

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2012**



**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

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**YEAR ENDED JUNE 30, 2012**

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**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

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**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**PRINCIPAL OFFICIALS**

**FOR THE YEAR ENDED JUNE 30, 2012**

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**Board of Trustees**

**Dr. Bill Crenshaw, Sr., Chairperson**

**Dr. Allen Kolb, Vice Chairperson**

**Ms. Corrinna O'Bannon, Secretary**

**Mr. Mark Burton**

**Mr. Samuel Bell**

**Mr. Tim Rhodes**

**Mr. Joseph E. Reynolds**

**Mr. James B. Tisdale**

**Mr. Tracy Lindler**

**Administrative Staff**

**Dr. Ivan Randolph, Superintendent**

**Betty Jo Hall, Assistant Superintendent for Human Resources  
and Public Information**

**Wanda Thomasson, Director of Food Services**

**Joyce Cunningham, Director of Special Services**

**Matt Kimsey, Director of Technology**

**Sam Jones, Director of Facilities and Operations**

**Harold Campbell, Adult Education Coordinator**

**Sherwin Johnson, Title I, Student Services, and Transportation**

**Roni Scott, Director of Finance**





## INDEPENDENT AUDITORS' REPORT

The Board of Trustees  
Abbeville County School District  
Abbeville, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Abbeville County School District, Abbeville, South Carolina (the "School District"), as of and for the year ended June 30, 2012, which collectively comprise the School District's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2012 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule – General Fund, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The introductory section, 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. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



Greene, Finney & Horton, LLP  
Mauldin, South Carolina  
November 30, 2012



**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2012**

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This discussion and analysis of Abbeville County School District (the "School District") financial performance provides an overview of the School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for fiscal year 2012 are as follows:

- The assets of the School District exceeded its liabilities (net assets) at the close of the most recent fiscal year by approximately \$16,184,000. Of this amount, approximately \$1,951,000 may be used to meet the School District's ongoing obligations to citizens and creditors (unrestricted net assets).
- The School District's total net assets increased by approximately \$558,000, which is primarily due to its increase in capital assets during the current fiscal year.
- The School District's governmental funds reported combined ending fund balance of approximately \$4,909,000, an increase of approximately \$3,576,000. The increase is primarily attributable to an increase in the Capital Projects fund (approximately \$2,858,000) and an increase in the General fund (approximately \$807,000) partially offset by a decrease in the Debt Service fund (approximately \$239,000).
- The General fund increased when compared to the prior year deficit of approximately \$1,681,000. The increase in the General Funds was primarily due to increased State funding of approximately \$952,000, increased local funding of approximately \$312,000, increased net transfers (related to State funding and the issuance of GO Bonds) of approximately \$897,000, partially offset by an increase in General Fund expenditures of approximately \$479,000.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was approximately \$1,206,000, which was approximately 6% of total General Fund expenditures.
- The School District's total capital assets increased by approximately \$228,000 (1%) during the current fiscal year primarily due to capital asset additions of approximately \$1,275,000, partially offset by depreciation expense of approximately \$1,047,000.
- The School District's total debt increased by approximately \$3,257,000 (48%) during the current fiscal year due to the issuance of new debt of approximately \$4,700,000, partially offset by current year principal payments of approximately \$1,425,000.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts – *Introductory Section*, *Financial Section*, (which includes the management's discussion and analysis, the basic financial statements, and the combining and individual fund financial schedules) and the *Compliance Section*.

**Government-Wide Basic Financial Statements.** The basic financial statements include two kinds of statements that present different views of the School District. The first two statements are *government-wide basic financial statements* that provide a broad overview of the School District's overall financial status, in a manner similar to a private-sector enterprise.

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

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

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2012**

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**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

Both of the government-wide basic financial statements distinguish functions of the School District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the School District include instruction, support services, community services, and interest and fiscal charges. The business-type activities of the School District include the food service operation. The governmental-wide basic financial statements can be found as listed on the table of contents of this report.

**Fund Basic Financial Statements.** The remaining basic financial statements are *fund financial statements* that focus on *individual parts* of the School District, reporting the School District's operations in *more detail* than the government-wide basic 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 School 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 School District can be divided into three categories: governmental, proprietary, and fiduciary.

**Governmental funds** are used to account for essentially the same functions reported as governmental activities in the government-wide basic financial statements. However, unlike the government-wide basic financial statements, governmental funds basic financial statements focus on near-term uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide basic financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide basic financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The School District maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Revenue Fund, Special Revenue – Education Improvement Act ("EIA") Fund, Debt Service Fund, and Capital Projects Fund, all of which are considered to be major funds. The governmental fund basic financial statements can be found as listed on the table of contents of this report.

**Proprietary Fund.** The School District maintains one type of proprietary fund - an enterprise fund to account for its food service operation. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide basic financial statements. Proprietary funds provide the same type of information as the government-wide basic financial statements, only in more detail; therefore, the Proprietary Fund basic financial statements provide more detailed information for the food service operation, which is considered a major fund of the School District. The Proprietary Fund basic financial statements can be found as listed on the table of contents of this report.

**Fiduciary Fund.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide basic financial statements because the resources of those funds are not available to support the School District's own programs. The School District is the trustee, or fiduciary, for the pupil activity of the schools and accounts for this activity in an agency fund. The Fiduciary Fund basic financial statement can be found as listed on the table of contents of this report.

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2012**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Notes to the Basic Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund basic financial statements. The notes to the basic financial statements can be found as listed on the table of contents of this report.

**Other information.** The combining schedules and individual fund schedules can be found beginning as listed on the table of contents of this report.

The School District has a legally adopted budget for its General Fund. A budgetary comparison schedule for this fund has been provided in the required supplementary information to demonstrate compliance with its budget. This schedule can be found as listed on the table of contents of this report.

Major Features of the School District’s Government-Wide and Fund Basic Financial Statements				
	Government-Wide Basic Financial Statements	Governmental Funds	Proprietary Fund	Fiduciary Fund
Scope	Entire School District government (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary	Activities the School District operates similar to private businesses, in the School District’s case, the food service operations.	Instances in which the School District is the trustee/agent for someone else’s resources. In the School District’s case, its pupil activity agency funds
Required Basic Financial Statements	<ul style="list-style-type: none"> <li>▪ Statement of Net Assets</li> <li>▪ Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Balance Sheet</li> <li>▪ Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>▪ Statement of Net Assets</li> <li>▪ Statement of Revenues, Expenses, and Changes in Net Assets</li> <li>▪ Statement of Cash Flows</li> </ul>	<ul style="list-style-type: none"> <li>▪ Statement of Fiduciary Assets and Liabilities.</li> </ul>
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used and liabilities that come due during the year or soon, thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term.
Type of Inflow/Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2012**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the School District, assets exceeded liabilities by approximately \$16,184,000 at the close of the most recent fiscal year. The following table provides a summary of the School District's net assets as of June 30, 2012 compared to June 30, 2011.

