

CALHOUN COUNTY PUBLIC SCHOOLS
ST. MATTHEWS, SOUTH CAROLINA

ANNUAL FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2012
AND INDEPENDENT AUDITORS' REPORT

CALHOUN COUNTY PUBLIC SCHOOLS
ST. MATTHEWS, SOUTH CAROLINA

TABLE OF CONTENTS

Independent Auditor's Report	4
Management Discussion And Analysis	6
<u>Basic Financial Statements:</u>	
Government-wide Financial Statements:	
Statement of Net Assets	12
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	14
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	15
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Statement of Net Assets - Proprietary Fund	17
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Fund	18
Statement of Cash Flows - Proprietary Fund.....	19
Statement of Fiduciary Net Assets	20
Notes To Financial Statements.....	21
<u>Required Supplementary Information:</u>	
Budgetary Comparison Schedules:	
General Fund	42
Special Revenue Fund	43
Education Improvement Act.....	44

(Continued) - 1.

CALHOUN COUNTY PUBLIC SCHOOLS
ST. MATTHEWS, SOUTH CAROLINA

TABLE OF CONTENTS

Combining and Individual Fund Statements and Schedules:

GENERAL FUND:

Schedule of Expenditures and Changes in Fund Balance - Budget and Actual	45
--	----

SPECIAL REVENUE FUNDS:

Special Revenue Fund - Schedule of Revenues, Expenditures and Changes in Fund Balances	52
Special Revenue Fund - Summary Schedule For Designated State Restricted Grants	58
Education Improvement Act - Schedule Of Revenues, Expenditures, and Changes In Fund Balance - All Programs	59
Education Improvement Act - Summary Schedule By Program	62

DEBT SERVICE FUND:

Schedule of Revenues, Expenditures and Changes in Fund Balance	63
--	----

SCHOOL BUILDING FUND:

Schedule of Revenues, Expenditures and Changes in Fund Balance	64
--	----

ENTERPRISE FUND - FOOD SERVICE:

Schedule of Revenues, Expenditures and Changes in Fund Balance	65
--	----

PUPIL ACTIVITY FUND:

Schedule of Receipts and Disbursements and Change in Amounts Due to Pupil Activities	66
--	----

SUPPLEMENTARY INFORMATION SCHEDULES:

Detailed Schedule of Due to State Department of Education/Federal Government	67
School District Location Reconciliation Schedule	68

(Continued) - 2.

CALHOUN COUNTY PUBLIC SCHOOLS
ST. MATTHEWS, SOUTH CAROLINA

TABLE OF CONTENTS

Single Audit Section:

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	69
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	71
Schedule of Expenditures of Federal Awards	73
Note to Schedule of Expenditures of Federal Awards	74
Schedule of Findings and Questioned Costs	75
Summary Schedule of Prior Audit Findings	78

(Concluded) - 3.

J. W. HUNT AND COMPANY, LLP

JOHN C. CREECH, JR., CPA
ANNE H. ROSS, CPA
WILLIAM T. POUNCEY, CPA

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
PRIVATE COMPANIES PRACTICE SECTION AND
CENTER FOR PUBLIC COMPANY AUDIT FIRMS

CPA ASSOCIATES INTERNATIONAL, INC.,
A WORLDWIDE NETWORK OF INDEPENDENT ACCOUNTING FIRMS

MIDDLEBURG OFFICE PARK
1607 ST. JULIAN PLACE
POST OFFICE BOX 265
COLUMBIA, SC 29202-0265
803-254-8196
866-299-8196
FAX 803-256-1524
jwhunt.com

INDEPENDENT AUDITOR'S REPORT

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

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, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the District as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2012, 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* and should be considered in assessing the results of our audit.

(Continued) - 1.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 6 through 11 and 42 through 44 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 the 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The combining and individual major and non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying 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 also not a required part of the financial statements. The combining and individual major and nonmajor 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

J. W. Hunt and Company, LLP

October 15, 2012

(Concluded) - 2.

Calhoun County Public Schools
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2012

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, 2012. 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 \$13,267,840 or 67 percent of all governmental revenues. Program specific revenues in the form of charges for services, sales, grants, and contributions accounted for \$6,595,743 or 33 percent. The total governmental revenue amounted to \$19,863,583.

- The District had \$19,815,673 in expenses related to governmental activities; only \$6,595,743 of these expenses was offset by program specific charges for services, grants or contributions. General revenue of \$13,267,840 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 \$16,511,358 (net assets).
- As of the close of the current fiscal year, the District's governmental funds combined ending fund balance was \$7,626,232, an increase of \$531,449. Of the fund balance, \$2,588,071 is the fund balance for Educational Facilities Corporation for Calhoun County Schools, Inc.
- Among the major funds, the general fund had \$13,843,404 in revenue and \$13,162,516 in expenditures for an excess of \$680,888. Net transfers out to other funds and other financing sources of \$307,436 reduced the excess of revenue over expenditures resulting in the fund balance of \$2,528,525.
- At end of the fiscal year, the unassigned fund balance of the general fund was \$2,525,713 or 19% of the total general fund expenditures.
- The District reduced its outstanding bonded debt by \$845,000.

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 12-13 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 21-41 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 2012 and 2011:

	Governmental Activities		Business-Type Activities		Total	Total
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Assets:						
Current and other assets	\$ 9,821,714	\$ 9,785,186	\$ 173,923	\$ 149,508	\$ 9,995,637	\$ 9,934,694
Capital assets	38,378,571	39,532,547	604,787	677,467	38,983,358	40,210,014
Total assets	<u>\$ 48,200,285</u>	<u>\$ 49,317,733</u>	<u>\$ 778,710</u>	<u>\$ 826,975</u>	<u>\$ 48,978,995</u>	<u>\$ 50,144,708</u>
Liabilities:						
Long-term debt outstanding	\$ 28,834,970	\$ 29,921,906	\$ 3,633	\$ 2,288	\$ 28,838,603	\$ 29,924,194
Other liabilities	3,627,754	3,706,176	1,280	878	3,629,034	3,707,054
Total liabilities	<u>32,462,724</u>	<u>33,628,082</u>	<u>4,913</u>	<u>3,166</u>	<u>32,467,637</u>	<u>33,631,248</u>
Net assets:						
Invested in capital assets, net of related debt	8,514,146	9,352,547	604,787	677,467	9,118,933	10,030,014
Restricted	5,097,707	4,939,710	-	-	5,097,707	4,939,710
Unrestricted	2,125,708	1,397,394	169,010	146,342	2,294,718	1,543,736
Total net assets	<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>
Total liabilities and net assets	<u>\$ 48,200,285</u>	<u>\$ 49,317,733</u>	<u>\$ 778,710</u>	<u>\$ 826,975</u>	<u>\$ 48,978,995</u>	<u>\$ 50,144,708</u>

Financial Analysis of the District as a Whole (Continued)

The table below shows the changes in net assets for fiscal year 2012. Fiscal year 2011 information is provided to have a comparison to current year revenue and expense.

	Governmental Activities		Business-Type Activities		Total	Total
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenue:						
Program revenue:						
Charges for sales and services	\$ 484	\$ 2,528	\$ 171,012	\$ 139,411	\$ 171,496	\$ 141,939
Operating grants and contributions	6,595,259	8,310,864	894,157	855,157	7,489,416	9,166,021
Capital grants and contributions	-	62,404	-	-	-	62,404
General revenue:						
Property taxes	13,077,924	15,175,745	-	-	13,077,924	15,175,745
Investment earnings	93,987	26,646	-	-	93,987	26,646
Other	95,929	77,687	-	-	95,929	77,687
Total revenue	<u>19,863,583</u>	<u>23,655,874</u>	<u>1,065,169</u>	<u>994,568</u>	<u>20,928,752</u>	<u>24,650,442</u>
Expenses:						
Instruction	10,063,078	10,494,088	-	-	10,063,078	10,494,088
Support services	8,043,908	7,496,259	-	-	8,043,908	7,496,259
Community services	4,568	10,082	-	-	4,568	10,082
Intergovernmental	325,255	46,433	-	-	325,255	46,433
Interest and other charges	1,378,864	4,710,621	-	-	1,378,864	4,710,621
Food service	-	-	1,115,181	1,069,453	1,115,181	1,069,453
Total expenses	<u>19,815,673</u>	<u>22,757,483</u>	<u>1,115,181</u>	<u>1,069,453</u>	<u>20,930,854</u>	<u>23,826,936</u>
Excess (deficiency) of revenues over (under) expenses before special item	47,910	898,391	(50,012)	(74,885)	(2,102)	823,506
Transfers in (out)	-	(388,526)	-	388,526	-	-
Special item - loss on impairment of school buildings	-	-	-	-	-	-
Change in net assets	<u>47,910</u>	<u>509,865</u>	<u>(50,012)</u>	<u>313,641</u>	<u>(2,102)</u>	<u>823,506</u>
NET ASSETS JULY 1, 2011, as restated	<u>15,689,651</u>	<u>15,179,786</u>	<u>823,809</u>	<u>510,168</u>	<u>16,513,460</u>	<u>15,689,954</u>
NET ASSETS JUNE 30, 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>

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 \$7,626,232, an increase of \$531,449. Of the fund balance, \$2,588,071 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 \$13,494,114 of revenue. Of the \$13,494,114 revenue budgeted to be received from local and state sources, we had a favorable variance in revenue of \$349,290.

