

School District of Edgefield County

Report on Financial Statements

For the fiscal year ended June 30, 2016

School District of Edgefield County

Members of the Board of Trustees

DR. ROBERT MADDOX, SUPERINTENDENT

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

School District of Edgefield County

Contents

	<u>Page</u>
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-8
Basic Financial Statements	<u>Exhibit</u>
Government-wide Financial Statements	
Statement of Net Position.....	1 9
Statement of Activities.....	2 10
Fund Financial Statements	
Balance Sheet - Governmental Funds.....	3 11
Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Position.....	4 12
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.....	5 13
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	6 14
Statement of Net Position - Proprietary Fund.....	7 15
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund.....	8 16
Statement of Cash Flows - Proprietary Fund.....	9 17
Statement of Fiduciary Assets and Liabilities - Agency Fund.....	10 18
Notes to Financial Statements.....	19-43
Required Supplementary Information	<u>Schedule</u>
Budgetary Comparison Schedule	
General Fund.....	1 44-52
Schedule of the District's Proportionate Share of the Net Pension Liability.....	2 53
Schedule of the District's Contributions.....	3 54
Supplementary Information	
Governmental Funds	
Special Revenue Fund	
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance.....	A-1 55-59

School District of Edgefield County

Contents, Continued

Supplementary Information, Continued	Schedule	Page
Summary Schedule for Designated Restricted State Grants.....	A-2	60
EIA Combined Schedule of Revenues, Expenditures and Changes in Fund Balance.....	A-3	61-64
EIA Summary Schedule by Program.....	A-4	65
School Building Fund		
Schedule of Revenues, Expenditures and Changes in Fund Balance.....	B	66
Debt Service Fund		
Schedule of Revenues, Expenditures and Changes in Fund Balance.....	C	67
Proprietary Fund		
Food Service Fund		
Schedule of Revenues, Expenses and Changes in Net Position.....	D	68
Agency Fund - Student Activities		
Schedule of Receipts, Disbursements and Changes in Due to Student Organizations.....	E	69
Schedule of Receipts, Disbursements, and Changes in Due to Student Organizations by Schools.....	F	70
Detailed Schedule of Due to State Department of Education/ Federal Government.....	G	71
Location Reconciliation Schedule.....	H	72
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards.....		73-74
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance.....		75-76
Schedule of Expenditures of Federal Awards.....		77
Notes to the Schedule of Expenditures of Federal Awards.....		78
Schedule of Findings and Questioned Costs.....		79
Summary Schedule of Prior Audit Findings.....		80



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the School District of Edgefield County (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial schedules and other supplementary information, including the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial schedules and other supplementary information, including the schedule of expenditures of federal awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Manley Gawin, LLC

Greenwood, South Carolina
November 30, 2016

School District of Edgefield County

Management's Discussion and Analysis (MD&A)

Year ended June 30, 2016

INTRODUCTION

This discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2016.

FINANCIAL HIGHLIGHTS

The Base Student Cost (BSC), is the main source of state funding. The District's 2014-2015 general fund budget was built based on a BSC of \$2,220. This was an increase from \$2,120 in 2014-2015. In the spring of 2015, the SC Department of Education announced that the Base Student Cost would only be funded at \$2,190 for the 2015-16 year. Although the maximum allowed millage increase was 12.44 mills (7.34 banked from the prior years and 5.10 mills for 15-16), the Board only raised the millage by 2.5 mills for the 2015-2016 school year. No dollars from the District's reserves were initially used as a funding source to balance the budget. However, the amount of \$112,995 was budgeted in November of 2015 to pay for an Interim Superintendent salary, Superintendent search, legal fees, and a new human resources position. Edgefield County Schools' net position increased \$1,199,344 during the fiscal year. The District's liabilities exceeded its assets at June 30, 2016 by \$21.1 million.

The budget increased from \$ 27,000,045 in 2014-15 to \$27,837,129 in 2015-16 primarily because of a step increase for all employees, the State Health Plan employer cost increasing 8.4%, retirement increasing .54%, and a transfer of \$142,078 in salaries and benefits from K-5 Enhancement funds into the general fund due to a loss in state funding in this Special Revenue Fund. Despite conservation of general funds, the District was able to continue to deliver quality educational services to all students and maintain favorable student to teacher ratios in the current year.

OVERVIEW OF FINANCIAL STATEMENTS

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

The statement of net position and statement of activities provide information about the activities of the whole school district, presenting both an aggregate view and a longer-term view of our finances. Fund financial statements provide the next level of detail. For government funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in a single column.

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

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

School District of Edgefield County

Management's Discussion and Analysis (MD&A)

Year ended June 30, 2016

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Edgefield County Schools' net position increased \$1.2 million during the fiscal year. The District's liabilities exceeded its assets at June 30, 2016 by \$21.1 million.

By far the largest portion of the District's total assets reflects its investment in capital assets (e.g., land, buildings and improvements, vehicles, furniture and equipment). The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's net position invested in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The District's financial position is the product of several financial transactions including the net results of operating activities, the acquisition and payment of debt and the acquisition and disposal of capital assets.

School District of Edgefield County
Management's Discussion and Analysis (MD&A)
Year ended June 30, 2016

The following table presents a comparative summary of the District's net position for the fiscal year ended June 30, 2016 and 2015.

	Governmental Activities		Business-type Activities	
	2016	2015	2016	2015
Assets and Deferred Outflows of Resources:				
Current assets	\$ 10,372,576	\$ 9,526,948	\$ 52,612	\$ 35,180
Capital assets, net	20,634,567	21,604,758	161,039	173,628
Deferred outflows of resources	<u>3,126,965</u>	<u>3,116,835</u>	<u>183,542</u>	<u>186,630</u>
Total assets and deferred outflows of resources	<u>34,134,108</u>	<u>34,248,541</u>	<u>397,193</u>	<u>395,438</u>
Liabilities and Deferred Inflows of Resources:				
Current liabilities	6,664,679	6,690,580	(300,018)	(478,851)
Long-term liabilities	45,514,531	45,174,432	2,386,371	2,232,948
Deferred inflows of resources	<u>1,322,768</u>	<u>3,143,951</u>	<u>50,961</u>	<u>188,254</u>
Total liabilities and deferred inflows of resources	<u>53,501,978</u>	<u>55,008,963</u>	<u>2,137,314</u>	<u>1,942,351</u>
Net Position:				
Net investment in capital assets	12,989,567	12,341,687	161,039	173,628
Restricted	975,451	750,111	-	-
Unrestricted	<u>(33,332,888)</u>	<u>(33,852,220)</u>	<u>(1,901,160)</u>	<u>(1,720,541)</u>
Total net position	<u>(19,367,870)</u>	<u>(20,760,422)</u>	<u>(1,740,121)</u>	<u>(1,546,913)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 34,134,108</u>	<u>\$ 34,248,541</u>	<u>\$ 397,193</u>	<u>\$ 395,438</u>

Comparative information for 2016 and 2015 Statement of Activities is presented in the chart below. The chart shows that in spite of the suppressed funding levels in 2015-2016, that the primary mission of the school district was preserved (classroom instruction). 55.7% of District resources went directly into classrooms at our schools (not including instructional support functions).

	Governmental Activities		Business-type Activities	
	2016	2015	2016	2015
Revenues:				
Program revenues:				
Charges for services	\$ 1,780	\$ 1,445	\$ 440,068	\$ 419,742
Operating grants and contributions	19,533,045	18,842,919	1,551,358	1,494,623
Capital grants	-	-	-	-
General revenues:				
Property taxes	11,787,008	11,210,836	-	-
Intergovernmental	5,756,532	5,635,102	-	-
Miscellaneous and transfers	<u>(18,022)</u>	<u>18,041</u>	<u>183,243</u>	<u>150,255</u>
Total revenues	<u>37,060,343</u>	<u>35,708,343</u>	<u>2,174,669</u>	<u>2,064,620</u>
Expenses:				
Instruction	19,884,031	20,337,552	-	-
Support services	15,422,973	14,950,634	2,367,877	2,331,329
Community services	46,478	29,983	-	-
Intergovernmental	106,907	146,387	-	-
Interest and other charges	<u>207,402</u>	<u>258,563</u>	<u>-</u>	<u>-</u>
Total expenses	<u>35,667,791</u>	<u>35,723,119</u>	<u>2,367,877</u>	<u>2,331,329</u>
Increase (decrease) in net position	<u>\$ 1,392,552</u>	<u>\$ (14,776)</u>	<u>\$ (193,208)</u>	<u>\$ (266,709)</u>

School District of Edgefield County
Management's Discussion and Analysis (MD&A)
Year ended June 30, 2016

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$4,721,207, an increase of \$905,363 which is the result of increased facilities' operations and maintenance costs. 99.8% of general fund balance constitutes unassigned fund balance, which is available for spending at the District's discretion. The administration intends to maintain this balance in order to be assured District operations continue to run smoothly despite unexpected budget cuts and the SDE's failure to make payments in a timely manner, both serious issues in recent years.

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

- Restricted for debt service - \$848,035
- Restricted for special revenue purposes - \$87,552
- Nonspendable - \$5,940

The general fund is the principal operating fund of the District. As the table below illustrates, the largest portions of the general fund expenditures each year are for salary and fringe benefits. 85.4% of the 2015-2016 budget (and portions of other fund transfers accounted for here under miscellaneous) was expended for staffing in the District.

Expenditures by Object	Fiscal Year 2016	2016 % of Actual	Fiscal Year 2015
Salaries and Wages	\$ 16,761,241	62.2%	\$ 16,519,550
Fringe Benefits	6,252,385	23.2%	6,536,244
Purchased Services	1,877,365	7.0%	1,701,919
Supplies	1,655,350	6.1%	1,724,902
Capital Outlay	185,414	.7%	22,476
Miscellaneous	<u>253,129</u>	<u>.9%</u>	<u>341,849</u>
	<u>\$ 26,984,884</u>	<u>100.00%</u>	<u>\$ 26,846,940</u>

Fiduciary funds are used to account for operations that are financial and operated in as a trust. The pupil activity fund is the only fiduciary fund. This fund had expenditures in excess of revenues of \$77,276 and assets totaling \$770,108.

Proprietary funds are used to account for funds that the District operates like a business. The Food Service operation is the only proprietary fund that the District operates. The fund had an end of year net deficit of \$1,740,121.

School District of Edgefield County
Management's Discussion and Analysis (MD&A)
Year ended June 30, 2016

BUDGETARY HIGHLIGHTS

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

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

CAPITAL ASSETS

As of June 30, 2016, the District had invested a net amount of \$20,634,567 in governmental capital assets, including school buildings, athletic facilities, buses, vehicles, computers and other equipment. Total depreciation expense for the year was \$1,400,234. Accumulated depreciation is \$25,848,905.

The detailed schedule for 2016 and more information can be located in Note 4 of the notes to the financial statements.

DEBT ADMINISTRATION

At year-end, the District had \$7,914,773 in general obligation bonds and other long-term obligations outstanding, of which \$1,771,461 is due within one year. The following table presents a summary of the District's outstanding long-term debt for the fiscal year ended June 30, 2016.

	Principal outstanding <u>June 30, 2015</u>	<u>Additions</u>	<u>Reductions</u>	Principal outstanding <u>June 30, 2016</u>	Amounts due <u>in one year</u>
Governmental activities					
General obligation bonds					
February 1, 2008	\$ 4,705,000	\$ -	\$ 1,515,000	\$ 3,190,000	\$ 1,570,000
August 14, 2012	<u>4,585,000</u>	-	<u>130,000</u>	<u>4,455,000</u>	<u>130,000</u>
Total bonds payable	9,290,000	-	1,645,000	7,645,000	1,700,000
Unearned bond premiums	51,290	-	19,854	31,436	19,854
Accrued compensated absences	<u>258,036</u>	-	<u>19,699</u>	<u>238,337</u>	<u>51,607</u>
Total governmental activities general long-term debt	<u>\$ 9,599,326</u>	<u>\$ -</u>	<u>\$ 1,684,553</u>	<u>\$ 7,914,773</u>	<u>\$ 1,771,461</u>

State statutes currently limit the amount of general obligation debt a District may issue to 8% of its total assessed valuation. The current remaining debt limitation for the District is approximately \$1,615,000. Additional information on the District's long-term debt can be found in Note 5 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

School District of Edgefield County

Management's Discussion and Analysis (MD&A)

Year ended June 30, 2016

In the 2015-2016 school year, the School District operated four elementary schools, two middle schools, one high school, and one career center. Kindergarten classes were available for all five-year-olds within the School District. Enrollment for the 2015-2016 school year was 3,326 average daily membership. For fiscal year 2015-2016, the School District employed approximately 246 certified staff and 254 other employees. Assessment rates show a stagnated growth pattern, but the local economy has proven to be relatively stable. In addition, vehicle sales remain strong. The unemployment rate compares favorably with the state's rate and the county's top employers and taxpayers have shown stable operations.

Factors under consideration by the District's administration during the process of developing the fiscal year 2016-2017 budget were to address continued suppressed EFA Base Student Cost funding levels that compare to the mid 2000s, balance the budget without using money in the reserve fund, improve academic achievement and efforts to recruit and retain the most highly qualified instructional staff. Although state projections are at or above expectations, potential salary increases, increased health costs, and continued cuts to Federal funds will continue to create a challenging budget outlook in 2016-2017.