	Net Assets					
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Assets</b>						
Current and Other Assets	\$ 7,303,749	4,281,454	594,020	421,410	7,897,769	\$ 4,702,864
Capital Assets, Net	20,596,932	20,363,198	53,624	59,691	20,650,556	20,422,889
<b>Total Assets</b>	<b>27,900,681</b>	<b>24,644,652</b>	<b>647,644</b>	<b>481,101</b>	<b>28,548,325</b>	<b>25,125,753</b>
<b>Liabilities</b>						
Other Liabilities	2,306,946	2,698,814	-	-	2,306,946	2,698,814
Long-Term Liabilities	10,057,266	6,800,755	-	-	10,057,266	6,800,755
<b>Total Liabilities</b>	<b>12,364,212</b>	<b>9,499,569</b>	<b>-</b>	<b>-</b>	<b>12,364,212</b>	<b>9,499,569</b>
<b>Net Assets</b>						
Invested in Capital Assets,						
Net of Related Debt	13,670,241	13,997,977	53,624	59,691	13,723,865	14,057,668
Restricted	509,401	601,458	-	-	509,401	601,458
Unrestricted	1,356,826	545,648	594,020	421,410	1,950,846	967,058
<b>Total Net Assets</b>	<b>\$ 15,536,468</b>	<b>15,145,083</b>	<b>647,644</b>	<b>481,101</b>	<b>16,184,112</b>	<b>\$ 15,626,184</b>

The increase in the School District's current and other assets at June 30, 2012 of approximately \$3,195,000 from the prior year is primarily due to higher cash balances and an increase in prepaid insurance partially offset by a decrease in due from other governments. The School District's capital assets at June 30, 2012 increased by approximately \$228,000 from the prior year. This increase was primarily due to capital asset additions of approximately \$1,269,000, partially offset by depreciation expense of approximately \$1,047,000. Total liabilities at June 30, 2012 increased by approximately \$2,865,000. This increase was primarily due to the issuance of new long term debt of approximately \$4,700,000, partially offset by principal payments on long-term debt of approximately \$1,425,000, lower accrued expenses of approximately \$161,000 and a decrease in deferred revenue of approximately \$122,000.

The School District's net assets increased by approximately \$558,000 during fiscal year 2012. Please see discussion following the next table regarding this decrease.

In the case of the School District, assets exceeded liabilities (net assets) by approximately \$16,184,000 at the close of the most recent fiscal year. By far the largest portion of the School District's net assets (\$13,724,000 or 85%) reflects its investment in capital assets (i.e., land, buildings, furniture and equipment, infrastructure, etc.) less any related outstanding debt used to acquire those assets. The School District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay these long-term obligations must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2012**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

An additional portion of the School District's net assets of approximately \$509,000 (3%) represents resources that are subject to external restrictions on how they may be used. These net assets are restricted for debt service payments on the School District's general obligation bonds. The remaining balance is unrestricted net assets of approximately \$1,951,000 (12%) which may be used to meet the government's ongoing obligations to citizens and creditors.

The following table shows the School District's change in net assets for fiscal year 2012 compared to fiscal year 2011.

**Statement of Activities**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
<b>Revenue</b>						
Program Revenue:						
Charges for Service	\$ 48,021	6,099	315,025	324,899	363,046	\$ 330,998
Operating Grants	15,302,068	15,530,416	1,450,082	1,438,817	16,752,150	16,969,233
General Revenue						
Taxes	7,317,827	7,605,296	-	-	7,317,827	7,605,296
Other	4,742,896	4,900,549	-	-	4,742,896	4,900,549
Total Revenue	<u>27,410,812.00</u>	<u>28,042,360</u>	<u>1,765,107.00</u>	<u>1,763,716</u>	<u>29,175,919.00</u>	<u>29,806,076</u>
<b>Program Activities</b>						
Instruction	17,170,458	17,483,581	-	-	17,170,458	17,483,581
Support Services	9,719,690	10,362,165	-	-	9,719,690	10,362,165
Community Service	15,880	30,589	-	-	15,880	30,589
Intergovernmental	1,468	10,426	-	-	1,468	10,426
Interest and Other Charges	176,050	254,824	-	-	176,050	254,824
Food Service	-	-	1,534,444	1,545,278	1,534,444	1,545,278
Total Expenses	<u>27,083,546</u>	<u>28,141,585</u>	<u>1,534,444</u>	<u>1,545,278</u>	<u>28,617,990</u>	<u>29,686,863</u>
Net Change Before Transfers	327,266.00	(99,225)	230,663	218,438	557,929	119,213
Transfers In (Out)	<u>64,120</u>	<u>103,684</u>	<u>(64,120)</u>	<u>(103,684)</u>	<u>-</u>	<u>-</u>
Change in Net Assets	391,386	4,459	166,543	114,754	557,929	119,213
Net Assets, Beginning of Year	<u>15,145,082</u>	<u>15,140,624</u>	<u>481,101</u>	<u>366,347</u>	<u>15,626,183</u>	<u>15,506,971</u>
Net Assets, End of Year	<u>\$ 15,536,468</u>	<u>15,145,083</u>	<u>647,644</u>	<u>481,101</u>	<u>16,184,112</u>	<u>\$ 15,626,184</u>

**Governmental Activities.** The increase in net assets for governmental activities is primarily due to decreased expenditures as the District was cutting their expenditures to account for the loss in federal and state grant revenues. The School District made significant cuts to expenses in an attempt to offset the reduced revenue.

**Business-Type Activities.** The increase in net assets for business type activities was approximately \$167,000 in fiscal year 2012 versus \$115,000 in the prior year. This was primarily the result of a smaller transfer out in the current year.

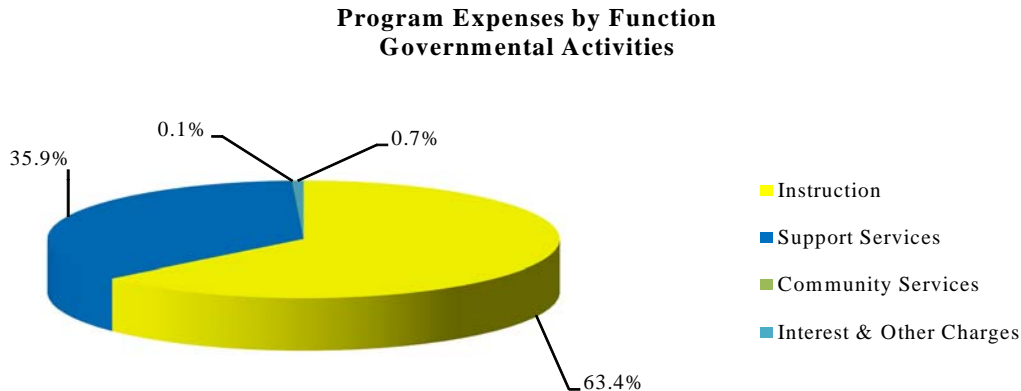
**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2012**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**



**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS**

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The analysis of governmental funds serves the purpose of looking at what resources came into the funds, how they were spent and what is available for future expenditures. Did the government generate enough revenue to pay for current obligations? What is available for spending at the end of the year?

At June 30, 2012, the School District's governmental funds reported a *combined* fund balance of approximately \$4,909,000, as compared to approximately \$1,333,000 for the prior year. The increase in the governmental funds balance is primarily due to the issuance of debt of approximately \$4,700,000 this was partially offset by expenses coming in higher than projected in the General Fund. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At June 30, 2012, the School District's unassigned fund balance for all governmental funds was approximately \$1,206,000 which solely represents the General Fund. Of the remaining fund balance of approximately \$3,703,000 approximately \$2,886,000 is restricted for capital projects and approximately \$339,000 is restricted for debt service.