- Actual local revenues were \$58,408 higher than expected. This was due to increased property tax collections of \$11,578, Medicaid funding not budgeted of \$21,463, Insurance Proceeds under budgeted of \$24,100, an increase in interest revenue and tuition from other LEAs for regular school day of \$1,263 and a \$4 over projection in other funds collected.
- State revenues were \$290,882 higher than expected due to restricted state funding being more than anticipated.
- Operating transfers in were \$83,868 lower than anticipated.
- Operating transfers out were \$97,031 higher than expected.
- In total, actual expenditures were less than budget spending plan by \$205,061. Of the \$13,367,577 budgeted, \$13,162,516 were spent.

Capital Asset and Debt Administration

Capital Assets - As of June 30, 2012, the District had invested \$49,250,228 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 \$359,457 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 \$1,707,536.

Capital Assets (Net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Total Percent Change 2012-2011
	2012	2011	2012	2011	
Land	\$ 1,073,687	\$ 1,073,687	\$ -	\$ -	0.00%
Buildings and improvements	35,613,534	36,334,048	-	-	-1.98%
Equipment	1,691,350	2,124,812	604,787	677,467	-20.40%
Total	<u>\$ 38,378,571</u>	<u>\$ 39,532,547</u>	<u>\$ 604,787</u>	<u>\$ 677,467</u>	<u>-2.92%</u>

Long-Term Debt - as of June 30, 2011, the District had \$695,000 in general obligation bonds outstanding and \$29,335,000 in EFC Revenue Bonds. This represents a net decrease of \$845,000 in debt compared to the prior year. Note 10 in the financial statements will give detailed information about long-term debt.

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

The District maintains an “Aa1” rating from Moody’s and an “AA+” rating from Standard and Poor’s for general obligation debt.

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 increased in the District for the school year 2011.

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 ASSETS
JUNE 30, 2012

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 3,988,869	\$ 1,085	\$ 3,989,954
Restricted cash	655,184	-	655,184
Restricted investments	2,503,278	-	2,503,278
Property taxes receivable (net of allowance for uncollectible property taxes of \$43,488)	706,739	-	706,739
Due from governmental units and other receivables	1,363,600	108,310	1,471,910
Internal balances	(46,635)	46,635	-
Inventories and prepaid expenses	2,812	17,893	20,705
Unamortized bond issue cost	647,867	-	647,867
Capital assets not being depreciated:			
Land	1,073,687	-	1,073,687
Capital assets net of accumulated depreciation:			
Buildings	35,613,534	-	35,613,534
Equipment	1,691,350	604,787	2,296,137
Total capital assets, net of depreciation	38,378,571	604,787	38,983,358
Total assets	48,200,285	778,710	48,978,995
LIABILITIES:			
Accounts payable and other current liabilities	935,249	671	935,920
Deferred revenue	50,370	-	50,370
Unamortized bond premiums	637,582	-	637,582
Long-term liabilities:			
Due within one year:			
Accrued interest	116,826	-	116,826
Bonds and capital leases	1,788,101	-	1,788,101
Compensated absences	99,626	609	100,235
Due in more than one year:			
Bonds and capital leases	28,771,324	-	28,771,324
Compensated absences	63,646	3,633	67,279
Total liabilities	32,462,724	4,913	32,467,637
NET ASSETS:			
Invested in capital assets, net of related debt	8,514,146	604,787	9,118,933
Restricted for:			
Capital projects	1,919,765	-	1,919,765
Debt service	3,177,942	-	3,177,942
Unrestricted	2,125,708	169,010	2,294,718
Total net assets	\$ 15,737,561	\$ 773,797	\$ 16,511,358

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, 2012

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	\$ 10,063,078	\$ 484	\$ 4,775,303	\$ -	\$ (5,287,291)	\$ -	\$ (5,287,291)
Support services	8,043,908	-	1,468,654	-	(6,575,254)	-	(6,575,254)
Community services	4,568	-	4,568	-	-	-	-
Intergovernmental	325,255	-	315,777	-	(9,478)	-	(9,478)
Interest and other charges	1,378,864	-	30,957	-	(1,347,907)	-	(1,347,907)
Total governmental activities	19,815,673	484	6,595,259	-	(13,219,930)	-	(13,219,930)
Business-type activities:							
Food service	1,115,181	171,012	894,157	-	-	(50,012)	(50,012)
Total business-type activities	1,115,181	171,012	894,157	-	-	(50,012)	(50,012)
Total primary government	\$ 20,930,854	\$ 171,496	\$ 7,489,416	\$ -	\$ (13,219,930)	\$ (50,012)	\$ (13,269,942)
General revenues:							
Property taxes levied for:							
General purposes					10,297,549	-	10,297,549
Debt service					2,780,375	-	2,780,375
Medicaid					21,463	-	21,463
Local revenue					74,466	-	74,466
Restricted investment earnings					93,987	-	93,987
Total general revenues					13,267,840	-	13,267,840
Change in net assets					47,910	(50,012)	(2,102)
Net assets, beginning of year, as restated					15,689,651	823,809	16,513,460
Net assets, end of year					\$ 15,737,561	\$ 773,797	\$ 16,511,358

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, 2012

	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	\$ 1,326,520	\$ -	\$ -	\$ 813,078	\$ -	\$ 1,849,271	\$ -	\$ 3,988,869	
Restricted cash equivalents	579,161	-	-	-	-	-	76,023	655,184	
Restricted investments	-	-	-	-	2,499,684	-	3,594	2,503,278	
Property taxes receivable, net	610,723	-	-	96,016	-	-	-	706,739	
Due from other funds	932,078	65,365	3,166	-	977	-	-	1,001,586	
Other receivables	321,355	939,356	64,195	-	8,770	29,924	-	1,363,600	
Prepaid expenses	2,812	-	-	-	-	-	-	2,812	
Total assets	\$ 3,772,649	\$ 1,004,721	\$ 67,361	\$ 909,094	\$ 2,509,431	\$ 1,879,195	\$ 79,617	\$ 10,222,068	
LIABILITIES AND FUND BALANCES:									
Liabilities:									
Accounts payable and accrued liabilities	\$ 726,872	\$ 110,813	\$ 138	157,466	\$ -	\$ 38,070	\$ -	\$ 1,033,359	
Due to other funds	-	829,410	41,599	-	-	-	977	871,986	
Due to other governmental units	-	39,312	440	-	-	-	-	39,752	
Deferred property tax	517,252	-	-	83,117	-	-	-	600,369	
Deferred revenue	-	25,186	25,184	-	-	-	-	50,370	
Total liabilities	1,244,124	1,004,721	67,361	240,583	-	38,070	977	2,595,836	
Fund balances:									
Nonspendable	2,812	-	-	-	-	-	-	2,812	
Restricted	-	-	-	668,511	2,509,431	1,841,125	78,640	5,097,707	
Unassigned	2,525,713	-	-	-	-	-	-	2,525,713	
Total fund balances	2,528,525	-	-	668,511	2,509,431	1,841,125	78,640	7,626,232	
Total liabilities and fund balances	\$ 3,772,649	\$ 1,004,721	\$ 67,361	\$ 909,094	\$ 2,509,431	\$ 1,879,195	\$ 79,617	\$ 10,222,068	
Total fund balances									\$ 7,626,232
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 \$49,273,509 and the accumulated depreciation is \$10,894,937.									38,378,572
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.									647,867
Property taxes receivable not available to pay for current-period expenditures and therefore are deferred in the funds.									600,369
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.									(637,582)
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									(30,030,000)
Arbitrage payable									(38,374)
Capital lease obligations									(529,425)
Accrued compensated absences									(163,272)
Accrued interest									(116,826)
Net assets of governmental activities									\$ 15,737,561

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, 2012

	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	\$ 5,841,257	\$ 188,484	\$ -	\$ 2,604,304	\$ -	\$ -	\$ -	\$ 8,634,045
Other local	95,929	-	-	-	122,055	6,358	26	224,368
Total local	5,937,186	188,484	-	2,604,304	122,055	6,358	26	8,858,413
State	7,906,218	418,853	1,070,527	156,210	-	-	-	9,551,808
Federal	-	1,432,572	-	-	-	-	-	1,432,572
Total revenues	13,843,404	2,039,909	1,070,527	2,760,514	122,055	6,358	26	19,842,793
EXPENDITURES:								
Current:								
Instruction	6,928,499	1,396,025	738,381	-	-	-	-	9,062,905
Support services	6,160,944	843,239	119,882	-	4,000	277,148	13,960	7,419,173
Community services	-	4,568	-	-	-	-	-	4,568
Intergovernmental	9,478	315,777	-	-	-	-	-	325,255
Debt service:								
Principal	-	-	-	2,653,079	845,000	-	-	3,498,079
Interest	15,807	-	-	25,969	1,428,994	-	-	1,470,770
Dues and fees	-	-	-	-	227,596	-	-	227,596
Capital outlay	47,788	-	-	-	-	421,000	-	468,788
Total expenditures	13,162,516	2,559,609	858,263	2,679,048	2,505,590	698,148	13,960	22,477,134
Excess (deficiency) of revenues over expenditure	680,888	(519,700)	212,264	81,466	(2,383,535)	(691,790)	(13,934)	(2,634,341)
OTHER FINANCING SOURCES (USES):								
Premiums on bonds issued	-	-	-	-	11,676	9,114	-	20,790
Proceeds of general obligation bonds	-	-	-	-	695,000	2,450,000	-	3,145,000
Transfers in	246,127	535,064	18,499	-	1,444,250	-	-	2,243,940
Transfers out	(553,563)	(15,364)	(230,763)	-	-	(1,444,250)	-	(2,243,940)
Total other financing sources (uses)	(307,436)	519,700	(212,264)	-	2,150,926	1,014,864	-	3,165,790
Net change in fund balances	373,452	-	-	81,466	(232,609)	323,074	(13,934)	531,449
Fund balances - July 1, 2011	2,155,073	-	-	587,045	2,742,040	1,518,051	92,574	7,094,783
Fund balances - June 30, 2012	\$ 2,528,525	\$ -	\$ -	\$ 668,511	\$ 2,509,431	\$ 1,841,125	\$ 78,640	\$ 7,626,232

