

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

Annual Financial Report  
Year Ended June 30, 2019  
and  
Independent Auditor's Reports



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

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J. W. Hunt and Company

Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Calhoun County Public Schools, St. Matthews, South Carolina (District) as of and for the year ended June 30, 2019, 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, each major fund, and the aggregate remaining fund information of the District as of June 30, 2019, and the respective changes in financial position 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, budgetary comparison schedules, pension schedules, and OPEB schedules, 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 supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional

procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2019, 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 the effectiveness of the District's 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.

A handwritten signature in black ink that reads "J. W. Hunt and Company". The signature is written in a cursive style with a large initial "J" and "H".

November 20, 2019

**Calhoun County Public Schools  
St. Matthews, South Carolina**

**Management's Discussion and Analysis  
Year Ended June 30, 2019**

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As management of Calhoun County Public Schools (District), we offer readers of the District's financial statements a narrative overview and analysis of the financial activities for the year ended June 30, 2019. Please read the information presented here in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

On the government-wide financial statements:

- The liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year yielding a net position of approximately \$-22.5 million. Of this amount, approximately \$25.2 million is a net pension liability that is due after one year.
- Governmental activities have an unrestricted net position of approximately -\$60.2 million largely due to the net pension liability and the added liability of other post-employment benefit obligations.
- The District's net position decreased by \$1,103,756. Program revenues accounted for \$11,292,792, or 45%, of total revenues and general revenues accounted for \$13,892,177, or 55%.
- Total expenses increased \$1,307,519, from \$24,981,206 in fiscal year 2018 to \$26,288,725 in fiscal year 2019.

On the fund financial statements:

- The District's governmental fund expenditures and other financing uses exceeded revenues and other financing sources by \$580,368.
- The District's general fund expenditures and other financing uses exceeded revenues and other sources by \$318,885. The general fund total fund balance was reported as \$4,756,108, a decrease of 6% from June 30, 2018.

Overview of the Financial Statements

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

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



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

In the Statement of Net Position and the Statement of Activities, the District is reporting as one kind of activity:

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

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

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include general fund, special revenue funds, debt service funds, and capital projects funds.

The government-wide financial statements can be found on pages 9 through 15 of this report.

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

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

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

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16 through 42 of this report.

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

Financial Analysis of the District as a Whole

The table below provides a summary of the District's net assets for fiscal years 2019 and 2018:

	<u>2019</u>	<u>2018</u>	<u>Difference</u>
Assets:			
Current and other assets	\$10,941,268	\$ 12,515,396	\$ (1,574,128)
Capital assets	<u>34,245,663</u>	<u>34,938,016</u>	<u>(692,353)</u>
Total assets	45,186,931	47,453,412	(2,266,481)
Deferred outflows of resources	<u>5,472,163</u>	<u>6,327,062</u>	<u>(854,899)</u>
Total assets and deferred outflows of resources	<u>\$50,659,094</u>	<u>\$ 53,780,474</u>	<u>\$ (3,121,380)</u>
Liabilities:			
Long-term liabilities			
outstanding	\$66,084,761	\$ 66,952,387	\$ (867,626)
Other liabilities	<u>3,983,073</u>	<u>4,820,151</u>	<u>(837,078)</u>
Total liabilities	<u>70,067,834</u>	<u>71,772,538</u>	<u>(1,704,704)</u>
Deferred inflows of resources	<u>3,065,505</u>	<u>3,378,425</u>	<u>(312,920)</u>
Net position:			
Invested in capital assets,			
net of related debt	34,245,663	34,938,016	(692,353)
Restricted	3,444,638	3,628,089	(183,451)
Unrestricted	<u>(60,164,546)</u>	<u>(59,936,594)</u>	<u>(227,952)</u>
Total net position	<u>(22,474,245)</u>	<u>(21,370,489)</u>	<u>(1,103,756)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$50,659,094</u>	<u>\$ 53,780,474</u>	<u>\$ (3,121,380)</u>

The table below shows the changes in net position for fiscal year 2019. Fiscal year 2018 information is provided to have a comparison to current year revenue and expense.

	<u>2019</u>	<u>2018</u>	<u>Difference</u>
Revenue:			
Program revenue:			
Charges for sales and services	\$ 67,013	\$ 48,874	\$ 18,139
Operating grants and contributions	11,225,779	10,989,685	236,094
General revenue:			
Property taxes	13,803,430	13,627,502	175,928
Investment earnings	24,094	15,836	8,258
Other	64,653	33,666	30,987
Total revenue	<u>25,184,969</u>	<u>24,715,563</u>	<u>469,406</u>
Expenses:			
Instruction	13,897,386	13,318,290	579,096
Support services	11,379,375	10,831,233	548,142
Intergovernmental	51,185	28,083	23,102
Interest and other charges	960,779	803,600	157,179
Total expenses	<u>26,288,725</u>	<u>24,981,206</u>	<u>1,307,519</u>
Change in net position	(1,103,756)	(265,643)	(838,113)
NET POSITION, BEGINNING OF YEAR	<u>(21,370,489)</u>	<u>(21,104,846)</u>	<u>(265,643)</u>
NET POSITION, END OF YEAR	<u>\$ (22,474,245)</u>	<u>\$ (21,370,489)</u>	<u>\$ (1,103,756)</u>

### Financial Analysis of the District Funds

As of the close of the current fiscal year, the District's governmental funds combined ending fund balance was \$8,584,845, a decrease of \$580,368. Of the fund balance, \$22,031 is the fund balance for Educational Facilities Corporation for Calhoun County Schools, Inc.

### General Fund Budgetary Highlights

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

The District budgeted \$16,661,362 of revenue to be received from local and state sources. Of this amount, we had a negative variance in revenue of \$592,604.

- Projected use of Fund Balance was \$351,416.
- Actual local revenues were \$73,629 higher than expected.
- Net operating transfers out were \$221,033 lower than expected.
- In total, actual expenditures were less than budget spending plan by \$52,685. Of the \$16,659,636 budgeted, \$16,606,951 was spent.

Capital Asset and Debt Administration

Capital Assets - As of June 30, 2019, the District had invested \$53,416,901 in a broad range of depreciable capital assets, including school buildings, athletic facilities, technology equipment and various types of equipment to operate three schools and one administrative office. This amount represents a net increase of \$2,426,232 from last year. (More detailed information about capital assets can be found in Note 6 to the financial statements.) Total depreciation expense for the year was \$1,683,618. Capital assets, net of accumulated depreciation, as of June 30, 2019 and 2018, is summarized below:

	<u>2019</u>	<u>2018</u>	<u>% Change</u>
Land	\$ 1,073,687	\$ 1,073,687	0.00%
Buildings and improvements	31,680,801	29,477,642	7.47%
Equipment	1,080,043	1,643,668	-34.29%
Construction in progress	411,132	2,743,019	-85.01%
Total	<u>\$ 34,245,663</u>	<u>\$ 34,938,016</u>	<u>-111.83%</u>

Long-Term Debt - As of June 30, 2019, the District had \$2,316,000 in General Obligation Bonds outstanding, \$579,000 in Acquisition Bonds outstanding, and \$19,540,000 in EFC Revenue Refunding Bonds outstanding. This represents a net decrease of \$835,000 in debt compared to the prior year. Note 7 in the financial statements contains detailed information about long-term debt.

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

The District received an "A1" rating from Moody's and an "A/A+" rating from Standard and Poor's for general obligation debt.

Economic Factor and Next Year's Budget and Rates - The County in which the District resides is predominantly a rural area. The District's economy depends heavily on manufacturing for both its employment and tax base. The outlook is for manufacturing to grow at a steady rate to add to the County's employment and tax base. Several new subdivisions are being constructed in the Sandy Run community. Student enrollment decreased in the District for the school year 2019.

Request for Information - This financial report is designed to provide our citizens, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Office of Finance, Calhoun County Public Schools, 125 Herlong Avenue, Post Office Box 215, St. Matthews, South Carolina 29135.

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

STATEMENT OF NET POSITION  
JUNE 30, 2019

	<u>Governmental Activities</u>
<b>ASSETS:</b>	
Current assets:	
Cash and cash equivalents	\$ 9,112,388
Restricted cash	22,031
Property taxes receivable (net of allowance for uncollectible property taxes of \$55,976)	968,059
Due from governmental units and other receivables	701,312
Inventories and prepaid expenses	137,478
Total current assets	<u>10,941,268</u>
Noncurrent assets:	
Capital assets not being depreciated	1,484,819
Capital assets, net of accumulated depreciation	32,760,844
Total noncurrent assets	<u>34,245,663</u>
Total assets	<u>45,186,931</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Deferred pension charges	4,044,104
Deferred other post-employment benefit obligation charges	1,106,147
Advance refunding charges	321,912
Total deferred outflows of resources	<u>5,472,163</u>
 <b>LIABILITIES:</b>	
Current liabilities:	
Accounts payable and other current liabilities	\$ 1,209,087
Unearned revenue	457,114
Accrued interest	88,029
Long-term obligations, due within one year	2,228,843
Total current liabilities	<u>3,983,073</u>
Noncurrent liabilities:	
Long-term obligations, due in more than one year	21,560,008
Net pension liability	25,205,075
Net other post-employment benefit obligation	19,319,678
Total noncurrent liabilities	<u>66,084,761</u>
Total liabilities	<u>70,067,834</u>
 <b>DEFERRED INFLOWS OF RESOURCES:</b>	
Deferred pension credits	1,378,153
Deferred other post-employment benefit obligation credits	1,687,352
Total deferred inflows of resources	<u>3,065,505</u>
 <b>NET POSITION:</b>	
Invested in capital assets, net of related debt	34,245,663
Restricted for:	
Capital projects	2,014,668
Debt service	1,429,970
Unrestricted	(60,164,546)
Total net position	<u>\$ (22,474,245)</u>

*SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS*

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

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues		Net (Expense) Revenue and Change in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Primary government:				
Governmental activities:				
Instruction	\$ 13,897,386	\$ 10,368	\$ 6,976,246	\$ (6,910,772)
Support services	11,379,375	56,645	4,138,772	(7,183,958)
Intergovernmental	51,185	-	51,185	-
Interest and other charges	960,779	-	59,576	(901,203)
Total governmental activities	26,288,725	67,013	11,225,779	(14,995,933)
Total primary government	\$ 26,288,725	\$ 67,013	\$ 11,225,779	(14,995,933)
General revenues:				
Property taxes levied for:				
General purposes				10,954,564
Debt service				2,848,866
Medicaid				46,663
Local revenue				17,990
Investment income				24,094
Total general revenues				13,892,177
Change in net position				(1,103,756)
Net position, beginning of year (as restated)				(21,370,489)
Net position, end of year				\$ (22,474,245)

*SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS*

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

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019

	Special Revenue Funds				Debt Service Funds		Capital Projects Funds		Total Governmental Funds
	General	Special Projects	EIA	Food Service	Other	SCAGO	Other	SCAGO	
<b>ASSETS:</b>									
Cash and cash equivalents	\$ 5,827,921	\$ -	\$ -	\$ 8,488	\$ 1,158,553	\$ -	\$ 2,117,426	\$ -	\$ 9,112,388
Restricted cash equivalents	-	-	-	-	-	389	-	21,642	22,031
Property taxes receivable, net	955,977	-	-	-	12,082	-	-	-	968,059
Due from other funds	-	302,870	500,626	361,478	258,946	-	1,163,067	-	2,586,987
Other receivables	56,564	471,890	1,312	11,955	-	-	-	-	541,721
Prepaid expenses	39,016	2,612	-	16,031	-	-	-	-	57,659
<b>Total assets</b>	<b>\$ 6,879,478</b>	<b>\$ 777,372</b>	<b>\$ 501,938</b>	<b>\$ 397,952</b>	<b>\$ 1,429,581</b>	<b>\$ 389</b>	<b>\$ 3,280,493</b>	<b>\$ 21,642</b>	<b>\$ 13,288,845</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>									
<b>Liabilities:</b>									
Accounts payable and accrued liabilities	\$ 686,393	\$ 286,736	\$ 108,639	\$ 160	\$ -	\$ -	\$ 124,400	\$ -	\$ 1,206,328
Due to other funds	826,574	422,750	1,312	13,693	-	-	1,163,067	-	2,427,396
Due to other governmental units	-	233	2,526	-	-	-	-	-	2,759
<b>Total liabilities</b>	<b>1,512,967</b>	<b>709,719</b>	<b>112,477</b>	<b>13,853</b>	<b>-</b>	<b>-</b>	<b>1,287,467</b>	<b>-</b>	<b>3,636,483</b>
<b>Deferred inflows of resources:</b>									
Unavailable property tax revenue	610,403	-	-	-	-	-	-	-	610,403
Unearned grant revenue	-	67,653	389,461	-	-	-	-	-	457,114
<b>Total deferred inflows of resources</b>	<b>610,403</b>	<b>67,653</b>	<b>389,461</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,067,517</b>
<b>Fund balances:</b>									
Nonspendable	39,016	-	-	-	-	-	-	-	39,016
Restricted	-	-	-	384,099	1,429,581	389	1,993,026	21,642	3,828,737
Unassigned	4,717,092	-	-	-	-	-	-	-	4,717,092
<b>Total fund balances</b>	<b>4,756,108</b>	<b>-</b>	<b>-</b>	<b>384,099</b>	<b>1,429,581</b>	<b>389</b>	<b>1,993,026</b>	<b>21,642</b>	<b>8,584,845</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 6,879,478</b>	<b>\$ 777,372</b>	<b>\$ 501,938</b>	<b>\$ 397,952</b>	<b>\$ 1,429,581</b>	<b>\$ 389</b>	<b>\$ 3,280,493</b>	<b>\$ 21,642</b>	<b>\$ 13,288,845</b>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

RECONCILIATION OF GOVERNMENTAL FUNDS  
BALANCE SHEET TO STATEMENT OF NET POSITION  
JUNE 30, 2019

Total fund balances - governmental funds \$ 8,584,845

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.

Historical cost	\$ 54,901,720	
Accumulated depreciation	<u>(20,656,057)</u>	34,245,663

Property taxes receivable will be collected but are not available soon enough to pay for the current period's expenditures and are considered unavailable revenues in the funds.

610,403

Prepaid insurance on bond costs are amortized over the lives of the bonds; however in governmental account, prepaid insurance costs are expenditures in the year they are incurred.

79,819

Advance refunding charges are amortized over the lives of the bonds; however in governmental accounting, advance refunding charges are expenditures or other financing uses the year they are incurred.

Refunding charges	513,270	
Accumulated amortization	<u>(191,358)</u>	321,912

The District's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources are not recorded in the governmental funds but are recorded in the Statement of Net Position.