The General Fund is the chief operating fund of the School District. The fund balance for the General Fund increased by approximately \$807,000, or 113%, during the current fiscal year to approximately \$1,524,000. Revenues increased by approximately \$1,263,000 to approximately \$20,074,000 primarily due to an increase in State funding of approximately \$952,000 and increased local funding of approximately \$312,000. In addition, transfers in (related to State funding) increased approximately \$897,000. These increases in revenues were partially offset by an increase in General Fund expenditures of approximately \$479,000.

The School District's Special Revenue Fund and Special Revenue – EIA Fund, are used to account for revenues derived from the State of South Carolina and the federal government. Special revenue funds do not generally have fund balances as revenues should be expended, deferred, or returned to the grantor.

The Debt Service Fund is used to account for the accumulation and payment of funds for debt retirement. The fund balance for the School District's Debt Service Fund decreased by approximately \$239,000 from the prior year to approximately \$339,000, primarily due to principal and interest payments of approximately \$1,659,000 exceeding property tax and other revenues collected of approximately \$1,420,000. The School District's debt millage rate was decreased to 24.4 mills for 2012 compared to 37.2 mills for the prior year.

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2012**

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (CONTINUED)**

**Governmental Funds (Continued)**

The Capital Projects Fund is utilized to account for the School District's capital project expenditures. The fund balance for the Capital Projects Fund increased by approximately \$2,858,000 during the current fiscal year to approximately \$2,886,000. Expenditures of approximately \$1,143,000 were funded primarily from the issuance of new debt.

**Proprietary Fund**

The School District's only proprietary fund is the Food Service Fund. This program had an increase in net assets of approximately \$167,000 for fiscal year 2012. The increase was primarily the result of revenues of approximately \$1,765,000 exceeding expenses of approximately \$1,534,000. This program also had a transfer out of approximately \$64,000.

**General Fund Budgetary Highlights**

The School District's budget is prepared according to South Carolina law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The School District has only one legally adopted budget – the General Fund. During the course of fiscal year 2012 no amendments to the School District's General Fund revenue or expense budgets were made. Key budget to actual highlights are as follows:

- State revenue was over budget by approximately \$618,000.
- There was a shortfall in tax revenue of approximately \$130,000 (compared to budgeted amounts).
- School District expenditures were over budget by approximately \$631,000.
- Net transfers were higher than budget with a positive variance of approximately \$919,000.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

*Capital Assets*

At June 30, 2012, the School District had approximately \$20,651,000 in capital assets compared to approximately \$20,423,000 in the prior year.

The following table shows the capital asset balances at June 30, 2012 and June 30, 2011.

	<b>Capital Assets at Year End</b>					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
<b>Capital Assets</b>						
Land	\$ 626,168	626,168	-	-	626,168	\$ 626,168
Construction in Progress	252,130	203,308	-	-	252,130	203,308
Building, Improvements and Equipment	36,315,130	35,095,189	309,582	303,704	36,624,712	35,398,893
Less: Accumulated Depreciation	(16,596,496)	(15,561,467)	(255,958)	(244,013)	(16,852,454)	(15,805,480)
Capital Assets, Net	<u>\$ 20,596,932</u>	<u>20,363,198</u>	<u>53,624</u>	<u>59,691</u>	<u>20,650,556</u>	<u>\$ 20,422,889</u>

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2012**

**CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)**

*Capital Assets (Continued)*

Major capital asset events during the current fiscal year included:

- Depreciation expense of approximately \$1,047,000.
- Capital asset additions of approximately \$1,275,000 for the renovations at the district office and other equipment.

More detailed information about the School District's capital assets can be found in Note III to the basic financial statements.

*Debt Administration*

At fiscal year-end, the School District had approximately \$9,640,110 in general obligation bonds ("GOB") and general obligation refunding bonds ("GORB") outstanding versus \$6,365,221 in the prior year, an increase of approximately 51% as shown in the table below. This increase is due to new debt of approximately \$4,700,000. All of the School District's debt is backed by the full faith and credit of the School District as is typical with GOB and GORB indebtedness.

**Outstanding Debt at Year End**

	Governmental Activities	
	2012	2011
Series 2003 GOB	\$ 1,000,000	\$ 1,500,000
2009 SCE Note Payable	15,110	30,221
Series 2010 GORB	3,925,000	4,835,000
Series 2011 Acquisition Bond	1,875,000	-
Series 2011A GOB	870,000	-
Series 2011B GOB	1,955,000	-
<b>Total</b>	<b>\$ 9,640,110</b>	<b>\$ 6,365,221</b>

Section 15 of Article X of the South Carolina State Constitution allows School Districts to incur debt not to exceed eight percent (8%) of the assessed value of all taxable property in the School District, unless approved by a majority vote in a referendum authorized by law. At June 30, 2012, the School District's total assessed property valuation was approximately \$54,518,000, and the legal debt limit was approximately \$4,361,000. The total outstanding indebtedness subject to the legal debt limit was approximately \$3,384,000 at June 30, 2012 thus leaving the School District with a legal debt margin of approximately \$977,000.

Other long-term obligations include accrued compensated absences. More detailed information about the School District's debt and other long-term obligations are presented in Note III to the basic financial statements.



**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2012**

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**ECONOMIC FACTORS**

The full-time and part-time work force of Abbeville County totals approximately 10,770 with 32% employed in manufacturing, 24% employed by local government entities, and the remaining 44% in other areas. Abbeville County School District employs approximately 456, ranking it as the largest employer in the County. The three largest manufacturing organizations consist of Sage Automotive Interiors, Inc., Flexible Technologies, Inc. and Prysmian Power Cables & Systems, LLC, with each employing 250 to 350. Average earning per job stands at \$32,303 while the median household income averages \$33,143. The unemployment rate in the County for September 2012 stood at 9.2%; the statewide rate was 8.6% and the national rate was 7.9%.

**FISCAL YEAR 2013 BUDGET**

Many factors were considered by the School District's administration during the process of developing the fiscal year 2013 budget. The School District's top goal was to maintain pupil teacher ratios while dealing with a decrease in funding from the local, state and federal levels. The District reduced over 20 positions either through attrition or a reduction in force. State legislation was passed that required districts which didn't qualify for a waiver, to give teachers a 2% salary increase. This increase was funded by the state, albeit with non-recurring funds.

In an effort to rebuild the District's fund balance, the Abbeville County School Board of Trustees levied 10 mills for tax year 2013, under provisions of Act 388, to recoup a deficiency in the amount of \$675,488 for fiscal year ended June 30, 2011. The ten mills will be imposed annually until the deficiency is fully replenished.

**CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide those interested with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Abbeville County School District at the following address: 400 Greenville Street, Abbeville, South Carolina, 29620.