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, 2012

Total net change in fund balance - governmental funds		\$ 531,449
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 capital outlays (\$468,788) exceeds depreciation expense (\$1,622,764) in the period.		
		(1,153,976)
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 payments		203,079
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Bonds issued	\$ (3,145,000)	
Bond premiums	32,697	
Amortized bond costs	(33,224)	
Bond principal retirement	<u>3,295,000</u>	149,473
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.		
		86,956
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 by \$228,815, which was paid during the year.		
		228,815
In the statement of activities, compensated absences (vacation pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation pay used (\$88,422) exceeds the amount earned (\$94,565) by \$6,143.		
		(6,143)
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 \$8,257.		
		<u>8,257</u>
Change in net assets of governmental activities		<u><u>\$ 47,910</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

CALHOUN COUNTY PUBLIC SCHOOLS
ST. MATTHEWS, SOUTH CAROLINA

STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2012

	Enterprise Fund - <u>Food Services</u>
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 1,085
Due from other governmental units	108,310
Due from other funds	46,635
Inventories - supplies and materials	17,893
Total current assets	<u>173,923</u>
Capital assets:	
Equipment	1,050,406
Less accumulated depreciation	(445,619)
Total capital assets	<u>604,787</u>
Total assets	<u>778,710</u>
LIABILITIES:	
Current liabilities:	
Accounts payable and accrued liabilities	<u>4,913</u>
Total current liabilities	<u>4,913</u>
NET ASSETS:	
Invested in capital assets	604,787
Unrestricted	<u>169,010</u>
Total net assets	<u><u>\$ 773,797</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

CALHOUN COUNTY PUBLIC SCHOOLS
ST. MATTHEWS, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Enterprise Fund - <u>Food Services</u>
OPERATING REVENUES:	
Proceeds from sale of meals	\$ 171,012
Total operating revenues	<u>171,012</u>
OPERATING EXPENSES:	
Food costs	524,252
Salaries and wages	418,696
Supplies and materials	56,943
Depreciation	84,772
Other operating costs	30,519
Total operating expenses	<u>1,115,181</u>
Operating loss	<u>(944,169)</u>
NONOPERATING REVENUES:	
USDA reimbursements	858,481
Commodities received from USDA	35,606
Other federal and state aid	70
Total nonoperating revenues	<u>894,157</u>
Loss before operating transfers	(50,012)
Transfers in:	
Operating transfer in	<u>-</u>
Change in net assets	(50,012)
Total net assets - July 1, 2011	<u>823,809</u>
Total net assets - June 30, 2012	<u>\$ 773,797</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, 2012

	<u>Enterprise Fund - Food Services</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Received from patrons	\$ 153,945
Payments to employees for services	(418,812)
Payments to suppliers for goods and services	(552,036)
Payments to others	(30,519)
Net cash used by operating activities	<u>(847,422)</u>
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES:	
Federal and state aid	<u>846,459</u>
Net cash received from noncapital financing activities	<u>846,459</u>
Net decrease in cash and cash equivalents	(963)
Cash and cash equivalents - July 1, 2011	<u>2,048</u>
Cash and cash equivalents - June 30, 2012	<u><u>\$ 1,085</u></u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (944,169)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	84,772
Commodities used	35,606
Changes in assets and liabilities:	
Accounts receivable	(17,067)
Inventories	(8,311)
Accounts payable	(116)
Accrued compensated absences	1,863
Deferred revenue	<u>-</u>
Net cash used by operating activities	<u><u>\$ (847,422)</u></u>

Noncash capital and financing transactions:

During the year, the District received \$35,606 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 ASSETS
JUNE 30, 2012

	<u>Agency Funds</u>
ASSETS:	
Cash and cash equivalents	\$ 247,095
Total assets	<u>247,095</u>
LIABILITIES:	
Accounts payable	4,592
Due to other funds	176,235
Due to student groups	<u>66,268</u>
Total liabilities	<u>247,095</u>
NET ASSETS	<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, 2012

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. Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and the proprietary fund financial statements to the extent they do not conflict or contradict guidance of the GASB. Governments also have the option of following subsequent private sector guidance for their business type activities and enterprise funds. The District has elected not to follow subsequent private sector guidance. 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 assets (total assets less total liabilities) are used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net assets. 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 deferred revenues until earned. 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 ASSETS:

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, 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 assets are 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, 2012, the liability for compensated absences has been recorded in the amount of \$167,514. 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 October 15, 2012, the date of issuance, in preparing the financial statements and notes thereto.

RECENT ACCOUNTING PRONOUNCEMENTS:

In June, 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011. This Statement will only affect the presentation of the financial statements.

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, 2012, totaled \$1,615,176. 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, 2012, the County held \$3,605,563 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, 2012, the SCAGO had the following investments:

<u>Investment</u>	<u>Fair Value</u>	<u>Cost</u>
Money Market Funds	\$ 655,184	\$ 655,184
United States Agency	<u>2,503,278</u>	<u>2,503,278</u>
Total	<u>\$ 3,158,462</u>	<u>\$ 3,158,462</u>

The United States Agency security held by SCAGO at June 30, 2012 matures in less than one year and carries an investment grade of Baa1 at June 30, 2012. 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, 2012.

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, 2012, the composition of interfund balances is as follows:

	DUE FROM OTHER <u>FUNDS</u>	DUE TO OTHER <u>FUNDS</u>
General Fund	\$ 932,078	\$ -
Special Revenue Fund	65,365	829,410
Education Improvement Act	3,166	41,599
Debit Service Fund	977	-
Building Fund	-	977
Enterprise Fund	46,635	-
Pupil Activity	-	176,235
	<hr/>	<hr/>
Total	\$ 1,048,221	\$ 1,048,221
	<hr/>	<hr/>

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, 2012, the following transfers were made:

	<u>FUND</u>	TRANSFERS <u>TO</u>	TRANSFERS <u>FROM</u>
General fund			
Special Revenue		\$ -	\$ 246,127
Education Improvement Fund		553,563	-
Special revenue			
General Fund		15,364	535,064
Education Improvement			
General Fund		230,763	18,499
Debt Service - SCAGO			
School Building - Other		-	1,444,250
School Building - Other			
Debt Service - SCAGO		1,444,250	-
Total		<u>\$ 2,243,940</u>	<u>\$ 2,243,940</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, 2012, 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
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>1,073,687</u>	<u>-</u>	<u>-</u>	<u>1,073,687</u>
Other capital assets:				
Buildings and improvements	43,871,011	372,194	-	44,243,205
Machinery and equipment	<u>3,981,446</u>	<u>96,594</u>	<u>(121,423)</u>	<u>3,956,617</u>
Total other capital assets being depreciated at cost	<u>47,852,457</u>	<u>468,788</u>	<u>(121,423)</u>	<u>48,199,822</u>
Less accumulated depreciation for:				
Buildings and improvements	(7,536,962)	(1,092,709)	-	(8,629,671)
Machinery and equipment	<u>(1,856,635)</u>	<u>(530,055)</u>	<u>121,423</u>	<u>(2,265,267)</u>
Total accumulated depreciation	<u>(9,393,597)</u>	<u>(1,622,764)</u>	<u>121,423</u>	<u>(10,894,938)</u>
Other capital assets, net	<u>38,458,860</u>	<u>(1,153,976)</u>	<u>-</u>	<u>37,304,884</u>
Governmental activities, capital assets, net	<u>\$ 39,532,547</u>	<u>\$ (1,153,976)</u>	<u>\$ -</u>	<u>\$ 38,378,571</u>
Business type activities:				
Equipment	\$ 1,038,314	\$ 12,092	\$ -	\$ 1,050,406
Less accumulated depreciation	<u>(360,847)</u>	<u>(84,772)</u>	<u>-</u>	<u>(445,619)</u>
Business type activities, capital assets, net	<u>\$ 677,467</u>	<u>\$ (72,680)</u>	<u>\$ -</u>	<u>\$ 604,787</u>

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

Governmental activities:	
Instruction	\$ 1,359,597
Support services	263,167
Business-type activities:	
Food service	84,772

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, 2012, 2011, and 2010, were \$1,017,402, \$958,731, and \$1,043,528, respectively, and equaled the required contributions of 9.385%, 9.24%, and 9.24%, respectively (excluding the surcharge) for each year. Also, the District paid employer group life insurance contributions of \$16,291 for the year ended June 30, 2012, at the rate of .15% of compensation. Covered payroll for the current year was \$10,840,729.

Beginning July 1, 2004, the SCRS began offering an Optional Retirement Program (ORP). Effective July 1, 2009, the employer contribution rate was 8.14% which included a surcharge of 3.90%. Effective July 1, 2011, the employer contribution rate was 8.685% which included a surcharge of 4.30%. The District's actual contribution to the ORP for the years ended 2012, 2011, and 2010 was \$24,731, \$25,643, and \$16,258, on covered payroll of \$279,916, \$315,031, and \$383,450, respectively. The District also paid employer group life contributions of \$420.

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 \$466,151, \$416,945, and \$408,697 during the years ended June 30, 2012, 2011 and 2010, respectively, applicable to 4.30%, 3.90%, and 3.50%, 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, 2012 is \$29,335,000. Interest expense on these bonds totaled \$1,424,838 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 fifth anniversary of this bond issue was December 2011, at which time the District remitted to the federal government the amount of positive arbitrage pertaining to this issue, which was \$228,815.