Net pension liability	(25,205,075)	
Deferred inflows of resources	(1,378,153)	
Deferred outflows of resources	<u>4,044,104</u>	(22,539,124)

The District's proportionate share of the net other post-employment benefit obligation, deferred outflows of resources, and deferred inflows of resources are not recorded in the governmental funds but are recorded in the Statement of Net Position.

Net other post-employment benefit obligation	(19,319,678)	
Deferred inflows of resources	(1,687,352)	
Deferred outflows of resources	<u>1,106,147</u>	(19,900,883)

Long-term obligations, including debt premiums and discounts, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term obligations consisted of:

Refunding bond payable	(19,540,000)	
GO bonds payable	(2,895,000)	
Premiums, net of accumulated amortization	(1,124,383)	
Accrued compensated absences	(229,468)	
Accrued interest	<u>(88,029)</u>	(23,876,880)

Total net position - governmental activities \$ (22,474,245)

*SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS*



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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2019

	Special Revenue Funds								Total Governmental Funds
	General Fund	Special Projects	EIA	Food Service	Debt Service Funds		Capital Projects Funds		
					Other	SCAGO	Other	SCAGO	
<b>REVENUES:</b>									
Local property taxes	\$ 6,693,122	\$ -	\$ -	\$ -	\$ 2,726,923	\$ -	\$ -	\$ -	\$ 9,420,045
Other local	134,597	226,596	-	56,645	-	4,859	15,952	-	438,649
Total local	6,827,719	226,596	-	56,645	2,726,923	4,859	15,952	-	9,858,694
State	9,241,039	1,109,535	1,825,852	-	125,226	-	-	-	12,301,652
Federal	-	191,405	-	1,243,479	-	-	-	-	3,153,884
Total revenues	16,068,758	3,246,536	1,825,852	1,300,124	2,852,149	4,859	15,952	-	25,314,230
<b>EXPENDITURES:</b>									
Current:									
Instruction	8,840,019	1,865,387	576,970	-	-	-	778,296	-	12,060,672
Support services	7,760,289	1,162,557	140,002	1,443,240	-	-	200,393	9,624	10,716,105
Intergovernmental	-	191,828	-	-	-	-	-	-	191,828
Capital outlay	6,643	247,255	603,997	-	-	-	347,454	-	1,205,349
Debt service:									
Principal	-	-	-	-	3,056,000	1,095,000	-	-	4,151,000
Interest	-	-	-	-	97,028	799,518	-	-	896,546
Other charges	-	-	-	-	-	5,000	-	-	5,000
Total expenditures	16,606,951	3,467,027	1,320,969	1,443,240	3,153,028	1,899,518	1,326,143	9,624	29,226,500
Excess (deficiency) of revenues over expenditure	(538,193)	(220,491)	504,883	(143,116)	(300,879)	(1,894,659)	(1,310,191)	(9,624)	(3,912,270)
<b>OTHER FINANCING SOURCES (USES):</b>									
Premiums on bonds issued	-	-	-	-	-	-	15,902	-	15,902
Proceeds of general obligation bonds	-	-	-	-	-	-	3,316,000	-	3,316,000
Transfers in	521,160	224,735	19,662	65,084	278,484	1,894,553	-	-	3,003,678
Transfers out	(301,852)	(4,244)	(524,545)	-	-	-	(2,173,037)	-	(3,003,678)
Total other financing sources (uses)	219,308	220,491	(504,883)	65,084	278,484	1,894,553	1,158,865	-	3,331,902
Net change in fund balances	(318,885)	-	-	(78,032)	(22,395)	(106)	(151,326)	(9,624)	(580,368)
Fund balances - July 1, 2018	5,074,993	-	-	462,131	1,451,976	495	2,144,352	31,266	9,165,213
Fund balances - June 30, 2019	\$ 4,756,108	\$ -	\$ -	\$ 384,099	\$ 1,429,581	\$ 389	\$ 1,993,026	\$ 21,642	\$ 8,584,845

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2019

Total net change in fund balance - governmental funds \$ (580,368)

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

Capital outlays are reported in governmental funds as expenditures. Not all capital outlay is capitalized, only those items over \$5,000. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Depreciation	\$ (1,683,618)	
Capital outlay	1,205,349	
Disposal of capital assets	<u>(174,334)</u>	(652,603)

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

Bonds issued	(3,316,000)	
Bond premiums, net of accretion	181,267	
Amortization of bond insurance cost	(26,967)	
Bond principal retirement	<u>4,151,000</u>	989,300

Advance refunding charges are expenditures or other financing uses the year they are incurred in governmental funds, but are amortized over the lives of the bonds in the Statement of Activities. This amount represents the current year amortization expense for advance refunding charges. (51,897)

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues changed by this amount this year. 11,382

In the Statement of Activities, compensated absences (vacation pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). (22,886)

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. This amount represents the net change in accrued interest for the year. (3,204)

Changes in the District's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the Statement of Activities. (539,719)

Changes in the District's proportionate share of the net other post-employment benefit obligation, deferred outflows of resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the Statement of Activities. (253,761)

Change in net position of governmental activities \$ (1,103,756)

*SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS*

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

STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2019

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	<u>Agency Funds</u>
<b>ASSETS:</b>	
Cash and cash equivalents	\$ 314,099
Prepaid expenses	200
Due from other funds	<u>-</u>
Total assets	<u>314,299</u>
<b>LIABILITIES:</b>	
Accounts payable	5,681
Due to other funds	159,591
Due to student groups	<u>149,027</u>
Total liabilities	<u>314,299</u>
<b>NET POSITION</b>	<u><u>\$ -</u></u>

*SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS*

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

**NOTES TO FINANCIAL STATEMENTS**

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

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

*Reporting Entity:*

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

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

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

*Governmental Funds:*

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

CALHOUN COUNTY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS

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

Special Projects Fund - used to account for financial resources provided by federal, state, and local projects and grants. Budgets are prepared on a per project basis, generally with approval of the funding source. These budgets are not a part of the formal budget process approved by the board of trustees.

Educational Improvement Act (EIA) Fund - used to account for revenue from the South Carolina Education Improvement Act of 1984, which is legally required by the State to be accounted for as a specific revenue source. Budgets are prepared on a per project basis. These budgets are not a part of the formal budget process approved by the board of trustees.

Food Service Fund – used to account for cafeteria operations at school locations. The fund is financed by user charges and subsidized by United States Department of Agriculture (USDA) school lunch and breakfast programs.

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

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

*Fiduciary Funds:*

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

*Basis of Presentation:*

Government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. As a general rule the effect of interfund activity has been eliminated from these statements.

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

CALHOUN COUNTY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS

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

The District reports the General Fund, Special Revenue Fund, EIA Fund, Capital Projects Fund, Debt Service Fund, SCAGO Debt Service Fund, and SCAGO Capital Projects Fund as major governmental funds.

*Measurement Focus and Basis of Accounting:*

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

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

*Budget:*

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

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

CALHOUN COUNTY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS

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*Cash and Investments:*

State statutes authorize the District to invest in (1) obligations of the United States (U.S.) and its agencies, (2) general obligations of the State and its subdivisions, (3) savings and loan associations to the extent of federal insurance, (4) certificates of deposit collaterally secured, (5) repurchase agreements secured by the foregoing obligations, and (6) the State Treasurer's internal investment pool.

*Cash and cash equivalents* include cash on hand, demand deposits, short-term highly liquid investments that are readily convertible with original maturities of three months or less, and funds deposited with the State Treasurer as part of an internal investment pool. Funds invested through the State's internal cash management pool administered by the State Treasurer's Office are considered cash equivalents because the pool operates as a demand deposit account.

*Cash, Cash Equivalents, and Investments with Fiscal Agent:* The County Treasurer, fiscal agent for the District, receives funds from local, state, and federal sources on behalf of the District. Funds are remitted to the District once a claim has been presented to the County. Funds held by the County are invested in cash, money market funds, short-term certificates of deposit, and the State Treasurer's investment pool. These funds, except for investments with the State Treasurer, are collateralized with government investments held by the pledging institution's agent in the name of the County.

Investments with maturities less than one year at the time of purchase are recorded at amortized cost which approximates fair value.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the District. The investments held by the District are primarily U.S. Treasury Notes. U.S. Treasury Notes are issued by the federal government and are backed by the "full faith and credit" of the U.S government.

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the District will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party.

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investments in a single issuer. The District has individual investments that represent 5% or more of total investments. The District has no investment policy that would limit its investment choices other than those that are mandated by state law. The District also places no limit on the amount it may invest in any one issuer.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investments. The District minimizes its interest rate risk by restricting its investment maturities to no more than one year.

*Inventories:*

Purchased food and food supplies are carried in an inventory account at cost on the first-in, first-out method of accounting and are subsequently charged to expense when used. USDA food

CALHOUN COUNTY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS

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commodities are priced at values assigned by the federal government, which approximate local wholesale prices.

*Capital Assets:*

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	40
Improvements other than buildings	15
Furniture and equipment	10
Vehicles	10
Computers	5
Software	3

*Fund Balances:*

The governmental funds have the following types of fund balances:

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

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



CALHOUN COUNTY PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

*Net Position:*

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

*Compensated Absences:*

Compensated absences are absences for which employees will be paid. A liability for compensated absences, including all salary related payments, is accrued as employees earn the rights to the benefits. Amounts paid during the year from current resources are charged to the funds from which the employees are paid.

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

*Use of Estimates:*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

*Subsequent Events:*

The District has considered subsequent events through November 20, 2019, the date the financial statements were available to be issued.

*Recent Accounting Pronouncements:*

GASB Statement No. 84, *Fiduciary Activities* (GASB No. 84), was issued in January 2017 and establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. GASB No. 84 describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. GASB No. 84 is effective for reporting periods beginning after December 15, 2018 with earlier application encouraged. The District is currently evaluating the impact that GASB No. 84 will have on its financial statements.

GASB Statement No. 87, *Leases* (GASB No. 87), was issued in June 2017 and requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. GASB No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of GASB No. 87 are effective for reporting periods beginning after December 15, 2019 with earlier application encouraged. The District is currently evaluating the impact that GASB No. 87 will have on its financial statements.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* (GASB No. 89), was issued in June 2018 and requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

CALHOUN COUNTY PUBLIC SCHOOLS  
 NOTES TO FINANCIAL STATEMENTS

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Thus, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. GASB No. 89 also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of GASB No. 89 are effective for reporting periods beginning after December 15, 2019 with earlier application encouraged. The District is current evaluating the impact that GASB No. 89 will have on its financial statements.

**NOTE 2 - CASH AND CASH EQUIVALENTS:**

*Deposits:*

The District's bank balances at June 30, 2019, totaled \$1,895,895. Of this balance, \$500,000 was collateralized by Federal Deposit Insurance. The remaining balance was collateralized by obligations of the U.S. and its agencies (as required by state law) and is held at Bank of New York Mellon under the District's control via book entry. The District's cash and cash equivalents consist of the following:

Petty cash	\$ 6,000
Cash	943,939
Cash and cash equivalents held by county	<u>8,162,449</u>
 Total unrestricted cash and cash equivalents	 9,112,388
 Restricted cash and cash equivalents with trustee	 22,031
Cash held as fiduciary	<u>314,099</u>
 Total cash and cash equivalents	 <u><u>\$ 9,448,518</u></u>

Cash and cash equivalents held by the County are collateralized in the same manner as the District's own cash.

**NOTE 3 - PROPERTY TAXES:**

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

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

CALHOUN COUNTY PUBLIC SCHOOLS  
 NOTES TO FINANCIAL STATEMENTS

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

The principal property tax incentive arrangements authorized by South Carolina law, and implemented at the county government level, are the fee-in-lieu of property tax (FILOT) incentive and the Special Source Revenue Credit (SSRC) incentive. The County uses these property tax incentive arrangements to encourage economic development. The District does not directly negotiate or enter into such arrangements, but is impacted by them in the form of reduced property tax revenue from the County. Property tax revenue received by the District from the County for 2018 was reduced by approximately \$3,536,000 due to the FILOT abatement and SSRC incentive. The County has not yet released this information for tax year 2019.

**NOTE 4 - COMPLIANCE AND ACCOUNTABILITY:**

No individual funds incurred expenditures in excess of budgeted appropriations for the year ended June 30, 2019.

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

*Due to/from Other Funds:*

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

As of June 30, 2019, the composition of interfund balances is as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ -	\$ 826,574
Special Revenue Fund	664,348	436,443
EIA Fund	500,626	1,312
Debt Service Fund	258,946	-
Capital Projects Fund	1,163,067	1,163,067
Pupil Activity Fund	232,130	391,721
	<hr/>	<hr/>
Total	<u>\$ 2,819,117</u>	<u>\$ 2,819,117</u>

*Interfund Transfers:*

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

CALHOUN COUNTY PUBLIC SCHOOLS  
 NOTES TO FINANCIAL STATEMENTS

During the year ended June 30, 2019, the following transfers were made:

	Transfers <u>To</u>	Transfers <u>From</u>
General Fund:		
Special Revenue Fund	\$ 289,820	\$ (4,244)
EIA Fund	12,033	(516,916)
Special Revenue Fund:		
General Fund	4,244	(289,820)
EIA Fund:		
General Fund	516,916	(12,033)
Debt Service Fund - Other:		
Capital Projects Fund - Other	-	(278,484)
Debt Service Fund - SCAGO:		
Capital Projects Fund - Other	-	(1,894,553)
Capital Projects Fund - Other:		
Debt Service Fund - Other	278,484	-
Debt Service Fund - SCAGO	1,894,553	-
	<u>\$ 2,996,050</u>	<u>\$ (2,996,050)</u>
Total		

**NOTE 6 - CAPITAL ASSETS:**

Capital asset activity for the year ended June 30, 2019, was as follows:

	Beginning Balance <u>(As Restated)</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,073,687	\$ -	\$ -	\$ 1,073,687
Construction in progress	2,743,019	411,132	(2,743,019)	411,132
Total capital assets not being depreciated	<u>3,816,706</u>	<u>411,132</u>	<u>(2,743,019)</u>	<u>1,484,819</u>
Capital assets being depreciated:				
Buildings and improvements	44,907,921	3,480,895	(272,475)	48,116,341
Machinery and equipment	6,493,880	16,591	(1,209,911)	5,300,560
Total capital assets being depreciated	<u>51,401,801</u>	<u>3,497,486</u>	<u>(1,482,386)</u>	<u>53,416,901</u>
Less accumulated depreciation:				
Buildings and improvements	(15,430,279)	(1,242,689)	237,428	(16,435,540)
Machinery and equipment	(4,850,212)	(440,929)	1,070,624	(4,220,517)
Total accumulated depreciation	<u>(20,280,491)</u>	<u>(1,683,618)</u>	<u>1,308,052</u>	<u>(20,656,057)</u>
Capital assets being depreciated, net	<u>31,121,310</u>	<u>1,813,868</u>	<u>(174,334)</u>	<u>32,760,844</u>
Governmental activities capital assets, net	<u>\$ 34,938,016</u>	<u>\$ 2,225,000</u>	<u>\$ (2,917,353)</u>	<u>\$ 34,245,663</u>