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**STATEMENT OF NET ASSETS**

**JUNE 30, 2012**

	<b>PRIMARY GOVERNMENT</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 75,804	111,678	\$ 187,482
Cash and Cash Equivalents, Restricted	1,843,419	-	1,843,419
Cash and Investments Held by County Treasurer	3,200,519	-	3,200,519
Property Taxes Receivable, Net	455,177	-	455,177
Other Receivables, Net	11,484	-	11,484
Due from Other Governments	1,725,697	155,948	1,881,645
Internal Balances	(326,394)	326,394	-
Inventory	318,043	-	318,043
Capital Assets:			
Non-Depreciable	829,476	-	829,476
Depreciable, Net	19,767,456	53,624	19,821,080
<b>TOTAL ASSETS</b>	<b>27,900,681</b>	<b>647,644</b>	<b>28,548,325</b>
<b>LIABILITIES</b>			
Accounts Payable	152,355	-	152,355
Accrued Salaries, Fringe, and Benefits	1,551,535	-	1,551,535
Accrued Interest Payable	112,757	-	112,757
Due to Other Governments	4,623	-	4,623
Unearned Revenue	485,677	-	485,677
Long-Term Obligations:			
Due Within One Year	1,674,803	-	1,674,803
Due in More than One Year	8,382,463	-	8,382,463
<b>TOTAL LIABILITIES</b>	<b>12,364,213</b>	<b>-</b>	<b>12,364,213</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	13,670,241	53,624	13,723,865
Restricted For:			
Debt Service	265,166	-	265,166
Capital Projects	172,720	-	172,720
Special Revenue	71,515	-	71,515
Unrestricted	1,356,826	594,020	1,950,846
<b>TOTAL NET ASSETS</b>	<b>\$ 15,536,468</b>	<b>647,644</b>	<b>\$ 16,184,112</b>

The notes to the basic financial statements are an integral part of this statement.  
See accompanying independent auditors' report.

ABBEVILLE COUNTY SCHOOL DISTRICT  
 ABBEVILLE, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2012

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGE IN NET ASSETS		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
<b>PRIMARY GOVERNMENT:</b>							
Governmental Activities:							
Instruction	\$ 17,170,458	9,139	11,035,196	-	(6,126,123)	-	\$ (6,126,123)
Support Services	9,719,690	38,882	4,266,873	-	(5,413,935)	-	(5,413,935)
Community Services	15,880	-	-	-	(15,880)	-	(15,880)
Intergovernmental	1,468	-	-	-	(1,468)	-	(1,468)
Interest and Other Charges	176,050	-	-	-	(176,050)	-	(176,050)
Total Governmental Activities	<u>27,083,546</u>	<u>48,021</u>	<u>15,302,069</u>	<u>-</u>	<u>(11,733,456)</u>	<u>-</u>	<u>(11,733,456)</u>
Business-Type Activities:							
Food Services	1,534,444	315,025	1,450,082	-	-	230,663	230,663
Total Business-Type Activities	<u>1,534,444</u>	<u>315,025</u>	<u>1,450,082</u>	<u>-</u>	<u>-</u>	<u>230,663</u>	<u>230,663</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b><u>\$ 28,617,990</u></b>	<b><u>363,046</u></b>	<b><u>16,752,151</u></b>	<b><u>-</u></b>	<b><u>(11,733,456)</u></b>	<b><u>230,663</u></b>	<b><u>(11,502,793)</u></b>
<b>GENERAL REVENUES</b>							
General Revenues:							
Property Taxes Levied for General Purposes					5,907,956	-	5,907,956
Property Taxes Levied for Debt Service					1,409,871	-	1,409,871
State Revenue in Lieu of Taxes					4,554,007	-	4,554,007
Investment Earnings					1,294	-	1,294
Miscellaneous					176,323	-	176,323
Gain (Loss) on Sale of Capital Assets					11,271	-	11,271
Transfers:							
Transfers In (Out)					64,120	(64,120)	-
Total General Revenues and Transfers					<u>12,124,842</u>	<u>(64,120)</u>	<u>12,060,722</u>
<b>CHANGE IN NET ASSETS</b>					<b>391,386</b>	<b>166,543</b>	<b>557,929</b>
NET ASSETS - Beginning of Year					<u>15,145,082</u>	<u>481,101</u>	<u>15,626,183</u>
<b>NET ASSETS - Ending of Year</b>					<b><u>15,536,468</u></b>	<b><u>647,644</u></b>	<b><u>\$ 16,184,112</u></b>

The notes to the basic financial statements are an integral part of this statement.  
 See accompanying independent auditors' report.

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

**JUNE 30, 2012**

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 75,804	-
Cash and Cash Equivalents, Restricted	-	-
Cash and Investments Held by County Treasurer	2,882,431	-
Receivables, Net:		
Taxes	380,232	-
Other	11,484	-
Due From:		
State Agencies	388,620	99,078
Federal Agencies	-	1,068,166
Other Funds	1,008,476	-
Prepaid Items	318,043	-
<b>TOTAL ASSETS</b>	<b><u>\$ 5,065,090</u></b>	<b><u>1,167,244</u></b>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>LIABILITIES:</b>		
Accounts Payable	\$ 152,355	-
Accrued Salaries, Fringe and Benefits	1,528,682	-
Accrued Expenditures	-	-
Due To:		
State Department of Education	-	3,155
Other Funds	1,698,529	993,367
Deferred/Unearned Revenue	161,652	10,749
<b>TOTAL LIABILITIES</b>	<b><u>3,541,218</u></b>	<b><u>1,007,271</u></b>
<b>FUND BALANCES:</b>		
Nonspendable	318,043	-
Restricted for:		
Debt Service	-	-
Capital Projects	-	-
Special Revenue	-	71,515
Assigned for Medicaid	-	88,458
Unassigned	1,205,829	-
<b>TOTAL FUND BALANCES</b>	<b><u>1,523,872</u></b>	<b><u>159,973</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 5,065,090</u></b>	<b><u>1,167,244</u></b>

The notes to the basic financial statements are an integral part of this statement.  
See accompanying independent auditors' report.

<b>SPECIAL REVENUE - EIA</b>	<b>DEBT SERVICE</b>	<b>CAPITAL PROJECTS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
-	-	-	\$ 75,804
-	-	1,843,419	1,843,419
-	318,088	-	3,200,519
-	74,945	-	455,177
-	-	-	11,484
169,833	-	-	657,531
-	-	-	1,068,166
306,563	-	1,065,573	2,380,612
-	-	-	318,043
<b>476,396</b>	<b>393,033</b>	<b>2,908,992</b>	<b>\$ 10,010,755</b>
-	-	-	\$ 152,355
-	-	-	1,528,682
-	-	22,853	22,853
1,468	-	-	4,623
-	15,110	-	2,707,006
474,928	38,605	-	685,934
<b>476,396</b>	<b>53,715</b>	<b>22,853</b>	<b>5,101,453</b>
-	-	-	318,043
-	339,318	-	339,318
-	-	2,886,139	2,886,139
-	-	-	71,515
-	-	-	88,458
-	-	-	1,205,829
-	339,318	2,886,139	4,909,302
<b>476,396</b>	<b>393,033</b>	<b>2,908,992</b>	<b>\$ 10,010,755</b>

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS**

**JUNE 30, 2012**

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<b>TOTAL FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$ 4,909,302</b>
Amounts reported for the governmental activities in the Statement of Net Assets are different because:	
Property taxes receivable will be collected next year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the governmental funds.	200,257
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$37,193,428 and accumulated depreciation is \$16,596,496.	20,596,932
Accrued interest on the bonds in governmental funds is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.	(112,757)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities consisted of the following:	
Long-Term Debt	(9,640,110)
Compensated Absences	(417,156)
	<u>(10,057,266)</u>
<b>TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 15,536,468</u></b>

The notes to the basic financial statements are an integral part of this statement.  
See accompanying independent auditors' report.