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, 2012:

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2013	\$ 890,000	\$ 1,381,463	\$ 2,271,463
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
2018-22	6,245,000	5,105,875	11,350,875
2023-27	8,025,000	3,331,625	11,356,625
2028-32	10,170,000	1,185,300	11,355,300
Total	<u>\$ 29,335,000</u>	<u>\$ 16,082,706</u>	<u>\$ 45,417,706</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, 2012 is computed below:

2011 Assessed value - as provided by Calhoun County	\$ 84,884,741
	X 8%
Constitutional debt limit	<u>6,790,779</u>
Debt subject to limit	<u>(695,000)</u>
Legal debt available without a referendum	<u>\$ 6,095,779</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, 2012, were as follows:

	July 1, <u>2011</u>	<u>Additions</u>	<u>Reductions</u>	June 30, <u>2012</u>	Amounts Due Within <u>One Year</u>
Compensated absences	\$ 157,129	\$ 98,807	\$ 88,422	\$ 167,514	\$ 99,626
Revenue bonds	30,180,000	-	845,000	29,335,000	890,000
Capital lease (See below)	732,504	-	203,079	529,425	203,101
	<u>\$ 31,069,633</u>	<u>\$ 98,807</u>	<u>\$ 1,136,501</u>	<u>\$ 30,031,939</u>	<u>\$ 1,192,727</u>

During the year ended June 30, 2012, 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, 2012, the debt has an outstanding balance of \$695,000. The following is a summary of short term obligations at June 30, 2012:

	July 1, <u>2011</u>	<u>Additions</u>	<u>Reductions</u>	June 30, <u>2012</u>	Amounts Due Within <u>One Year</u>
General obligation bonds	\$ -	\$ 3,145,000	\$ 2,450,000	\$ 695,000	\$ 695,000

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 \$32,138. 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 \$119,133. Payments of \$157,466 are to be made annually with an interest rate of 2.00%. 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>
2013	\$ 172,795	\$ 11,221	\$ 184,016
2014	176,441	7,575	184,016
2015	180,189	3,827	184,016
Total	<u>\$ 529,425</u>	<u>\$ 22,623</u>	<u>\$ 552,048</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, 2012:

YEAR ENDING <u>JUNE 30,</u>	
2013	<u>\$ 1,459</u>
Total	<u>1,459</u>

NOTE 12 - ECONOMIC DEPENDENCY:

The District receives approximately 22.5% of its property tax revenue from two industrial taxpayers.

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.

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

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.

NOTE 15 - SUBSEQUENT EVENTS:

On July 30, 2012, the District issued a tax anticipation note for \$3,040,000 due April 13, 2013 with interest at 1.50%.

On September 19, 2012, the District issued \$1,785,000 Series A general obligation bond for the purpose of funding the lease payments to SCAGO. The interest rate on the Series A bond is 1.75%, with a maturity date of March 1, 2013.

On September 14, 2012, the District approved a lease purchase for trucks, copiers, and other miscellaneous equipment for \$125,000. The interest rate is 1.51% with maturity date of September 1, 2017.

CALHOUN COUNTY PUBLIC SCHOOLS
ST. MATTHEWS, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	(Budgetary Basis)	(Negative)
REVENUES:				
Local	\$ 5,878,778	\$ 5,878,778	\$ 5,937,186	\$ 58,408
State	7,615,336	7,615,336	7,906,218	290,882
Total revenues	13,494,114	13,494,114	13,843,404	349,290
EXPENDITURES:				
Current:				
Instruction	6,783,274	6,993,010	6,928,499	64,511
Support services	6,740,892	6,284,217	6,160,944	123,273
Community services	10,000	-	-	-
Intergovernmental	12,500	12,500	9,478	3,022
Debt service	34,000	16,500	15,807	693
Capital outlay	56,985	61,350	47,788	13,562
Total expenditures	13,637,651	13,367,577	13,162,516	205,061
Excess (deficiency) of revenues over expenditures	(143,537)	126,537	680,888	554,351
OTHER FINANCING SOURCES (USES):				
Operating transfers in	329,995	329,995	246,127	(83,868)
Operating transfers out	(186,458)	(456,532)	(553,563)	(97,031)
Total other financing sources (uses)	143,537	(126,537)	(307,436)	(180,899)
Net change in fund balances			373,452	373,452
Fund balance - July 1, 2011			2,155,073	
Fund balance - June 30, 2012			\$ 2,528,525	

CALHOUN COUNTY PUBLIC SCHOOLS
ST. MATTHEWS, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	(Budgetary Basis)	(Negative)
REVENUES:				
Local	\$ 205,626	\$ 214,491	\$ 188,484	\$ (26,007)
State	287,554	441,592	418,853	(22,739)
Federal	1,294,092	1,587,698	1,432,572	(155,126)
Total revenues	1,787,272	2,243,781	2,039,909	(203,872)
EXPENDITURES:				
Current:				
Instruction	1,441,961	1,600,067	1,396,025	204,042
Support services	528,770	801,038	843,239	(42,201)
Community services	-	6,780	4,568	2,212
Intergovernmental	-	207,165	315,777	(108,612)
Capital outlay	-	39,552	-	39,552
Total expenditures	1,970,731	2,654,602	2,559,609	94,993
Excess (deficiency) of revenue over expenditures	(183,459)	(410,821)	(519,700)	(108,879)
OTHER FINANCING SOURCES (USES):				
Operating transfers in	183,459	410,821	535,064	124,243
Operating transfers out	-	-	(15,364)	(15,364)
Total other financing sources (uses)	183,459	410,821	519,700	108,879
Net change in fund balances			-	-
Fund balance - July 1, 2011			-	-
Fund balance - June 30, 2012			\$ -	-

CALHOUN COUNTY PUBLIC SCHOOLS
ST. MATTHEWS, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
EDUCATION IMPROVEMENT ACT
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	(Budgetary Basis)	
REVENUES:				
State	\$ 1,019,255	\$ 1,086,672	\$ 1,070,527	\$ (16,145)
Total revenues	1,019,255	1,086,672	1,070,527	(16,145)
EXPENDITURES:				
Current:				
Instruction	688,671	751,100	738,381	12,719
Support services	72,171	123,365	119,882	3,483
Capital outlay	-	5,000	-	5,000
Total expenditures	760,842	879,465	858,263	21,202
Excess (deficiency) of revenue over expenditures	258,413	207,207	212,264	(5,057)
OTHER FINANCING SOURCES (USES):				
Operating transfers in	6,582	19,318	18,499	(819)
Operating transfers out	(264,995)	(226,921)	(230,763)	(3,842)
Total other financing sources (uses)	(258,413)	(207,603)	(212,264)	(4,661)
Net change in fund balances			-	(396)
Fund balance - July 1, 2011			-	
Fund balance - June 30, 2012			\$ -	

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, 2012

	<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	\$ 4,705,896	\$ 17,727
1240 Penalties and interest on taxes	250,000	260,595	10,595
1280 Revenue in lieu of taxes	889,247	872,503	(16,744)
1300 Tuition:			
1320 From other LEAs for regular day school	-	484	484
1500 Earnings on investments:			
1510 Interest on investments	1,000	1,779	779
1900 Other revenue from local sources:			
1930 Medicaid	-	21,463	21,463
1993 Insurance proceeds	5,000	29,100	24,100
1991 Miscellaneous local revenue	45,362	45,363	1
1999 Revenue from other local sources	-	3	3
Total local sources	5,878,778	5,937,186	58,408
3000 Revenue from State Sources:			
3100 Restricted state funding:			
3130 Special programs:			
3131 Handicapped transportation	10,000	17,956	7,956
3132 Home instruction	6,000	470	(5,530)
3160 Transportation salaries	106,905	136,186	29,281
3162 Transportation workmen's comp	12,502	12,637	135
3180 Employee fringe benefits	874,598	889,076	14,478
3181 Retiree insurance	298,871	338,754	39,883
3300 Education Finance Act:			
3310 Full time programs:			
3311 Kindergarten	139,253	148,474	9,221
3312 Primary	386,841	434,158	47,317
3313 Elementary	554,599	574,509	19,910
3314 High school	104,157	78,995	(25,162)
3315 Trainable mentally handicapped	8,460	8,100	(360)
3316 Speech handicapped	135,581	115,375	(20,206)
3317 Homebound	10,822	7,651	(3,171)

(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	\$ 11,190	\$ 17,457	\$ 6,267
3322 Educable mentally handicapped	23,052	40,177	17,125
3323 Learning disabilities	126,574	171,228	44,654
3324 Hearing handicapped	14,366	7,526	(6,840)
3325 Visually handicapped	9,756	5,103	(4,653)
3326 Orthopedically handicapped	3,853	2,025	(1,828)
3327 Vocational	396,428	420,418	23,990
3330 Other EFA programs:			
3331 Autism	7,317	21,277	13,960
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	814,379	114,379
3890 Other state property tax revenues	98,000	67,965	(30,035)
Total state sources	<u>7,615,336</u>	<u>7,906,218</u>	<u>290,882</u>
Total revenue all sources	<u>13,494,114</u>	<u>13,843,404</u>	<u>349,290</u>
EXPENDITURES:			
100 Instruction:			
110 General instruction:			
111 Kindergarten program:			
100 Salaries	336,955	336,955	-
200 Employee benefits	128,723	128,720	3
300 Purchased services - other than tuition	160	158	2
400 Supplies and materials	3,042	2,969	73
112 Primary programs:			
100 Salaries	563,826	563,823	3
200 Employee benefits	171,790	171,788	2
400 Supplies and materials	10,450	10,260	190
113 Elementary programs:			
100 Salaries	1,623,291	1,623,289	2
200 Employee benefits	523,323	523,319	4
370 Purchased services - tuition	1,500	4,010	(2,510)
400 Supplies and materials	16,808	15,837	971
114 High school programs:			
100 Salaries	729,938	729,937	1
200 Employee benefits	240,417	240,416	1
300 Purchased services - other than tuition	36,212	36,211	1
370 Purchased services - tuition	7,500	3,130	4,370
400 Supplies and materials	27,775	27,689	86