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

Governmental activities:	
Instruction	\$ 1,346,894
Support services	336,724

**NOTE 7 - LONG-TERM OBLIGATIONS:**

The following is a summary of the District's long-debt obligations:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General obligation bonds:					
Series 2017B	\$ 2,223,000	\$ -	\$ (297,000)	\$ 1,926,000	\$ 304,000
Series 2018A	412,000	-	(412,000)	-	-
Series 2018B	-	2,076,000	(2,076,000)	-	-
Series 2019A	-	390,000	-	390,000	390,000
Installment purchase refunding revenue bonds:					
Series 2015	20,635,000	-	(1,095,000)	19,540,000	1,140,000
Acquisition bond:					
Series 2018ACQ	-	850,000	(271,000)	579,000	284,000
Subtotal	23,270,000	3,316,000	(4,151,000)	22,435,000	2,118,000
Bond premium	1,305,650	-	(181,267)	1,124,383	49,024
Net bond indebtedness	24,575,650	3,316,000	(4,332,267)	23,559,383	2,167,024
Compensated absences	206,583	99,247	(76,362)	229,468	61,819
<b>Total</b>	<b>\$ 24,782,233</b>	<b>\$ 3,415,247</b>	<b>\$ (4,408,629)</b>	<b>\$ 23,788,851</b>	<b>\$ 2,228,843</b>

Further information about bond indebtedness outstanding at June 30, 2019 is as follows:

	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Interest Rates</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
General Obligation Bonds:					
Series 2017B	6/1/17	3/1/25	2.19%	\$ 2,500,000	\$ 1,926,000
Series 2019A	5/15/19	3/2/20	2.00%	390,000	390,000
Acquisition bond:					
Series 2018ACQ	8/9/18	12/1/20	2.83%	850,000	579,000
Installment Purchase Refunding Revenue Bonds:					
Series 2015	12/29/15	12/1/31	2.75% - 5.00%	22,810,000	19,540,000
<b>Total</b>				<b>\$ 26,550,000</b>	<b>\$ 22,435,000</b>

The District received a premium of \$1,792,764 upon issuance of the Series 2015 Installment Purchase Refunding Revenue Bonds. These bonds were issued for the purpose of advance refunding the outstanding balance of the Series 2006 Installment Purchase Revenue Bonds. The reacquisition price exceeded the net carrying amount of the old debt by \$513,270. This amount,

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along with the premium received, are being amortized over the life of the new debt, which has the same life as the old debt.

The District has also issued short-term general obligation bonds to provide funding for its annual debt service needs under the 2015 bond issue.

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

The annual debt service requirements for the District's bond indebtedness subsequent to June 30, 2019 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 2,118,000	\$ 807,594	\$ 2,925,594
2021	1,800,000	734,540	2,534,540
2022	1,572,000	658,167	2,230,167
2023	1,644,000	586,866	2,230,866
2024	1,717,000	527,742	2,244,742
2025-2029	8,179,000	1,599,346	9,778,346
2030-2032	5,405,000	261,344	5,666,344
Total	<u>\$ 22,435,000</u>	<u>\$ 5,175,599</u>	<u>\$ 27,610,599</u>

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

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The District's debt limitation at June 30, 2019 is computed below:

2018 Assessed value (as provided by Calhoun County)	\$ 82,821,080
	X 8%
Constitutional debt limit	<u>6,625,686</u>
Debt subject to limit	<u>(2,895,000)</u>
Legal debt available without a referendum	<u>\$ 3,730,686</u>

**NOTE 8 - DEFERRED COMPENSATION PLANS:**

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

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

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

**NOTE 9 - RETIREMENT PLAN:**

*Description of the Entity:*

South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012 and governed by an 11-member Board of Directors, is the state agency responsible for the administration and management of the various retirement systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program (State ORP) and the South Carolina Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' 5 defined benefit pension plans (Systems). The Retirement System Funding and Administration Act of 2017 (Act), which became effective July 1, 2017, increased the employer and employee contribution rates, established a ceiling on the South Carolina Retirement System (SCRS) employee contribution rates, lowered the assumed rate of return, required a scheduled reduction of the funding periods, and addressed various governance issues including the assignment of the PEBA Board as custodian of the retirement trust funds and assignment of the South Carolina Retirement Investment Commission (RSIC) and PEBA as co-trustees of the assets of the retirement trust



funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of 5 elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

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 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.

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](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the CAFR of the state.

*Plan Description:*

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 and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

State ORP is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired employees of state agencies, institutions of higher education, public school districts and individuals first elected to the General Assembly at or after the general election in November 2012. State ORP participants direct the investment of their funds into an account administered by 1 of 4 third party record keepers.

*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.

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- State ORP - As an alternative to membership in SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election have the option to participate in State ORP. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the third party record keepers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes. Contributions to State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member's account with the ORP vendor for the employee contribution and a portion of the employer contribution (5%). 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.

*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/current annual salary. A brief summary of the benefit terms for SCRS is presented below.

An SCRS Class Two member who has separated from service with at least 5 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 8 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 5 or 8 year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible SCRS retirees or their surviving annuitants is increased by the lesser of 1% or \$500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

*Contributions:*

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. If the scheduled employee and employer contributions provided in statute, or the rates last adopted by the PEBA Board, are insufficient to maintain the amortization period set in statute, the PEBA Board shall increase the contribution rates as necessary.

After June 30, 2027, if the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability

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of the system (the funded ratio) that is equal to or greater than 85%, then the PEBA Board, effective on the following July 1st, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85%. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85%, then effective on the following July 1st, and annually thereafter as necessary, the PEBA Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85%.

The Act establishes a ceiling on employee contribution rates at 9.00% for SCRS. The employer contribution rates will continue to increase annually by 1.00% through July 1, 2022. The legislation's ultimate scheduled employer rate is 18.56% for SCRS. The amortization period is scheduled to be reduced 1 year for each of the next 10 years to a 20 year amortization schedule.

Required employee contribution rates for fiscal year 2019 are as follows:

SCRS	
Employee Class Two	9.00% of earnable compensation
Employee Class Three	9.00% of earnable compensation
State ORP	
Employee	9.00% of earnable compensation

Required employer contribution rates for fiscal year 2019 are as follows:

SCRS	
Employer Class Two	14.41% of earnable compensation
Employer Class Three	14.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation
State ORP	
Employer Contribution <sup>1</sup>	14.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation

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<sup>1</sup>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.

The District's contributions to the Plan for the year ended June 30, 2019 were \$1,750,605. Plan members' contributions to the Plan for the year ended June 30, 2019 were \$1,069,639.

For the year ended June 30, 2019, the District's total payroll for all employees was \$12,593,951. Total covered payroll was \$12,095,832. Covered payroll refers to all compensation paid by the District to active employees covered by the Plan.

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*Actuarial Assumptions and Methods:*

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each 5-year period. An experience report was most recently issued for the period ended June 30, 2015.

The June 30, 2018, total pension liability, net pension liability, and sensitivity information were determined by Systems' consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2017. The total pension liability was rolled-forward from the valuation date to the Systems' fiscal year ended June 30, 2018, using generally accepted actuarial principles.

The following table provides a summary of the actuarial assumptions and methods used to calculate the total pension liability of SCRS as of June 30, 2018:

Actuarial cost method	Entry age normal
Investment rate of return	7.25%
Projected salary increases	3.0% to 12.5% (varies by service)
Includes inflation at	2.25%
Benefit adjustments	Lesser of 1% or \$500 annually

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina Mortality table (2016 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016. Assumptions used in the determination of the June 30, 2018, total pension liability for SCRS are as follows:

Former Job Class	Males	Females
Educators	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%

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

Net pension liability is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67 less that system's fiduciary net position. Net pension liability totals as of June 30, 2018 for SCRS are presented below.

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employer's Net Pension Liability (Asset)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
SCRS	\$ 48,821,730,067	\$ 26,414,916,370	\$ 22,406,813,697	54.1%

Total pension liability is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GAAP are not applicable for other purposes, such as determining the plan's funding requirements.

At June 30, 2019, the District reported a liability of \$25,205,075 for its proportionate share of SCRS's net pension liability, which was determined based on the July 1, 2017 actuarial valuation, using membership data as of July 1, 2017, projected forward to June 30, 2018, and financial information of the pension trust fund as of June 30, 2018, using generally accepted actuarial procedures. The District's portion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. At the June 30, 2018 measurement date, the District's proportion of SCRS was 0.112488%.

For the year ended June 30, 2019, the District recognized pension expense of \$539,719. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual results	\$ 45,498	\$ (148,325)
Net difference between projected and actual earnings on Plan investments	1,248,005	(847,622)
Change in proportionate share	-	(382,206)
Change in assumptions	999,996	-
Contributions subsequent to the measurement date	1,750,605	-
<b>Total</b>	<b>\$ 4,044,104</b>	<b>\$ (1,378,153)</b>

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Contributions submitted subsequent to the measurement date resulted in a deferred outflow of resources and will be recognized as a reduction of the net pension liability in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	
2020	\$ 831,971
2021	488,533
2022	(357,725)
2023	<u>(47,433)</u>
Net balance of deferred outflows of resources	<u>\$ 915,346</u>

*Long-term Expected Rate of Return:*

The long-term expected rate of return on pension plan investments is based upon 30-year capital market assumptions. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2018 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.25% assumed annual investment rate of return used in the calculation of total pension liability includes a 5.00% real rate of return and a 2.25% inflation component.

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
<b>Global Equity</b>	<b>47.0%</b>		
Global Public Equity	33.0%	6.99%	2.31%
Private Equity	9.0%	8.73%	0.79%
Equity Options Strategies	5.0%	5.52%	0.28%
<b>Real Assets</b>	<b>10.0%</b>		
Real Estate (Private)	6.0%	3.54%	0.21%
Real Estate (REITs)	2.0%	5.46%	0.11%
Infrastructure	2.0%	5.09%	0.10%
<b>Opportunistic</b>	<b>13.0%</b>		
GTAA/Risk Parity	8.0%	3.75%	0.30%
Hedge Funds (non-PA)	2.0%	3.45%	0.07%
Other Opportunistic Strategies	3.0%	3.75%	0.11%
<b>Diversified Credit</b>	<b>18.0%</b>		
Mixed Credit	6.0%	3.05%	0.18%
Emerging Markets Debt	5.0%	3.94%	0.20%
Private Debt	7.0%	3.89%	0.27%
<b>Conservative Fixed Income</b>	<b>12.0%</b>		
Core Fixed Income	10.0%	0.94%	0.09%
Cash and Short Duration (Net)	<u>2.0%</u>	0.34%	<u>0.01%</u>
Total Expected Real Return	100.0%		<u>5.03%</u>
Inflation for Actuarial Purposes			<u>2.25%</u>
Total Expected Nominal Return			<u><u>7.28%</u></u>

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*Discount Rate:*

The discount rate used to measure total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the 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 total pension liability.

*Sensitivity Analysis:*

The following table presents the District's proportionate share of net pension liability calculated using the discount rate of 7.25% as well as what the District's proportionate share of net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.25%) or 1.00% higher (8.25%) than the current rate:

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
SCRS	\$ 32,207,280	\$ 25,205,075	\$ 20,199,001

**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB):**

*Plan Description:*

PEBA is the state agency responsible for the administration and management of the state's employee insurance programs and other post-employment benefit trusts. The Other Post-Employment Benefits Trust Funds (OPEB Trusts), collectively referring to the South Carolina Retiree Health Insurance Trust Fund (SCRHITF) and the South Carolina Long-Term Disability Insurance Trust Fund (SCLTDITF), were established by the State of South Carolina as Act 195, which became effective in May 2008. SCRHITF was created to fund and account for the employer costs of the State's retiree health and dental plans. SCLTDITF was created to fund an account for the employer costs of the State's Basic Long-Term Disability Income Benefit Plan.

In accordance with Act 195, the OPEB Trusts are administered by PEBA - Insurance Benefits and the State Treasurer is the custodian of the funds held in trust. The PEBA Board has been designated as the Trustee.

The OPEB Trusts are cost-sharing multiple-employer defined benefit OPEB plans. Article 5 of the State Code of Laws defines the two plans and authorizes the Trustee to at any time adjust the plans, including its benefits and contributions, as necessary to insure the fiscal stability of the plans. 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.

*Benefits:*

SCRHITF is a healthcare plan that covers retired employees of the State of South Carolina, including all agencies, and public school districts. SCRHITF provides health and dental insurance benefits to eligible retirees. Generally, retirees are eligible for the health and dental benefits if they have established at least 10 years of retirement service credit. For new hires beginning employment May 2, 2008 and after, retirees are eligible for benefits if they have established 25 years of service for 100% employer funding and 15-24 years of service for 50% employer funding.

SCLTDITF is a long-term disability plan that covers employees of the State of South Carolina, including all agencies and public school districts and all participating local governmental entities. SCLTDITF provides disability payments to eligible employees that have been approved for disability.

*Contributions and Funding Policy:*

Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires the post-employment and long-term disability benefits to be funded through non-employer and employer contributions for active employees and retirees to PEBA - Insurance Benefits. Non-employer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits reserves.

SCRHITF is funded through participating employers that are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The covered payroll surcharge for the year ended June 30, 2018 was 5.50%. SCRS collects the monthly covered payroll surcharge for all participating employers and remits it directly to SCRHITF. Other sources of funding for SCRHITF include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GAAP, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Non-employer contributions include the mandatory transfer of accumulated PEBA – Insurance Benefits' reserves and the annual appropriation budgeted by the General Assembly. It is also funded through investment income.

SCLTDITF is funded through employer contributions for active employees that elect health insurance coverage. For this group of active employees, PEBA – Insurance Benefits bills and collects premiums charged to State agencies, public school districts, and other participating local governments. The monthly premium per active employee was \$3.22 for the fiscal year ended June 30, 2018. The SCLTDITF premium is billed monthly by PEBA - Insurance Benefits and transferred monthly to SCLTDITF. It is also funded through investment income.