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**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

**YEAR ENDED JUNE 30, 2012**

	<b>GENERAL</b>	<b>SPECIAL REVENUE</b>
<b>REVENUES</b>		
Local Sources:		
Taxes	\$ 6,010,774	-
Investment Earnings	299	-
Other Local Sources	61,409	467,323
State Sources	13,945,290	665,750
Federal Sources	56,071	2,320,257
<b>TOTAL REVENUE ALL SOURCES</b>	<b>20,073,843</b>	<b>3,453,330</b>
<b>EXPENDITURES</b>		
Current:		
Instruction	13,078,231	1,842,790
Support Services	7,818,830	1,229,066
Community Services	-	15,880
Intergovernmental	-	-
Capital Outlay	16,367	164,266
Debt Service:		
Principal Retirement	-	-
Interest and Fiscal Charges	-	-
<b>TOTAL EXPENDITURES</b>	<b>20,913,428</b>	<b>3,252,002</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(839,585)</b>	<b>201,328</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Premium on Issuance of General Obligation Bonds	-	-
Issuance of General Obligation Bonds	-	-
Issuance of Long Term Bonds	-	-
Transfers In	1,665,928	15,242
Transfers Out	(19,183)	(67,380)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,646,745</b>	<b>(52,138)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>807,160</b>	<b>149,190</b>
FUND BALANCES, Beginning of Year	716,712	10,783
<b>FUND BALANCES, End of Year</b>	<b>\$ 1,523,872</b>	<b>159,973</b>

The notes to the basic financial statements are an integral part of this statement.  
See accompanying independent auditors' report.



<b>SPECIAL REVENUE - EIA</b>	<b>DEBT SERVICE</b>	<b>CAPITAL PROJECTS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
-	1,292,151	-	\$ 7,302,925
-	75	919	1,293
-	-	-	528,732
2,529,590	127,652	46,000	17,314,282
-	-	-	2,376,328
<b>2,529,590</b>	<b>1,419,878</b>	<b>46,919</b>	<b>27,523,560</b>
1,576,948	-	-	16,497,969
272,955	-	128,691	9,449,542
-	-	-	15,880
1,468	-	-	1,468
-	-	1,014,115	1,194,748
-	1,425,110	-	1,425,110
-	233,443	-	233,443
1,851,371	1,658,553	1,142,806	28,818,160
<b>678,219</b>	<b>(238,675)</b>	<b>(1,095,887)</b>	<b>(1,294,600)</b>
-	-	106,299	106,299
-	-	2,825,000	2,825,000
-	-	1,875,000	1,875,000
-	-	-	1,681,170
(678,219)	-	(852,268)	(1,617,050)
<b>(678,219)</b>	<b>-</b>	<b>3,954,031</b>	<b>4,870,419</b>
-	<b>(238,675)</b>	<b>2,858,144</b>	<b>3,575,819</b>
-	577,993	27,995	1,333,483
-	<b>339,318</b>	<b>2,886,139</b>	<b>\$ 4,909,302</b>

**ABBEVILLE COUNTY SCHOOL DISTRICT  
 ABBEVILLE, SOUTH CAROLINA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**

**YEAR ENDED JUNE 30, 2012**

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<b>TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$ 3,575,819</b>
Amounts reported for governmental activities in the Statement of Activities are different because:	
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds. They are considered revenue in the Statement of Activities.	(112,750)
Payment of bond principal is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the Statement of Net Assets.	1,425,111
Bond and capital lease proceeds provide current financial resources to governmental funds, but issuing debt or entering into capital leases also increases long-term liabilities in the Statement of Net Assets.	(4,700,000)
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 governmental funds when it is due and payable 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 and payable. This amount is the net change in accrued interest.	(48,907)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds in that period. This is the net change between the current period and the prior period for these types of transactions.	18,379
Governmental funds report capital asset additions as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense of \$1,268,763 exceeded capital asset additions of \$1,035,029 in the current period.	<u>233,734</u>
<b>CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 391,386</u></u></b>

The notes to the basic financial statements are an integral part of this statement.  
 See accompanying independent auditors' report.

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**STATEMENT OF NET ASSETS**

**PROPRIETARY FUND**

**JUNE 30, 2012**

	<u><b>ENTERPRISE</b></u>
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 111,678
Due From:	
Federal Agencies	155,948
General Fund	326,394
Total Current Assets	<u>594,020</u>
Non-Current Assets:	
Capital Assets	309,582
Less: Accumulated Depreciation	(255,958)
Total Non-Current Assets	<u>53,624</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 647,644</b></u>
<b>LIABILITIES</b>	
<b>TOTAL LIABILITIES</b>	<u><b>\$ -</b></u>
<b>NET ASSETS</b>	
Invested in Capital Assets	53,624
Unrestricted	594,020
<b>TOTAL NET ASSETS</b>	<u><b>\$ 647,644</b></u>

The notes to the basic financial statements are an integral part of this statement.  
See accompanying independent auditors' report.

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**

**PROPRIETARY FUND**

**YEAR ENDED JUNE 30, 2012**

	<u><b>ENTERPRISE</b></u>
<b>OPERATING REVENUES</b>	
Proceeds from Sale of Meals	\$ 315,025
<b>OPERATING EXPENSES</b>	
Salaries	561,376
Employee Benefits	68,275
Purchased Services	18,857
Food Costs and Supplies	853,628
Depreciation	11,945
Other	20,363
<b>TOTAL OPERATING EXPENSES</b>	<u>1,534,444</u>
<b>OPERATING LOSS</b>	<u><b>(1,219,419)</b></u>
<b>NON-OPERATING REVENUES</b>	
Commodities Received from USDA	85,673
USDA Reimbursements	1,351,109
Other Revenue	13,300
<b>TOTAL NON-OPERATING REVENUE</b>	<u>1,450,082</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>230,663</u>
Transfer In (Out)	<u>(64,120)</u>
<b>CHANGE IN NET ASSETS</b>	<b>166,543</b>
TOTAL NET ASSETS, Beginning of Year	<u>481,101</u>
<b>TOTAL NET ASSETS, End of Year</b>	<u><b>\$ 647,644</b></u>

The notes to the basic financial statements are an integral part of this statement.  
See accompanying independent auditors' report.

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**STATEMENT OF CASH FLOWS**

**PROPRIETARY FUND**

**YEAR ENDED JUNE 30, 2012**

	<u><b>ENTERPRISE</b></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Meal Sales	\$ 315,025
Receipts from Other Revenues	13,300
Payments to Employees for Services	(629,651)
Payments to Suppliers for Goods and Services	(883,655)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u><b>(1,184,981)</b></u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
USDA Reimbursement	1,351,109
Transfers to Other Funds	(64,120)
<b>NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES</b>	<u><b>1,286,989</b></u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of Capital Assets	(5,878)
<b>NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u><b>(5,878)</b></u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>96,130</b>
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>15,548</u>
<b>CASH AND CASH EQUIVALENTS, End of Year</b>	<u><b>\$ 111,678</b></u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:	
Operating Loss	\$ (1,219,419)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities	
Depreciation Expense	11,945
Non-Cash USDA Commodities Used	85,673
Other Non-Operating Revenues	13,300
Change In:	
Due from Federal Agencies	(155,948)
Due from General Fund	79,468
<b>Net Cash Used in Operating Activities</b>	<u><b>\$ (1,184,981)</b></u>
Non-Cash Transactions:	
Depreciation Expense	\$ 11,945
Commodities Received From the USDA	85,673
	<u><b>\$ 97,618</b></u>

The notes to the basic financial statements are an integral part of this statement.  
See accompanying independent auditors' report.