(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	\$ 164,717	\$ 164,716	\$ 1
200 Employee benefits	56,871	56,870	1
300 Purchased services - other than tuition	276,070	226,335	49,735
400 Supplies and materials	1,650	1,618	32
118 Vocational programs:			
100 Salaries	178,060	178,059	1
200 Employee benefits	68,006	68,005	1
120 Exceptional programs:			
121 Educable mentally handicapped:			
100 Salaries	151,172	151,172	-
200 Employee benefits	48,361	48,357	4
122 Trainable mentally handicapped:			
100 Salaries	58,974	57,405	1,569
200 Employee benefits	16,733	15,951	782
124 Visually handicapped:			
100 Salaries	46,676	46,676	-
200 Employee benefits	16,729	16,724	5
300 Purchased services	1,433	1,430	3
125 Hearing handicapped:			
100 Salaries	6,121	6,121	-
200 Employee benefits	1,736	1,730	6
126 Speech handicapped:			
100 Salaries	40,480	39,723	757
200 Employee benefits	14,243	13,949	294
600 Other objects	2,855	950	1,905
127 Learning disabilities:			
100 Salaries	394,889	394,888	1
200 Employee benefits	115,649	115,644	5
128 Emotionally handicapped:			
100 Salaries	28,207	28,206	1
200 Employee benefits	10,023	10,013	10
300 Purchased services	1,500	51	1,449
130 Preschool programs:			
133 Preschool handicapped self-contained:			
100 Salaries	45,037	45,036	1
200 Employee benefits	21,255	21,253	2
139 Four year-old early childhood:			
100 Salaries	226,093	226,091	2
200 Employee benefits	76,590	76,588	2

(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	\$ 21,051	\$ 21,051	\$ -
200 Employee benefits	4,459	4,458	1
300 Purchased services	10,430	2,646	7,784
149 Other special programs:			
100 Salaries	196,312	196,310	2
200 Employee benefits	25,449	29,142	(3,693)
300 Purchased services	143,192	142,848	344
400 Supplies and materials	400	36	364
160 Other exceptional programs:			
161 Autism:			
100 Salaries	47,475	47,472	3
200 Employee benefits	15,802	15,797	5
180 Adult/continuing educational programs:			
181 Adult basic education programs:			
300 Purchased services	36,600	36,491	109
Total instruction	6,993,238	6,928,499	64,739
200 Supporting Services:			
210 Pupil services:			
211 Attendance and social work:			
100 Salaries	114,036	114,035	1
200 Employee benefits	37,722	37,716	6
400 Supplies and materials	3,314	3,269	45
212 Guidance:			
100 Salaries	282,243	282,241	2
200 Employee benefits	85,983	86,256	(273)
300 Purchased services	19	53	(34)
400 Supplies and materials	3,310	3,274	36
213 Health:			
100 Salaries	39,615	39,614	1
200 Employee benefits	12,046	12,042	4
300 Purchased services	6,000	1,706	4,294
214 Psychological services:			
100 Salaries	48,229	48,228	1
200 Employee benefits	10,419	10,418	1
600 Other objects	284	284	-
220 Instructional staff services:			
221 Improvement of instruction - curriculum development:			
100 Salaries	272,011	272,012	(1)
200 Employee benefits	76,727	76,715	12
300 Purchased services	57,889	40,989	16,900
400 Supplies and materials	3,244	3,201	43

(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>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES (CONTINUED):			
200 Supporting Services (Continued):			
220 Instructional staff services (Continued):			
222 Library and media:			
100 Salaries	\$ 298,748	\$ 298,748	\$ -
200 Employee benefits	99,449	99,440	9
300 Purchased services	3,255	3,254	1
400 Supplies and materials	18,337	17,929	408
500 Capital outlay	2,285	2,257	28
223 Supervisor of special projects:			
100 Salaries	56,101	56,100	1
200 Employee benefits	15,287	15,285	2
230 General administration services:			
231 Board of Education:			
100 Salaries	6,018	6,016	2
200 Employee benefits	167,022	176,222	(9,200)
300 Purchased services	62,660	49,652	13,008
318 Audit services	25,100	25,100	-
400 Supplies and materials	6,000	5,500	500
500 Capital outlay	6,162	6,161	1
600 Other objects	12,000	11,502	498
232 Office of Superintendent:			
100 Salaries	191,507	191,507	-
200 Employee benefits	47,469	47,467	2
300 Purchased services	10,052	9,949	103
400 Supplies and materials	7,485	6,813	672
600 Other objects	2,806	2,806	-
233 School administration:			
100 Salaries	505,724	505,723	1
200 Employee benefits	164,991	164,986	5
300 Purchased services	9,360	8,785	575
400 Supplies and materials	9,660	8,965	695
250 Finance and operations services:			
252 Fiscal services:			
100 Salaries	215,169	215,169	-
200 Employee benefits	53,739	53,738	1
300 Purchased services	52,092	51,086	1,006
400 Supplies and materials	7,060	7,051	9
500 Capital outlay	4,731	5,019	(288)
600 Other objects	18,255	19,701	(1,446)
254 Operation and maintenance of plant services:			
100 Salaries	568,670	568,668	2
200 Employee benefits	210,146	210,141	5
300 Purchased services	412,591	393,628	18,963
321 Public utilities	25,850	17,778	8,072

(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	\$ 96,789	\$ 96,798	\$ (9)
470 Energy	485,000	443,881	41,119
500 Capital outlay	47,789	47,788	1
600 Other objects	240	75	165
255 Pupil transportation:			
100 Salaries	375,330	375,330	-
200 Employee benefits	92,024	92,023	1
300 Purchased services	36,150	32,214	3,936
400 Supplies and materials	5,410	5,407	3
600 Other objects	900	-	900
256 Food service:			
200 Employee benefits	96,243	58,483	37,760
257 Internal services:			
100 Salaries	29,613	29,612	1
200 Employee benefits	9,421	9,418	3
300 Purchased services	46,588	50,354	(3,766)
400 Supplies and materials	4,557	4,526	31
258 Security:			
300 Purchased services	59,382	59,380	2
260 Central support services:			
264 Staff services:			
100 Salaries	183,012	183,012	-
200 Employee benefits	43,602	43,601	1
300 Purchased services	10,222	9,908	314
400 Supplies and materials	4,173	3,619	554
500 Capital outlay	1,060	1,057	3
266 Data processing services:			
100 Salaries	125,063	125,063	-
200 Employee benefits	38,812	38,803	9
300 Purchased services	78,101	77,095	1,006
400 Supplies and materials	7,131	7,130	1
500 Capital outlay	6,317	5,903	414
270 Support services pupil activity:			
271 Pupil services activity:			
100 Salaries	71,925	71,924	1
200 Employee benefits	13,659	13,648	11
300 Purchased services	14,954	14,954	-
600 Other objects	13,000	13,527	(527)
Total supporting services	6,345,339	6,208,732	136,607

(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	\$ 9,478	\$ 3,022
500 Debt Service:			
319 Legal services	5,500	5,500	-
620 Interest	11,000	10,307	693
Total debt service	16,500	15,807	693
Total expenditures	13,367,577	13,162,516	205,061
Excess of revenues over expenditures	126,537	680,888	554,351
OTHER FINANCING SOURCES (USES):			
Transfers from (to) other funds:			
5230 Transfer from special revenue EIA fund	264,995	230,763	(34,232)
5280 Transfer from other funds indirect costs	65,000	15,364	(49,636)
421-710 Transfer to special revenue funds	(456,532)	(553,563)	(97,031)
Total other financing uses	(126,537)	(307,436)	(180,899)
Net change in fund balances	-	373,452	373,452
FUND BALANCE, JULY 1, 2011		2,155,073	
FUND BALANCE, JUNE 30, 2012		\$ 2,528,525	

(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, 2012

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 126,410	\$ 126,410
1999 Other local revenue	-	-	-	-	-	-	62,074	62,074
Total local sources	-	-	-	-	-	-	188,484	188,484
3000 Revenue from State Sources:								
3100 Restricted grants:								
3110 Occupational education:								
3116 EEDA miscellaneous	-	-	-	-	-	2,443	-	2,443
3118 EEDA career specialist	-	-	-	-	-	81,498	-	81,498
3120 General education:								
3123 Formative assessment						7,817		7,817
3125 Career and technology equipment	-	-	-	-	-	24,510	-	24,510
3127 Student health and fitness	-	-	-	-	-	14,136	-	14,136
3130 Special programs:								
3136 Student health and fitness - nurses	-	-	-	-	-	63,403	-	63,403
3190 Miscellaneous restricted grants:								
3199 Other restricted state grants	-	-	-	-	-	-	59,947	59,947
3600 Education Lottery Act Revenue:								
3607 6-8 Enhancement	-	-	-	-	-	2,167	-	2,167
3610 K-5 Enhancement	-	-	-	-	-	162,932	-	162,932
Total state sources	-	-	-	-	-	358,906	59,947	418,853
4000 Revenue from Federal Sources:								
4200 Occupational education:								
4210 Vocational aid	-	-	-	-	-	-	29,019	29,019
4300 Elementary and Secondary Education Act of 1965:								
4310 Title I, Basic State Grant Programs	583,088	-	-	-	-	-	-	583,088
4312 Rural and low-income school program, Title II							38,209	38,209
4351 Improving Teacher Quality	-	-	-	-	-	-	136,604	136,604