The allocation percentage of the OPEB amounts are calculated differently for each OPEB trust. For SCRHITF, the allocation percentage is based on the covered payroll surcharge contribution for each employer.



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In accordance with GAAP, participating employers should recognize revenue in an amount equal to the employer's proportionate share of the change in the collective net OPEB liability arising from contributions to the OPEB plan during the measurement period from non-employer contributing entities for purposes other than the separate financing of specific liabilities to the OPEB plan. Therefore, employers should classify this revenue in the same manner as it classifies grants from other entities.

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Trusts, and additions to and deductions from the OPEB Trusts fiduciary net position have been determined on the same basis as they were reported by the OPEB Trusts. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Therefore, benefit and administrative expenses are recognized when due and payable. Investments are reported at fair value.

PEBA - Insurance Benefits issues audited financial statements and required supplementary information for the OPEB Trust Funds. This information is publicly available through the PEBA - Insurance Benefits' link on PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov) or a copy may be obtained by submitting a request to PEBA – Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, OPEB Trust fund financial information is also included in the comprehensive annual financial report of the state.

*Actuarial Assumptions and Methods:*

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plans (as understood by the employer and plan participants) and include the types of benefits provided at the time the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

Additional information as of the latest actuarial valuation for SCRHITF:

Valuation Date:	June 30, 2017
Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Investment Rate of Return:	4.00%, net of OPEB Plan investment expense; including inflation
Single Discount Rate:	3.62% as of June 30, 2018
Demographic Assumptions:	Based on the experience study performed for SCRS for the 5-year period ended June 30, 2015

CALHOUN COUNTY PUBLIC SCHOOLS  
 NOTES TO FINANCIAL STATEMENTS

Mortality:	For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. Multipliers are applied to the base tables based on gender and employment type
Health Care Trend Rate:	Initial trend starting at 6.75% and gradually decreasing to an ultimate trend rate of 4.15% over a period of 14 years
Retiree Participation:	79% for retirees who are eligible for funded premiums 59% participation for retirees who are eligible for partial funded premiums 20% participation for retirees who are eligible for non-funded premiums
Notes:	There were no benefit changes during the year; the discount rate changed from 3.56% as of June 30, 2017 to 3.62% as of June 30, 2018

Additional information as of the latest actuarial valuation for SCLTDITF:

Valuation Date:	June 30, 2017
Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Investment Rate of Return:	4.00%, net of Plan investment expense; including inflation
Single Discount Rate:	3.91% as of June 30, 2018
Salary, Termination, and Retirement Rates:	Based on the experience study performed for SCRS for the 5-year period ending June 30, 2015
Disability Incidence:	The rates used in the valuation are based on the rates developed for the SCRS pension plans
Disability Recovery:	For participants in payment, 1987 CGDT Group Disability; for active employees, 60% were assumed to recover after the first year and 92% were assumed to recover after the first two years
Offsets:	40% are assumed to be eligible for Social Security benefits; assumed percentage who will be eligible for a pension plan offset varies based on the employee group
Expenses:	Third party administrative expenses were included in the benefit projections
Notes:	The discount rate changed from 3.87% as of June 30, 2017 to 3.91% as of June 30, 2018

The actuarial valuation was performed as of June 30, 2017. Update procedures were used to roll forward the total OPEB liability to June 30, 2018.

CALHOUN COUNTY PUBLIC SCHOOLS  
 NOTES TO FINANCIAL STATEMENTS

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

Net OPEB liability (NOL) is calculated separately for each OPEB Trust Fund and represents that particular Trust's total OPEB liability (TOL) determined in accordance with GASB No. 74, less that Trust's fiduciary net position. The following table represents the components of the NOL as of June 30, 2018:

OPEB Trust	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Plan Fiduciary Net Position as a % of Total OPEB Liability
SCRHITF	\$ 15,387,115,010	\$ 1,216,530,062	\$ 14,170,584,948	7.91%
SCLTDITF	\$ 39,261,091	\$ 36,199,863	\$ 3,061,228	92.20%

TOL is calculated by the Trusts' actuary, and each Trust's fiduciary net position is reported in the Trust's financial statements. NOL is disclosed in accordance with the requirements of GASB No. 74 in the Trusts' notes to the financial statements and required supplementary information. Liability calculations performed by the Trusts' actuary are for the purpose of satisfying the requirements of GASB Nos. 74 and 75 and are not applicable for other purposes, such as determining the Trusts' funding requirements.

At June 30, 2019, the District reported a liability of \$19,319,678 for its proportionate share of NOL of the OPEB Trusts. NOL of the OPEB Trusts was determined based on the June 30, 2017 actuarial valuation, using membership data as of June 30, 2017, projected forward to June 30, 2018, and financial information of the OPEB Trusts as of June 30, 2018, using generally accepted actuarial procedures. The District's portion of NOL was based on the District's share of contributions to the OPEB Trusts relative to the contributions of all participating entities. At the June 30, 2018 measurement date, the District's proportion of SCRHITF and SCLTDITF was 0.136310% and 0.122623%, respectively. For the year ended June 30, 2019, the District recognized OPEB expense of \$253,761. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual results	\$ 289,361	\$ (6,960)
Net difference between projected and actual earnings on Plan investments	76,246	-
Change in proportionate share	-	(107,248)
Change in assumptions	-	(1,573,144)
Contributions subsequent to the measurement date	740,540	-
Total	\$ 1,106,147	\$ (1,687,352)

Contributions submitted subsequent to the measurement date resulted in a deferred outflow of resources and will be recognized as a reduction of the NOL in the next fiscal year. Other

CALHOUN COUNTY PUBLIC SCHOOLS  
 NOTES TO FINANCIAL STATEMENTS

amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ending June 30,</u>	
2020	\$ (247,342)
2021	(247,342)
2022	(247,342)
2023	(255,542)
2024	(268,453)
Later years	<u>(55,724)</u>
Net balance of deferred inflows of resources	<u>\$ (1,321,745)</u>

*Long-term Expected Rate of Return:*

The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2017 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation. This information is summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Allocation-Weighted Long-Term Expected Real Rate of Return</u>
U.S. Domestic Fixed Income	80.00%	2.09%	1.67%
Cash equivalents	20.00%	0.84%	0.17%
Total	<u>100.00%</u>		<u>1.84%</u>
Expected inflation			2.25%
Total return			<u>4.09%</u>
Investment return assumption			<u>4.00%</u>

*Single Discount Rate:*

The single discount rate of 3.62% was used to measure TOL for SCRHITF. The accounting policy for this plan is to set the single discount rate equal to the prevailing municipal bond rate. Due to the plan's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

A single discount rate of 3.91% was used to measure TOL for SCLTDITF. This single discount rate was based on an expected rate of return on plan investments of 4.00% and a municipal bond rate of 3.62%. The projection of cash flows to determine this single discount rate assumed that employer contributions will remain \$38.64 per year for each covered active employee. Based on these assumptions, the plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2037. As a result, the long-term

CALHOUN COUNTY PUBLIC SCHOOLS  
 NOTES TO FINANCIAL STATEMENTS

expected rate of return on plan investments was applied to project benefit payments through the year 2037, and the municipal bond rate was applied to all benefit payments after that date.

*Sensitivity Analysis:*

The following table presents the District's proportionate share of SCRHITF's NOL calculated using a single discount rate of 3.62%, as well as what the District's proportionate share of SCRHITF's NOL would be if it were calculated using a single discount rate that is 1.00% lower or 1.00% higher:

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate			
System	1.00% Decrease (2.62%)	Current Discount Rate (3.62%)	1.00% Increase (4.62%)
SCRHITF	\$ 22,756,014	\$ 19,315,924	\$ 16,542,939

Regarding the sensitivity of the District's proportionate share of SCRHITF's NOL to changes in the healthcare cost trend rates, the following table presents the District's proportionate share of SCRHITF's NOL calculated using the assumed trend rates as well as what the District's proportionate share of SCRHITF's NOL would be if it were calculated using a trend rate that is 1.00% lower or 1.00% higher:

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate			
System	1.00% Decrease	Current Healthcare Cost Trend Rate	1.00% Increase
SCRHITF	\$ 15,893,887	\$ 19,315,924	\$ 23,739,985

The following table presents the District's proportionate share of SCLTDTF's NOL calculated using a single discount rate of 3.91%, as well as what the District's proportionate share of SCLTDTF's NOL would be if it were calculated using a single discount rate that is 1.00% lower or 1.00% higher:

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate			
System	1.00% Decrease (2.91%)	Current Discount Rate (3.91%)	1.00% Increase (4.91%)
SCLTDTF	\$ 5,610	\$ 3,754	\$ 1,942

**NOTE 11 - ECONOMIC DEPENDENCY:**

The District receives over 50% of its property tax revenue from two industrial taxpayers each year.

**NOTE 12 - RISK MANAGEMENT:**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased insurance from commercial insurers and feels the coverage provided is adequate.

**NOTE 13 - CONTINGENCIES AND COMMITMENTS:**

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

At June 30, 2019, remaining capital commitments related to security upgrades to all District facilities totaled approximately \$281,000.

**NOTE 14 - SUBSEQUENT EVENTS:**

On September 12, 2019, the District issued \$2,095,000 Series 2019D general obligation bonds for the purpose of funding the acquisition and installment purchase revenue bonds payments to SCAGO. The interest rate on the Series 2019D bond is 2.00%, with a maturity date of March 2, 2020.

**NOTE 15 - PRIOR PERIOD ADJUSTMENT:**

The District previously reported the activity of the Food Service Fund in a proprietary fund. Effective July 1, 2018, such activity has been more appropriately reported in a special revenue fund. Accordingly, the newly established special revenue fund reports a restated beginning balance of \$462,131, which is equal to the net current assets and current liabilities previously reported in the proprietary fund. All remaining assets and liabilities, including negative net position of \$1,101,296, previously reported in the proprietary fund are not recognized at the fund level under the modified accrual basis of accounting, and have been reclassified as assets and liabilities of governmental activities as of July 1, 2018 in the government-wide financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

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

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	(Budgetary Basis)	(Negative)
<b>REVENUES:</b>				
Local	\$ 7,127,521	\$ 7,105,506	\$ 6,827,719	\$ (277,787)
State	9,550,956	9,555,856	9,241,039	(314,817)
Total revenues	16,678,477	16,661,362	16,068,758	(592,604)
<b>EXPENDITURES:</b>				
Current:				
Instruction	9,055,564	9,066,198	8,840,019	226,179
Support services	7,613,284	7,581,788	7,760,289	(178,501)
Capital outlay	11,650	11,650	6,643	5,007
Total expenditures	16,680,498	16,659,636	16,606,951	52,685
Excess of revenues over expenditures	(2,021)	1,726	(538,193)	(539,919)
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	524,060	507,230	521,160	13,930
Operating transfers out	(507,138)	(508,956)	(301,852)	207,104
Total other financing sources (uses)	16,922	(1,726)	219,308	221,034
Net change in fund balances	14,901	-	(318,885)	(318,885)
Fund balance - July 1, 2018			5,074,993	
Fund balance - June 30, 2019			\$ 4,756,108	



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

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget -
	Original	Final		Positive
				(Negative)
<b>REVENUES:</b>				
Local	\$ 115,736	\$ 228,486	\$ 226,596	\$ (1,890)
State	622,714	954,897	1,109,535	154,638
Federal	1,531,638	2,200,915	1,910,405	(290,510)
Total revenues	2,270,088	3,384,298	3,246,536	(137,762)
<b>EXPENDITURES:</b>				
Current:				
Instruction	1,754,028	2,105,380	1,865,387	239,993
Support services	777,985	1,502,642	1,162,557	340,085
Community services	-	159	-	159
Intergovernmental	-	51,185	191,828	(140,643)
Capital outlay	-	-	247,255	(247,255)
Total expenditures	2,532,013	3,659,366	3,467,027	192,339
Deficiency of revenue over expenditures	(261,925)	(275,068)	(220,491)	54,577
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	261,925	278,045	224,735	(53,310)
Operating transfers out	-	(2,977)	(4,244)	(1,267)
Total other financing sources (uses)	261,925	275,068	220,491	(54,577)
Net change in fund balances	-	-	-	-
Fund balance - July 1, 2018			-	
Fund balance - June 30, 2019			\$ -	

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

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION IMPROVEMENT ACT  
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive
	Original	Final		(Negative)
<b>REVENUES:</b>				
State	\$ 269,847	\$ 1,729,799	\$ 1,825,852	\$ 96,053
Total revenues	269,847	1,729,799	1,825,852	96,053
<b>EXPENDITURES:</b>				
Current:				
Instruction	350,752	576,311	576,970	(659)
Support services	3,837	743,900	743,999	(99)
Total expenditures	354,589	1,320,211	1,320,969	(758)
Excess of revenue over expenditures	(84,742)	409,588	504,883	(95,295)
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	84,742	12,033	12,033	-
Operating transfers out	-	(421,621)	(516,916)	95,295
Total other financing sources (uses)	84,742	(409,588)	(504,883)	95,295
Net change in fund balances	-	-	-	-
Fund balance - July 1, 2018			-	
Fund balance - June 30, 2019			\$ -	

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

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
YEAR ENDED JUNE 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.112488%	0.113906%	0.115450%	0.115586%	0.115847%	0.115847%
District's proportionate share of the net pension liability	\$ 25,205,075	\$ 25,642,072	\$ 24,659,950	\$ 21,921,442	\$ 19,945,013	\$ 20,778,819
District's covered payroll	\$ 12,095,832	\$ 11,754,990	\$ 11,565,801	\$ 11,240,224	\$ 10,903,456	\$ 10,591,385
District's proportionate share of the net pension liability as a percentage of its covered payroll	208.38%	218.14%	213.21%	195.03%	182.92%	196.19%
Plan fiduciary net position as a percentage of total pension liability	54.10%	53.30%	52.90%	57.00%	59.92%	56.39%

**NOTES TO SCHEDULE:**

The District implemented GASB Statement No. 68 during the year ended June 30, 2015. Thus, data is only available for the last 6 years. The above schedule will present 10 years of information once it is accumulated.

The amounts presented for each fiscal year were determined as of June 30<sup>th</sup> of the preceding year.

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

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PENSION PLAN CONTRIBUTIONS  
YEAR ENDED JUNE 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 1,750,605	\$ 1,580,758	\$ 1,328,561	\$ 1,235,632	\$ 1,182,149	\$ 1,114,846
Contributions in relation to the contractually required contribution	<u>1,750,605</u>	<u>1,580,758</u>	<u>1,328,561</u>	<u>1,235,632</u>	<u>1,182,149</u>	<u>1,114,846</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 12,095,832	\$ 11,754,990	\$ 11,565,801	\$ 11,240,224	\$ 10,903,456	\$ 10,591,385
Contributions as a percentage of covered payroll	14.5%	13.4%	11.5%	11.0%	10.8%	10.5%

**NOTE TO SCHEDULE:**

The District implemented GASB Statement No. 68 during the year ended June 30, 2015. Thus, data is only available for the last 6 years. The above schedule will present 10 years of information once it is accumulated.