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**STATEMENT OF ASSETS AND LIABILITIES**

**FIDUCIARY FUND**

**JUNE 30, 2012**

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	<u>AGENCY</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 278,821
<b>TOTAL ASSETS</b>	<u><u>\$ 278,821</u></u>
<b>LIABILITIES</b>	
Due to Student Organizations	\$ 278,821
<b>TOTAL LIABILITIES</b>	<u><u>\$ 278,821</u></u>

The notes to the basic financial statements are an integral part of this statement.  
See accompanying independent auditors' report.

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2012**

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**Abbeville County School District, South Carolina** (the “School District”) is a school district created by the South Carolina Legislature to provide public education services to students of Abbeville County, South Carolina. The School District receives funding from local, state and federal sources and must comply with requirements of the funding source entities. A nine member Board of Trustees (the “Board”) has fiscal autonomy in governing the School District.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District’s accounting policies are described below.

**A. The Reporting Entity**

The School District is controlled by the Board, which has oversight responsibility over the public school education activities in the School District. The School District is not included in any other governmental “reporting entity” as defined by GAAP since Board members are elected by the public and have decision making authority, the power to designate management, the ability to significantly influence operations and the primary accountability for fiscal matters. For these reasons, the School District is recognized as a primary government in accordance with GAAP.

All activities, including component units (if applicable), for which the Board exercises oversight responsibility, have been incorporated into the basic financial statements to form the reporting entity. The School District’s basic financial statements include the accounts of all School District operations, including, but not limited to, general operations and support services, food service operations, capital projects, debt service activities, and agency transactions.

The primary criterion for determining inclusion or exclusion of a legally separate entity is financial accountability, which is presumed to exist if the School District both appoints a voting majority of the entity’s governing body, and either 1) the School District is able to impose its will on the entity or, 2) there is a potential for the entity to provide specific financial benefits to, or impose specific financial burdens on, the School District. If either or both of the foregoing conditions are not met, the entity could still be considered a component unit if it is fiscally dependent on the School District. In order to be considered fiscally independent, an entity must have the authority to do all three of the following:

- i) Determine its budget without the School District having the authority to approve or modify that budget;
- ii) Levy taxes or set rates or charges without approval by the School District; and
- iii) Issue bonded debt without approval by the School District.

Finally, an entity could be a component unit even if it met all the conditions described above if excluding it would cause the School District’s basic financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are in substance, part of the government’s operations and data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide basic financial statements to emphasize they are legally separate from the School District. Based on the above criteria, the School District does not have any blended or discretely presented component units.

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2012**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Measurement Focus, Basis of Accounting, and Basis of Presentation**

The government-wide basic financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the School District (the primary government). For the most part, the effect of interfund activity has been removed or eliminated from these statements.

*Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and (2) 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*. The comparison of direct expenses with program revenues identifies the extent to which each business segment, or governmental function, is self-financing or draws from the general revenues of the School District.

**Government-wide basic financial statements** (which exclude fiduciary activities) are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the Proprietary Fund and Fiduciary Fund basic financial statements. Revenues are recognized and 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The government-wide basic financial statements are prepared using a different measurement focus from the manner in which governmental funds basic financial statements are prepared (see further detail below). Governmental funds basic financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**Governmental funds basic 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. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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.

Property taxes, federal and state grant programs and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash has been received by the government.

Fund financial statements report detailed information about the School District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Fiduciary funds are reported by fund type.

When both restricted and unrestricted resources are available for use, it is the School District's practice to use restricted resources first, then unrestricted resources as they are needed.



ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2012

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. There are a minimum number of funds maintained to keep the accounts consistent with legal and managerial requirements. The following major funds and fund types are used by the School District.

*Governmental fund types* are those through which most governmental functions of the School District are financed. The School District's expendable financial resources and related assets and liabilities (except for those accounted for in the Proprietary and Fiduciary Funds) are accounted for through governmental funds. Governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. The following are the School District's major and nonmajor governmental fund types:

The *General Fund, a major fund*, is the general operating fund of the School District and accounts for all revenues and expenditures of the School District except those required to be accounted for in another fund. All general tax revenues and other receipts that (a) are not allocated by law or contractual agreement to other funds or (b) that have not been restricted, committed, or assigned to other funds are accounted for in the General Fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

*Special revenue funds* are used to account for and report the proceeds of specific revenue sources (that are expected to continue to comprise a substantial portion of the inflows of the fund) that are legally restricted to expenditures for specified purposes. The School District has the following Special Revenue Funds:

- i.) **The Special Revenue Fund, a major fund** and an unbudgeted fund, is used to account for financial resources provided by federal, state and local projects and grants.
- ii.) **The Education Improvement Act (EIA) Fund, a major fund** and an unbudgeted fund, is used to account for the revenue from the South Carolina Education Improvement Act of 1984 which is legally required by the state to be accounted for as a specific revenue source.

The *Debt Service Fund, a major fund* and an unbudgeted fund, is used to account for and report the accumulation of resources for, and payment of, all long-term debt principal, interest and related costs for the School District.

The *Capital Projects Fund, a major fund* and an unbudgeted fund, is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed in the Proprietary Fund).

*Proprietary fund types* are accounted for based on the flow of economic resources measurement focus and use of the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The School District applies all applicable Governmental Accounting Standards Board ("GASB") pronouncements, as well as the requirements of Financial Accounting Standards Board ("FASB") Statements and Interpretations, Accounting Principles Board ("APB") Opinions, and Accounting Research Bulletins ("ARBs"), issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The School District has elected not to follow the aforementioned guidance issued after November 30, 1989 as allowed by GAAP.

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2012**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to students and teachers for breakfast, lunch and special sales. Operating expenses for the enterprise fund include the cost of sales, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non operating revenues and expenses.

The School District has one proprietary fund:

The *Enterprise Fund*, a major fund and a budgeted fund, is used to account for those operations that are financed and operated in a manner similar to private business enterprises or where the School District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is necessary for management accountability. The Food Service Fund is the School District's only enterprise fund and is used to account for the United States Department of Agriculture's ("USDA") approved school breakfast and lunch programs.

*Fiduciary Fund types* use the economic resources measurement focus and the accrual basis of accounting; they are used to account for expendable assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds and include agency funds. Fiduciary Fund Types include the following fund:

The *Agency Fund* accounts for the receipt and disbursement of monies to and from student activity organizations. These funds have no equity (assets are equal to liabilities) and do not include revenues and expenditures for general operation of the School District. This accounting reflects the agency relationship of the School District with the student activity organizations. Agency funds do not have a measurement focus.

**C. Assets, Liabilities, and Equity**

**1. Cash, Cash Equivalents, and Investments**

***Cash and Cash Equivalents***

The School District considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchased) are reported as investments.