(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	\$ -	\$ 468,827	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 468,827
4520 Pre-school	-	-	65,447	-	-	-	-	65,447
4900 Other federal sources:								
4926 21st Century Learning							53,690	53,690
4990 Other	-	-	-	-	-	-	57,688	57,688
Total federal sources	583,088	468,827	65,447	-	-	-	315,210	1,432,572
Total revenue all sources	583,088	468,827	65,447	-	-	358,906	563,641	2,039,909
EXPENDITURES								
100 Instruction:								
111 Kindergarten programs:								
400 Supplies and materials	-	-	-	-	-	-	668	668
112 Primary programs:								
100 Salaries	51,767	-	-	-	-	110,408	96,799	258,974
200 Employee benefits	16,503	-	-	-	-	32,521	29,626	78,650
400 Supplies and materials	-	-	-	-	-	6,844	-	6,844
113 Elementary programs:								
100 Salaries	236,662	-	-	-	-	-	-	236,662
200 Employee benefits	72,059	-	-	-	-	-	-	72,059
300 Purchased services	-	-	-	-	-	2,167	270	2,437
400 Supplies and materials	-	-	-	-	-	5,880	792	6,672
500 Capital outlay	-	-	-	-	-	1,412	-	1,412
114 High school programs:								
100 Salaries	107,747	-	-	-	-	-	129,336	237,083
200 Employee benefits	32,983	-	-	-	-	-	27,917	60,900
300 Purchased services	-	-	-	-	-	-	650	650
400 Supplies and materials	-	-	-	-	-	-	270	270
115 Vocational programs:								
300 Purchased services	-	-	-	-	-	-	1,500	1,500
400 Supplies and materials	-	-	-	-	-	-	2,364	2,364
500 Capital outlay	-	-	-	-	-	24,510	-	24,510
118 Montessori programs:								
100 Salaries	-	-	-	-	-	16,672	-	16,672
200 Employee benefits	-	-	-	-	-	4,846	-	4,846

(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	\$ -	\$ 33,569	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,569
200 Employee benefits	-	13,577	-	-	-	-	-	13,577
122 Trainable mentally handicapped:								
100 Salaries	-	39,502	-	-	-	-	-	39,502
200 Employee benefits	-	18,941	-	-	-	-	-	18,941
300 Purchased services	-	872	-	-	-	-	-	872
123 Orthopedically handicapped:								
100 Salaries	-	4,323	-	-	-	-	-	4,323
200 Employee benefits	-	2,078	-	-	-	-	-	2,078
124 Visually handicapped:								
300 Purchased services - tuition	-	10	-	-	-	-	-	10
400 Supplies and materials		321						321
125 Hearing Handicapped								
300 Purchased services	-	7,228	-	-	-	-	-	7,228
126 Speech handicapped:								
300 Purchased services		1,738	-				-	1,738
400 Supplies and materials	-	857	-	-	-	-	-	857
127 Learning disabilities:								
100 Salaries	-	52,421	-	-	-	-	-	52,421
200 Employee benefits	-	21,582	-	-	-	-	-	21,582
400 Supplies and materials		102						102
128 Emotionally handicapped:								
100 Salaries	-	8,095	-	-	-	-	-	8,095
200 Employee benefits	-	3,235	-	-	-	-	-	3,235
130 Preschool handicapped programs:								
133 Preschool handicapped self-contained (5 yr. olds):								
100 Salaries	-	-	20,994	-	-	-	-	20,994
200 Employee benefits	-	-	6,602	-	-	-	-	6,602
400 Supplies and materials	-	-	169	-	-	-	-	169
500 Capital outlay			577				-	577
140 Special programs:								
149 Other special programs:								
100 Salaries	-	27,292	-	-	-	-	6,900	34,192
200 Employee benefits	-	10,238	-	-	-	-	1,482	11,720
300 Purchased services	-	20	-	-	-	-	5,700	5,720
400 Supplies and materials	-	8,577	-	-	-	-	-	8,577

(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	\$ -	\$ 17,454	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,454
200 Employee benefits	-	7,968	-	-	-	-	-	7,968
170 Summer school program:								
175 Instructional programs beyond regular school day:								
100 Salaries	-	3,738	-	-	-	2,021	26,366	32,125
200 Employee benefits	-	556	-	-	-	422	5,137	6,115
300 Purchased services	-	-	-	-	-	-	5,100	5,100
400 Supplies and materials	-	-	-	-	-	-	14,102	14,102
500 Capital outlay	-	-	-	-	-	-	2,986	2,986
Total instruction	517,721	284,294	28,342	-	-	207,703	357,965	1,396,025
200 Supporting services:								
210 Pupil services:								
211 Attendance and social work:								
100 Salaries	-	21,836	-	-	-	-	21,835	43,671
200 Employee benefits	-	6,440	-	-	-	-	6,440	12,880
212 Guidance:								
100 Salaries	-	-	-	-	-	-	50,391	50,391
200 Employee benefits	-	-	-	-	-	-	14,521	14,521
300 Purchased services	-	-	-	-	-	-	1,492	1,492
400 Supplies and materials	-	-	-	-	-	-	973	973
213 Health:								
100 Salaries	-	-	-	-	-	77,408	85,135	162,543
200 Employee benefits	-	-	-	-	-	25,638	25,208	50,846
300 Purchased services	-	38,565	-	-	-	-	-	38,565
400 Supplies and materials	-	1,964	-	-	-	-	3,734	5,698
214 Psychological:								
300 Purchased services	-	1,017	-	-	-	-	-	1,017
400 Supplies and materials	-	647	-	-	-	-	-	647
217 Career specialist services:								
100 Salaries	-	-	-	-	-	77,929	-	77,929
200 Employee benefits	-	-	-	-	-	26,070	-	26,070

(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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,545	\$ 11,545
300 Purchased services	144	2,620	-	-	-	-	15,442	18,206
400 Supplies and materials	-	-	-	-	-	-	27,056	27,056
222 Library and media:								
400 Supplies and materials	-	-	-	-	-	-	7,000	7,000
223 Supervision of special programs:								
100 Salaries	47,696	67,057	7,414	-	-	-	31,561	153,728
200 Employee benefits	13,470	23,284	3,273	-	-	-	10,247	50,274
300 Purchased services	-	3,773	-	-	-	-	21,500	25,273
400 Supplies and materials	1,739	1,787	-	-	-	-	-	3,526
224 Improvement of instruction - inservice and staff training:								
400 Supplies and materials	-	-	-	-	-	7,817	-	7,817
233 School administration								
100 Salaries	-	-	-	-	-	-	4,000	4,000
200 Employee benefits	-	-	-	-	-	-	850	850
250 Finance and operations services:								
251 Student transportation (Federal Mandated):								
100 Salaries	-	10,599	22,364	-	-	-	-	32,963
200 Employee benefits	-	4,944	4,054	-	-	-	-	8,998
255 Student transportation (State mandated):								
100 Salaries	-	-	-	-	-	-	4,359	4,359
200 Employee benefits	-	-	-	-	-	-	401	401
Total supporting services	63,049	184,533	37,105	-	-	214,862	343,690	843,239
300 Community Services:								
390 Other community services:								
100 Salaries	-	-	-	-	-	-	162	162
200 Employee benefits	-	-	-	-	-	-	22	22
300 Purchased services	-	-	-	-	-	-	12	12
400 Supplies and materials	2,318	-	-	-	-	-	-	2,318
600 Other objects	-	-	-	-	-	-	2,054	2,054
Total community services	2,318	-	-	-	-	-	2,250	4,568

(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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 315,777	\$ 315,777
Total intergovernmental expenditures	-	-	-	-	-	-	315,777	315,777
Total expenditures	583,088	468,827	65,447	-	-	422,565	1,019,682	2,559,609
OTHER FINANCING SOURCES (USES):								
Transfers from (to) other funds:								
5210 Transfer from General Fund	-	-	-	-	-	63,659	471,405	535,064
431-791 Special Revenue Fund indirect costs	-	-	-	-	-	-	(15,364)	(15,364)
Total other financing sources (uses)	-	-	-	-	-	63,659	456,041	519,700
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	-	-	-
FUND BALANCE, JULY 1, 2011	-	-	-	-	-	-	-	-
FUND BALANCE, JUNE 30, 2012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(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, 2012

<u>SUBFUND</u>	<u>REVENUE</u>	<u>PROGRAMS</u>	<u>REVENUES</u>	<u>EXPENDITURES</u>	<u>SPECIAL REVENUE</u>		<u>SPECIAL REVENUE FUND DEFERRED</u>
					<u>INTERFUND TRANSFERS IN/(OUT)</u>	<u>OTHER FUND TRANSFERS IN/(OUT)</u>	
904	3124	Career and Technology Education (CTE) Technology Initiative	\$ -	\$ -	-	-	\$ -
905	3125	Career and Technology Education Equipment	24,510	24,510	-	-	9,988
919	3193	Education Licnese Plates	-	-	-	-	526
926	3116	EEDA Misc.	2,443	2,443	-	-	5,557
928	3118	EEDA Career Specialist	81,496	103,999	-	22,503	-
933	3123	Formative Assessment	7,817	7,817	-	-	4,840
936	3136	Student health and fitness - Nurses	63,403	103,045	-	39,642	-
937	3127	Teachers	14,136	14,136	-	-	1,554
960	3610	K-5 Enhancement	162,932	164,446	-	1,514	-
967	3607	6-8 Enhancement	2,167	2,167	-	-	2,167