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

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF  
THE NET OPEB LIABILITY  
YEAR ENDED JUNE 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability:			
SCRHITF	0.136310%	0.137152%	0.137152%
SCLTDITF	0.122623%	0.125133%	0.125133%
District's proportionate share of the net OPEB liability:			
SCRHITF	\$ 19,315,924	\$ 18,577,014	\$ 19,844,017
SCLTDITF	\$ 3,754	\$ 2,269	\$ 869
District's covered payroll	\$ 12,095,832	\$ 11,754,990	\$ 11,565,801
District's proportionate share of the net OPEB liability as a percentage of its covered payroll			
SCRHITF	159.69%	158.04%	171.57%
SCLTDITF	0.03%	0.02%	0.01%
Plan fiduciary net position as a percentage of total OPEB liability			
SCRHITF	7.91%	7.60%	6.62%
SCLTDITF	92.20%	95.29%	98.15%

**NOTE TO SCHEDULE:**

The District implemented GASB Statement No. 75 during the year ended June 30, 2018. Thus, data is only available for the last 3 years. The above schedule will present 10 years of information once it is accumulated.

The amounts presented for each fiscal year were determined as of June 30<sup>th</sup> of the preceding year.

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

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS  
YEAR ENDED JUNE 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contributions	\$ 731,798	\$ 646,524	\$ 616,457
Contributions in relation to the contractually required contribution	<u>731,798</u>	<u>646,524</u>	<u>616,457</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 12,095,832	\$ 11,754,990	\$ 11,565,801
Contributions as a percentage of covered payroll	6.1%	5.5%	5.3%

**NOTE TO SCHEDULE:**

The District implemented GASB Statement No. 75 during the year ended June 30, 2018. Thus, data is only available for the last 3 years. The above schedule will present 10 years of information once it is accumulated.

SUPPLEMENTARY INFORMATION

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

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES:			
1000 Local Sources:			
1200 Revenue from local government units other than LEAs:			
1210 Ad valorem taxes - including delinquent	\$ 5,500,000	\$ 5,458,126	\$ (41,874)
1240 Penalties and interest on taxes	400,000	307,527	(92,473)
1280 Revenue in lieu of taxes	815,590	927,469	111,879
1300 Tuition:			
1310 Student tuition out of district	7,000	10,368	3,368
1320 From other LEAs for regular day school	1,500	-	(1,500)
1500 Earnings on investments:			
1510 Interest on investments	5,000	59,576	54,576
1900 Other revenue from local sources:			
1930 Medicaid	20,000	46,663	26,663
1990 Miscellaneous revenue	5,000	17,990	12,990
1999 Revenue from other local sources	351,416	-	(351,416)
Total local sources	<u>7,105,506</u>	<u>6,827,719</u>	<u>(277,787)</u>
3000 Revenue from State Sources:			
3100 Restricted state funding:			
3130 Special programs:			
3131 Handicapped transportation	15,000	12,999	(2,001)
3160 Transportation salaries	204,169	187,776	(16,393)
3161 EEA Bus Drivers	-	135	135
3162 Transportation workmen's comp	12,502	12,696	194
3180 Employee fringe benefits	1,357,240	1,293,724	(63,516)
3181 Retiree insurance	478,949	527,876	48,927
3199 Other restricted state grants	33,828	110	(33,718)
3300 Education Finance Act:			
3310 Full time programs:			
3311 Kindergarten	140,144	133,734	(6,410)
3312 Primary	502,543	420,727	(81,816)
3313 Elementary	774,532	712,591	(61,941)
3314 High school	194,521	136,231	(58,290)
3315 Trainable mentally handicapped	25,419	12,710	(12,709)
3316 Speech handicapped	70,232	85,276	15,044
3317 Homebound	572	286	(286)
3320 Part-time programs:			
3321 Emotionally handicapped	17,092	20,784	3,692
3322 Educable mentally handicapped	43,123	36,627	(6,496)
3323 Learning disabilities	319,488	316,666	(2,822)
3324 Hearing handicapped	6,837	6,839	2
3325 Visually handicapped	3,418	3,273	(145)
3326 Orthopedically handicapped	2,714	2,598	(116)
3327 Vocational	405,309	417,963	12,654



CALHOUN COUNTY PUBLIC SCHOOLS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES (CONTINUED):			
3300 Education Finance Act (continued):			
3330 Other EFA programs:			
3331 Autism	\$ 42,152	\$ 45,822	\$ 3,670
3332 Gifted and Talented Education Pupils	22,094	20,682	(1,412)
3334 Limited English Proficiency	14,805	11,513	(3,292)
3351 Academic Assistance	123,970	115,561	(8,409)
3352 Pupils in Poverty	353,021	317,939	(35,082)
3353 Dual	25,313	18,122	(7,191)
3800 State revenue in lieu of taxes:			
3810 Reimbursement for local residential property tax relief	785,314	785,314	-
3820 Homestead exemption	268,093	268,273	180
3825 Reimbursement for property tax relief (tier 3)	2,500,000	2,500,000	-
3830 Merchant's inventory tax	22,805	22,805	-
3840 Manufacturers depreciation reimbursement	578,000	520,489	(57,511)
3890 Other state property tax revenues	98,000	153,179	55,179
3999 Revenue from other state agency	114,657	119,719	5,062
Total state sources	<u>9,555,856</u>	<u>9,241,039</u>	<u>(314,817)</u>
Total revenue all sources	<u>16,661,362</u>	<u>16,068,758</u>	<u>(592,604)</u>
EXPENDITURES:			
100 Instruction:			
110 General instruction:			
111 Kindergarten program:			
100 Salaries	378,241	330,136	48,105
200 Employee benefits	194,522	163,585	30,937
400 Supplies and materials	3,169	2,977	192
112 Primary programs:			
100 Salaries	722,563	704,763	17,800
200 Employee benefits	300,219	278,287	21,932
400 Supplies and materials	9,453	8,146	1,307
113 Elementary programs:			
100 Salaries	2,024,061	1,945,716	78,345
200 Employee benefits	821,572	774,545	47,027
370 Purchased services - tuition	1,265	2,306	(1,041)
400 Supplies and materials	15,837	15,414	423
114 High school programs:			
100 Salaries	1,095,001	1,051,848	43,153
200 Employee benefits	406,749	427,119	(20,370)
300 Purchased services (other than tuition)	581	581	-
370 Tuition	83,735	73,839	9,896
400 Supplies and materials	36,193	33,284	2,909
115 Career and technology education programs:			
100 Salaries	170,855	174,763	(3,908)
200 Employee benefits	67,292	68,613	(1,321)
300 Purchased services - other than tuition	150,000	224,494	(74,494)
400 Supplies and materials	1,967	270	1,697
118 Montessori Programs:			
100 Salaries	293,055	287,487	5,568
200 Employee benefits	126,322	121,056	5,266

CALHOUN COUNTY PUBLIC SCHOOLS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES (CONTINUED):			
100 Instruction (Continued):			
120 Exceptional programs:			
121 Educable mentally handicapped:			
100 Salaries	\$ 118,723	\$ 87,377	\$ 31,346
200 Employee benefits	48,013	34,400	13,613
123 Orthopedically handicapped:			
100 Salaries	2,913	-	2,913
200 Employee benefits	1,285	-	1,285
125 Hearing handicapped:			
100 Salaries	6,836	7,823	(987)
200 Employee benefits	2,380	2,587	(207)
126 Speech handicapped:			
100 Salaries	178,332	158,233	20,099
200 Employee benefits	78,199	72,922	5,277
600 Other objects	1,230	759	471
127 Learning disabilities:			
100 Salaries	648,395	674,254	(25,859)
200 Employee benefits	258,241	272,700	(14,459)
400 Supplies and materials	-	2,810	(2,810)
128 Emotionally handicapped:			
100 Salaries	19,264	15,883	3,381
200 Employee benefits	7,955	6,810	1,145
130 Preschool programs:			
133 Preschool handicapped self-contained:			
400 Supplies and materials	761	-	761
137 Pre-School Handicapped-Self-Contained (3 & 4 year olds):			
100 Salaries	61,871	65,286	(3,415)
200 Employee benefits	38,494	41,507	(3,013)
141 Gifted and talented - academic:			
100 Salaries	-	3,075	(3,075)
200 Employee benefits	-	847	(847)
300 Purchased services	11,813	3,712	8,101
400 Supplies and materials	1,667	933	734
600 Membership Dues and Fees	100	89	11
145 Homebound:			
100 Salaries	18,000	14,584	3,416
200 Employee benefits	5,024	4,103	921
300 Purchased services	10,180	4,364	5,816
147 Child Development Education Pilot Program:			
100 Salaries	37,356	37,041	315
200 Employee benefits	15,436	15,353	83
149 Other special programs:			
100 Salaries	225,000	258,532	(33,532)
200 Employee benefits	62,798	43,999	18,799
300 Purchased services	2,493	1,380	1,113
400 Supplies and materials	171,447	162,508	8,939

CALHOUN COUNTY PUBLIC SCHOOLS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
EXPENDITURES (CONTINUED):			
100 Instruction (Continued):			
160 Other exceptional programs:			
161 Autism:			
100 Salaries	\$ 64,688	\$ 84,555	\$ (19,867)
200 Employee benefits	26,668	34,529	(7,861)
162 Limited english proficiency:			
300 Travel	1,000	960	40
170 Summer school program:			
175 Instructional programs beyond regular school day:			
100 Salaries	300	300	-
200 Employee benefits	84	84	-
180 Adult/continuing educational programs:			
181 Adult basic education programs:			
300 Purchased services	36,600	36,491	109
Total instruction	9,066,198	8,840,019	226,179
200 Supporting Services:			
210 Pupil services:			
211 Attendance and social work:			
100 Salaries	133,284	133,669	(385)
200 Employee benefits	60,697	54,961	5,736
400 Supplies and materials	3,065	2,345	720
212 Guidance:			
100 Salaries	318,203	320,116	(1,913)
200 Employee benefits	125,065	125,686	(621)
300 Purchased services	993	383	610
400 Supplies and materials	2,015	937	1,078
213 Health:			
100 Salaries	46,446	46,446	-
200 Employee benefits	24,740	24,513	227
300 Purchased services	-	43,833	(43,833)
400 Supplies and materials	668	668	-
214 Psychological services:			
100 Salaries	27,763	27,748	15
200 Employee benefits	10,185	10,234	(49)
215 Exceptional program services:			
100 Salaries	6,000	7,750	(1,750)
200 Employee benefits	1,675	2,171	(496)
220 Instructional staff services:			
221 Improvement of instruction - curriculum development:			
100 Salaries	167,972	168,451	(479)
200 Employee benefits	54,587	54,543	44
300 Purchased services	3,895	4,985	(1,090)
400 Supplies and materials	7,075	3,612	3,463
222 Library and media:			
100 Salaries	235,723	226,300	9,423
200 Employee benefits	96,921	94,399	2,522
300 Purchased services	2,233	50	2,183
400 Supplies and materials	21,410	20,964	446

CALHOUN COUNTY PUBLIC SCHOOLS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
EXPENDITURES (CONTINUED):			
200 Supporting Services (Continued):			
220 Instructional staff services (Continued):			
223 Supervisor of special projects:			
100 Salaries	\$ 194,190	\$ 194,164	\$ 26
200 Employee benefits	72,040	72,059	(19)
300 Purchased services	3,855	227	3,628
400 Supplies and materials	-	7	(7)
224 Improvement of instruction inservice staff training:			
300 Purchased services	11,996	6,650	5,346
230 General and administrative services:			
231 Board of Education:			
100 Salaries	8,400	11,600	(3,200)
200 Employee benefits	170,147	149,903	20,244
300 Purchased services	98,705	29,983	68,722
318 Audit services	29,000	30,350	(1,350)
400 Supplies and materials	6,395	2,558	3,837
600 Other objects	16,100	9,208	6,892
232 Office of Superintendent:			
100 Salaries	241,463	241,419	44
200 Employee benefits	86,553	82,398	4,155
300 Purchased services	13,227	10,137	3,090
400 Supplies and materials	9,830	10,580	(750)
500 Capital outlay	910	-	910
600 Other objects	6,063	6,468	(405)
233 School administration:			
100 Salaries	761,346	755,721	5,625
200 Employee benefits	294,538	307,534	(12,996)
300 Purchased services	7,951	6,235	1,716
400 Supplies and materials	4,653	2,627	2,026
250 Finance and operations services:			
252 Fiscal services:			
100 Salaries	240,185	240,185	-
200 Employee benefits	86,751	86,870	(119)
300 Purchased services	52,520	57,904	(5,384)
400 Supplies and materials	14,219	10,568	3,651
500 Capital outlay	6,930	-	6,930
600 Other objects	12,171	14,464	(2,293)
254 Operation and maintenance of plant:			
100 Salaries & Terminal Leave	599,274	580,150	19,124
200 Employee benefits	306,366	284,749	21,617
300 Purchased services	377,233	359,487	17,746
321 Public utilities	32,600	22,073	10,527
400 Supplies and materials	141,084	125,109	15,975
470 Energy	465,000	405,242	59,758
500 Capital outlay	11,940	6,643	5,297
600 Other objects	2,640	-	2,640