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

All the factors above were considered when adopting the budget for fiscal year 2016-2017. Anticipated budgeted expenditures in the General Fund for fiscal year 2016-2017 will be \$29,265,404. Although the maximum allowed millage increase was 10.61 mills (9.94 from the prior years that was banked plus .67 mills for the current year), The Board only raised millage 3.5 mills and approved this budget with 206.88 mills. Keeping tax increases to a minimum and balancing the budget without dipping into the reserve fund were two major considerations when the 2016-17 budget was created.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

School District of Edgefield County

Exhibit 1 - Statement of Net Position

June 30, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current assets			
Cash and investments	\$ 5,944,041	\$ 175	\$ 5,944,216
Deposits with Edgefield County Treasurer	1,395,380	-	1,395,380
Accounts receivable	33,550	-	33,550
Property taxes receivable, net	980,031	-	980,031
Due from other governmental units	2,013,634	10,743	2,024,377
Prepaid items	5,940	-	5,940
Inventories	-	41,694	41,694
Total current assets	<u>10,372,576</u>	<u>52,612</u>	<u>10,425,188</u>
Non-current assets			
Non-depreciable capital assets	422,103	-	422,103
Depreciable capital assets, net of accumulated depreciation	<u>20,212,464</u>	<u>161,039</u>	<u>20,373,503</u>
Total non-current assets	<u>20,634,567</u>	<u>161,039</u>	<u>20,795,606</u>
Total assets	<u>31,007,143</u>	<u>213,651</u>	<u>31,220,794</u>
Deferred Outflows of Resources			
Deferred outflows - pension	<u>3,126,965</u>	<u>183,542</u>	<u>3,310,507</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 34,134,108</u>	<u>\$ 397,193</u>	<u>\$ 34,531,301</u>
Liabilities, Deferred Inflows of Resources and Net Position			
Current liabilities			
Accounts payable and accrued expenses	\$ 801,071	\$ 110	\$ 801,181
Unearned revenue	139,659	-	139,659
Accrued salaries and benefits	3,586,887	-	3,586,887
Internal balances	300,128	(300,128)	-
Accrued interest	65,473	-	65,473
Current portion of non-current liabilities:			
Bonds payable	1,700,000	-	1,700,000
Bond premiums	19,854	-	19,854
Compensated absences	51,607	-	51,607
Total current liabilities	<u>6,664,679</u>	<u>(300,018)</u>	<u>6,364,661</u>
Non-current liabilities			
Bonds payable	5,945,000	-	5,945,000
Bond premiums	11,582	-	11,582
Compensated absences	186,730	-	186,730
Net pension liability	<u>39,371,219</u>	<u>2,386,371</u>	<u>41,757,590</u>
Total non-current liabilities	<u>45,514,531</u>	<u>2,386,371</u>	<u>47,900,902</u>
Total liabilities	<u>52,179,210</u>	<u>2,086,353</u>	<u>54,265,563</u>
Deferred Inflows of Resources			
Deferred inflows - pension	<u>1,322,768</u>	<u>50,961</u>	<u>1,373,729</u>
Net position			
Net investment in capital assets	12,989,567	161,039	13,150,606
Restricted for:			
Debt service	887,899	-	887,899
Special revenue	87,552	-	87,552
Unrestricted	<u>(33,332,888)</u>	<u>(1,901,160)</u>	<u>(35,234,048)</u>
Total net position	<u>(19,367,870)</u>	<u>(1,740,121)</u>	<u>(21,107,991)</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 34,134,108</u>	<u>\$ 397,193</u>	<u>\$ 34,531,301</u>

See Notes to Financial Statements

School District of Edgefield County

Exhibit 2 - Statement of Activities

For the fiscal year ended June 30, 2016

Functions and Programs	Expenses	Program revenues			Net revenue (expense) and changes in net position		
		Charges for Sales and Service	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Primary Government							
Governmental activities:							
Instruction	\$ 19,884,031	\$ 1,002	\$ 11,000,528	\$ -	\$ (8,882,502)		\$ (8,882,502)
Support services	15,422,973	778	8,532,517	-	(6,889,677)		(6,889,677)
Community services	46,478	-	-	-	(46,478)		(46,478)
Intergovernmental	106,907	-	-	-	(106,907)		(106,907)
Interest and other charges	207,402	-	-	-	(207,402)		(207,402)
Total governmental activities	<u>35,667,791</u>	<u>1,780</u>	<u>19,533,045</u>	<u>-</u>	<u>(16,132,966)</u>		<u>(16,132,966)</u>
Business-type activities:							
Food service	<u>2,367,877</u>	<u>440,068</u>	<u>1,551,358</u>	<u>-</u>		<u>\$ (376,451)</u>	<u>(376,451)</u>
Total business-type activities	<u>2,367,877</u>	<u>440,068</u>	<u>1,551,358</u>	<u>-</u>		<u>(376,451)</u>	<u>(376,451)</u>
Total primary government	<u>\$ 38,035,668</u>	<u>\$ 441,848</u>	<u>\$ 21,084,403</u>	<u>\$ -</u>	<u>(16,132,966)</u>	<u>(376,451)</u>	<u>(16,509,417)</u>
General revenues:							
Property taxes levied for:							
General purposes					9,780,683	-	9,780,683
Debt service					2,006,325	-	2,006,325
Federal and state aid not restricted for specific purpose					5,748,861	-	5,748,861
Unrestricted investment earnings					7,671	-	7,671
Miscellaneous					165,221	-	165,221
Transfers					(183,243)	183,243	-
Total general revenues and transfers					<u>17,525,518</u>	<u>183,243</u>	<u>17,708,761</u>
Change in net position					<u>1,392,552</u>	<u>(193,208)</u>	<u>1,199,344</u>
Net position, beginning of year					<u>(20,760,422)</u>	<u>(1,546,913)</u>	<u>(22,307,335)</u>
Net position, end of year					<u>\$ (19,367,870)</u>	<u>\$ (1,740,121)</u>	<u>\$ (21,107,991)</u>

See Notes to Financial Statements

School District of Edgefield County

Exhibit 3 - Balance Sheet - Governmental Funds

June 30, 2016

	Special Revenue Funds					Total Governmental Funds
	General	Special Revenue - Other	Education Improvement Act	Capital Projects	Debt Service	
Assets						
Cash and investments	\$ 5,944,041	\$ -	\$ -	\$ -	\$ -	\$ 5,944,041
Deposits with Edgefield County Treasurer	570,407	-	-	-	824,973	1,395,380
Accounts receivable	33,550	-	-	-	-	33,550
Property taxes receivable, net	851,632	-	-	-	128,399	980,031
Due from other governmental units	414,553	1,552,894	46,187	-	-	2,013,634
Due from other funds	1,424,275	-	52,405	-	-	1,476,680
Prepaid items	5,940	-	-	-	-	5,940
Total assets	<u>\$ 9,244,398</u>	<u>\$ 1,552,894</u>	<u>\$ 98,592</u>	<u>\$ -</u>	<u>\$ 953,372</u>	<u>\$ 11,849,256</u>
Liabilities						
Accounts payable and accrued liabilities	\$ 801,071	\$ -	\$ -	\$ -	\$ -	\$ 801,071
Unearned revenue, other	-	41,067	98,592	-	-	139,659
Due to other funds	352,533	1,424,275	-	-	-	1,776,808
Accrued salaries and benefits	3,586,887	-	-	-	-	3,586,887
Total liabilities	<u>4,740,491</u>	<u>1,465,342</u>	<u>98,592</u>	<u>-</u>	<u>-</u>	<u>6,304,425</u>
Deferred inflows of resources						
Unavailable revenue - property taxes	718,287	-	-	-	105,337	823,624
Total deferred inflows of resources	<u>718,287</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,337</u>	<u>823,624</u>
Fund balances:						
Nonspendable	5,940	-	-	-	-	5,940
Restricted for special revenue purposes	-	87,552	-	-	-	87,552
Restricted for debt service	-	-	-	-	848,035	848,035
Unassigned	3,779,680	-	-	-	-	3,779,680
Total fund balances	<u>3,785,620</u>	<u>87,552</u>	<u>-</u>	<u>-</u>	<u>848,035</u>	<u>4,721,207</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,244,398</u>	<u>\$ 1,552,894</u>	<u>\$ 98,592</u>	<u>\$ -</u>	<u>\$ 953,372</u>	<u>\$ 11,849,256</u>

See Notes to Financial Statements

School District of Edgefield County

Exhibit 4 - Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Position

June 30, 2016

Total governmental fund balances	\$	4,721,207
Amounts reported for governmental activities in the Statement of Net Position are different because of the following:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.		20,634,567
A portion of property taxes receivable are not available to pay for current period expenditures and therefore are unavailable in the funds.		823,624
Unearned bond premiums are deferred in the Statement of Net Position.		(31,436)
Deferred inflows and outflows of resources are not reported in the funds:		
Deferred outflows related to pension		3,126,965
Deferred inflows related to pension		(1,322,768)
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds payable		(7,645,000)
Net pension liability		(39,371,219)
Compensated absences		(238,337)
Accrued interest		(65,473)
Net position of governmental activities	\$	<u><u>(19,367,870)</u></u>

See Notes to Financial Statements

School District of Edgefield County

Exhibit 5 - Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds

For the fiscal year ended June 30, 2016

	Special Revenue Funds					Total Governmental Funds
	General	Special Projects	Education Improvement Act	Capital Projects	Debt Service	
REVENUES						
Local						
Property taxes	\$ 9,780,683	\$ -	\$ -	\$ -	\$ 1,857,571	\$ 11,638,254
Investment earnings	3,977	-	-	36	3,658	7,671
Other	183,753	194,862	-	-	3,155	381,770
Total local sources	9,968,413	194,862	-	36	1,864,384	12,027,695
Intergovernmental	-	36,657	-	-	-	36,657
State	18,017,779	899,326	2,074,411	-	148,754	21,140,270
Federal	64,715	3,974,249	-	-	-	4,038,964
Total revenues	28,050,907	5,105,094	2,074,411	36	2,013,138	37,243,586
EXPENDITURES						
Current:						
Instruction	15,323,404	2,644,416	1,239,285	-	-	19,207,105
Support services	11,552,971	2,872,065	472,882	-	-	14,897,918
Community services	-	44,896	-	-	-	44,896
Intergovernmental	106,907	-	-	-	-	106,907
Debt service:						
Principal	-	-	-	-	1,645,000	1,645,000
Interest	1,602	-	-	-	226,318	227,920
Other	-	-	-	-	647	647
Capital outlay	-	-	-	24,587	-	24,587
Total expenditures	26,984,884	5,561,377	1,712,167	24,587	1,871,965	36,154,980
Excess of revenues over (under) expenditures	1,066,023	(456,283)	362,244	(24,551)	141,173	1,088,606
OTHER FINANCING SOURCES (USES)						
Operating transfers in	689,149	482,504	300,684	-	-	1,472,337
Operating transfers out	(966,431)	(26,221)	(662,928)	-	-	(1,655,580)
Total other financing sources (uses)	(277,282)	456,283	(362,244)	-	-	(183,243)
Net change in fund balances	788,741	-	-	(24,551)	141,173	905,363
FUND BALANCE, beginning of year	2,996,879	87,552	-	24,551	706,862	3,815,844
FUND BALANCE, end of year	\$ 3,785,620	\$ 87,552	\$ -	\$ -	\$ 848,035	\$ 4,721,207

See Notes to Financial Statements

School District of Edgefield County

Exhibit 6 - Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the fiscal year ended June 30, 2016

Total net change in fund balance - governmental funds \$ 905,363

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

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

Capital outlay	\$ 430,043	
Depreciation expense	(1,400,234)	
		(970,191)

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

Bond principal retirement 1,645,000

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

Amortization of bond premiums 19,854

In the Statement of Activities, certain operating expenses - compensated absences (annual leave), and other post employment benefits - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).

Compensated absences		19,699
District's portion of collective pension expense		(2,441,985)

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities. 2,193,646

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.

	21,166	
Change in net position of governmental activities	\$ 1,392,552	

School District of Edgefield County

Exhibit 7 - Statement of Net Position - Proprietary Fund

June 30, 2016

Assets

Current assets

Cash	\$	175
Due from other governments		10,743
Due from other funds		300,128
Inventories		41,694
Total current assets		<u>352,740</u>

Noncurrent assets

Equipment		361,247
Less: Accumulated depreciation		<u>200,208</u>
Total noncurrent assets		<u>161,039</u>
Total assets		<u>513,779</u>

Deferred Outflows of Resources

Deferred outflows - pension		<u>183,542</u>
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Total Assets and Deferred Outflows of Resources

\$ 697,321

Liabilities

Current liabilities

Accounts payable and accrued expenses	\$	<u>110</u>
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Non-current liabilities

Net pension liability		<u>2,386,371</u>
Total liabilities		<u>2,386,481</u>

Deferred Inflows of Resources

Deferred inflows - pension		<u>50,961</u>
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Net Position

Net investment in capital assets		161,039
Unrestricted		<u>(1,901,160)</u>
Total net position		<u>(1,740,121)</u>

Total Liabilities, Deferred Inflows of Resources, and Net Position

\$ 697,321

See Notes to Financial Statements

School District of Edgefield County**Exhibit 8 - Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund****For the fiscal year ended June 30, 2016**

OPERATING REVENUES

Meal sales	\$	426,397
Other operating revenues		13,671
Total operating revenues		<u>440,068</u>

OPERATING EXPENSES

Food costs		901,274
Salaries and wages		1,221,461
Supplies		124,006
Depreciation		26,419
Other operating costs		94,717
Total operating expenses		<u>2,367,877</u>
Operating loss		<u>(1,927,809)</u>

NON-OPERATING REVENUES

Interest income		7,907
Commodities received from USDA		120,883
USDA reimbursements		1,422,568
Total non-operating revenues		<u>1,551,358</u>
Loss before operating transfers		<u>(376,451)</u>

OPERATING TRANSFERS IN

Change in net position		<u>183,243</u>
		<u>(193,208)</u>

NET POSITION, beginning of year(1,546,913)**NET POSITION, end of year**\$ (1,740,121)

School District of Edgefield County

Exhibit 9 - Statement of Cash Flows - Proprietary Fund

For the fiscal year ended June 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES

Received from patrons	\$ 440,068
Payments to employees for services	(791,022)
Payments to employees for benefits	(411,221)
Payments to suppliers for goods and services	(863,704)
Other payments	(94,717)
	<u>(1,720,596)</u>
Net cash used for operating activities	<u>(1,720,596)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Nonoperating grants received	1,422,568
Cash in lieu of USDA commodities	120,883
Operating transfers in from general fund	183,243
	<u>1,726,694</u>
Net cash received from non-capital financing activities	<u>1,726,694</u>

CASH FLOWS FOR CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	(13,830)
	<u>(13,830)</u>
Net cash used for capital and related financing activities	<u>(13,830)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on investments	7,907
	<u>7,907</u>
Net cash received from investing activities	<u>7,907</u>
Net change in cash and cash equivalents	<u>175</u>

CASH AND CASH EQUIVALENTS, JULY 1, 2015

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CASH AND CASH EQUIVALENTS, JUNE 30, 2016

\$ 175

Reconciliation of operating loss to net cash used for operating activities

Operating loss	\$ (1,927,809)
Adjustments to reconcile operating loss to net cash used for operating activities	
Depreciation	26,419
Change in deferred and accrued amounts	
Inventories	(6,514)
Due from other governments	(10,743)
Accounts payable and accrued expenses	(4,240)
Deferred outflows of resources	3,088
Deferred inflows or resources	(137,293)
Net pension liability	153,423
Due to/from other funds	183,073
	<u>183,073</u>
Net cash used for operating activities	<u>\$ (1,720,596)</u>

See Notes to Financial Statements

School District of Edgefield County

Exhibit 10 - Statement of Fiduciary Assets and Liabilities - Agency Fund

June 30, 2016

	<u>Pupil Activity</u>	<u>Strom Thurmond Scholarship</u>	<u>J Carson Scholarship</u>	<u>ART Scholarship</u>	<u>Stamey Scholarship</u>	<u>Broadus Scholarship</u>	<u>Total</u>
ASSETS							
Cash	\$ 528,336	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 528,336
Investments	-	90,620	52,416	4,227	7,770	86,044	241,077
Accounts receivable	695	-	-	-	-	-	695
	<u>\$ 529,031</u>	<u>\$ 90,620</u>	<u>\$ 52,416</u>	<u>\$ 4,227</u>	<u>\$ 7,770</u>	<u>\$ 86,044</u>	<u>\$ 770,108</u>
LIABILITIES							
Accounts payable	\$ 17,971	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,971
Deferred scholarship	-	90,620	52,416	4,227	7,770	86,044	241,077
Due to student organizations	511,060	-	-	-	-	-	511,060
	<u>\$ 529,031</u>	<u>\$ 90,620</u>	<u>\$ 52,416</u>	<u>\$ 4,227</u>	<u>\$ 7,770</u>	<u>\$ 86,044</u>	<u>\$ 770,108</u>

See Notes to Financial Statements

School District of Edgefield County

Notes to Financial Statements

June 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

B. Basis of Presentation

The statements of the District are presented as follows:

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

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

School District of Edgefield County

Notes to Financial Statements

June 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

B. Basis of Presentation, continued

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

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

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

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

Fiduciary funds are reported using the economic resources measurement focus.

Estimates

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

C. Measurement Focus and Basis of Accounting

Fund accounting

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

School District of Edgefield County

Notes to Financial Statements

June 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Measurement Focus and Basis of Accounting, Continued

Governmental Funds

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

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

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

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

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

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

Proprietary Funds

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

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

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

School District of Edgefield County

Notes to Financial Statements

June 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Measurement Focus and Basis of Accounting, Continued

Fiduciary Funds

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

Basis of Accounting

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

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

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

Unavailable revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Delinquent property taxes and property taxes for which there is an enforceable legal claim as of June 30, 2016, but which have not met the revenue recognition criteria, have been recorded as unavailable revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as unavailable revenue. On governmental fund financial statements, receivables that will not be collected within the available period (60 days) have also been reported as unavailable revenue.

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

School District of Edgefield County

Notes to Financial Statements

June 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Measurement Focus and Basis of Accounting, Continued

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

D. Assets, Liabilities, and Equity or Net Position

Cash and Cash Equivalents and Investments

The District's investments are carried at fair value, except that repurchase agreements and U.S. Government Agencies that have a maturity at the time of purchase of one year or less are shown at amortized cost. The District's cash consists of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Receivables and Payables

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

Inventories

Under the system of accounting for inventories, materials and supplies are carried in an inventory account at cost using the first-in, first-out method of accounting and are subsequently charged to expense when consumed. Inventories include food, supplies, and commodities. An amount for commodities received from the USDA, but not consumed as of June 30, 2016 has been recorded at fair value as provided by the USDA.

Capital Assets

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

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

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

School District of Edgefield County

Notes to Financial Statements

June 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

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

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

Compensated Absences

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

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

Accrued Liabilities and Long-term Obligations

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

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

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

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

School District of Edgefield County

Notes to Financial Statements

June 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

Pensions

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

Deferred Outflows/Inflows of Resources

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

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

Fund Balances and Net Position

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

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

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

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

School District of Edgefield County

Notes to Financial Statements

June 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

Interfund Activity

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

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

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

III. DETAILED NOTES ON ALL FUNDS

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

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

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

School District of Edgefield County

Notes to Financial Statements

June 30, 2016

III. DETAILED NOTES ON ALL FUNDS - (Continued)

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

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

Custodial Credit Risk - Custodial credit risk is the risk that the District's deposits will not be returned to it. The District has no formal policy regarding custodial credit risk. At June 30, 2016, the carrying amount of the District's deposits was \$3,636,575 and the bank balance was \$3,901,548. At June 30, 2016, all of the District's deposits were collateralized with securities held by the pledging financial institution's trust department or its agent, and in the District's name or insured by the Federal Deposit Insurance Corporation. Management believes there is no significant custodial risk associated with these deposits. Information was not available regarding the custodial credit risk of deposits with the Edgefield County Treasurer of \$1,395,380.

At June 30, 2016, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Fair value</u>
Local government investment pool	Various	\$ 2,835,977
Merrill Lynch Mutual Funds (Pupil Activity Fund Scholarship investments)	Various	229,080
First Citizens – Certificates of deposit	Various	<u>11,997</u>
		<u>\$ 3,077,054</u>

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

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

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

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

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

School District of Edgefield County

Notes to Financial Statements

June 30, 2016

III. DETAILED NOTES ON ALL FUNDS - (Continued)

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

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

Deposits	\$	3,636,575
Investments		<u>3,077,054</u>
	\$	<u>6,713,629</u>
Statement of Net Position	\$	5,944,216
Statement of Fiduciary Assets and Liabilities		<u>769,413</u>
	\$	<u>6,713,629</u>

Amounts on Deposit with Edgefield County Treasurer

Amounts on deposit with the Edgefield County Treasurer are not categorized since they cannot be identified by securities that exist in physical or book entry form. These amounts are subject to the same investment authorizations as the District under state law. The carrying values of these investments approximate the fair values. The Edgefield County Treasurer is responsible for maintaining these investments in accordance with state laws.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District's recurring fair value measurements as of June 30, 2016 for the investments are valued using quoted market prices (Level 1 inputs).

NOTE 2 - PROPERTY TAXES

Assessed valuation of taxable property for 2015 for the District was approximately \$75,900,000. The tax rate for the District totaled 227.88 mills, of which 203.38 mills were for the general fund and 24.50 mills were for the debt service fund. Taxes receivable of \$851,632 in the general fund and \$128,399 in the debt service fund are net of an allowance for uncollectible taxes.

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

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

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

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

School District of Edgefield County

Notes to Financial Statements

June 30, 2016

III. DETAILED NOTES ON ALL FUNDS - (Continued)

NOTE 3 - RECEIVABLES

Intergovernmental receivables at June 30, 2016 consisted of taxes, intergovernmental grants, reimbursements and interest. All intergovernmental receivables are considered collectible in full.

A summary of the principal items of intergovernmental receivables follows:

Governmental activities	
Due from state and/or federal government	
General fund	
Tier 3 tax reimbursement	\$ 320,918
Local government investment pool	93,635
EIA	46,187
Special projects	
Title I	354,867
IDEA	409,484
Preschool handicapped	20,819
Occupational education	20,806
Adult education	41,298
Other special revenue programs	705,620
Food service fund	10,743
Total governmental activities	<u>\$ 2,024,377</u>

Receivables for property taxes are reported net of the allowance for uncollectible accounts. Governmental funds report unavailable revenue (deferred inflows of resources) in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At June 30, 2016, unavailable revenue related to property taxes reported in the governmental funds totaled \$718,827 and \$105,337 in the general and debt service funds, respectively.

School District of Edgefield County

Notes to Financial Statements

June 30, 2016

III. DETAILED NOTES ON ALL FUNDS - (Continued)

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 was as follows:

	<u>Balance June 30, 2015</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance June 30, 2016</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 422,103	\$ -	\$ -	\$ 422,103
Total capital assets, not being depreciated	<u>422,103</u>	<u>-</u>	<u>-</u>	<u>422,103</u>
Capital assets, being depreciated				
Improvements	6,486,939	254,466	-	6,741,405
Buildings	36,681,129	-	-	36,681,129
Equipment	<u>2,483,545</u>	<u>175,577</u>	<u>20,287</u>	<u>2,638,835</u>
Total capital assets, being depreciated	<u>45,651,613</u>	<u>430,043</u>	<u>20,287</u>	<u>46,061,369</u>
Total cost	<u>46,073,716</u>	<u>430,043</u>	<u>20,287</u>	<u>46,483,472</u>
Less accumulated depreciation				
Improvements	1,329,166	466,663	-	1,795,829
Buildings	21,147,901	803,270	-	21,951,171
Equipment	<u>1,991,891</u>	<u>130,301</u>	<u>20,287</u>	<u>2,101,905</u>
Total accumulated depreciation	<u>24,468,958</u>	<u>1,400,234</u>	<u>20,287</u>	<u>25,848,905</u>
Governmental activities capital assets, net	<u>\$ 21,604,758</u>	<u>\$ (970,191)</u>	<u>\$ -</u>	<u>\$ 20,634,567</u>
Business-type activities				
Equipment	\$ 347,417	\$ 13,830	\$ -	\$ 361,247
Less accumulated depreciation	<u>173,789</u>	<u>26,419</u>	<u>-</u>	<u>200,208</u>
Business-type activities capital assets, net	<u>\$ 173,628</u>	<u>\$ (12,589)</u>	<u>\$ -</u>	<u>\$ 161,039</u>

During the year ended June 30, 2016, the District had depreciation expense of \$1,400,234 for governmental activities. This depreciation expense has been allocated to instruction, support services, and community services activities in the amounts of \$787,540, \$610,853 and \$1,841, respectively.

NOTE 5 - LONG-TERM DEBT

Changes in long-term obligations for the year ended June 30, 2016 were as follows:

	<u>Principal outstanding June 30, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal outstanding June 30, 2016</u>	<u>Amounts due in one year</u>
Governmental activities					
General obligation bonds					
February 1, 2008	\$ 4,705,000	\$ -	\$ 1,515,000	\$ 3,190,000	\$ 1,570,000
August 14, 2012	<u>4,585,000</u>	<u>-</u>	<u>130,000</u>	<u>4,455,000</u>	<u>130,000</u>
Total bonds payable	9,290,000	-	1,645,000	7,645,000	1,700,000
Unearned bond premiums	51,290	-	19,854	31,436	19,854
Accrued compensated absences	<u>258,036</u>	<u>-</u>	<u>19,699</u>	<u>238,337</u>	<u>51,607</u>
Total governmental activities general long-term debt	<u>\$ 9,599,326</u>	<u>\$ -</u>	<u>\$ 1,684,553</u>	<u>\$ 7,914,773</u>	<u>\$ 1,771,461</u>

School District of Edgefield County

Notes to Financial Statements

June 30, 2016

III. DETAILED NOTES ON ALL FUNDS - (Continued)

NOTE 5 - LONG-TERM DEBT - (Continued)

General obligation bonds consist of the following at June 30, 2016:

<u>Date of Issue</u>	<u>Interest Rates</u>	<u>Payment Dates</u>	<u>Maturity</u>	<u>Original Issue</u>	<u>Outstanding at June 30, 2016</u>
February 1, 2008	4.10 - 4.75	Feb	2018	\$ 11,545,000	\$ 3,190,000
August 14, 2012	1.00 - 1.70	Mar	2022	5,000,000	4,455,000
				<u>\$ 16,545,000</u>	<u>\$ 7,645,000</u>

The annual requirements to amortize all general obligation bonds outstanding at June 30, 2016, including interest payments over the life of the debt are as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,700,000	\$ 175,130	\$ 1,875,130
2018	1,755,000	122,155	1,877,155
2019	1,025,000	63,430	1,088,430
2020	1,040,000	48,055	1,088,055
2021	1,055,000	34,015	1,089,015
2022	<u>1,070,000</u>	<u>18,190</u>	<u>1,088,190</u>
	<u>\$ 7,645,000</u>	<u>\$ 460,975</u>	<u>\$ 8,105,975</u>

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

Bonded indebtedness existing on November 30, 1982, and bonded indebtedness authorized by a majority vote of the qualified electors of the District voting in a referendum will not be considered in the computation of the 8% limitation. As of June 30, 2016, the remaining debt margin available to the District was approximately \$1,615,000.

NOTE 6 - SHORT TERM OBLIGATIONS

The District issued \$755,000 in tax anticipation notes, series 2015, in November 2015, with a coupon rate of 1.0%. The tax anticipation notes were repaid in January 2016, including interest incurred of \$1,603.