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, 2012

		<u>ACTUAL</u>
REVENUES		
3000 State Sources:		
3500 Education Improvement Act:		
3502	ADEPT	\$ 1,200
3511	Professional development	11,097
3526	Refurbishment of K-8 Sciences	10,048
3530	Trainable and profoundly mentally disabled student services	2,348
3532	National Board Certification (NBC) salary supplement	72,700
3533	Teacher of the year awards	1,072
3538	At-risk funding	410,680
3540	Early childhood program	59,049
3542	Preschool programs for children with disabilities	6,911
3544	Gift student funding	30,566
3550	Teacher salary increase	189,951
3555	School employer contributions	40,811
3558	Reading assistance	21,651
3577	Teacher supplies	31,250
3578	High Schools That Work	1,354
3585	Aid to districts - special education	112,418
3592	School-to-work transition act	8,793
3597	Aid to districts	50,987
3598	Bus driver salary supplement	2,509
3599	Other EIA	5,132
Total state sources		<u>1,070,527</u>
Total revenue all sources		<u>1,070,527</u>
EXPENDITURES		
100 Instruction:		
110 General instruction:		
111	Kindergarten programs:	
	100 Salaries	1,379
	200 Employee benefits	105
112	Primary programs:	
	100 Salaries	187,119
	200 Employee benefits	59,001
	300 Purchased services	870

(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	\$ 88,122
200	Employee benefits	25,325
300	Purchased services	870
400	Supplies and materials	10,048
114	High school programs:	
100	Salaries	77,626
200	Employee benefits	25,376
300	Purchased services	870
400	Supplies and materials	1,354
500	Capital outlay	5,221
115	Vocational programs:	
100	Salaries	7,500
200	Employee benefits	1,585
120	Exceptional programs:	
122	Trainable mentally handicapped:	
100	Salaries	1,568
200	Employee benefits	780
126	Speech handicapped:	
100	Salaries	90,552
200	Employee benefits	30,225
130	Preschool programs:	
139	Early childhood programs:	
100	Salaries	44,647
200	Employee benefits	12,754
300	Purchased services	47
400	Supplies and materials	4,410
140	Special programs:	
141	Gifted and talented - academic:	
100	Salaries	7,000
200	Employee benefits	1,483
300	Purchased services	177
400	Supplies and materials	4,798
148	Gifted and talented - artistic:	
300	Purchased services	7,834
149	Other special programs:	
100	Salaries	7,000
200	Employee benefits	1,485
400	Supplies and materials	31,250
Total instruction		<u>738,381</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

EXPENDITURES (CONTINUED)

200 Support Services:			
210 Pupil services:			
212 Guidance services:			
100 Salaries	\$	7,237	
200 Employee benefits		1,556	
220 Instructional staff services:			
221 Improvement of instruction-curriculum development:			
100 Salaries		56,408	
200 Employee benefits		17,031	
300 Purchased services		15,386	
400 Supplies and materials		4,541	
222 Library and media:			
100 Salaries		7,500	
200 Employee benefits		1,585	
223 Supervision of special programs:			
100 Salaries		7,125	
200 Employee benefits		1,513	
Total supporting services		<u>119,882</u>	
Total expenditures		<u>858,263</u>	
OTHER FINANCING SOURCES (USES)			
Interfund transfers, from (to) other funds:			
5210 Transfer from general fund (excludes indirect costs)		18,499	
420-710 Transfer to general fund (excludes indirect costs)		<u>(230,763)</u>	
Total other financing sources (uses)		<u>(212,264)</u>	
Excess (deficiency) of revenues over (under) expenditures			-
Fund balance July 1, 2011			<u>-</u>
Fund balance June 30, 2012	\$		<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, 2012

PROGRAM	<u>REVENUES</u>	<u>EXPENDITURES</u>	OTHER FUND TRANSFERS <u>IN/(OUT)</u>	EIA FUND <u>DEFERRED</u>
3500 Education Improvement Act:				
3502 ADEPT	\$ 1,200	\$ 8,638	\$ 7,438	\$ -
3511 Professional development	11,097	11,097	-	354
3526 Refurbishment of K-8 Science Kits	10,048	10,048	-	8,198
3530 Trainable and profoundly mentally disabled student services	2,348	2,348	-	-
3532 National Board of Certification (NBC) - salary supplement	72,700	72,700	-	-
3533 Teacher of the year awards	1,072	1,072	-	-
3538 At-risk funding	410,680	420,293	9,613	-
3540 Early childhood program	59,049	59,049	-	2,078
3542 Preschool programs for children with disabilities	6,911	8,358	1,447	-
3544 Gifted student funding	30,566	30,566	-	7,005
3550 Teacher salary increase	189,951	-	(189,951)	-
3555 School employer contributions	40,811	-	(40,811)	-
3558 Reading	21,651	21,651	-	5,017
3577 Teacher supplies	31,250	31,250	-	-
3578 High schools that work	1,354	1,354	-	2,532
3585 Aid to districts - special education	112,418	112,418	-	-
3592 School-to-work transition act	8,793	8,793	-	-
3597 Aid to districts	50,987	50,987	-	-
3598 Bus driver salary supplement	2,509	2,509	-	-
3599 Miscellaneous EIA funds	5,132	5,132	-	-
Total	<u>\$ 1,070,527</u>	<u>\$ 858,263</u>	<u>\$ (212,264)</u>	<u>\$ 25,184</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, 2012

	<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)	\$ -	\$ 779,945	\$ 779,945
1240 Penalties and interest on taxes (dependent)	-	53,108	53,108
1280 Revenue in lieu of taxes (dependent and independent)	-	1,770,321	1,770,321
1500 Earnings on investments:			
1510 Interest on investments	92,876	930	93,806
1531 Unrealized gain or loss on investments	29,179	-	29,179
Total local sources	<u>122,055</u>	<u>2,604,304</u>	<u>2,726,359</u>
3000 Revenue from State Sources:			
3800 State revenue in lieu of taxes:			
3820 Homestead exemption	-	38,049	38,049
3830 Merchant's inventory tax	-	5,570	5,570
3840 Manufacturers depreciation reimbursement	-	101,008	101,008
3890 Other state property tax revenues	-	11,583	11,583
Total state sources	<u>-</u>	<u>156,210</u>	<u>156,210</u>
Total revenue all sources	<u>122,055</u>	<u>2,760,514</u>	<u>2,882,569</u>
EXPENDITURES			
500 Debt Service:			
300 Purchased services	4,000	-	4,000
610 Redemption of principal	845,000	2,653,079	3,498,079
620 Interest	1,428,994	25,836	1,454,831
640 Dues and fees	227,596	133	227,729
Total expenditures	<u>2,505,590</u>	<u>2,679,048</u>	<u>5,184,638</u>
OTHER FINANCING SOURCES:			
5110 Premiums on bonds sold	11,676	-	11,676
5112 Proceeds of general obligation bonds	695,000	-	695,000
5250 Transfer from School Building Fund	1,444,250	-	1,444,250
Total other financing sources	<u>2,150,926</u>	<u>-</u>	<u>2,150,926</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(232,609)	81,466	(151,143)
FUND BALANCE, JULY 1, 2011	<u>2,742,040</u>	<u>587,045</u>	<u>3,329,085</u>
FUND BALANCE, JUNE 30, 2012	<u>\$ 2,509,431</u>	<u>\$ 668,511</u>	<u>\$ 3,177,942</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, 2012

	<u>SCAGO</u>	<u>Other</u>	<u>Total</u>
REVENUES			
1000 Revenue from Local Sources:			
1500 Earnings on investments:			
1510 Interest on investments	\$ 26	\$ 156	\$ 182
1900 Other revenue from local sources:			
1999 Revenue from other local sources	-	6,202	6,202
Total local sources	<u>26</u>	<u>6,358</u>	<u>6,384</u>
Total revenue all sources	<u>26</u>	<u>6,358</u>	<u>6,384</u>
EXPENDITURES			
250 Finance and Operations:			
253 Facilities acquisition and construction services:			
300 Purchased services	13,935	277,148	291,083
500 Capital outlay			
520 Construction services	-	6,300	6,300
530 Improvements other than building	25	351,021	351,046
540 Equipment	-	63,679	63,679
Total expenditures	<u>13,960</u>	<u>698,148</u>	<u>712,108</u>
OTHER FINANCING SOURCES (USES):			
5110 Premiums on bonds sold	-	9,114	9,114
5112 Proceeds of general obligation bonds	-	2,450,000	2,450,000
720 Transits	-	(1,444,250)	(1,444,250)
Total other financing sources (uses)	<u>-</u>	<u>1,014,864</u>	<u>2,459,114</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(13,934)	323,074	1,753,390
FUND BALANCE, JULY 1, 2011	<u>92,574</u>	<u>1,518,051</u>	<u>1,610,625</u>
FUND BALANCE, JUNE 30, 2012	<u>\$ 78,640</u>	<u>\$ 1,841,125</u>	<u>\$ 3,364,015</u>

CALHOUN COUNTY PUBLIC SCHOOLS
ST. MATTHEWS, SOUTH CAROLINA

FOOD SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2012

REVENUES

1000 Revenue from Local Sources:

1600 Food service:

1610 Lunch sales to pupils	\$ 31,025
1620 Breakfast sales to pupils	18,704
1630 Special sales to pupils	29,147
1640 Lunch sales to adults	23,975
1650 Breakfast sales to adults	1,303
1660 Special sales to adults	6,415

1900 Other revenue from local sources:

1999 Revenue from other local sources	60,443
Total revenue from local sources	<u>171,012</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	597,080
4830 School breakfast program	240,583
4860 Fresh fruits and vegetables program	20,818

4900 Other federal sources:

4991 USDA commodities	35,606
Total federal sources	<u>894,087</u>

Total revenue all sources	<u>1,065,169</u>
---------------------------	------------------