CALHOUN COUNTY PUBLIC SCHOOLS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
EXPENDITURES (CONTINUED):			
200 Supporting Services (Continued):			
250 Finance and operations services (Continued):			
255 Pupil transportation:			
100 Salaries	\$ 500,000	\$ 500,943	\$ (943)
200 Employee benefits	159,198	152,707	6,491
300 Purchased services	77,051	66,780	10,271
400 Supplies and materials	9,000	5,466	3,534
500 Capital outlay	10,000	10,501	(501)
600 Other objects	900	-	900
257 Internal services:			
100 Salaries	34,015	34,015	-
200 Employee benefits	13,869	13,796	73
300 Purchased services	52,000	61,999	(9,999)
400 Supplies and materials	3,000	3,934	(934)
258 Security:			
300 Purchased services	178,206	189,792	(11,586)
260 Data and technology processing services:			
262 Planning:			
300 Purchased services	2,500	255	2,245
400 Supplies and materials	2,500	502	1,998
600 Other objects	3,600	3,600	-
263 Information services:			
300 Purchased services	10,000	-	10,000
264 Staff services:			
100 Salaries	91,450	338,190	(246,740)
200 Employee benefits	40,964	59,502	(18,538)
300 Purchased services	11,738	12,041	(303)
400 Supplies and materials	21,035	24,579	(3,544)
600 Other objects	16,095	16,095	-
266 Data processing services:			
100 Salaries	254,803	250,544	4,259
200 Employee benefits	98,992	95,596	3,396
300 Purchased services	82,057	96,343	(14,286)
400 Supplies and materials	6,773	5,046	1,727
270 Support services - pupil activity:			
271 Pupil services activity:			
100 Salaries	75,393	151,639	(76,246)
200 Employee benefits	21,096	38,263	(17,167)
300 Purchased services	56,475	64,292	(7,817)
400 Supplies and materials	-	49,997	(49,997)
600 Other objects	23,838	22,479	1,359
Total supporting services	<u>7,593,438</u>	<u>7,766,932</u>	<u>(173,494)</u>
Total expenditures	<u>16,659,636</u>	<u>16,606,951</u>	<u>52,685</u>
Excess of revenues over expenditures	1,726	(538,193)	(539,919)

CALHOUN COUNTY PUBLIC SCHOOLS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

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	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
OTHER FINANCING SOURCES (USES):			
Interfund transfers, from (to) other funds:			
5230 Transfer from special revenue EIA fund	\$ 507,230	516,916	\$ 9,686
5280 Transfer from other funds indirect costs	-	4,244	4,244
421-710 Transfer to special revenue funds	(496,456)	(224,735)	271,721
422-710 Transfer to special revenue EIA funds	(12,500)	(12,033)	467
425-710 Transfer to food service fund	-	(65,084)	(65,084)
Total other financing sources (uses)	<u>(1,726)</u>	<u>219,308</u>	<u>221,034</u>
Net change in fund balances	<u>-</u>	<u>(318,885)</u>	<u>(318,885)</u>
 FUND BALANCE, JULY 1, 2018		 <u>5,074,993</u>	
 FUND BALANCE, JUNE 30, 2019		 <u>\$ 4,756,108</u>	

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

SPECIAL REVENUE FUND – SPECIAL PROJECTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2019

	TITLE I (201/202)	IDEA (203/204)	Preschool Handicapped (205/206)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Total
<b>REVENUES</b>						
1000 Revenue from Local Sources:						
1900 Other revenue from local sources:						
1930 Medicaid	\$ -	\$ -	\$ -	\$ -	\$ 207,932	\$ 207,932
1999 Revenue from other local sources	-	-	-	-	18,664	18,664
Total local sources	-	-	-	-	226,596	226,596
3000 Revenue from State Sources:						
3100 Restricted State funding:						
3110 Occupational education:						
3118 EEDA career specialist	-	-	-	89,843	-	89,843
3120 General education:						
3127 Student health and fitness	-	-	-	14,420	-	14,420
3130 Special programs:						
3134 Child development education pilot program	-	-	-	453,064	-	453,064
3135 Reading Coaches	-	-	-	122,104	-	122,104
3136 Student health and fitness - nurses	-	-	-	58,193	-	58,193
3190 Miscellaneous restricted grants:						
3193 Education license plates	-	-	-	603	-	603
3300 Education Finance Act (EFA):						
3393 Capital Improvement Plan - Additional	-	-	-	163,102	-	163,102
3600 Education Lottery Act Revenue:						
3670 School Safety - Facility and Infrastructure Safety Upgrades	-	-	-	67,563	-	67,563
3990 Other State Revenue:						
3994 PEBA Nonemployer Contributions	-	-	-	140,643	-	140,643
Total state sources	-	-	-	1,109,535	-	1,109,535
4000 Revenue from Federal Sources:						
4200 Occupational education:						
4210 Vocational aid	-	-	-	-	37,476	37,476
4300 Elementary and Secondary Education Act of 1965:						
4310 Title I, Basic State Grant Programs	622,223	-	-	-	49,392	671,615
4312 Rural and low-income school program, Title II	-	-	-	-	31,026	31,026
4341 Title III - Limited English Proficiency	-	-	-	-	15,001	15,001
4351 Improving Teacher Quality	-	-	-	-	79,969	79,969
4500 Programs for children with disabilities:						
4510 IDEA	-	739,814	-	-	11,078	750,892
4520 Pre-school	-	-	25,350	-	-	25,350
4900 Other federal sources:						
4990 Other Federal Revenue	-	-	-	-	105,367	105,367
4997 Title IV - SSAE	-	-	-	-	7,454	7,454
4999 Revenue from other Federal Sources	-	-	-	-	186,255	186,255
Total federal sources	622,223	739,814	25,350	-	523,018	1,910,405
Total revenue all sources	622,223	739,814	25,350	1,109,535	749,614	3,246,536

CALHOUN COUNTY PUBLIC SCHOOLS  
SPECIAL REVENUE FUND – SPECIAL PROJECTS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

	TITLE I (201/202)	IDEA (203/204)	Preschool Handicapped (205/206)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Total
EXPENDITURES						
100 Instruction:						
111 Kindergarten programs:						
100 Salaries	\$ -	\$ -	\$ -	\$ -	\$ 16,118	\$ 16,118
200 Employee benefits	-	-	-	-	6,909	6,909
400 Supplies and materials	-	-	-	1,782	-	1,782
112 Primary programs:						
100 Salaries	66,930	-	-	-	41,105	108,035
200 Employee benefits	25,857	-	-	-	16,266	42,123
400 Supplies and materials	-	-	-	5,000	2,211	7,211
113 Elementary programs:						
100 Salaries	282,816	-	-	-	-	282,816
200 Employee benefits	109,824	-	-	-	-	109,824
300 Purchased services	-	-	-	-	8,000	8,000
400 Supplies and materials	460	-	-	7,952	6,556	14,968
114 High school programs:						
100 Salaries	65,841	-	-	-	111,995	177,836
200 Employee benefits	25,890	-	-	-	32,496	58,386
300 Purchased services	1,500	-	-	-	40,912	42,412
400 Supplies and materials	8,644	-	-	289	10,125	19,058
115 Vocational programs:						
400 Supplies and materials	-	-	-	-	1,853	1,853
600 Other objects	-	-	-	-	3,000	3,000
116 Career and technology education (vocational) programs - middle school:						
400 Supplies and materials	-	-	-	-	1,400	1,400
600 Other objects	-	-	-	-	1,500	1,500
118 Montessori programs:						
400 Supplies and materials	-	-	-	-	464	464
120 Exceptional programs:						
121 Educable mentally handicapped:						
100 Salaries	-	45,604	-	-	-	45,604
200 Employee benefits	-	22,692	-	-	-	22,692
125 Hearing Handicapped						
100 Salaries	-	5,359	-	-	-	5,359
200 Employee benefits	-	2,712	-	-	-	2,712
400 Supplies and materials	-	-	-	-	77	77
126 Speech handicapped:						
100 Salaries	-	-	-	-	7,712	7,712
200 Employee benefits	-	-	-	-	2,153	2,153
400 Supplies and materials	-	1,010	-	-	608	1,618
600 Other objects	-	-	-	-	480	480
127 Learning disabilities:						
100 Salaries	-	149,944	-	-	-	149,944
200 Employee benefits	-	71,084	-	-	-	71,084
300 Purchased services	-	-	-	-	1,500	1,500
400 Supplies and materials	-	6,157	-	-	365	6,522
128 Emotionally handicapped:						
100 Salaries	-	5,596	-	-	-	5,596
200 Employee benefits	-	2,836	-	-	-	2,836
137 Preschool handicapped self-contained (3 & 4 yr. olds):						
100 Salaries	-	-	15,997	-	-	15,997
200 Employee benefits	-	-	9,353	-	-	9,353
139 Early Childhood Programs:						
100 Salaries	-	-	-	7,020	-	7,020
200 Employee benefits	-	-	-	2,040	-	2,040



CALHOUN COUNTY PUBLIC SCHOOLS  
SPECIAL REVENUE FUND – SPECIAL PROJECTS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

	TITLE I (201/202)	IDEA (203/204)	Preschool Handicapped (205/206)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Total
EXPENDITURES (CONTINUED):						
100 Instruction (Continued):						
140 Special programs:						
147 Child development education pilot program:						
100 Salaries	\$ -	\$ -	\$ -	\$ 283,786	\$ -	\$ 283,786
200 Employee benefits	-	-	-	135,994	-	135,994
400 Supplies and materials	-	-	-	14,283	-	14,283
149 Other special programs:						
100 Salaries	-	20,917	-	-	243	21,160
200 Employee benefits	-	5,240	-	-	57	5,297
300 Purchased services	-	96	-	-	-	96
160 Other exceptional programs:						
161 Autism:						
100 Salaries	-	41,711	-	-	-	41,711
200 Employee benefits	-	20,869	-	-	-	20,869
170 Summer school program:						
171 Primary summer school:						
100 Salaries	-	-	-	-	5,920	5,920
200 Employee benefits	-	-	-	-	1,744	1,744
172 Elementary summer school:						
100 Salaries	-	-	-	-	26,575	26,575
200 Employee benefits	-	-	-	-	7,696	7,696
173 Accounts 173:						
100 Salaries	-	-	-	-	2,720	2,720
200 Employee benefits	-	-	-	-	772	772
300 Purchased Services	-	-	-	-	2,980	2,980
400 Supplies and materials	-	-	-	-	1,307	1,307
175 Instructional programs beyond regular school day:						
100 Salaries	1,175	-	-	-	12,195	13,370
200 Employee benefits	326	-	-	-	3,438	3,764
400 Supplies and materials	-	-	-	-	2,660	2,660
180 Adult/continuing educational programs:						
188 Parenting/family literacy:						
400 Supplies and materials	6,874	-	-	-	1,815	8,689
Total instruction	596,137	401,827	25,350	458,146	383,927	1,865,387
200 Supporting services:						
210 Pupil services:						
211 Attendance and social work:						
100 Salaries	-	-	-	-	39,296	39,296
200 Employee benefits	-	-	-	-	14,904	14,904
212 Guidance:						
100 Salaries	-	-	-	66,346	75,579	141,925
200 Employee benefits	-	-	-	23,498	35,782	59,280
300 Purchased services	-	-	-	-	2,858	2,858
213 Health:						
100 Salaries	-	-	-	42,371	64,609	106,980
200 Employee benefits	-	-	-	16,747	22,627	39,374
300 Purchased services	-	172,201	-	-	10,367	182,568
400 Supplies and materials	-	-	-	-	10,095	10,095
214 Psychological:						
100 Salaries	-	27,747	-	-	-	27,747
200 Employee benefits	-	10,235	-	-	-	10,235
300 Purchased services	-	15,215	-	-	406	15,621
400 Supplies and materials	-	398	-	-	-	398

CALHOUN COUNTY PUBLIC SCHOOLS  
SPECIAL REVENUE FUND – SPECIAL PROJECTS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

	TITLE I (201/202)	IDEA (203/204)	Preschool Handicapped (205/206)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Total
EXPENDITURES (CONTINUED):						
200 Supporting services (Continued):						
221 Improvement of instruction - curriculum development:						
100 Salaries	\$ -	\$ -	\$ -	\$ 124,808	\$ -	\$ 124,808
200 Employee benefits	-	-	-	53,707	14,045	67,752
300 Purchased services	56	-	-	-	10,056	10,112
400 Supplies and materials	-	-	-	-	6,246	6,246
222 Library and media:						
400 Supplies and materials	-	-	-	-	1,421	1,421
223 Supervision of special programs:						
100 Salaries	8,473	79,188	-	-	64,355	152,016
200 Employee benefits	3,020	32,567	-	-	22,964	58,551
300 Purchased services	8,374	-	-	-	12,372	20,746
400 Supplies and materials	-	436	-	-	494	930
600 Other objects	-	-	-	-	150	150
224 Improvement of instruction - inservice and staff training:						
100 Salaries	-	-	-	-	3,000	3,000
200 Employee benefits	-	-	-	-	836	836
300 Purchased services	1,000	-	-	9,940	4,933	15,873
233 School administration:						
300 Purchased services	5,163	-	-	-	2,733	7,896
250 Finance and operations services:						
251 Student transportation (Federal mandated):						
100 Salaries	-	-	-	-	860	860
200 Employee benefits	-	-	-	-	253	253
300 Purchased services	-	-	-	-	232	232
254 Operation and Maintenance of Plant:						
400 Supplies and materials	-	-	-	-	2,310	2,310
255 Student transportation (State mandated):						
100 Salaries	-	-	-	-	2,444	2,444
200 Employee benefits	-	-	-	-	691	691
400 Supplies and materials	-	-	-	-	1,295	1,295
256 Food service:						
400 Supplies and materials	-	-	-	-	1,036	1,036
258 Security:						
400 Supplies and materials	-	-	-	-	1,221	1,221
500 Capital outlay	-	-	-	230,664	-	230,664
260 Data and technology processing services:						
263 Information services:						
300 Purchased services	-	-	-	-	105	105
264 Staff services:						
300 Purchased services	-	-	-	-	7,560	7,560
600 Other objects	-	-	-	-	1,500	1,500
266 Technology and data processing services:						
300 Purchased services	-	-	-	-	316	316
400 Supplies and materials	-	-	-	-	3,408	3,408
270 Support services - Pupil activity:						
271 Pupil Activity Services:						
100 Salaries	-	-	-	-	3,240	3,240
200 Employee benefits	-	-	-	-	797	797
400 Supplies and materials	-	-	-	-	1,449	1,449
660 Pupil activity	-	-	-	-	28,813	28,813
Total supporting services	26,086	337,987	-	568,081	477,658	1,409,812

CALHOUN COUNTY PUBLIC SCHOOLS  
SPECIAL REVENUE FUND – SPECIAL PROJECTS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

	TITLE I (201/202)	IDEA (203/204)	Preschool Handicapped (205/206)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Total
EXPENDITURES (CONTINUED):						
400 Intergovernmental Expenditures:						
411 Payments to State Department of Education:						
720 Transits	\$ -	\$ -	\$ -	\$ -	\$ 51,185	\$ 51,185
419 Payments from Nonemployer Contributions:						
720 Transits	-	-	-	140,643	-	140,643
Total intergovernmental expenditures	-	-	-	140,643	51,185	191,828
Total expenditures	622,223	739,814	25,350	1,166,870	912,770	3,467,027
OTHER FINANCING SOURCES (USES):						
Transfers from (to) other funds:						
5210 Transfer from General Fund	-	-	-	57,335	167,400	224,735
431-791 Special Revenue Fund indirect costs	-	-	-	-	(4,244)	(4,244)
Total other financing sources (uses)	-	-	-	57,335	163,156	220,491
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	-
FUND BALANCE, JULY 1, 2018	-	-	-	-	-	-
FUND BALANCE, JUNE 30, 2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