Changes in short-term obligations for the year ended June 30, 2016 were as follows:

	<u>Principal outstanding July 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal outstanding June 30, 2016</u>
Governmental activities				
Tax Anticipation Notes				
School District: Series 2015	\$ -	\$ 755,000	\$ 755,000	\$ -
Total	<u>\$ -</u>	<u>\$ 755,000</u>	<u>\$ 755,000</u>	<u>\$ -</u>

School District of Edgefield County

Notes to Financial Statements

June 30, 2016

III. DETAILED NOTES ON ALL FUNDS - (Continued)

NOTE 7 - TRANSFERS IN AND OUT/INTERFUND BALANCES

During the course of normal operations, the District has transactions between funds to provide services, construct assets, service debt, etc. These transactions are generally reflected as transfers. Total transfers during the year ended June 30, 2016 consisted of the following individual fund amounts:

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 689,149	\$ 966,431
Special projects	482,504	26,221
Education Improvement Act	300,684	662,928
Food service	183,243	-
	<u>\$ 1,655,580</u>	<u>\$ 1,655,580</u>

As of June 30, 2016, amounts due from (to) other funds related to the District's pooled cash are as follows:

	<u>General fund</u>	<u>Special projects</u>	<u>Education Improvement Act</u>	<u>Food service</u>	<u>Total</u>
Due from general fund	\$ -	\$ -	\$ 52,405	\$ 300,128	\$ 352,533
Due from special projects	1,424,275	-	-	-	1,424,275
	<u>1,424,275</u>	<u>-</u>	<u>52,405</u>	<u>300,128</u>	<u>1,776,808</u>
Due to general fund	-	1,424,275	-	-	1,424,275
Due to EIA fund	52,405	-	-	-	52,405
Due to food service	300,128	-	-	-	300,128
	<u>\$ 352,533</u>	<u>\$ 1,424,275</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,776,808</u>

IV. OTHER INFORMATION

NOTE 8 – PENSION PLAN

Description of the Entity:

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the Budget and Control Board (State Fiscal Accountability Authority effective July 1, 2015), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems (Systems) and serves as a co-trustee of the Systems in conducting that review.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

School District of Edgefield County

Notes to Financial Statements

June 30, 2016

IV. OTHER INFORMATION - (Continued)

NOTE 8 – PENSION PLAN - (Continued)

PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan description:

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

The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired state, public school, and higher education employees. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers.

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firemen of the state and its political subdivisions.

Membership:

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

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

State ORP - As an alternative to membership in SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the S.C. General Assembly beginning with the November 2012 general election have the option to participate in the State Optional Retirement Program (State ORP), which is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers. For this reason, State ORP programs are not part of the retirement systems' trust funds for financial statement purposes. Employee and Employer contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employers to the member's account with investment providers for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.

School District of Edgefield County

Notes to Financial Statements

June 30, 2016

IV. OTHER INFORMATION - (Continued)

NOTE 8 – PENSION PLAN - (Continued)

PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits:

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

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

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

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

PORS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

School District of Edgefield County

Notes to Financial Statements

June 30, 2016

IV. OTHER INFORMATION - (Continued)

NOTE 8 - PENSION PLAN – (Continued)

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Contributions:

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. Upon recommendation by the actuary in the annual actuarial valuation, the PEBA Board may adopt and present to the Budget and Control Board for approval an increase in the SCRS and PORS employer and employee contribution rates, but any such increase may not result in a differential between the employee and total employer contribution rate that exceeds 2.9 percent of earnable compensation for SCRS and 5 percent for PORS. An increase in the contribution rates adopted by the Board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the Board are insufficient to maintain a thirty year amortization schedule of the unfunded liabilities of the plans, the Board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty- year amortization period; and, this increase is not limited to one-half of one percent per year.

Required employee contribution rates¹ are as follows:

	<u>Fiscal Year 2016</u>	<u>Fiscal Year 2015</u>
SCRS		
Employee Class Two	8.16%	8.00%
Employee Class Three	8.16%	8.00%
State ORP		
Employee	8.16%	8.00%
PORS		
Employee Class Two	8.74%	8.41%
Employee Class Three	8.74%	8.41%

Required employer contribution rates¹ are as follows:

	<u>Fiscal Year 2016</u>	<u>Fiscal Year 2015</u>
SCRS		
Employer Class Two	10.91%	10.75%
Employer Class Three	10.91%	10.75%
Employer Incidental Death Benefit	0.15%	0.15%
State ORP		
Employer Contribution ²	10.91%	10.75%
Employer Incidental Death Benefit	0.15%	0.15%
PORS		
Employer Class Two	13.34%	13.01%
Employer Class Three	13.34%	13.01%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

¹ Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

² Of this employer contribution, 5% of earnable compensation must be remitted by the employer directly to the ORP vendor to be allocated to the member's account with the remainder of the employer contribution remitted to the SCRS.

School District of Edgefield County

Notes to Financial Statements

June 30, 2016

IV. OTHER INFORMATION - (Continued)

NOTE 8 - PENSION PLAN – (Continued)

Actuarial assumptions and methods:

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

The June 30, 2015, total pension liability, net pension liability, and sensitivity information were determined by our consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the July 1, 2014, actuarial valuations, as adopted by the PEBA Board and Budget and Control Board which utilized membership data as of July 1, 2014. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2015, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS.

The following provides a summary of the actuarial assumptions and methods used in the July 1, 2014, valuations for SCRS and PORS.

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return ¹	7.5%	7.5%
Projected salary increases	3.5% to 12.5% (varies by service) ¹	4.0% to 10.0% (varies by service) ¹
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually
¹ Includes inflation at 2.75%		

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000. Assumptions used in the July 1, 2014, valuations for SCRS and PORS are as follows.

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

School District of Edgefield County

Notes to Financial Statements

June 30, 2016

IV. OTHER INFORMATION - (Continued)

NOTE 8 - PENSION PLAN – (Continued)

Net pension liability:

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2015, for SCRS and PORS are presented below.

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 44,097,310,230	\$ 25,131,828,101	\$ 18,965,482,129	57.0%
PORS	6,151,321,222	3,971,824,838	2,179,496,384	64.6%

The total pension liability is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The net pension liability is disclosed in accordance with the requirements of GASB 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

Long-term expected rate of return:

The long-term expected rate of return on pension plan investments, as used in the July 1, 2014, actuarial valuations, was based upon the 30 year capital market outlook at the end of the fourth quarter 2013, as developed by the Retirement Systems Investment Commission in collaboration with its investment consultant, Aon Hewitt. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economics forecasts. Long-term assumptions for other asset classes are based on historical results, current market characteristics, and professional judgment.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation as adopted by the Investment Commission for fiscal year 2015. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7.50 percent assumed annual investment rate of return set in statute and used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.75 percent inflation component.

School District of Edgefield County

Notes to Financial Statements

June 30, 2016

IV. OTHER INFORMATION - (Continued)

NOTE 8 - PENSION PLAN – (Continued)

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Short Term	5.0%		
Cash	2.0%	1.90%	0.04%
Short Duration	3.0%	2.00%	0.06%
Domestic Fixed Income	13.0%		
Core Fixed Income	7.0%	2.70%	0.19%
Mixed Credit	6.0%	3.80%	0.23%
Global Fixed Income	9.0%		
Global Fixed Income	3.0%	2.80%	0.08%
Emerging Markets Debt	6.0%	5.10%	0.31%
Global Public Equity	31.0%	7.10%	2.20%
Global Tactical Asset Allocation	10.0%	4.90%	0.49%
Alternatives	32.0%		
Hedge Funds (Low Beta)	8.0%	4.30%	0.34%
Private Debt	7.0%	9.90%	0.69%
Private Equity	9.0%	9.90%	0.89%
Real Estate (Broad Market)	5.0%	6.00%	0.30%
Commodities	3.0%	5.90%	0.18%
Total Expected Real Return	100.0%		6.00%
Inflation for Actuarial Purposes			2.75%
Total Expected Nominal Return			8.75%

Discount rate:

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that the funding policy specified in the South Carolina State Code of Laws will remain unchanged in future years. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity analysis:

The following table presents the collective net pension liability of the District calculated using the discount rate of 7.50 percent, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1.00 percent lower (6.50 percent) or 1.00 percent higher (8.50 percent) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.50%)	Current Discount Rate (7.50%)	1.00% Increase (8.50%)
SCRS	\$ 52,643,483	\$ 41,756,871	\$ 32,632,506
PORS	980	719	486

School District of Edgefield County

Notes to Financial Statements

June 30, 2016

IV. OTHER INFORMATION - (Continued)

NOTE 8 - PENSION PLAN – (Continued)

Additional financial and Actuarial Information:

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the Systems' audited financial statements for the fiscal year ended June 30, 2015 (including the unmodified audit opinion on the financial statements). Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2015.

NOTE 9 – DEFERRED COMPENSATION PLAN

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

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

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

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

Funding Policies - Section 1-11-710 and 1-11-720 of the South Carolina Code of Laws of 1976, as amended, requires these postemployment healthcare and long-term disability benefits be funded through annual appropriations by the General Assembly for active employees to the EIP and participating retirees to the SBCB except the portion funded through the pension surcharge and provided from other applicable sources of the EIP for its active employees who are not funded by state general fund appropriations. Employers participating in the RMP are mandated by State statute to contribute at a rate assessed each year by the Office of the State Budget. The current rate is 4.92% of annual covered payroll. The EIP sets the employer contribution rate based on a pay-as-you-go basis. The District paid approximately \$1,081,000, \$1,046,000 and \$1,011,000 applicable to the surcharge included with the employer contribution for retirement benefits for the fiscal years ended June 30, 2016, 2015 and 2014, respectively. BLTD benefits are funded through a per person premium charged to State agencies, public school districts, and other participating local governments. The monthly premium per active employee paid to EIP was \$3.22 for the fiscal years ended June 30, 2016, 2015 and 2014.

School District of Edgefield County

Notes to Financial Statements

June 30, 2016

IV. OTHER INFORMATION - (Continued)

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS - (Continued)

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

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

NOTE 11 - COMMITMENTS AND CONTINGENCIES

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

From time to time, the District is a defendant in various lawsuits arising in the normal course of business. It is the opinion of the District's management, after conferring with legal counsel, that any liability, net of insurance coverage, which may arise from these lawsuits would not have a material adverse effect on the District's financial statements.

The District leases copiers under a non-cancelable operating lease expiring September 2019. The lease includes a per copy charge ranging from \$0.01757 to \$0.0065 per copy. During the year, total lease payments amounted to approximately \$123,000. Approximate remaining payments due under contracts in place at June 30, 2016, are as follows:

<u>Year</u>	<u>Lease payment</u>
2017	\$ 123,000
2018	123,000
2019	123,000
2020	<u>31,000</u>
	<u>\$ 400,000</u>

NOTE 12 - RISK MANAGEMENT

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

School District of Edgefield County

Notes to Financial Statements

June 30, 2016

IV. OTHER INFORMATION - (Continued)

NOTE 12 - RISK MANAGEMENT – (Continued)

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

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

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

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

Prior to July 1, 1978, school districts in South Carolina were exempt from unemployment tax. Legislation was enacted providing that, effective July 1, 1978, these employing units would no longer be excluded by the South Carolina Employment Security Commission (the Commission). In lieu of payment of contributions, the District, as permitted by the Act, elected to be "self-insured," whereby it would reimburse the Commission's unemployment fund for any claims attributable to service in the employ of the District. Payments of claims for reimbursement to the Commission are paid out of the general operating fund. Payments of \$3,466 were made by the District for this purpose during the current year.

NOTE 13 - FUND BALANCE AND NET POSITION

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

Governmental fund financial statements

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

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

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

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

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

School District of Edgefield County

Notes to Financial Statements

June 30, 2016

IV. OTHER INFORMATION - (Continued)

NOTE 13 - FUND BALANCE AND NET POSITION - (Continued)

Government-wide and proprietary fund financial statements

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

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

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

NOTE 14 - ARBITRAGE REBATE

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of (1) the amount earned on investments purchased with bond proceeds over (2) the amount of such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five year anniversary date of the bond issue. As of June 30, 2016, the District has determined that there are no amounts outstanding for arbitrage rebates.

School District of Edgefield County

Required Supplementary Information

Schedule 1 - Budgetary Comparison Schedule - General Fund

For the fiscal year ended June 30, 2016

		<u>Budgeted Amounts</u>		<u>Variance</u>
		<u>Original and Final</u>	<u>Actual</u>	<u>with Final</u>
				<u>Budget</u>
REVENUES				
1000	Revenue from local sources			
1100	Taxes			
1110	Ad valorem taxes-including delinquent	\$ 9,050,410	\$ 9,780,683	\$ 730,273
1300	Tuition			
1310	From patrons for regular day school	-	17,890	17,890
1330	From patrons for adult/continuing ed	-	2,017	2,017
1500	Earnings on investments			
1510	Interest on investments	2,000	3,977	1,977
1900	Other revenue from local sources			
1910	Rentals	-	1,780	1,780
1990	Miscellaneous local revenue	71,000	350	(70,650)
1999	Revenue from other local sources	112,995	161,716	48,721
	Total local sources	<u>9,236,405</u>	<u>9,968,413</u>	<u>732,008</u>
3000	Revenue from state sources			
3100	Restricted state funding			
3113	12-month agriculture program	15,000	17,798	2,798
3130	Special programs			
3131	Handicapped transportation	-	1,638	1,638
3160	School bus driver's salary	249,175	319,557	70,382
3161	EAA Bus Driver Salary and Fringe	-	3,683	3,683
3162	Transportation workers' compensation	-	28,114	28,114
3180	Fringe benefits employer contributions	3,115,383	3,378,492	263,109
3181	Retiree insurance	944,764	787,828	(156,936)
3199	Other restricted state grants	-	106	106
3300	Education Finance Act			
3310	Full-time programs			
3311	Kindergarten	616,747	362,381	(254,366)
3312	Primary	1,156,145	1,269,604	113,459
3313	Elementary	1,935,381	2,111,933	176,552
3314	High school	152,653	158,172	5,519
3315	Trainable mentally handicapped	12,082	37,808	25,726
3316	Speech handicapped	504,916	454,213	(50,703)
3317	Homebound	12,377	10,805	(1,572)
3320	Part-time programs			
3321	Emotionally handicapped	45,578	20,888	(24,690)
3322	Educable mentally handicapped	138,482	179,662	41,180
3323	Learning disabilities	874,977	560,474	(314,503)
3324	Hearing handicapped	6,884	8,692	1,808
3325	Visually handicapped	4,275	7,296	3,021
3326	Orthopedically handicapped	3,394	2,842	(552)
3327	Vocational	1,172,307	1,347,059	174,752
3330	Other EFA programs			
3331	Autism	42,327	52,529	10,202
3332	High Achieving Student	85,051	99,201	14,150
3334	Limited English Proficiency	23,406	43,631	20,225
3351	Academic Assistance	167,877	145,627	(22,250)
3352	Pupils in Poverty	813,666	858,885	45,219