***Investments***

The School District's investment policy is designed to operate within existing statutes (which are identical for all funds, fund types and component units within the State of South Carolina) that authorize the School District to invest in the following:

- (a) Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2012**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, and Equity (Continued)**

**1. Cash, Cash Equivalents, and Investments (Continued)**

***Investments (Continued)***

- (b) Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (c) (i) General obligations of the State of South Carolina or any of its political units; or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (d) Savings and Loan Associations to the extent that the same are insured by an agency of the federal government.
- (e) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (a) and (b) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
- (f) Repurchase agreements when collateralized by securities as set forth in this section.
- (g) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (a), (b), (c), and (f) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

The School District's cash investment objectives are preservation of capital, liquidity and yield. The School District reports its cash and investments at fair value which is normally determined by quoted market prices. The School District currently or in the past year has used the following investments:

- Cash and investments held by the County Treasurer which are property taxes collected by the School District's fiscal agent that have not been remitted to the School District. The County Treasurer invests these funds in investments authorized by state statute as outlined above. All interest and other earnings gained are added back to the fund and are paid out by the County Treasurer to the respective governments on a periodic basis.

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2012**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, and Equity (Continued)**

**2. *Receivables and Payables***

Transactions between funds that are representative of reimbursement arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." These amounts are eliminated in the governmental and business-type activities columns of the Statement of Net Assets, except for the net residual amounts due between governmental and business-type activities, which are presented as "internal balances".

All trade and property taxes receivable are shown net of an allowance for uncollectibles and are expected to be collected within one year.

**3. *Inventories and Prepaid Items***

***Inventories***

In the Enterprise Fund, expendable supplies and food items for sale to students are carried in inventory accounts at average cost, determined using the first-in, first-out method, and are subsequently charged to expenses when consumed rather than when purchased. For all other funds, other materials and supplies are charged to expenditures when purchased (purchase method). The Enterprise Fund inventory includes an amount for commodities received from the USDA, recorded at fair market value at the time of receipt, which have not been consumed as of year end.

***Prepaid Items***

Certain payments to vendors for costs applicable to future accounting periods are recorded as an expenditure when paid using the purchase method.

**4. *Capital Assets***

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$5,000 for equipment and vehicles. The School District's infrastructure assets are immaterial and have been reported with the buildings and improvements. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest is not capitalized during the construction of capital assets.

All reported capital assets except land and construction in progress are depreciated. Construction projects begin being depreciated once they are complete, at which time the complete costs of the project are transferred to the appropriate capital asset category. Improvements are depreciated over the remaining useful lives of the related capital assets.

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2012**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, and Equity (Continued)**

**4. Capital Assets (Continued)**

Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	20	N/A
Buildings and Improvements	15 to 40	N/A
Vehicles	10	10
Machinery and Equipment	5 to 12	5 to 12

**5. Compensated Absences**

The School District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." School District employees are granted vacation and sick leave in varying amounts. Upon termination of employment, an employee is reimbursed for accumulated vacation days. Unused sick leave is not reimbursed and therefore not reported in the basic financial statements. The entire compensated absence liability and expense is reported on the governmental-wide basic financial statements. The portion applicable to the Proprietary Fund (if material) is also recorded in the Proprietary Fund basic financial statements.

**6. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide basic financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund basic financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, contractually required retirement contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund basic financial statements until due and payable.

In the government-wide basic financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Assets. Bond premiums, as well as bond issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Amortization of premiums and bond issuance costs are included in interest expense. Bond premiums are included with bonds payable and other long-term obligations. Bond issuance costs are reported as other assets and are amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2012

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Equity (Continued)

7. Fund Balance

In accordance with GASB #54 “Fund Balance Reporting and Governmental Fund Type Definitions” (“GASB #54”), the School District classifies governmental fund balances as follows:

**Nonspendable** – includes amounts that inherently cannot be spent either because it is not in spendable form (i.e. prepaids, inventories, etc.) or because of legal or contractual requirements (i.e. principal on an endowment, etc.).

**Restricted** – includes amounts that are constrained by specific purposes which are externally imposed by (a) other governments through laws and regulations, (b) grantors or contributions through agreements, (c) creditors through debt covenants or other contracts, or (d) imposed by law through constitutional provisions or enabling legislation.

**Committed** – includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action made by the highest level of decision making authority (Board of Trustees) before the end of the reporting period. 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 it employed to previously commit those amounts.

**Assigned** – includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and that such assignments are made before the report issuance date. At this time, the Board of Trustees has not formally granted the right to make assignments of fund balance for the School District to anyone.

**Unassigned** – includes amounts that do not qualify to be accounted for and reported in any of the other fund balance categories. This classification represents the amount of 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 General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts of restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

The School District generally uses restricted amounts to be spent first when both restricted and unrestricted (committed, assigned, and unassigned) fund balance is available unless there are legal documents, contracts, or agreements that prohibit doing such. Additionally, the School District generally would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2012**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, and Equity (Continued)**

**8. Net Assets**

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

**9. Accounting Estimates**

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements. In addition, they affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates and assumptions.

**10. Comparative Data**

Comparative data (i.e. presentation of prior year totals by fund type) has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

**Budgetary Practices** – A budget is presented in the required supplementary information section for the General Fund. No legally adopted budget is prepared for the other funds.

The budget is presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America. The budget is prepared by function and object as dictated by the State of South Carolina adopted Program Oriented Budgeting and Accounting System and for management control purposes.

In May of each year, the School District’s management submits a proposed budget to the Board for the General Fund. The budget includes proposed expenditures and the means of financing the expenditures. After modifications are made, resulting from discussions between the Board and the School District’s management, the Board approves a final budget. The School District’s policies allow funds to be transferred between functions, but the total budget may not be increased without approval of the Board. The legal level of budgetary control is at the fund level. During the year, the Board approved one update to the budget.

The School District’s management has the authority to overspend the budget within percentages established by the South Carolina State Department of Education for most state and federally funded projects. The School District may overspend in certain funds as long as funds are available from other areas.

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2012**

**III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES**

**A. Deposits and Investments**

*Deposits*

**Custodial Credit Risk for Deposits:** Custodial credit risk for deposits is the risk that, in the event of a bank failure, the School District’s deposits might not be recovered. The School District does not have a deposit policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2012, none of the School District’s bank balances of \$3,248,344 (with a carrying value of \$2,309,721) were subject to custodial credit risk.

*Investments*

As of June 30, 2012, the School District had the following investments:

Investment Type	Credit Rating	Fair Value	Weighted Average Maturity (Years)
Cash and Investments Held by County Treasurer	Unrated	\$ 3,200,519	^

^ The County Treasurer invests the monies it holds in trust for the School District in separate demand depository accounts with banks.

**Interest Rate Risk:** The School District does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

**Custodial Credit Risk for Investments:** Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2012, none of the School District’s investments were exposed to custodial credit risk.

**Concentration of Credit Risk for Investments:** The School District places no limit on the amount it may invest in any one issuer. Investments issued by or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools and other pooled investments are exempt from concentration of credit risk disclosures.

**Credit Risk for Investments:** Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School District does not have an investment policy for credit risk but follows the investment policy statutes of the State of South Carolina.