SPECIAL REVENUE FUND

SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS  
YEAR ENDED JUNE 30, 2019

<u>Subfund</u>	<u>Revenue</u>	<u>Programs</u>	<u>Revenues</u>	<u>Expenditures</u>	Special Revenue Interfund Transfers <u>In/(Out)</u>	Other Fund Transfers <u>In/(Out)</u>	Special Revenue Fund <u>Unearned</u>
919	3193	Education License Plates	\$ 603	\$ 603	\$ -	\$ -	\$ -
924	3134	Child Development Education Pilot Program	453,064	453,064	(23,977)	-	17,918
928	3118	EEDA Career Specialist	89,843	89,843	(19,097)	-	19,097
935	3135	Reading Coach	122,104	178,515	-	56,411	-
936	3136	Student health and fitness - Nurses	58,194	59,118	-	924	-
937	3127	Student health and fitness - PE Teachers	14,420	14,420	(381)	-	381
939	3393	Capital Improvement Plan	163,101	163,101	(163,101)	-	-
969	3199	Other State Lottery Programs	-	-	(10,000)	-	10,000
970	3670	School Safety - Facility and Infrastructure Safety Upgrades	67,563	67,563	(67,580)	-	17
994	3994	PEBA Nonemployer Contributions	140,643	140,643	-	-	-
Totals			<u>\$ 1,109,535</u>	<u>\$ 1,166,870</u>	<u>\$ (284,136)</u>	<u>\$ 57,335</u>	<u>\$ 47,413</u>

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

SPECIAL REVENUE FUND

SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES  
YEAR ENDED JUNE 30, 2019

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TITLE 1

201 Title I, Basic State Grant Programs

IDEA

203 Individuals with Disabilities Education Act (IDEA)

Preschool and Handicapped

205 Individuals with Disabilities Education Act (IDEA) Preschool

Other Designated Restricted State Grants

918 Technology Professional Development

919 Education License Plates

924 CDEP Program

926 Summer Reading Program

928 EEDA Career Specialists

935 Reading Coaches

936 Student Health and Fitness - Nurses

937 Student Health and Fitness - PE Teachers

963 Technology Initiative

967 6-8 Enhancement

Other Special Revenue Programs

227 Rural and Low Income (Title VI)

240 SC Campaign to Prevent Teen Pregnancy

264 Limited English Proficient and Immigrant Students (Title III)

267 Improving Teacher Quality (Title II)

271 Vocational Education - Student Organization (10)

272 Vocational Education - Work Based Learning (02)

273 Vocational Education - Guidance (9)

274 Vocational Education - Initiate/Improve Prog (6)

277 Vocational Education - Professional Development (4)

278 Vocational Education - Nontraditional (14)

290 Other Federal Revenue

299 SC Gear Up

CALHOUN COUNTY PUBLIC SCHOOLS  
SPECIAL REVENUE FUND  
SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES

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Other Special Revenue Programs (continued)

- 801 Jobs for SC Graduates
- 803 JJ Miller Foundation
- 809 Homework Center
- 810 Dick Horne Foundation
- 811 Serving Mentally Disabled Students
- 814 Project Lead the Way Gateway to Technology
- 815 Laura Bush Foundation Grant
- 817 Vincent Mulford Foundation
- 818 Profoundly Mentally Disabled Grant
- 819 Palmetto Pride ED Grant (Elliott)
- 820 MUSC - Senior Physical Education
- 821 Moseley Architects Scholarship
- 850 Technology Services
- 851 SCSBIT Risk Contract
- 880 Medicaid
- 882 Medicaid
- 884 Special Needs Transportation
- 899 FEMA

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

SPECIAL REVENUE FUND – EDUCATION IMPROVEMENT ACT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 2019

REVENUES:

3000 State Sources:

3500 Education Improvement Act:

3502	ADEPT	\$	1,729
3507	Aid to Districts - Technology		77,801
3511	Professional development		9,712
3518	Formative assessment		8,121
3519	Grade 10 assessment		8,941
3526	Refurbishment of K-8 Sciences		14,614
3528	Industry Certificates		21,600
3529	Career and technology education		50,000
3532	National Board Certification (NBC) salary supplement		47,983
3533	Teacher of the year awards		1,077
3538	Students at risk of school failure		334,939
3550	Teacher salary increase		428,924
3555	School employer contributions		87,990
3557	Summer Reading Program		19,336
3558	Reading assistance		5,562
3577	Teacher supplies		34,375
3593	EAA reduce class size grades 1-3		640,886
3595	EEDA Professional Development Funds		3,158
3597	Aid to districts		29,104
	Total state sources		1,825,852
	Total revenue all sources		1,825,852

CALHOUN COUNTY PUBLIC SCHOOLS  
SPECIAL REVENUE FUND – EDUCATION IMPROVEMENT ACT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

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EXPENDITURES:

100 Instruction:

110 General instruction:

111 Kindergarten programs:		
100 Salaries		\$ 110
200 Employee benefits		385
112 Primary programs:		
100 Salaries		165,446
200 Employee benefits		75,589
400 Supplies and materials		201
113 Elementary programs:		
100 Salaries		49,051
200 Employee benefits		17,396
400 Supplies and materials		37,553
114 High school programs:		
400 Supplies and materials		15,926
115 Career and technology education programs:		
100 Salaries		7,500
200 Employee benefits		2,105
300 Purchased services		20,000
400 Supplies and materials		50,904
118 Montessori Programs:		
400 Supplies and materials		4,294

120 Exceptional programs:

127 Learning disabilities:		
100 Salaries		300
200 Employee benefits		84
149 Other special programs:		
100 Salaries		46,485
200 Employee benefits		21,946
400 Supplies and materials		38,371

170 Summer school program:

171 Primary summer school:		
100 Salaries		15,045
200 Employee benefits		4,329
175 Instructional programs beyond regular school day:		
100 Salaries		3,080
200 Employee benefits		870
Total instruction		<u>576,970</u>



CALHOUN COUNTY PUBLIC SCHOOLS  
SPECIAL REVENUE FUND – EDUCATION IMPROVEMENT ACT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

---

EXPENDITURES (CONTINUED):

200 Support Services:

210	Pupil services:		
212	Guidance services:		
300	Purchased services	\$	878
400	Supplies and materials		3,300
217	Career specialist services:		
400	Supplies and materials		3,158
220	Instructional staff services:		
221	Improvement of instruction-curriculum development:		
300	Purchased services		1,435
222	Library and media:		
400	Supplies and materials		825
223	Supervision of special programs:		
100	Salaries		10,750
200	Employee benefits		3,012
224	Improvement of instruction inservice and staff training:		
300	Purchased services		24,869
400	Supplies and materials		558
230	General Administration Services		
233	School administration		
300	Purchased services		5,425
250	Finance and operations services:		
251	Student transportation (Federal/District mandated):		
300	Purchased services		401
253	Facilities acquisition and construction:		
500	Capital Outlay		547,929
255	Student transportation:		
100	Salaries		6,176
200	Employee benefits		1,414
258	Security		
500	Capital Outlay		56,068
260	Central support services:		
266	Technology and Data Processing Services:		
400	Supplies and materials		77,801
	Total supporting services		<u>743,999</u>

CALHOUN COUNTY PUBLIC SCHOOLS  
 SPECIAL REVENUE FUND – EDUCATION IMPROVEMENT ACT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

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OTHER FINANCING SOURCES (USES):

Interfund transfers, from (to) other funds:

5210	Transfer from general fund (excludes indirect costs)	\$	12,033
5230	Transfer from special revenue EIA fund		7,629
420-710	Transfer to general fund (excludes indirect costs)		(516,916)
422-710	Transfer to EIA fund		<u>(7,629)</u>
	Total other financing sources (uses)		<u>(504,883)</u>

Excess (deficiency) of revenues over  
 (under) expenditures -

FUND BALANCE JULY 1, 2018 -

FUND BALANCE JUNE 30, 2019 \$ -

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

SPECIAL REVENUE FUND – EDUCATION IMPROVEMENT ACT

SUMMARY SCHEDULE BY PROGRAM  
YEAR ENDED JUNE 30, 2019

<u>Program</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>EIA Interfund Transfers In/(Out)</u>	<u>Other Fund Transfers In/(Out)</u>	<u>EIA Fund Unearned Revenue</u>
3500 Education Improvement Act:					
3502 ADEPT	\$ 1,729	\$ 13,762	\$ -	\$ 12,033	\$ -
3507 Aid to Districts - Technology	77,801	77,801	-	-	-
3511 Professional development	9,712	9,712	-	-	-
3518 Formative assessment	8,121	8,121	-	-	-
3519 Grade 10 assessment	8,941	1,312	-	(7,629)	-
3526 Refurbishment of K-8 Sciences	14,614	14,614	-	-	14,991
3528 Industry Certificates	21,600	21,600	-	-	3,723
3529 Career and technology education	50,000	50,000	-	-	-
3532 National Board Certification (NBC) - salary supplement	47,983	47,983	-	-	-
3533 Teacher of the year awards	1,077	1,077	-	-	-
3538 Students at risk of school failure	334,939	334,939	-	-	68,344
3541 CDEPP	-	-	-	-	240,000
3550 Teacher salary increase	428,924	-	-	(428,924)	-
3555 School employer contributions	87,990	-	-	(87,990)	-
3557 Summer Reading Program	19,336	26,963	-	7,627	5,459
3558 Reading assistance	5,562	5,562	-	-	-
3577 Teacher supplies	34,375	34,375	-	-	-
3593 EAA reduce class size grades 1-3	640,886	640,886	-	-	-
3595 EEDA Professional Development Funds	3,158	3,158	-	-	2,308
3597 Aid to districts	29,104	29,104	-	-	54,636
<b>Total</b>	<b>\$ 1,825,852</b>	<b>\$ 1,320,969</b>	<b>\$ -</b>	<b>\$ (504,883)</b>	<b>\$ 389,461</b>

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

SPECIAL REVENUE FUND – FOOD SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 2019

REVENUES

1000 Revenue from Local Sources:

1600 Food service:

1630 Special sales to pupils	\$ 27,748
1640 Lunch sales to adults	13,239
1650 Breakfast sales to adults	224
1660 Special sales to adults	3,896

1900 Other revenue from local sources:

1990 Miscellaneous local revenue:

1999 Revenue from other local sources	11,538
Total revenue from local sources	56,645

4000 Revenue from Federal Sources:

4800 USDA reimbursement:

4810 School lunch and after school snacks program	753,053
4830 School breakfast program	385,565
4860 Fresh fruits and vegetables program	24,633

4900 Other federal sources:

4991 USDA commodities	80,228
Total federal sources	1,243,479

Total revenue all sources	1,300,124
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EXPENDITURES

250 Finance and operations:

256 Food Service:

100 Salaries	340,137
200 Employee benefits	188,788
300 Purchased services	65,206
400 Supplies and materials	825,175
500 Capital outlay	20,726
600 Other objects	3,208
Total expenditures	1,443,240

OTHER FINANCING SOURCES (USES)

Interfund transfers from (to) other funds:

5210 Transfer from general fund	65,084
Total other financing sources	65,084

Excess (Deficiency) of revenues over expenditures	(78,032)
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FUND BALANCE, JULY 1, 2018	462,131
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FUND BALANCE, JUNE 30, 2019	\$ 384,099
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**CALHOUN COUNTY PUBLIC SCHOOLS  
ST. MATTHEWS, SOUTH CAROLINA**

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 2019

	<u>Other</u>	<u>SCAGO</u>	<u>Total</u>
REVENUES:			
1000 Revenue from Local Sources:			
1200 Revenue from local governmental units other than LEAs:			
1210 Ad valorem taxes-including delinquent taxes (fiscally dependent LEA)	\$ 859,427	\$ -	\$ 859,427
1240 Penalties and interest on taxes (dependent)	54,622	-	54,622
1280 Revenue in lieu of taxes (dependent and independent)	1,809,591	-	1,809,591
1500 Earnings on investments:			
1510 Interest on investments	3,283	4,859	8,142
Total local sources	2,726,923	4,859	2,731,782
3000 Revenue from State Sources:			
3800 State revenue in lieu of taxes:			
3820 Homestead exemption	42,005	-	42,005
3830 Merchant's inventory tax	4,456	-	4,456
3840 Manufacturers depreciation reimbursement	61,460	-	61,460
3890 Other state property tax revenues	17,305	-	17,305
Total state sources	125,226	-	125,226
Total revenue all sources	2,852,149	4,859	2,857,008
EXPENDITURES:			
500 Debt Service:			
395 Other professional and technical services	-	5,000	5,000
610 Redemption of principal	3,056,000	1,095,000	4,151,000
620 Interest	97,028	799,518	896,546
Total expenditures	3,153,028	1,899,518	5,052,546
OTHER FINANCING SOURCES (USES):			
5200 Interfund transfers, from (to) other funds			
5250 Transfer from Capital Projects Fund	278,484	1,894,553	2,173,037
Total other financing sources	278,484	1,894,553	2,173,037
DEFICIENCY OF REVENUES OVER EXPENDITURES	(22,395)	(106)	(22,501)
FUND BALANCE, JULY 1, 2018	1,451,976	495	1,452,471
FUND BALANCE, JUNE 30, 2019	\$ 1,429,581	\$ 389	\$ 1,429,970

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

CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Other</u>	<u>SCAGO</u>	<u>Total</u>
REVENUES:			
1000 Revenue from Local Sources:			
1500 Earnings on investments:			
1510 Interest on investments	\$ 15,952	\$ -	\$ 15,952
Total local sources	15,952	-	15,952
Total revenue all sources	15,952	-	15,952
EXPENDITURES:			
100 Instruction:			
110 General Instruction:			
111 Kindergarten Programs:			
400 Supplies and materials	3,180	-	3,180
112 Primary Programs:			
400 Supplies and materials	57,895	-	57,895
113 Elementary Programs:			
400 Supplies and materials	236,083	-	236,083
114 High School Programs:			
400 Supplies and materials	201,320	-	201,320
115 Career and Technology Education Programs:			
400 Supplies and materials	2,385	-	2,385
118 Montessori Programs:			
400 Supplies and materials	4,770	-	4,770
120 Exceptional Programs:			
126 Speech Handicapped:			
400 Supplies and materials	2,385	-	2,385
127 Learning Disabilities:			
400 Supplies and materials	11,926	-	11,926
130 Preschool Programs:			
137 Preschool Handicapped Self-Contained (3- & 4- Yr.-Olds):			
400 Supplies and materials	795	-	795
140 Special Programs:			
147 CDEP:			
400 Supplies and materials	3,180	-	3,180
149 Other Special Programs:			
300 Purchased services	26,660	-	26,660
400 Supplies and materials	150,445	-	150,445
500 Capital outlay	77,272	-	77,272
Total Instruction	778,296	-	778,296