School District of Edgefield County

Required Supplementary Information

Schedule 1 - Budgetary Comparison Schedule - General Fund, Continued

For the fiscal year ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Variance</u>
	<u>Original and Final</u>	<u>Actual</u>	<u>with Final</u>
			<u>Budget</u>
REVENUES, Continued			
3000 Revenue from state sources, continued			
3800 State revenue in lieu of taxes			
3810 Reimbursement for local property tax relief	1,553,034	1,553,034	-
3820 Homestead exemption	532,741	532,741	-
3825 Reimbursement for property tax relief	3,230,689	3,228,539	(2,150)
3830 Merchants inventory tax	50,000	49,590	(410)
3840 Manufacturers depreciation reimbursement	180,000	224,336	44,336
3890 Other state property tax revenues	130,000	160,621	30,621
Total state sources	<u>17,769,311</u>	<u>18,017,779</u>	<u>248,468</u>
4000 Revenues from federal sources			
4900 Other federal sources			
4992 U.S. Forest Commission revenues	-	64,715	64,715
Total federal sources	<u>-</u>	<u>64,715</u>	<u>64,715</u>
Total revenue all sources	<u>\$ 27,005,716</u>	<u>\$ 28,050,907</u>	<u>\$ 1,045,191</u>

School District of Edgefield County

Required Supplementary Information

Schedule 1 - Budgetary Comparison Schedule - General Fund, Continued

For the fiscal year ended June 30, 2016

		Budgeted Amounts		Variance
		Original and Final	Actual	with Final
				Budget
EXPENDITURES				
100	INSTRUCTION			
110	General instruction			
111	Kindergarten programs			
100	Salaries	\$ 984,003	\$ 912,618	\$ 71,385
200	Employee benefits	393,552	349,040	44,512
400	Supplies and materials	6,446	6,584	(138)
		<u>1,384,001</u>	<u>1,268,242</u>	<u>115,759</u>
112	Primary programs			
100	Salaries	2,159,895	2,145,355	14,540
200	Employee benefits	945,147	806,440	138,707
400	Supplies and materials	18,488	15,929	2,559
		<u>3,123,530</u>	<u>2,967,724</u>	<u>155,806</u>
113	Elementary programs			
100	Salaries	4,073,081	3,895,260	177,821
200	Employee benefits	1,501,881	1,491,413	10,468
300	Purchased services	13,812	10,368	3,444
400	Supplies and materials	74,241	79,092	(4,851)
600	Other objects	-	170	(170)
		<u>5,663,015</u>	<u>5,476,303</u>	<u>186,712</u>
114	High school programs			
100	Salaries	1,855,729	1,779,249	76,480
200	Employee benefits	679,403	686,227	(6,824)
300	Purchased services	11,537	8,099	3,438
400	Supplies and materials	55,158	62,934	(7,776)
		<u>2,601,827</u>	<u>2,536,509</u>	<u>65,318</u>
115	Career and technical programs			
100	Salaries	692,193	684,907	7,286
200	Employee benefits	257,587	245,620	11,967
300	Purchased services	35,816	23,551	12,265
400	Supplies and materials	16,153	57,644	(41,491)
500	Capital outlay	489	487	2
		<u>1,002,238</u>	<u>1,012,209</u>	<u>(9,971)</u>
	Total general instruction	<u>13,774,611</u>	<u>13,260,987</u>	<u>513,624</u>
120	Exceptional programs			
121	Educable mentally handicapped			
100	Salaries	76,407	56,791	19,616
200	Employee benefits	31,382	18,396	12,986
400	Supplies and materials	-	525	(525)
		<u>107,789</u>	<u>75,712</u>	<u>32,077</u>
122	Trainable mentally handicapped			
100	Salaries	107,960	47,753	60,207
200	Employee benefits	53,675	22,218	31,457
		<u>161,635</u>	<u>69,971</u>	<u>91,664</u>
123	Orthopedically handicapped			
300	Purchased services	-	52,653	(52,653)
		<u>-</u>	<u>52,653</u>	<u>(52,653)</u>
124	Visually handicapped			
300	Purchased services	-	2,340	(2,340)
400	Supplies and materials	-	623	(623)
		<u>-</u>	<u>2,963</u>	<u>(2,963)</u>
125	Hearing handicapped			
300	Purchased services	-	3,179	(3,179)
400	Supplies and materials	-	2,746	(2,746)
		<u>-</u>	<u>5,925</u>	<u>(5,925)</u>

School District of Edgefield County

Required Supplementary Information

Schedule 1 - Budgetary Comparison Schedule - General Fund, Continued

For the fiscal year ended June 30, 2016

		<u>Budgeted Amounts</u>		<u>Variance</u>
		<u>Original and Final</u>	<u>Actual</u>	<u>with Final</u>
				<u>Budget</u>
EXPENDITURES, Continued				
100	INSTRUCTION, Continued			
120	Exceptional programs, continued			
127	Learning disabilities			
100	Salaries	1,040,922	766,889	274,033
200	Employee benefits	410,088	284,588	125,500
400	Supplies and materials	-	472	(472)
		<u>1,451,010</u>	<u>1,051,949</u>	<u>399,061</u>
128	Emotionally handicapped			
100	Salaries	88,137	86,228	1,909
200	Employee benefits	40,721	38,179	2,542
		<u>128,858</u>	<u>124,407</u>	<u>4,451</u>
	Total exceptional programs	<u>1,849,292</u>	<u>1,383,580</u>	<u>465,712</u>
130	Preschool programs			
137	Pre-school handicapped - self contained			
100	Salaries	104,215	161,425	(57,210)
200	Employee benefits	37,152	58,950	(21,798)
400	Supplies and materials	-	270	(270)
		<u>141,367</u>	<u>220,645</u>	<u>(79,278)</u>
139	Early childhood programs			
400	Supplies and materials	-	246	(246)
		<u>-</u>	<u>246</u>	<u>(246)</u>
	Total preschool programs	<u>141,367</u>	<u>220,891</u>	<u>(79,524)</u>
140	Special programs			
141	Gifted and talented - academic			
100	Salaries	140,542	143,507	(2,965)
200	Employee benefits	50,738	60,147	(9,409)
600	Other objects	256	-	256
		<u>191,536</u>	<u>203,654</u>	<u>(12,118)</u>
145	Homebound			
100	Salaries	16,000	33,324	(17,324)
200	Employee benefits	3,026	7,987	(4,961)
300	Purchased services	-	778	(778)
		<u>19,026</u>	<u>42,089</u>	<u>(23,063)</u>
148	Gifted and Talented Artistic			
100	Salaries	18,796	17,191	1,605
200	Employee benefits	6,392	6,749	(357)
300	Purchased services	-	8,021	(8,021)
		<u>25,188</u>	<u>31,961</u>	<u>(6,773)</u>
149	Other special programs			
100	Salaries	92,386	-	92,386
200	Employee benefits	33,776	-	33,776
400	Supplies and materials	-	32	(32)
		<u>126,162</u>	<u>32</u>	<u>126,130</u>
	Total special programs	<u>361,912</u>	<u>277,736</u>	<u>84,176</u>

School District of Edgefield County

Required Supplementary Information

Schedule 1 - Budgetary Comparison Schedule - General Fund, Continued

For the fiscal year ended June 30, 2016

		Budgeted Amounts		Variance
		Original and Final	Actual	with Final
				Budget
EXPENDITURES, Continued				
100	INSTRUCTION, Continued			
160	Other exceptional programs			
161	Autism			
100	Salaries	16,784	16,817	(33)
200	Employee benefits	8,442	8,612	(170)
		<u>25,226</u>	<u>25,429</u>	<u>(203)</u>
162	Limited english proficiency			
100	Salaries	-	57,554	(57,554)
200	Employee benefits	-	21,045	(21,045)
300	Purchased services	-	6,066	(6,066)
		<u>-</u>	<u>84,665</u>	<u>(84,665)</u>
	Total other exceptional programs	<u>25,226</u>	<u>110,094</u>	<u>(84,868)</u>
180	Adult/continuing educational programs			
181	Adult basic education programs			
100	Salaries	14,368	12,863	1,505
200	Employee benefits	4,608	4,274	334
400	Supplies and materials	-	907	(907)
		<u>18,976</u>	<u>18,044</u>	<u>932</u>
182	Adult secondary education programs			
300	Purchased services	-	247	(247)
400	Supplies and materials	-	151	(151)
		<u>-</u>	<u>398</u>	<u>(398)</u>
183	Adult English Literacy			
400	Supplies and materials	-	264	(264)
		<u>-</u>	<u>264</u>	<u>(264)</u>
188	Parenting/family literacy			
100	Salaries	43,104	38,588	4,516
200	Employee benefits	14,824	12,822	2,002
		<u>57,928</u>	<u>51,410</u>	<u>6,518</u>
	Total adult/continuing educational programs	<u>76,904</u>	<u>70,116</u>	<u>6,788</u>
	Total instruction	<u>16,229,312</u>	<u>15,323,404</u>	<u>905,908</u>
200	SUPPORT SERVICES			
210	Pupil services			
211	Attendance and social work services			
100	Salaries	30,411	30,414	(3)
200	Employee benefits	15,787	13,595	2,192
300	Purchased services	9,384	672	8,712
400	Supplies and materials	58	-	58
600	Other objects	65	-	65
		<u>55,705</u>	<u>44,681</u>	<u>11,024</u>
212	Guidance services			
100	Salaries	438,538	407,612	30,926
200	Employee benefits	162,147	147,273	14,874
300	Purchased services	6,797	9,630	(2,833)
400	Supplies and materials	1,847	1,320	527
		<u>609,329</u>	<u>565,835</u>	<u>43,494</u>
213	Health services			
100	Salaries	185,008	187,356	(2,348)
200	Employee benefits	77,071	60,968	16,103
300	Purchased services	5,704	3,527	2,177
400	Supplies and materials	11,763	14,067	(2,304)
600	Other objects	252	2,096	(1,844)
		<u>279,798</u>	<u>268,014</u>	<u>11,784</u>

School District of Edgefield County

Required Supplementary Information

Schedule 1 - Budgetary Comparison Schedule - General Fund, Continued

For the fiscal year ended June 30, 2016

		<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
		<u>Original and Final</u>		<u>with Final</u>
				<u>Budget</u>
EXPENDITURES, Continued				
200	SUPPORT SERVICES, Continued			
210	Pupil services, Continued			
214	Psychological services			
100	Salaries	68,331	68,425	(94)
200	Employee benefits	21,848	17,031	4,817
400	Supplies and materials	58	-	58
600	Other objects	357	-	357
		<u>90,594</u>	<u>85,456</u>	<u>5,138</u>
217	Career Specialist Services			
100	Salaries	-	44,642	(44,642)
200	Employee benefits	-	18,855	(18,855)
		<u>-</u>	<u>63,497</u>	<u>(63,497)</u>
	Total pupil services	<u>1,035,426</u>	<u>1,027,483</u>	<u>7,943</u>
220	Instructional staff services			
221	Improvement of instruction - curriculum development			
100	Salaries	94,000	102,499	(8,499)
200	Employee benefits	27,405	29,850	(2,445)
300	Purchased services	21,890	4,125	17,765
400	Supplies and materials	66,091	57,715	8,376
600	Other objects	1,565	1,085	480
		<u>210,951</u>	<u>195,274</u>	<u>15,677</u>
222	Library and media services			
100	Salaries	370,150	395,999	(25,849)
200	Employee benefits	152,686	149,331	3,355
400	Supplies and materials	24,445	24,412	33
		<u>547,281</u>	<u>569,742</u>	<u>(22,461)</u>
223	Supervision of special programs			
100	Salaries	-	143,941	(143,941)
200	Employee benefits	-	43,449	(43,449)
		<u>-</u>	<u>187,390</u>	<u>(187,390)</u>
224	Improvement of instruction - inservice and staff training			
100	Salaries	47,674	48,420	(746)
200	Employee benefits	16,927	17,232	(305)
300	Purchased services	7,252	355	6,897
400	Supplies and materials	1,339	759	580
		<u>73,192</u>	<u>66,766</u>	<u>6,426</u>
	Total instructional staff services	<u>831,424</u>	<u>1,019,172</u>	<u>(187,748)</u>
230	General administration services			
231	Board of education			
100	Salaries	8,400	7,400	1,000
200	Employee benefits	14,237	11,046	3,191
300	Purchased services	45,798	71,520	(25,722)
318	Audit services	27,500	25,300	2,200
400	Supplies and materials	580	1,363	(783)
600	Other objects	155,942	90,167	65,775
		<u>252,457</u>	<u>206,796</u>	<u>45,661</u>

