,461,000	2,461,000
720 Transits	-	(2,167,113)	(2,167,113)
Total other financing sources (uses)	<u>-</u>	<u>315,497</u>	<u>315,497</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(8,932)	(520,523)	(529,455)
FUND BALANCE, JULY 1, 2012	<u>78,640</u>	<u>1,841,125</u>	<u>1,919,765</u>
FUND BALANCE, JUNE 30, 2013	<u>\$ 69,708</u>	<u>\$ 1,320,602</u>	<u>\$ 1,390,310</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, 2013

REVENUES

1000 Revenue from Local Sources:		
1600 Food service:		
1610 Lunch sales to pupils	\$	24,256
1620 Breakfast sales to pupils		16,394
1630 Special sales to pupils		33,374
1640 Lunch sales to adults		19,467
1650 Breakfast sales to adults		839
1660 Special sales to adults		6,246
1900 Other revenue from local sources:		
1999 Revenue from other local sources		30,163
Total revenue from local sources		<u>130,739</u>
3000 Revenue from State Sources:		
3100 Restricted state funding:		
3140 School lunch:		
3142 Program aid		70
Total state sources		<u>70</u>
4000 Revenue from Federal Sources:		
4800 USDA reimbursement:		
4810 School lunch and after school snacks program		623,062
4830 School breakfast program		234,353
4900 Other federal sources:		
4991 USDA commodities		25,455
Total federal sources		<u>882,870</u>
Total revenue all sources		<u>1,013,679</u>

EXPENDITURES

256 Food Service:		
100 Salaries		350,139
200 Employee benefits		142,293
300 Purchased services		28,773
400 Supplies and materials		530,544
500 Capital outlay		85,080
600 Other objects		1,735
Total expenditures		<u>1,138,564</u>

OTHER FINANCING SOURCES (USES)

Interfund transfers from (to) other funds:		
Transfer from building fund		31,886
Total other financing sources		<u>31,886</u>

CHANGE IN NET POSITION (92,999)

NET POSITION, JULY 1, 2012 773,797

NET POSITION, JUNE 30, 2013 \$ 680,798

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, 2013

RECEIPTS

1000 Receipts from Local Sources:	
1700 Pupil activities:	
1790 Other	\$ 228,934
Total receipts	<u>228,934</u>

DISBURSEMENTS

190 Instructional Pupil Activity:	
660 Pupil activity	22,749
270 Support Services Pupil Activity:	
271 Pupil service activities:	
660 Pupil activity	139,845
272 Pupil service activities:	
660 Pupil activity	807
273 Pupil service activities:	
660 Pupil activity	61,234
Total disbursements	<u>224,635</u>

EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER EXPENDITURES	4,299
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DUE TO STUDENT GROUPS, JULY 1, 2012	<u>66,268</u>
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DUE TO STUDENT GROUPS, JUNE 30, 2013	<u><u>\$ 70,567</u></u>
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CALHOUN COUNTY PUBLIC SCHOOLS
ST. MATTHEWS, SOUTH CAROLINA

DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT
JUNE 30, 2013

<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>
REFURBISHMENT OF K-8 SCIENCE KIT	EIA	3526	Unexpended funds	\$ 550
NATIONAL BOARD CERTIFICATION	EIA	3532	Unexpended funds	192

CALHOUN COUNTY PUBLIC SCHOOLS
ST. MATTHEWS, SOUTH CAROLINA

SCHOOL DISTRICT LOCATION RECONCILIATION SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2013

<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	\$ 10,108,992
20	Calhoun County High	High School	School	4,254,786
45	Sandy Run Elementary	Elementary School	School	4,465,380
50	St. Matthews School	Elementary School	School	<u>4,928,842</u>
Total expenditures/disbursements for all funds				<u><u>\$ 23,758,000</u></u>

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

General Fund (Subfund 100's)	\$ 13,525,109
Special Revenue Fund (Subfund 200's, 800's, and 900's)	2,267,209
Special Revenue EIA Fund (Subfund 300's)	733,228
Debt Service Fund (Subfund 400's)	4,966,797
Capital Projects Fund (Subfund 500's)	902,458
Proprietary Fund (Subfund 600's)	1,138,564
Trust and Agency Fund (Subfund 700's)	<u>224,635</u>
Total expenditures/disbursements for all funds	<u><u>\$ 23,758,000</u></u>

J. W. HUNT AND COMPANY, LLP

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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, 2013, 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 19, 2013.

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.

(Continued) - 1.

Internal Control Over Financial Reporting (Continued)

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 13-01 that we consider to be a significant deficiency.

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*.

The District's Response to Finding

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of the 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 19, 2013

(Concluded) - 2.

J. W. HUNT AND COMPANY, LLP

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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, 2013. 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.

(Continued) - 1.

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, 2013.

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.

(Continued) - 2.

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 19, 2013

(Concluded) - 3.