EXPENDITURES

256 Food Service:

100 Salaries	342,425
200 Employee benefits	76,271
300 Purchased services	28,442
400 Supplies and materials	565,471
500 Capital outlay	100,495
600 Other objects	2,077

Total expenditures	<u>1,115,181</u>
--------------------	------------------

DEFICIENCY OF REVENUES UNDER EXPENDITURES	(50,012)
---	----------

FUND BALANCE, JULY 1, 2011	<u>823,809</u>
----------------------------	----------------

FUND BALANCE, JUNE 30, 2012	<u>\$ 773,797</u>
-----------------------------	-------------------

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, 2012

RECEIPTS

1000 Receipts from Local Sources:

1700 Pupil activities:

1790 Other \$ 251,646

Total receipts 251,646

DISBURSEMENTS

190 Instructional Pupil Activity:

660 Pupil activity 19,200

270 Support Services Pupil Activity:

271 Pupil service activities:

660 Pupil activity 200,118

272 Pupil service activities:

660 Pupil activity 5,281

273 Pupil service activities:

660 Pupil activity 52,260

Total disbursements 276,859

EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER
EXPENDITURES

(25,213)

DUE TO STUDENT GROUPS, JULY 1, 2011

91,481

DUE TO STUDENT GROUPS, JUNE 30, 2012

\$ 66,268

CALHOUN COUNTY PUBLIC SCHOOLS
ST. MATTHEWS, SOUTH CAROLINA

DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT
JUNE 30, 2012

<u>PROGRAM</u>	<u>GRANT OR PROJECT NUMBER</u>	<u>REVENUE AND SUBFUND CODES</u>	<u>DESCRIPTION</u>	<u>AMOUNT DUE TO SDE OR FEDERAL GOV'T</u>
NATIONAL BOARD CERTIFICATION	EIA	3532	Unexpended funds	\$ 190
TEACHER SUPPLIES	EIA	3577	Unexpended funds	250

CALHOUN COUNTY PUBLIC SCHOOLS
ST. MATTHEWS, SOUTH CAROLINA

SCHOOL DISTRICT LOCATION RECONCILIATION SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2012

<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	\$ 9,999,943
20	Calhoun County High	High School	School	4,443,098
45	Sandy Run Elementary	Elementary School	School	4,424,162
50	St. Matthews School	Elementary School	School	<u>5,001,971</u>
	Total expenditures/disbursements for all funds			<u>\$ 23,869,174</u>

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

General Fund (Subfund 100's)	\$ 13,162,516
Special Revenue Fund (Subfund 200's, 800's, and 900's)	2,559,609
Special Revenue EIA Fund (Subfund 300's)	858,263
Debt Service Fund (Subfund 400's)	5,184,638
Capital Projects Fund (Subfund 500's)	712,108
Proprietary Fund (Subfund 600's)	1,115,181
Trust and Agency Fund (Subfund 700's)	<u>276,859</u>
Total expenditures/disbursements for all funds	<u>\$ 23,869,174</u>

J. W. HUNT AND COMPANY, LLP

JOHN C. CREECH, JR., CPA
ANNE H. ROSS, CPA
WILLIAM T. POUNCEY, CPA

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
PRIVATE COMPANIES PRACTICE SECTION AND
CENTER FOR PUBLIC COMPANY AUDIT FIRMS

CPA ASSOCIATES INTERNATIONAL, INC.,
A WORLDWIDE NETWORK OF INDEPENDENT ACCOUNTING FIRMS

MIDDLEBURG OFFICE PARK
1607 ST. JULIAN PLACE
POST OFFICE BOX 265
COLUMBIA, SC 29202-0265
803-254-8196
866-299-8196
FAX 803-256-1524
jwhunt.com

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 the financial statements of the governmental activities, the business-type activities, and each major fund of Calhoun County Public Schools (the District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 15, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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.

(Continued) - 1.

Internal Control Over Financial Reporting (Continued)

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as item 12-01 that we consider to be a significant deficiency in internal control over financial reporting. 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.

Compliance and Other Matters

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

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

f. W. Hunt and Company, LLP

October 15, 2012

(Concluded) - 2.

J. W. HUNT AND COMPANY, LLP

JOHN C. CREECH, JR., CPA
ANNE H. ROSS, CPA
WILLIAM T. POUNCEY, CPA

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
PRIVATE COMPANIES PRACTICE SECTION AND
CENTER FOR PUBLIC COMPANY AUDIT FIRMS

CPA ASSOCIATES INTERNATIONAL, INC.,
A WORLDWIDE NETWORK OF INDEPENDENT ACCOUNTING FIRMS

MIDDLEBURG OFFICE PARK
1607 ST. JULIAN PLACE
POST OFFICE BOX 265
COLUMBIA, SC 29202-0265
803-254-8196
866-299-8196
FAX 803-256-1524
jwhunt.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited Calhoun County Public Schools' (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, 2012. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2012.

(Continued) - 1.

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Trustees, others within the District, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

J. W. Hunt and Company, LLP

October 15, 2012

(Concluded) - 2.

CALHOUN COUNTY PUBLIC SCHOOLS
ST. MATTHEWS, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, YEAR ENDED JUNE 30, 2012

LEA SUBFUND CODE	FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	EXPENDITURES
<u>U. S. Department of Agriculture</u>				
Passed through the South Carolina State Department of Education:				
Cash assistance:				
6XX	School breakfast program	10.553	N/A	\$ 240,583
6XX	School lunch program	10.555	N/A	597,080
6XX	Fresh fruit and vegetable	10.582	N/A	20,818
Non-cash assistance:				
6XX	Commodities	10.550	N/A	35,606
	Total U. S. Department of Agriculture			<u>894,087</u>
<u>U. S. Department of Education</u>				
Passed through the South Carolina State Department of Education:				
201	Title I	84.010	11BA016	583,088
203	IDEA - Handicapped	84.027A	11CA016-01	468,827
205	IDEA - Special Education Preschool Grants	84.173	11CG016	65,447
224	21st Century Community Learning	84.287	11cl016-01	53,690
251	Title VI	84.289	11BS016	38,209
267	Improving Teacher Quality	84.367A	11TQ016-01	136,605
271	Vocational Education (subprogram 10)	84.048	11VA016	1,500
273	Vocational Education (subprogram 08)	84.048	11VA016	19,500
274	Vocational Education (subprogram 08)	84.048	11VA016	2,364
276	Vocational Education	84.048	11VA016	3,622
277	Vocational Education (subprogram 04)	84.048	11BA016	2,032
	Total U. S. Department of Education			<u>1,374,884</u>
<u>U. S. Department of Defense</u>				
Direct Program				
290	ROTC	12.000	N/A	57,688
	Total U. S. Department of Defense			<u>57,688</u>
	Total expenditures of federal awards			<u>\$ 2,326,659</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, 2012

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, 2012. 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, 2012

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>
---------------------	--------------------------------

84.010	Title I
--------	---------

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

Auditee qualified as low-risk auditee? yes

(Continued) - 1.

CALHOUN COUNTY PUBLIC SCHOOLS
ST. MATTHEWS, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION II - FINANCIAL STATEMENT FINDINGS

Finding 12-01: Limited Personnel

Statement on Auditing Standards No. 115 defines internal control over financial reporting to require the client to prepare its own financial statements, including note disclosures, in accordance with generally accepted accounting principles without any material adjusting journal entries proposed by the auditor. As part of our current engagement as the District's auditor, we have proposed adjusting journal entries and have drafted the Districts financial statements and notes subject to the review and acceptance of the District's management. Therefore, we must report a significant deficiency in internal control over financial reporting to management and those charged with governance. The limited number of the District's personnel necessarily imposes practical limitations on the effectiveness of those internal controls that depend on the segregation of duties and specialized knowledge of financial reporting.

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 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.

Criteria: Prior to the first time a driver performs safety-sensitive functions (driving a school bus) for an employer, the driver shall undergo testing for controlled substances as a condition of employment.

Effect: Calhoun County Public Schools is not in compliance with the Code of Federal Regulations (49 C.F.R. 382.301).

Cause: Administrative oversight.

Recommendation: The staff at Calhoun County Public School should implement effective procedures to ensure that new employees undergo the required testing for controlled substances.

(Continued) - 2.

CALHOUN COUNTY PUBLIC SCHOOLS
ST. MATTHEWS, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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.
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 3 safety-sensitive employees were 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.
Finding 12-03:	Failure to meet state requirements
Condition:	Calhoun County Public Schools performed random drug tests on 41% of school bus drivers.
Criteria:	Districts are required to randomly drug test a minimum of 50% of school bus drivers.
Effect:	Calhoun County Public Schools is not in compliance with state required procedures.
Cause:	Administration oversight.
Recommendation:	The staff at Calhoun County Public School 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.

(Concluded) - 3.

CALHOUN COUNTY PUBLIC SCHOOLS
ST. MATTHEWS, SOUTH CAROLINA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012

MAJOR FEDERAL AWARD PROGRAMS AUDIT FINDINGS

None

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

Finding 11-02: Failure to administer random controlled substance testing

Condition: Calhoun County Public Schools did not add 3 of the 4 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 in the current year.

Finding 11-03: Failure to provide documentation

Condition: Calhoun County Public Schools could not provide documentation of accidents involving bus drivers or documentation regarding the reasons that alternate drivers were selected for required substance testing.

Recommendation: The staff at Calhoun County Public Schools needs to implement effective procedures to ensure that proper records are maintained.

Current Status: This finding did not occur in the current year.

Finding 11-04: Failure to administer pre-employment testing

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 new employees undergo the required testing for controlled substances.

Current Status: This finding did reoccur in the current year.