School District of Edgefield County

Required Supplementary Information

Schedule 1 - Budgetary Comparison Schedule - General Fund, Continued

For the fiscal year ended June 30, 2016

		Budgeted Amounts		Variance
		Original and Final	Actual	with Final
				Budget
EXPENDITURES, Continued				
200	SUPPORT SERVICES, Continued			
230	General administration services, Continued			
232	Office of the superintendent			
100	Salaries	196,182	215,992	(19,810)
140	Terminal leave	-	19,923	(19,923)
200	Employee benefits	72,061	81,941	(9,880)
300	Purchased services	51,967	47,611	4,356
400	Supplies and materials	15,840	22,256	(6,416)
600	Other objects	1,140	11,538	(10,398)
		<u>337,190</u>	<u>399,261</u>	<u>(62,071)</u>
233	School administration			
100	Salaries	1,736,134	1,586,489	149,645
140	Terminal leave	-	23,957	(23,957)
200	Employee benefits	651,250	576,536	74,714
300	Purchased services	16,665	13,595	3,070
400	Supplies and materials	24,283	21,948	2,335
600	Other objects	10,490	6,414	4,076
		<u>2,438,822</u>	<u>2,228,939</u>	<u>209,883</u>
	Total general administration services	<u>3,028,469</u>	<u>2,834,996</u>	<u>193,473</u>
250	Finance and operations services			
252	Fiscal services			
100	Salaries	179,774	186,500	(6,726)
200	Employee benefits	64,714	68,779	(4,065)
300	Purchased services	22,950	29,324	(6,374)
400	Supplies and materials	9,142	17,579	(8,437)
600	Other objects	1,000	3,818	(2,818)
		<u>277,580</u>	<u>306,000</u>	<u>(28,420)</u>
253	Facilities acquisition and construction			
530	Improvements other than buildings	-	56,420	(56,420)
		<u>-</u>	<u>56,420</u>	<u>(56,420)</u>
254	Operation and maintenance of plant			
100	Salaries	1,090,746	1,055,449	35,297
200	Employee benefits	507,913	485,294	22,619
300	Purchased services	732,634	1,115,348	(382,714)
321	Public utilities	75,020	74,310	710
400	Supplies and materials	220,217	305,986	(85,769)
470	Energy	838,591	929,856	(91,265)
500	Capital outlay	194,000	184,927	9,073
600	Other objects	504	-	504
		<u>3,659,625</u>	<u>4,151,170</u>	<u>(491,545)</u>
255	Student transportation			
100	Salaries	657,605	785,574	(127,969)
200	Employee benefits	106,145	245,205	(139,060)
300	Purchased services	9,599	12,340	(2,741)
400	Supplies and materials	807	2,040	(1,233)
500	Capital outlay	2,784	-	2,784
600	Other objects	27,408	12,879	14,529
		<u>804,348</u>	<u>1,058,038</u>	<u>(253,690)</u>
258	Security			
300	Purchased services	103,593	173,972	(70,379)
400	Supplies and materials	3,652	9,867	(6,215)
		<u>107,245</u>	<u>183,839</u>	<u>(76,594)</u>
	Total finance and operation services	<u>4,848,798</u>	<u>5,755,467</u>	<u>(906,669)</u>

School District of Edgefield County

Required Supplementary Information

Schedule 1 - Budgetary Comparison Schedule - General Fund, Continued

For the fiscal year ended June 30, 2016

		<u>Budgeted Amounts</u>		<u>Variance</u>
		<u>Original and Final</u>	<u>Actual</u>	<u>with Final</u>
				<u>Budget</u>
EXPENDITURES, Continued				
200	SUPPORT SERVICES, Continued			
260	Central support services			
263	Information services			
100	Salaries	33,620	24,023	9,597
200	Employee benefits	5,801	5,954	(153)
		<u>39,421</u>	<u>29,977</u>	<u>9,444</u>
264	Staff services			
100	Salaries	123,772	124,906	(1,134)
200	Employee benefits	49,714	48,897	817
300	Purchased services	12,339	15,877	(3,538)
400	Supplies and materials	4,909	2,325	2,584
600	Other objects	1,124	670	454
		<u>191,858</u>	<u>192,675</u>	<u>(817)</u>
266	Technology and data processing services			
100	Salaries	225,173	186,096	39,077
200	Employee benefits	86,482	61,583	24,899
300	Purchased services	48,124	164,557	(116,433)
400	Supplies and materials	16,498	15,438	1,060
600	Other objects	-	905	(905)
		<u>376,277</u>	<u>428,579</u>	<u>(52,302)</u>
	Total central support services	<u>607,556</u>	<u>651,231</u>	<u>(43,675)</u>
270	Support services pupil activity			
271	Pupil services activities			
100	Salaries	194,718	201,283	(6,565)
200	Employee benefits	31,426	46,859	(15,433)
600	Other objects	15,000	16,480	(1,480)
		<u>241,144</u>	<u>264,622</u>	<u>(23,478)</u>
	Total support services pupil activity	<u>241,144</u>	<u>264,622</u>	<u>(23,478)</u>
	Total support services	<u>10,592,817</u>	<u>11,552,971</u>	<u>(960,154)</u>
410	INTERGOVERNMENTAL EXPENDITURES			
411	Payments to the State Department of Education			
720	Transits	70,000	56,742	13,258
412	Payments to the Other Governmental Units			
720	Transits	-	50,165	(50,165)
	Total intergovernmental expenditures	<u>70,000</u>	<u>106,907</u>	<u>(36,907)</u>
500	DEBT SERVICE			
500	Debt Service			
620	Interest	-	1,602	(1,602)
	Total debt service expenditures	<u>-</u>	<u>1,602</u>	<u>(1,602)</u>
	Total expenditures	<u>26,892,129</u>	<u>26,984,884</u>	<u>(92,755)</u>

School District of Edgefield County

Required Supplementary Information

Schedule 1 - Budgetary Comparison Schedule - General Fund, Continued

For the fiscal year ended June 30, 2016

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u>
OTHER FINANCING SOURCES (USES)			
5230 Transfer from special revenue EIA fund	781,413	662,928	(118,485)
5280 Transfer from other funds indirect cost	50,000	26,221	(23,779)
421-710 Transfer to special revenue fund	(715,000)	(482,504)	232,496
422-710 Transfer to special revenue EIA fund	-	(300,684)	(300,684)
425-710 Transfer to food service fund	(230,000)	(183,243)	46,757
	<u>(113,587)</u>	<u>(277,282)</u>	<u>(163,695)</u>
Total other financing sources			
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>788,741</u>	<u>\$ 788,741</u>
FUND BALANCE, beginning of year		<u>2,996,879</u>	
FUND BALANCE, end of year		<u>\$ 3,785,620</u>	

School District of Edgefield County

Required Supplementary Information

Schedule 2 - Schedule of the District's Proportionate Share of the Net Pension Liability

For the fiscal year ended June 30, 2016

	SCRS		
	2016	2015	2014
District's proportion of the net pension liability	0.22017%	0.22957%	0.22957%
District's proportionate share of the net pension liability	<u>\$ 41,756,871</u>	<u>\$ 39,524,515</u>	<u>\$ 41,176,848</u>
District's covered payroll during the measurement period	<u>\$ 20,311,691</u>	<u>\$ 20,842,075</u>	<u>\$ 20,981,404</u>
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	205.58048%	189.63810%	196.25402%
Plan fiduciary net position as a percentage of the total pension liability	56.99%	59.90%	56.39%

	PORS		
	2016	2015	2014
District's proportion of the net pension liability	0.00003%	0.00000%	0.00000%
District's proportionate share of the net pension liability	<u>\$ 719</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll during the measurement period	<u>\$ 414</u>	<u>\$ -</u>	<u>\$ -</u>
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	173.67150%	0.00000%	0.00000%
Plan fiduciary net position as a percentage of the total pension liability	64.57%	67.55%	62.98%

School District of Edgefield County

Required Supplementary Information

Schedule 3 - Schedule of the District's Contributions

For the fiscal year ended June 30, 2016

	SCRS									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	\$ 2,244,121	\$ 2,183,507	\$ 2,209,260	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	2,244,121	2,183,507	2,209,260	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered-employee payroll	\$ 20,290,436	\$ 20,311,691	\$ 20,842,075	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	11.05999%	10.75000%	10.60000%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	PORS									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	\$ -	\$ 56	\$ -	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	-	56	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Entity's covered-employee payroll	\$ -	\$ 414	\$ -	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	0.00000%	13.52657%	0.00000%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: Data unavailable for years prior to 2014

School District of Edgefield County

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

For the fiscal year ended June 30, 2016

	Title I BA041 (201/202)	IDEA CA041 (203)	Preschool Handi- capped CG041 (205)	CATE (207)	Adult Education (243)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Total	
REVENUES									
1000	Revenues from local sources								
1931	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 194,862	\$ 194,862	
	Total local sources							194,862	194,862
2000	Intergovernmental revenue								
2100	-	-	-	-	-	27,951	8,706	36,657	
	Total intergovernmental revenue							27,951	36,657
3000	Revenues from state sources								
3100	Restricted state funding								
3110	Occupational education								
3118	-	-	-	-	-	94,294	-	94,294	
3120	General education								
3127	-	-	-	-	-	26,878	-	26,878	
3130	Special programs								
3134	-	-	-	-	-	161,969	-	161,969	
3135	-	-	-	-	-	250,920	-	250,920	
3136	-	-	-	-	-	118,112	-	118,112	
3150	Adult education								
3155	-	-	-	-	-	9,438	-	9,438	
3190	Miscellaneous restricted state grants								
3193	-	-	-	-	-	901	-	901	
3194	-	-	-	-	-	647	-	647	
3198	-	-	-	-	-	18,194	-	18,194	
3199	-	-	-	-	-	34,376	4,818	39,194	
3600	Education lottery act revenue								
3607	-	-	-	-	-	4,990	-	4,990	
3610	-	-	-	-	-	26,031	-	26,031	
3630	-	-	-	-	-	147,758	-	147,758	
	Total state sources							894,508	899,326
4000	Revenues from federal sources								
4200	Occupational education								
4210	-	-	-	56,661	-	-	-	56,661	
4300	Elementary and Secondary Education Act of 1965								
4310	880,463	-	-	-	-	-	63,808	944,271	
4341	-	-	-	-	-	-	1,030	1,030	
4348	-	-	-	-	-	-	689,549	689,549	
4351	-	-	-	-	-	-	154,878	154,878	
4353	-	-	-	-	-	-	786,328	786,328	
4400	Adult education								
4410	-	-	-	-	46,149	-	-	46,149	
4430	-	-	-	-	2,500	-	-	2,500	
4500	Programs for children with disabilities								
4510	-	1,028,718	-	-	-	-	-	1,028,718	
4520	-	-	37,263	-	-	-	-	37,263	
4900	Other federal sources								
4999	-	-	-	-	-	-	226,902	226,902	
	Total federal sources							1,922,495	3,974,249
	Total revenue all sources							922,459	5,105,094

School District of Edgefield County

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

For the fiscal year ended June 30, 2016

		Title I BA041 (201/202)	IDEA CA041 (203)	Preschool Handi- capped CG041 (205)	Occupational Education VA (207)	Adult Education (243)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Total
EXPENDITURES									
100 INSTRUCTION									
110	General instruction								
112	Primary programs								
100	Salaries	-	-	-	-	-	-	92,385	92,385
200	Employee benefits	-	-	-	-	-	-	35,532	35,532
300	Purchased services	-	-	-	-	-	-	230	230
400	Supplies and materials	-	-	-	-	-	441	-	441
500	Capital outlay	-	-	-	-	-	6,975	-	6,975
113	Elementary programs								
100	Salaries	467,576	-	-	-	-	4,201	500	472,277
200	Employee benefits	170,850	-	-	-	-	22,677	125	193,652
300	Purchased services	38,914	-	-	-	-	-	-	38,914
400	Supplies and materials	100,880	-	-	-	-	5,326	64,213	170,419
500	Capital outlay	-	-	-	-	-	16,293	-	16,293
114	High school programs								
100	Salaries	-	-	-	-	-	-	113,622	113,622
200	Employee benefits	-	-	-	-	-	-	28,507	28,507
300	Purchased services	-	-	-	-	-	-	550	550
500	Capital outlay	-	-	-	-	-	16,303	-	16,303
600	Other objects	-	-	-	-	-	-	3,595	3,595
115	Career and technical programs								
300	Purchased services	-	-	-	4,000	-	-	4,200	8,200
400	Supplies and materials	-	-	-	29,187	-	-	64,145	93,332
120	Exceptional programs								
121	Educable mentally handicapped								
100	Salaries	-	98,450	-	-	-	-	-	98,450
200	Employee benefits	-	34,643	-	-	-	-	-	34,643
400	Supplies and materials	-	-	-	-	-	-	6,506	6,506
122	Trainable mentally handicapped								
100	Salaries	-	65,952	-	-	-	-	-	65,952
200	Employee benefits	-	34,543	-	-	-	-	-	34,543
123	Orthopedically handicapped								
100	Salaries	-	15,012	-	-	-	-	-	15,012
200	Employee benefits	-	6,504	-	-	-	-	-	6,504
126	Speech handicapped								
100	Salaries	-	44,039	-	-	-	-	-	44,039
200	Employee benefits	-	17,931	-	-	-	-	-	17,931
300	Purchased services	-	153,198	-	-	-	-	74,597	227,795
400	Supplies and materials	-	-	-	-	-	-	2,712	2,712
127	Learning disabilities								
100	Salaries	-	196,410	-	-	-	-	-	196,410
200	Employee benefits	-	95,862	-	-	-	-	-	95,862
300	Purchased services	-	-	-	-	-	-	4,478	4,478
400	Supplies and materials	-	-	-	-	-	-	25,103	25,103
128	Emotionally handicapped								
100	Salaries	-	16,651	-	-	-	-	-	16,651
200	Employee benefits	-	8,487	-	-	-	-	-	8,487