CALHOUN COUNTY PUBLIC SCHOOLS
ST. MATTHEWS, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, YEAR ENDED JUNE 30, 2013

LEA SUBFUND <u>CODE</u>	FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ <u>PROGRAM TITLE</u>	FEDERAL CFDA <u>NUMBER</u>	PASS- THROUGH GRANTOR'S <u>NUMBER</u>	<u>EXPENDITURES</u>
	<u>U. S. Department of Agriculture</u>			
	Passed through the South Carolina State Department of Education:			
	Cash assistance:			
6XX	School breakfast program	10.553	N/A	\$ 234,353
6XX	School lunch program	10.555	N/A	623,062
	Non-cash assistance:			
6XX	Commodities	10.550	N/A	25,455
	Total U. S. Department of Agriculture			<u>882,870</u>
	<u>U. S. Department of Education</u>			
	Passed through the South Carolina State Department of Education:			
201	Title I	84.010	13BA016	566,617
203	IDEA - Handicapped	84.027A	13CA016-01	488,126
204	IDEA - Handicapped	84.027A	12CA016-01	102,424
205	IDEA - Special Education Preschool Grants	84.173	13CG016	29,567
206	IDEA - Special Education Preschool Grants	84.173	12CG016	40,579
251	Title VI	84.289	13BS016	29,340
267	Improving Teacher Quality	84.367A	13TQ016-01	116,350
271	Vocational Education (subprogram 10)	84.048	13VA016	2,749
273	Vocational Education (subprogram 09)	84.048	13VA016	20,390
274	Vocational Education (subprogram 06)	84.048	13VA016	5,123
276	Vocational Education (subprogram 17)	84.048	13VA016	3,622
277	Vocational Education (subprogram 04)	84.048	13BA016	3,362
278	Vocational Education (subprogram 14)			500
	Total U. S. Department of Education			<u>1,408,749</u>
	<u>U. S. Department of Defense</u>			
	Direct Program			
290	ROTC	12.000	N/A	64,649
	Total U. S. Department of Defense			<u>64,649</u>
	<u>U.S. Department of Health and Human Services</u>			
840	SC Campaign to Prevent Teen Pregnancy	93.297	N/A	62,698
	Total U. S. Department of Health and Human Services			<u>62,698</u>
	<u>U.S. Department of Labor</u>			
801	WIA Youth Activities	17.259	12JAG101	23,534
	WIA Adult Program	17.258		29,539
	Total U. S. Department of Labor			<u>53,073</u>
	Total expenditures of federal awards			<u>\$ 2,472,039</u>

SEE ACCOMPANYING NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

CALHOUN COUNTY PUBLIC SCHOOLS
ST. MATTHEWS, SOUTH CAROLINA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

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, 2013. 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, 2013

SECTION I - SUMMARY OF AUDITOR'S RESULTS:

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

Material weaknesses identified? no

Significant deficiencies identified that are not considered
to be material weakness(es)? yes

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:
unqualified

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:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
84.027A	IDEA - Handicapped
84.173	IDEA - Special Education Preschool Grants

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

Auditee qualified as low-risk auditee? yes

(Continued) - 1.

SECTION II - FINANCIAL STATEMENT FINDINGS

Finding 13-01: Limited Personnel

The limited number of personnel necessarily imposes practical limitations on the effectiveness of those internal controls that depend on segregation of duties. Since this condition is inherent in the size of the District, the specific weaknesses are not described herein and no corrective action has been taken or proposed by the District.

SECTION III - MAJOR FEDERAL AWARD PROGRAMS AUDIT FINDINGS

None

SECTION IV - OTHER COMPLIANCE FINDINGS – FOR COMMERCIAL DRIVER’S LICENSE DRUG AND ALCOHOL TESTING PROGRAM

Finding 13-02:	Failure to administer random controlled substance testing for the third consecutive year.
Condition:	Calhoun County Public Schools did not add one new bus driver to the random pool list.
Criteria:	Employers shall conduct random controlled substances testing of all safety-sensitive employees.
Effect:	Calhoun County Public Schools is not in compliance with the Code of Federal Regulations (49 C.F.R. 382.305) because 1 safety-sensitive employee was not included in the random selection process.
Cause:	Administrative oversight.
Recommendation:	The staff at Calhoun County Public School should implement effective procedures to ensure that all new employees are added to the random pool list.
Views of Responsible Officials and Planned Corrective Actions:	The staff at Calhoun County Public Schools has reviewed the procedures implemented on 10/31/2013. Staff has been instructed to revisit these procedures with all personnel involved. The employees involved have been reprimanded.

(Concluded) - 2.

CALHOUN COUNTY PUBLIC SCHOOLS
ST. MATTHEWS, SOUTH CAROLINA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

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

Finding 12-01:	Failure to administer pre-employment testing for the second year in a row.
Condition:	Calhoun County Public Schools did not test new bus drivers for controlled substances prior to performing safety-sensitive functions.
Recommendation:	The staff at Calhoun County Public Schools should implement effective procedures to ensure that all new employees undergo the required testing for controlled substances.
Current Status:	This finding did not reoccur in the current year.
Finding 12-02:	Failure to administer random controlled substance testing for the second year in a row.
Condition:	Calhoun County Public Schools did not add 5 new bus drivers to the random pool list.
Recommendation:	The staff at Calhoun County Public Schools should implement effective procedures to ensure that all new employees are added to the random pool list.
Current Status:	This finding did reoccur on one employee in the current year.
Finding 12-03:	Failure to meet state requirements
Condition:	Calhoun County Public Schools performed random drug tests on 41% of school bus drivers.
Recommendation:	The staff at Calhoun County Public Schools should implement effective procedures to ensure that the drug testing center is kept up to date with all additions and terminations of school bus drivers.
Current Status:	This finding did not reoccur in the current year.