CALHOUN COUNTY PUBLIC SCHOOLS  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	<u>Other</u>	<u>SCAGO</u>	<u>Total</u>
EXPENDITURES (CONTINUED):			
200 Support Services:			
210 Pupil Services:			
212 Guidance Services			
400 Supplies and materials	\$ 2,385	\$ -	\$ 2,385
213 Health Services			
400 Supplies and materials	795	-	795
214 Psychological Services			
400 Supplies and materials	795	-	795
221 Improvement of Instruction Curriculum Dev.			
400 Supplies and materials	2,385	-	2,385
222 Library and Media Services			
400 Supplies and materials	1,590	-	1,590
223 Supervision of Special Programs			
400 Supplies and materials	3,554	-	3,554
232 Office of Superintendent			
400 Supplies and materials	1,379	-	1,379
233 School Administration			
400 Supplies and materials	8,276	-	8,276
252 Fiscal Services:			
300 Purchased services	-	9,624	9,624
400 Supplies and materials	1,380	-	1,380
253 Facilities Acquisitions and Construction:			
300 Purchased services	105,868	-	105,868
500 Capital outlay			
520 Construction services	105,978	-	105,978
530 Improvements other than building	7,300	-	7,300
540 Equipment	161,377	-	161,377
256 Food Services			
400 Supplies and materials	1,379	-	1,379
258 Security			
500 Capital outlay	72,799	-	72,799
264 Staff Services			
400 Supplies and materials	8,761	-	8,761
266 Technology and Data Processing Services			
400 Supplies and materials	61,846	-	61,846
Total support services	<u>547,847</u>	<u>9,624</u>	<u>557,471</u>
Total expenditures	<u>1,326,143</u>	<u>9,624</u>	<u>1,335,767</u>
OTHER FINANCING SOURCES (USES):			
5100 Sale of Bonds:			
5110 Premiums on bonds sold	15,902	-	15,902
5120 Proceeds of general obligation bonds	3,316,000	-	3,316,000
5200 Interfund transfers, from (to) other funds			
423-710 Transfer to Debt Service Fund	<u>(2,173,037)</u>	<u>-</u>	<u>(2,173,037)</u>
Total other financing sources (uses)	<u>1,158,865</u>	<u>-</u>	<u>1,158,865</u>
Excess (deficiency) of revenues over expenditures	(151,326)	(9,624)	(160,950)
FUND BALANCE, JULY 1, 2018	<u>2,144,352</u>	<u>31,266</u>	<u>2,175,618</u>
FUND BALANCE, JUNE 30, 2019	<u>\$ 1,993,026</u>	<u>\$ 21,642</u>	<u>\$ 2,014,668</u>

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

PUPIL ACTIVITY FUND

SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
AND CHANGE IN AMOUNTS DUE TO PUPIL ACTIVITIES  
YEAR ENDED JUNE 30, 2019

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RECEIPTS:

1000 Receipts from Local Sources:	
1700 Pupil activities:	
1790 Other	\$ 326,628
Total receipts	<u>326,628</u>

DISBURSEMENTS:

100 Instruction:	
190 Instructional Pupil Activity:	
660 Pupil activity	32,087
200 Support services:	
270 Support Services Pupil Activity:	
271 Pupil service activities:	
660 Pupil activity	236,613
272 Enterprise activities:	
660 Pupil activity	4,300
273 Trust and agency activities:	
660 Pupil activity	41,587
Total disbursements	<u>314,587</u>

DEFICIENCY OF REVENUES OVER EXPENDITURES	12,041
DUE TO STUDENT GROUPS, JULY 1, 2018	<u>136,986</u>
DUE TO STUDENT GROUPS, JUNE 30, 2019	<u>\$ 149,027</u>



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

DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT  
JUNE 30, 2019

Program	Project/Grant Number and FY	Revenue & Subfund Code	Description	Amount Due to SCDE or Federal Government	Status of Amount Due to Grantors
Language Instruction for Limited English Proficient and Immigrant Students, (Title III)	SRF	264/043410	Unexpended funds	\$ 233	Paid after year-end
Refurbishment of K-8 Science Kits	EIA	326/035260	Unexpended funds	211	Paid after year-end
National Board Certification	EIA	332/035320	Unexpended funds	115	Paid after year-end
Teacher Supplies	EIA	377/035770	Unexpended funds	<u>2,200</u>	Paid after year-end
Total				<u>\$ 2,759</u>	

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

SCHOOL DISTRICT LOCATION RECONCILIATION SCHEDULE  
YEAR ENDED JUNE 30, 2019

<u>Location ID</u>	<u>Location Description</u>	<u>Education Level</u>	<u>Cost Type</u>	<u>Total Expenditures</u>
10	Districtwide	Non-school	Central	\$ 10,269,590
20	Calhoun County High	High School	School	6,521,375
45	Sandy Run Elementary	Elementary School	School	6,239,766
50	St. Matthews School	Elementary School	School	6,499,727
99	Orangeburg 4	Other School	School	<u>10,629</u>
Total expenditures/disbursements for all funds				<u><u>\$ 29,541,087</u></u>

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

General Fund	\$ 16,606,951
Special Revenue Fund - Special Projects	3,467,027
Special Revenue Fund - EIA	1,320,969
Special Revenue Fund - Food Service	1,443,240
Debt Service Fund	5,052,546
Capital Projects Fund	1,335,767
Pupil Activity Agency Fund	<u>314,587</u>
Total expenditures/disbursements for all funds	<u><u>\$ 29,541,087</u></u>

SINGLE AUDIT SECTION



# J. W. Hunt and Company

Certified Public Accountants

## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Calhoun County Public Schools, St. Matthews, South Carolina (District), as of and for the year ended June 30, 2019, 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 20, 2019.

### **Internal Control over Financial Reporting**

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

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

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

## Compliance and Other Matters

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

## Purpose of this Report

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

A handwritten signature in black ink that reads "J. W. Hunt and Company". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

November 20, 2019



J. W. Hunt and Company

Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

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

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

We have audited Calhoun County Public Schools, St. Matthews, South Carolina's (District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal programs for the year ended June 30, 2019. 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 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, 2019.

### **Report on Internal Control over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*J. W. Hunt and Company*

November 20, 2019

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2019**

LEA Subfund <u>Code</u>	Federal Grantor/ Pass-through Grantor/ <u>Program Title</u>	Federal CFDA <u>Number</u>	Pass- Through Grantor's <u>Number</u>	<u>Expenditures</u>	
<u>U. S. Department of Agriculture</u>					
Passed through S. C. Department of Education:					
Child Nutrition Cluster:					
60X	School breakfast program	10.553	N/A	\$ 420,431	
60X	School lunch program	10.555	N/A	<u>755,037</u>	
	Total Child Nutrition Cluster				1,175,468
Fresh fruits and vegetable program					
60X	Non-cash assistance:	10.582	19FFVP	24,633	
60X	USDA Commodities (Food Distribution Program)	10.565	N/A	<u>80,228</u>	
	Total U. S. Department of Agriculture				<u>1,280,329</u>
<u>U. S. Department of Education</u>					
Passed through S. C. Department of Education:					
201	Title I	84.010	Title I, Part A (Regular)	\$ 622,223	
237	Title I	84.010	19 Title I TSI	<u>19,825</u>	642,048
203	IDEA - Special Education	84.027A	19 IDEA	713,590	
204	IDEA - Special Education	84.027A	18 IDEA	26,224	
212	IDEA - Special Education	84.027A	ESY Handicapped Services	<u>11,078</u>	750,892
205	IDEA - Special Education Preschool	84.173	19 IDEA Preschool		25,350
251	Title VI - Rural and Low Income	84.358B	19 REAP	18,495	
252	Title VI - Rural and Low Income	84.358B	18 REAP	<u>12,532</u>	31,026
264	Title III - Limited English Proficiency and Immigrant Students	84.365	18 English Language Acquisition	4,969	
265	Title III - Limited English Proficiency and Immigrant Students	84.365	19 English Language Acquisition	<u>10,032</u>	15,001
267	Title II - Improving Teacher Quality	84.367A	19 Title II	74,179	
268	Title II - Improving Teacher Quality	84.367A	18 Title II	<u>5,789</u>	79,969



CALHOUN COUNTY PUBLIC SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2019

LEA Subfund <u>Code</u>	Federal Grantor/ Pass-through Grantor/ <u>Program Title</u>	Federal CFDA <u>Number</u>	Pass- Through Grantor's <u>Number</u>	<u>Expenditures</u>	
<u>U. S. Department of Education (Continued)</u>					
Passed through S.C. Department of Education:					
271	Career and Technical Education (subprogram 10)	84.048	19VA016	\$ 2,742	
272	Career and Technical Education (subprogram 02)	84.048	19VA016	1,316	
273	Career and Technical Education (subprogram 09)	84.048	19VA016	20,000	
274	Career and Technical Education (subprogram 06)	84.048	19VA016	6,309	
275	Career and Technical Education (subprogram 11)	84.048	19VA016	1,443	
277	Career and Technical Education (subprogram 04)	84.048	19VA016	5,417	
279	Career and Technical Education - Technology Training	84.048	19VA016	<u>250</u>	\$ 37,476
298	Gear Up	84.334A	P334A140210	38,271	
299	Gear Up	84.334A	P334A180036	<u>147,983</u>	186,255
210	Title IV - Student Support and Academic Enrichment	84.424A	19 Title IV, Part A	3,502	
210	Title IV - Student Support and Academic Enrichment	84.424A	18 Title IV, Part A	<u>3,953</u>	<u>7,454</u>
Total U. S. Department of Education					<u>1,775,472</u>
<u>U. S. Department of Defense</u>					
Direct Program					
290	ROTC	12.357	N/A		<u>50,943</u>
Total U. S. Department of Defense					<u>50,943</u>
<u>U.S. Department of Labor</u>					
801	Jobs for Americas Graduates - South Carolina	17.259	18JAG101		<u>54,424</u>
Total U. S. Department of Labor					<u>54,424</u>
Total expenditures of federal awards					<u>\$ 3,161,168</u>

SEE ACCOMPANYING NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2019

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**NOTE 1 - BASIS OF PRESENTATION:**

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of Calhoun County Public Schools (District), under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) 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.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the costs principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2019

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

***Financial Statements***

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? No

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

Noncompliance material to financial statements noted? No

***Federal Awards***

Internal control over major programs:

Material weaknesses identified? No

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Program</u>
---------------------	------------------------

10.553	School Breakfast Program
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10.555	School Lunch Program
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Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes

**SECTION II - FINANCIAL STATEMENT FINDINGS**

There were no findings related to the financial statements.

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

There were no findings related to major federal award programs.

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

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SECTION IV - OTHER COMPLIANCE FINDINGS:

**Finding 2019-001 - Commercial Driver's License (CDL) Drug and Alcohol Testing Program:**

Condition: During our testing of the compliance requirements of the program, we noted that a bus driver was not tested for alcohol after an accident where the driver received a citation arising from the accident and one or more vehicles had to be towed from the scene. The information provided to us indicated that only post-accident testing for controlled substances was performed.

Criteria: The program requires post-accident testing for alcohol and controlled substances in a number of situations. One such situation involves the bus driver receiving a citation for a moving traffic violation arising from the accident, if the accident involved one or more vehicles incurring disabling damage as a result of the accident that requires the motor vehicle to be transported away from the scene by a tow truck or other motor carrier vehicle.

Cause: Administrative oversight.

Effect: The District is not in compliance with the program's compliance requirements for the period under audit.

Recommendation: The District should review its policies and procedures related to post-accident testing to ensure that both alcohol and controlled substance testing is performed when required by the program.

Views of Responsible Officials and Planned Corrective Actions: To correct the above oversight, and to place responsibility for correcting any further findings from our Transportation Department, the Director of Transportation will be placed on probation through next year's audit. Several weeks ago, I questioned the Director concerning his oversight and his reply was that he did not understand that both tests were required from the aforementioned finding.

The Director's lack of knowledge in this situation or any other is not an appropriate reason for not performing his responsibilities. We have also required the Director of Transportation to attend a Director's Training sponsored by the South Carolina Association for Pupil Transportation (SCAPT) and the South Carolina Department of Education (SCDE) Office of Transportation.

Finally, we take such findings seriously and the district, through our Transportation Director, will expect no audit finding(s) from transportation during our next Audit Review. I believe that we now have the attention of our Transportation Director when it comes to the job requirements and his responsibilities.

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2019

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**Finding 2018-001 - Commercial Driver's License (CDL) Drug and Alcohol Testing Program:**

**Condition:** This finding stated that the District was not able to provide documentation that it had obtained and reviewed the motor vehicle record for each bus driver it employs during the period under audit. The program requires that the employer shall obtain and review the motor vehicle record for each driver at least once every 12 months. In addition, a copy of the motor vehicle record shall be maintained in the driver's qualification file and a note, including the name of the person who performed the review of the driving record and the date of such review, shall be maintained in the driver's qualification file.

**Recommendation:** The auditor recommended that the District review its record retention policies to ensure that all required documentation is maintained in accordance with the applicable program requirements.

**Current Status:** The recommendation was adopted during the current year. No similar finding was noted in the 2019 audit.



# J. W. Hunt and Company

Certified Public Accountants

November 20, 2019

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

We have audited the financial statements of the governmental activities and each major fund of Calhoun County Public Schools (District) for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated July 29, 2019. Professional standards also require that we communicate to you the following information related to our audit.

## Significant Audit Findings

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new significant accounting policies were adopted and the application of existing policies was not changed during 2019. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Management's estimate of the net pension and OPEB liabilities are based on actuarial valuations. We have read the actuarial reports and evaluated the key factors and assumptions used in the actuarial calculations in determining that the estimates are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the District's financial statements taken as a whole.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 20, 2019.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Budgetary Comparison Schedules, Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of the District's Pension Plan Contributions, Schedule of the District's Proportionate Share of the Net OPEB Liability, and Schedule of the District's OPEB Contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Combining and Individual Fund Schedules, Detailed Schedule of Due to State Department of Education/Federal Government, and School District Location Reconciliation Schedule, which accompanies the financial statements but is not RSI. With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Trustees and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*J. W. Hunt and Company*