School District of Edgefield County

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

For the fiscal year ended June 30, 2016

	Title I BA041 (201/202)	IDEA CA041 (203)	Preschool Handi- capped CG041 (205)	Occupational Education VA (207)	Adult Education (243)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Total
100 EXPENDITURES, Continued								
INSTRUCTION, Continued								
120 Exceptional programs, Continued								
129 Coordinated early intervening services (CEIS)								
100 Salaries	-	83,551	-	-	-	-	-	83,551
200 Employee benefits	-	24,732	-	-	-	-	-	24,732
130 Pre-school programs								
137 Pre-school handicapped - Self-contained								
100 Salaries	-	-	27,263	-	-	-	-	27,263
200 Employee benefits	-	-	10,000	-	-	-	-	10,000
400 Supplies and materials	-	3,500	-	-	-	-	-	3,500
139 Early childhood programs								
100 Salaries	-	-	-	-	-	17,630	-	17,630
200 Employee benefits	-	-	-	-	-	4,312	-	4,312
400 Supplies and materials	-	-	-	-	-	2,316	-	2,316
140 Special programs								
147 CDEP								
100 Salaries	-	-	-	-	-	135,614	-	135,614
200 Employee benefits	-	-	-	-	-	29,811	-	29,811
300 Purchased services	-	-	-	-	-	(156)	-	(156)
149 Other special programs								
100 Salaries	-	-	-	-	-	-	6,209	6,209
200 Employee benefits	-	-	-	-	-	-	2,376	2,376
300 Purchased services	-	6,211	-	-	-	-	-	6,211
400 Supplies and materials	-	6,042	-	-	-	-	95	6,137
160 Other Exceptional Programs								
162 Limited english proficiency								
100 Salaries	-	-	-	-	-	-	4,000	4,000
200 Employee benefits	-	-	-	-	-	-	611	611
170 Summer school programs								
172 Elementary summer school								
100 Salaries	-	-	-	-	-	17,756	-	17,756
200 Employee benefits	-	-	-	-	-	3,593	-	3,593
180 Adult continuing education programs								
181 Adult basic education programs								
100 Salaries	-	-	-	-	13,129	390	9,200	22,719
200 Employee benefits	-	-	-	-	1,759	43	1,300	3,102
400 Supplies and materials	-	-	-	-	620	1,495	3,000	5,115
182 Adult secondary education programs								
100 Salaries	-	-	-	-	19,076	-	-	19,076
200 Employee benefits	-	-	-	-	3,512	-	-	3,512
300 Purchased services	-	-	-	-	-	1,267	-	1,267
400 Supplies and materials	-	-	-	-	-	3,750	-	3,750
183 Adult english literacy (ESL)								
100 Salaries	-	-	-	-	2,227	-	-	2,227
200 Employee benefits	-	-	-	-	552	-	-	552
400 Supplies and materials	-	-	-	-	-	523	-	523
188 Parenting/family literacy								
300 Purchased services	1,800	-	-	-	-	-	-	1,800
400 Supplies and materials	2,554	-	-	-	-	448	-	3,002
Total instruction	782,574	911,718	37,263	33,187	40,875	291,008	547,791	2,644,416

School District of Edgefield County

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

For the fiscal year ended June 30, 2016

		Title I BA041 (201/202)	IDEA CA041 (203)	Preschool Handi- capped CG041 (205)	Occupational Education VA (207)	Adult Education (243)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Total
EXPENDITURES, Continued									
200	SUPPORT SERVICES								
210	Pupil services								
212	Guidance services								
100	Salaries	-	-	-	-	-	80,000	-	80,000
200	Employee benefits	-	-	-	-	-	14,294	-	14,294
213	Health services								
100	Salaries	-	-	-	-	-	88,914	-	88,914
200	Employee benefits	-	-	-	-	-	29,198	-	29,198
400	Supplies and materials	-	-	-	-	-	-	818	818
220	Instructional staff services								
221	Improvement of instruction - curriculum development								
100	Salaries	-	-	-	-	7,774	200,937	1,468,579	1,677,290
200	Employee benefits	-	-	-	-	-	75,573	333,880	409,453
300	Purchased services	6,516	-	-	-	-	454	78,975	85,945
400	Supplies and materials	-	-	-	-	-	4,990	8,303	13,293
223	Supervision of special programs								
100	Salaries	43,516	-	-	-	-	-	26,635	70,151
200	Employee benefits	20,381	-	-	-	-	-	9,512	29,893
300	Purchased services	751	-	-	-	-	287	3,865	4,903
400	Supplies and materials	3,680	-	-	-	-	781	531	4,992
220	Instructional staff services								
224	Improvement of instruction - inservice and staff training								
100	Salaries	-	-	-	-	-	-	3,847	3,847
200	Employee benefits	-	-	-	-	-	-	2,132	2,132
300	Purchased services	-	-	-	16,344	-	-	44,776	61,120
400	Supplies and materials	-	-	-	-	-	-	10,500	10,500
250	Finance and operations services								
251	Student transportation								
100	Salaries	-	85,000	-	-	-	6,090	-	91,090
200	Employee benefits	-	20,000	-	-	-	1,871	-	21,871
300	Purchased services	-	12,000	-	-	-	-	522	12,522
255	Student transportation								
100	Salaries	-	-	-	-	-	373	-	373
200	Employee benefits	-	-	-	-	-	89	-	89
300	Purchased services	-	-	-	-	-	3,231	14,338	17,569
260	Central Support Services:								
264	Staff services								
100	Salaries	-	-	-	-	-	-	6,000	6,000
300	Purchased services	-	-	-	-	-	-	1,650	1,650
266	Technology and data processing services								
300	Purchased services	-	-	-	-	-	18,194	-	18,194
400	Supplies and materials	-	-	-	-	-	12,672	-	12,672
500	Capital outlay	-	-	-	-	-	96,162	-	96,162
270	Support services - pupil activity								
271	Pupil service activities								
300	Purchased services	-	-	-	7,130	-	-	-	7,130
Total support services		74,844	117,000	-	23,474	7,774	634,110	2,014,863	2,872,065

School District of Edgefield County

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

For the fiscal year ended June 30, 2016

		Title I BA041 (201/202)	IDEA CA041 (203)	Preschool Handi- capped CG041 (205)	Occupational Education VA (207)	Adult Education (243)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Total
300	COMMUNITY SERVICES								
	390 Other community services								
	100 Salaries	-	-	-	-	-	-	32,889	32,889
	200 Employee benefits	-	-	-	-	-	-	1,454	1,454
	300 Purchased services	-	-	-	-	-	641	3,819	4,460
	400 Supplies and materials	74	-	-	-	-	-	6,019	6,093
	Total community services	74	-	-	-	-	641	44,181	44,896
	Total expenditures	857,492	1,028,718	37,263	56,661	48,649	925,759	2,606,835	5,561,377
	OTHER FINANCING SOURCES (USES)								
	Interfund transfers from (to) other funds								
	5210 Transfer from general fund	-	-	-	-	-	3,300	479,204	482,504
	431-791 Special revenue indirect costs	(22,971)	-	-	-	-	-	(3,250)	(26,221)
	Total other financing sources (uses)	(22,971)	-	-	-	-	3,300	475,954	456,283
	Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	-	-	-	-	-	-	-
	FUND BALANCE, beginning of year	-	-	-	-	-	-	87,552	87,552
	FUND BALANCE, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,552	\$ 87,552

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

Adult Education

243 Adult education - Federal

Other Restricted State Grants

914 Digital instructional materials
 918 School technology initiative
 919 Education license plates
 924 CDEPP
 926 Summer reading camps
 928 EEDA Career specialists
 935 Reading coaches
 936 Student health and fitness - nurses
 937 Student health and fitness
 955 DSS SNAP & E&T program
 960 K-5 enhancement
 963 K-12 technology initiative
 967 6-8 enhancement
 980 First steps family literacy program

Other Special Revenue Grants

237 Title I school improvement
 239 Title I challenge to achieve
 262 Teacher incentive fund 4
 264 Title III ESL
 267 Title II NCLB
 268 TAP grant
 272 Navy Junior ROTC
 299 Medicaid
 801 Reading recovery
 809 Pupil with disabilities
 810 Learn2earn automotive
 821 Level data reimbursement
 890 Americorp

School District of Edgefield County

Schedule A-2 - Special Revenue Fund

Summary Schedule for Designated Restricted State Grants

For the year ended June 30, 2016

<u>Subfund</u>	<u>Revenue</u>	<u>Programs</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Transfers In (Out)</u>	<u>Unearned Revenue</u>
914	3194	Digital instructional materials	\$ 647	\$ 647	\$ -	\$ -
918	3198	School technology initiative	18,194	18,194	-	-
919	3193	Education license plates	901	901	-	871
924	3134	Child development education pilot program	161,969	165,269	3,300	-
926	3177	Summer reading camps	34,376	34,376	-	-
928	3118	EEDA Career specialists	94,294	94,294	-	-
935	3135	Reading coaches	250,920	250,920	-	-
936	3136	Student health and fitness	118,112	118,112	-	-
937	3127	Student health and fitness	26,878	26,878	-	-
955	3155	DSS SNAP & E&T program	9,438	9,438	-	-
960	3610	K-5 enhancement	26,031	26,031	-	-
963	3630	K-12 technology initiative	147,758	147,758	-	18,802
967	3607	6-8 enhancement	4,990	4,990	-	-
980	2100	First steps family literacy program	27,951	27,951	-	-
			<u>\$ 922,459</u>	<u>\$ 925,759</u>	<u>\$ 3,300</u>	<u>\$ 19,673</u>

School District of Edgefield County

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

For the fiscal year ended June 30, 2016

	<u>Total</u>
REVENUES	
3000 Revenue from state sources	
3500 Education Improvement Act:	
3502 Adept	\$ 1,850
3511 Professional development	18,406
3518 Formative Assessment	18,148
3525 Career and Technology Education Equipment	68,670
3526 EIA Science Kit Refurbishment	13,785
3532 National Board Certification (NBC) Salary Supplement	83,727
3533 Teacher of the year awards	1,077
3538 Students at risk of school failure	399,237
3541 Child development education program (CDEP)	433,400
3550 Teacher salary increase	576,470
3555 School employer contributions	86,458
3556 Adult education	132,813
3558 Reading	3,521
3577 Teacher supplies	65,750
3578 High schools that work	5,546
3592 School to work transition act	12,808
3594 EEDA supplemental programs	89,995
3595 EEDA homework center awards	5,559
3597 Aid to districts	57,191
Total revenue from state sources	<u>2,074,411</u>
Total revenue	<u>\$ 2,074,411</u>

School District of Edgefield County

Schedule A-3 - EIA Combined Schedule of Revenues, Expenditures and Changes in Fund Balance, Continued For the fiscal year ended June 30, 2016

EXPENDITURES		
100	INSTRUCTION	
110	General instruction	
111	Kindergarten programs	
100	Salaries	\$ 113
200	Employee benefits	10
		<u>123</u>
112	Primary programs	
100	Salaries	22,500
200	Employee benefits	6,179
300	Purchased services	117
400	Supplies and materials	7,256
		<u>36,052</u>
113	Elementary programs	
100	Salaries	134,382
200	Employee benefits	36,478
300	Purchased services	800
400	Supplies and materials	77,318
		<u>248,978</u>
114	High school programs	
100	Salaries	176,311
200	Employee benefits	60,071
300	Purchased services	185
400	Supplies and materials	3,129
600	Other objects	200
		<u>239,896</u>
115	Career and technical development	
400	Supplies and materials	44,850
500	Capital Outlay	23,820
		<u>68,670</u>
120	Exceptional programs	
126	Speech handicapped	
300	Purchased Services	42,968
		<u>42,968</u>
129	Coordinated early intervening services (CEIS)	
100	Salaries	15,854
200	Employee benefits	99
		<u>15,953</u>
130	Pre-school programs	
139	Early childhood programs	
100	Salaries	52
300	Purchased services	586
400	Supplies and materials	5
		<u>643</u>
140	Special programs	
147	CDEEP	
100	Salaries	303,049
200	Employee Benefits	182,395
300	Purchased services	44,184
400	Supplies and materials	11,981
		<u>541,609</u>
149	Other Special Programs	
400	Supplies and materials	19,029
		<u>19,029</u>
180	Adult/ continuing educational programs	
181	Adult basic education programs	
100	Salaries	10,471
200	Employee benefits	5,338
		<u>15,809</u>

School District of Edgefield County

Schedule A-3 - EIA Combined Schedule of Revenues, Expenditures and Changes in Fund Balance, Continued For the fiscal year ended June 30, 2016

EXPENDITURES, Continued		
100 INSTRUCTION, Continued		
180 Adult/ continuing educational programs, continued		
182 Adult secondary education programs		
100 Salaries		6,076
200 Employee benefits		2,828
		<u>8,904</u>
183 Adult english literacy		
100 Salaries		375
200 Employee benefits		29
		<u>404</u>
188 Parenting/family literacy		
400 Supplies and materials		247
		<u>247</u>
	Total instruction	<u>1,239,285</u>
200 SUPPORT SERVICES		
210 Pupil Services		
211 Attendance and Social Work Services:		
100 Salaries		47,044
200 Employee Benefits		19,040
		<u>66,084</u>
212 Guidance Services		
100 Salaries		43,580
200 Employee Benefits		22,637
300 Purchased services		6,761
400 Supplies and materials		3,961
		<u>76,939</u>
213 Health services		
100 Salaries		11,397
		<u>11,397</u>
217 Career and technical education placement services		
300 Purchased services		56
		<u>56</u>
220 Instructional staff services		
221 Improvement of instruction - curriculum development		
100 Salaries		19,343
300 Purchased services		10,316
400 Supplies and materials		37,648
		<u>67,307</u>
223 Supervision of special programs		
100 Salaries		166,264
200 Employee benefits		60,991
300 Purchased services		1,056
400 Supplies and materials		2,155
		<u>230,466</u>
224 Improvement of instruction - inservice and staff training		
300 Purchased services		3,464
400 Supplies and materials		5,257
		<u>8,721</u>
250 Finance and operation services		
251 Student transportation		
100 Salaries		1,305
200 Employee benefits		5,302
300 Purchased services		3,704
		<u>10,311</u>
252 Facilities acquisition and construction		
300 Purchased services		1,400
		<u>1,400</u>

School District of Edgefield County**Schedule A-3 - EIA Combined Schedule of Revenues, Expenditures and Changes in Fund Balance, Continued**
For the fiscal year ended June 30, 2016

EXPENDITURES, Continued		
200	SUPPORT SERVICES, Continued	
250	Finance and operation services, continued	
255	Student transportation (state mandated)	
300	Purchased services	<u>201</u>
		<u>201</u>
	Total support services	<u>472,882</u>
	Total expenditures	<u>1,712,167</u>
OTHER FINANCING SOURCES (USES)		
Interfund transfers from (to) other funds		
5210	Transfer from general fund	300,684
420-710	Transfer to general fund	<u>(662,928)</u>
	Total other financing sources/(uses)	<u>(362,244)</u>
	Excess of revenues over expenditures and other financing uses	-
FUND BALANCE, beginning of year		<u>-</u>
FUND BALANCE, end of year		<u><u>\$ -</u></u>

School District of Edgefield County
Schedule A-4 - EIA Summary Schedule by Program
For the fiscal year ended June 30, 2016

	Revenues	Expenditures	Transfers In/(Out)	Unearned Revenue
3500 Education Improvement Act				
3502 Adept	\$ 1,850	\$ 1,850	\$ -	\$ 5,209
3511 Professional development	18,406	18,406	-	16,053
3512 Technology professional development	-	-	-	18,144
3518 Formative assessment	18,148	18,148	-	-
3525 Career and technology education equipment	68,670	68,670	-	7,198
3526 Science kit refurbishment	13,785	13,785	-	17,262
3532 National Board Certification (NBC) Salary Supplement	83,727	83,727	-	-
3533 Teacher of the year awards	1,077	1,077	-	-
3535 Reading coaches	-	-	-	8,000
3538 Students at risk of school failure	399,237	454,996	55,759	-
3541 Child development education program (CDEP)	433,400	541,609	108,209	-
3550 Teacher salary increase	576,470	-	(576,470)	-
3555 School employer contributions	86,458	-	(86,458)	-
3556 Adult education	132,813	132,813	-	-
3558 Reading	3,521	3,521	-	16,390
3577 Teacher supplies	65,750	65,750	-	-
3578 High schools that work	5,546	5,546	-	4,967
3592 School to work transition act	12,808	12,808	-	-
3594 EEDA supplemental programs	89,995	89,995	-	-
3595 EEDA homework center awards	5,559	5,559	-	5,369
3597 Aid to districts	57,191	193,907	136,716	-
Total	<u>\$ 2,074,411</u>	<u>\$ 1,712,167</u>	<u>\$ (362,244)</u>	<u>\$ 98,592</u>

School District of Edgefield County**Schedule B - School Building Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance****For the fiscal year ended June 30, 2016**

REVENUES

1000	Revenue from local sources		
1500	Earnings on investments		
	1510 Interest on investments	\$	36
1900	Other revenue from local sources		
	Total local sources		<u>36</u>
	Total revenue all sources		<u>36</u>

EXPENDITURES

250	Finance and operations		
253	Facilities acquisition and construction services		
	500 Capital outlay		
	520 Construction services		24,587
	Total finance and operations		<u>24,587</u>
	Total expenditures		<u>24,587</u>

OTHER FINANCING SOURCES

	Deficiency of revenues under expenditures		(24,551)
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	FUND BALANCE, beginning of year		<u>24,551</u>
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	FUND BALANCE, end of year	\$	<u><u>-</u></u>
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School District of Edgefield County

Schedule C - Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

For the fiscal year ended June 30, 2016

REVENUES			
1000	Revenue from local sources		
1100	Taxes		
1110	Ad valorem taxes, including delinquent taxes	\$	1,857,571
1500	Earnings on investments		
1510	Interest on investments		3,658
1900	Other revenue from local sources:		
1990	Miscellaneous local revenue		3,155
	Total local sources		<u>1,864,384</u>
3000	Revenue from state sources		
3800	State revenue in lieu of taxes		
3820	Homestead exemption		95,547
3830	Merchants inventory tax		6,578
3840	Manufacturer's depreciation reimbursement		27,024
3890	Other state property tax revenues		19,605
	Total state sources		<u>148,754</u>
	Total revenue all sources		<u>2,013,138</u>
EXPENDITURES			
500	Debt service		
610	Redemption of principal		1,645,000
620	Interest		226,318
690	Other objects		647
	Total debt service		<u>1,871,965</u>
	Total expenditures		<u>1,871,965</u>
	Excess of revenues over expenditures		141,173
	FUND BALANCE, beginning of year		<u>706,862</u>
	FUND BALANCE, end of year	\$	<u>848,035</u>

School District of Edgefield County

Schedule D - Food Service Fund

Schedule of Revenues, Expenses and Changes in Net Position

For the fiscal year ended June 30, 2016

REVENUES	
1000	Revenue from local sources
1500	Earnings on investments
1510	Interest on investments
	\$ 7,907
1600	Food services
1610	Lunch sales to pupils
	141,751
1620	Breakfast sales to pupils
	27
1630	Special sales to pupils
	225,770
1640	Lunch sales to adults
	34,817
1650	Breakfast sales to adults
	943
1660	Special sales to adults
	23,089
1900	Other revenue from local sources
	13,511
1999	Revenue from other local sources
	<u>13,511</u>
	<u>447,815</u>
3000	Revenue from state sources
3100	Restricted state funding
3140	School lunch
3142	Program aid
	160
	<u>160</u>
4000	Revenue from federal sources
4800	USDA reimbursements
4810	School lunch and after school snacks program
	991,386
4830	School breakfast program
	386,691
4850	Cash in lieu of USDA commodities
	120,883
4860	Fresh fruits and vegetables
	26,423
4880	Summer feeding programs (SFSP)
	18,068
	<u>1,543,451</u>
	<u>1,991,426</u>
	Total revenue all sources
	<u>1,991,426</u>
EXPENSES	
256	Food service
100	Salaries
	791,022
200	Employee benefits
	430,439
300	Purchased services
	86,613
400	Supplies and materials
	1,025,280
500	Capital outlay
	26,419
600	Other
	8,104
	<u>8,104</u>
	Total expenses
	<u>2,367,877</u>
OTHER FINANCING SOURCES	
Interfund transfers from other funds	
5210	Transfer from general fund
	183,243
	<u>183,243</u>
	Change in net position
	<u>(193,208)</u>
	NET POSITION, beginning of year
	<u>(1,546,913)</u>
	NET POSITION, end of year
	<u>\$ (1,740,121)</u>

This schedule is presented in the format prescribed by the South Carolina Department of Education which varies in presentation from Exhibits 6 and 8.

School District of Edgefield County**Schedule E - Agency Funds - Student Activities****Schedule of Receipts, Disbursements and Changes in Due to Student Organizations****For the year ended June 30, 2016**

RECEIPTS

1000	Revenues from local sources		
1700	Pupil activities		
1790	Other	\$	1,839,159
	Total revenues		<u>1,839,159</u>

DISBURSEMENTS

270	Supporting services pupil activity		
273	Trust and agency activities		
660	Enterprise activities		<u>1,764,628</u>
	Total disbursements		<u>1,764,628</u>
	Excess of receipts over disbursements		74,531

DUE TO STUDENT ORGANIZATIONS, beginning of year 436,529

DUE TO STUDENT ORGANIZATIONS, end of year \$ 511,060

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

School District of Edgefield County

Schedule F - Agency Fund - Student Activities

Schedule of Receipts, Disbursements and Changes in Due to Student Organizations by Schools

For the fiscal year ended June 30, 2016

	Due to student organizations July 1, 2015	Receipts	Disbursements	Excess of receipts over (under) disbursements	Due to student organizations June 30, 2016
Strom Thurmond High School	\$ 149,108	\$ 746,376	\$ 717,994	\$ 28,382	\$ 177,490
Strom Thurmond Vocational	63,014	227,647	207,745	19,902	82,916
J.E.T. Middle	53,671	185,295	164,306	20,989	74,660
Merriwether Middle	36,598	244,381	242,928	1,453	38,051
Johnston Elementary	41,252	57,488	58,119	(631)	40,621
W.E. Parker Elementary	32,449	135,216	131,762	3,454	35,903
Douglas Elementary	17,654	39,485	43,377	(3,892)	13,762
Merriwether Elementary	42,783	203,271	198,397	4,874	47,657
	<u>\$ 436,529</u>	<u>\$ 1,839,159</u>	<u>\$ 1,764,628</u>	<u>\$ 74,531</u>	<u>\$ 511,060</u>

School District of Edgefield County*Schedule G - Detailed Schedule of Due to**State Department of Education/Federal Government**June 30, 2016*

Program	Grant or project number	Revenue code	Amount due	Status of Amount due
None				

School District of Edgefield County

Schedule H

Location Reconciliation Schedule

For the year ended June 30, 2016

01 Districtwide	Non-Schools	Central	10,280,272
02 Strom Thurmond High School	High Schools	School	\$ 6,366,987
03 Douglas Elementary	Elementary Schools	School	3,098,138
05 Johnston Elementary	Elementary Schools	School	3,050,282
07 W.E. Parker Elementary	Elementary Schools	School	4,207,804
08 Merriwether Elementary	Elementary Schools	School	4,830,184
09 J.E.T. Middle	Middle Schools	School	3,849,976
10 Merriwether Middle	Middle Schools	School	3,042,078
95 Strom Thurmond Vocational	Other Schools	Central	1,561,764
			<u>\$ 40,287,485</u>

General Fund	\$ 26,984,884
Special Revenue Fund	5,561,377
Special Revenue EIA Fund	1,712,167
Debt Service Fund	1,871,965
Capital Projects Fund	24,587
Proprietary Fund	2,367,877
Trust and Agency Fund	1,764,628
	<u>\$ 40,287,485</u>



**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance With *Government Auditing Standards***

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of School District of Edgefield County (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 30, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Manley Gawin, LLC". The signature is written in a cursive style and is centered within a light gray rectangular box.

Greenwood, South Carolina
November 30, 2016



**Independent Auditor's Report on Compliance for Each Major
Federal Program and Report on Internal Control Over Compliance
Required by the Uniform Guidance**

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

Report on Compliance for Each Major Federal Program

We have audited the School District of Edgefield County's (the District's) compliance with the types of compliance requirements described in the *OMB 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, 2016. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Commission's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance (for federal awards with award dates December 26, 2014 or later) or in accordance with OMB Circular A-133 (for federal awards with award dates prior to December 26, 2014), 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 Commission's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance (for federal awards with award dates December 26, 2014 or later) or in accordance with OMB Circular A-133 (for federal awards with award dates prior to December 26, 2014). Accordingly, this report is not suitable for any other purpose.



Greenwood, South Carolina
November 30, 2016

School District of Edgefield County

Schedule of Expenditures of Federal Awards

For the fiscal year ended June 30, 2016

LEA Subfund Code	Federal grantor/ Pass-through grantor/ Program title	Federal CFDA number	Pass through grantor's number	Total expenditures
<u>United States Department of Education</u>				
Passed through South Carolina Department of Education:				
Title I, Part A Cluster				
201	Title I	84.010	16BA032	\$ 880,463
237	Title I - Focus Schools	84.010	15FO032	8,287
239	Title I - Priority Schools	84.010	15BL032	55,521
	Total Title I, Part A Cluster			<u>944,271</u>
Special Education Cluster				
203	Individuals with Disabilities Education Act (IDEA)	84.027	16CA032	1,028,718
205	IDEA Preschool Grants	84.173	16GG032	37,263
	Total Special Education Cluster			<u>1,065,981</u>
207	Occupational Education	84.048	16VA032	56,661
243	Adult Education	84.002	16EA032	48,649
262	Teacher Incentive Fund (TIF) 4	84.374B		786,328
264	Title III ESL	84.365	16BP032	1,030
267	Improving Teacher Quality	84.367	16TQ032	154,878
268	TAP Grant	84.374	16TT032-01	<u>689,549</u>
	Total U.S. Department of Education			<u>3,747,347</u>
<u>United States Department of Agriculture</u>				
Passed through South Carolina Department of Education				
Child Nutrition Cluster				
600	School breakfast program - cash assistance	10.553	N/A	386,691
600	School lunch program - Cash assistance	10.555	N/A	1,130,337
	Total Child Nutrition Cluster			1,517,028
600	Fresh Fruits and Vegetables	10.582	N/A	26,423
Direct program				
100	U.S. Forest Commission Revenues	10.666	N/A	<u>64,715</u>
	Total U.S. Department of Agriculture			<u>1,608,166</u>
Other Federal Assistance				
United States Department of Labor				
Passed through South Carolina Department of Education				
810	WIA Federal Incentive Grant (Learn2Earn)	17.266	13L2E002	84,345
Corporation for National and Community Service				
Direct program				
890	AmeriCorps	94.006	N/A	84,582
United States Department of Defense				
Direct program				
272	Naval Junior ROTC	12.990	N/A	<u>57,975</u>
	Total Other Federal Assistance			<u>226,902</u>
	Total Federal Assistance Expended			<u>\$ 5,582,415</u>

See notes to schedule of expenditures of federal awards.

School District of Edgefield County

Notes to Schedule of Expenditures of Federal Awards

For the year ended June 30, 2016

A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the District under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) for federal awards granted on or after December 26, 2014, or OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* for federal awards granted prior to December 26, 2014, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

School District of Edgefield County
Schedule of Findings and Questioned Costs
For the year ended June 30, 2016

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?

 yes X no

Federal Awards

Internal control over major federal programs:

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

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

 yes X no

Identification of major federal programs:

<u>CFDA #</u>	<u>Program / Cluster Name</u>
84.027	Individuals with Disabilities Education Act & South Carolina
84.374	Teacher Incentive Fund Project

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

\$750,000

Auditee qualified as low-risk auditee?

 X yes no

Section II. Financial Statement Findings

None

Section III. Federal Award Questioned Costs & Findings

None

School District of Edgefield County

Summary Schedule of Prior Audit Findings

For the year ended June 30, 2016

None reported.