**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2012**

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**III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)**

**B. Property Taxes and Other Receivables**

Abbeville County, South Carolina (the “County”) is responsible for levying and collecting sufficient property taxes to meet its funding obligation for the School District as determined by the School District’s Board of Trustees. The property taxes are considered both measurable and available for purposes of recognizing revenue and a receivable from the County at the time they are collected by the County.

Property taxes were levied and billed by the County on real and personal properties (excluding vehicles) on October 1, 2011 based on an assessed value of approximately \$54.6 million at rates of 176.7 mills and 24.4 mills (173.8 mills and 37.2 mills in the prior year) for the General Fund and Debt Service Fund, respectively. These taxes are due without penalty through January 15.

Penalties are added to taxes depending on the date paid as follows:

January 16 through February 1	-	3% of tax
February 2 through March 15	-	10% of tax
After March 15	-	15% of tax plus collection costs

Current year real and personal taxes become delinquent on March 16. Unpaid property taxes become a lien against the property as of June 1 of the calendar year following the levy date. The levy date for motor vehicles is the first day of the month in which the motor vehicle license expires. These taxes are due by the last day of the same month.

Taxes receivable include an allowance for uncollectibles of approximately \$152,000 at June 30, 2012. Allowances for uncollectibles were not necessary for the other receivable accounts.

**C. Deferred/Unearned Revenue**

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned (unearned revenue). At June 30, 2012, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

Delinquent Property Taxes Receivable (General Fund)	\$	161,652
Delinquent Property Taxes Receivable (Debt Service Fund)		38,605
Unearned Revenue (EIA and Special Projects Fund)		485,677
Total Deferred/Unearned Revenue for Governmental Funds	\$	<u>685,934</u>

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2012**

**III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)**

**D. Capital Assets**

Capital asset activity for the School District for the year ended June 30, 2012, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental Activities:</b>					
Capital Assets, Non-Depreciable:					
Land	\$ 626,168	-	-	-	\$ 626,168
Construction in Progress	203,308	904,767	-	(855,945)	252,130
Total Capital Assets, Non-Depreciable	<u>829,476</u>	<u>904,767</u>	<u>-</u>	<u>(855,945)</u>	<u>878,298</u>
Capital Assets, Depreciable:					
Buildings and Improvements	33,542,691	151,688	-	855,945	34,550,324
Vehicles	651,583	-	-	-	651,583
Equipment	900,915	212,308	-	-	1,113,223
Total Capital Assets - Depreciable	<u>35,095,189</u>	<u>363,996</u>	<u>-</u>	<u>855,945</u>	<u>36,315,130</u>
Less: Accumulated Depreciation for:					
Buildings and Improvements	14,256,334	912,547	-	-	15,168,881
Vehicles	618,573	23,249	-	-	641,822
Equipment	686,560	99,233	-	-	785,793
Total Accumulated Depreciation	<u>15,561,467</u>	<u>1,035,029</u>	<u>-</u>	<u>-</u>	<u>16,596,496</u>
Total Capital Assets, Depreciable, Net	19,533,722	(671,033)	-	855,945	19,718,634
Total Governmental Activities Capital Assets, Net	<u>\$ 20,363,198</u>	<u>233,734</u>	<u>-</u>	<u>-</u>	<u>\$ 20,596,932</u>
<b>Business-Type Activities:</b>					
Furniture and Equipment	\$ 303,704	5,878	-	-	\$ 309,582
Less: Accumulated Depreciation	244,013	11,945	-	-	255,958
Total Business-Type Activities Capital Assets, Net	<u>\$ 59,691</u>	<u>(6,067)</u>	<u>-</u>	<u>-</u>	<u>\$ 53,624</u>

Governmental activities capital asset depreciation expense was charged to functions/programs for 2012 as follows:

Functions/Programs	Depreciation Expense
<b>Governmental Activities:</b>	
Instruction	\$ 633,724
Support Services	401,305
Total - Governmental Activities	<u>\$ 1,035,029</u>

**ABBEVILLE COUNTY SCHOOL DISTRICT  
 ABBEVILLE, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2012**

**III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)**

**E. Interfund Receivables and Payables**

Interfund balances at June 30, 2012 (which are expected to be received or paid within one year) consisted of the following individual fund receivables and payables:

Fund	Receivables	Payables
<b>Primary Government:</b>		
General Fund	\$ 1,008,476	\$ 1,698,529
Special Revenue:		
Special Revenue	-	993,367
EIA	306,563	-
Capital Projects Fund	1,065,573	-
Enterprise Fund - Food Service Fund	326,394	-
Debt Service	-	15,110
Total Primary Government	<u>\$ 2,707,006</u>	<u>\$ 2,707,006</u>

The General Fund receivable is a result of the General Fund financing salaries and other expenditures for Special Revenue funds. The General Fund payable is primarily the result of holding cash for the Capital Projects Fund, deferred revenues in the EIA/Special Revenue funds as well as a payable to the Enterprise Fund, for which the majority of cash is maintained in the General Fund.

The Special Revenue - EIA receivable balance is the result of funds received in advance of expenditures being held in the General Fund. Special Revenue payables are a result of the General Fund financing salaries and other expenditures for Special Revenue funds.

The Capital Projects fund receivable is due to excess cash held by the General Fund.

The Enterprise Fund receivable is due to excess cash held by the General Fund for the Enterprise Fund.

The Debt Service Fund payable is the result of the General Fund financing expenditures for the Debt Service Fund.

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2012**

**III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)**

**F. Transfers In and (Out)**

Transfer from and to other funds for the year ended June 30, 2012, consisted of the following:

<b>General Fund</b>			
Transfers in	Amount	Transfers out	Amount
Special Revenue Fund	\$ 67,380	Special Revenue	\$ 15,242
Special Revenue - EIA Fund	678,219	Food Service	3,941
Capital Projects	852,268		<u>\$ 19,183</u>
Food Service	68,061		
	<u>\$ 1,665,928</u>		

<b>Special Revenue Fund</b>			
Transfers in	Amount	Transfers out	Amount
General Fund	<u>\$ 15,242</u>	General Fund	<u>\$ 67,380</u>

<b>EIA</b>			
Transfers in	Amount	Transfers out	Amount
None	<u>\$ -</u>	General Fund	<u>\$ 678,219</u>

<b>Food Service</b>			
Transfers in	Amount	Transfers out	Amount
General Fund	<u>\$ 3,941</u>	General Fund	<u>\$ 68,061</u>

<b>Capital Projects</b>			
Transfers in	Amount	Transfers out	Amount
None	<u>\$ -</u>	General Fund	<u>\$ 852,268</u>

Interfund transfers generally include funding allowed for indirect costs, required matches, supplemental funding and accounting practice. The transfers for the year ended June 30, 2012, consisted of the following:

**General Fund**

Transfers in:

Funds are transferred into the General Fund from other funds to cover EIA raises for teachers and indirect costs for federal programs. There was also a transfer from the Capital Projects fund to recoup prior year's eligible capital expenditures.

Transfer out:

Funds were transferred for an in-kind contribution to the First Steps program.

**Special Revenue Fund**

Transfers in:

Funds were transferred for an in-kind contribution to the First Steps program.

Transfers out:

Funds are transferred from Special Revenue funds into the General Fund to cover indirect costs on federal programs.

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2012**

**III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)**

**F. Transfers In and (Out) (Continued)**

**EIA Fund**

Transfers out:

Funds are transferred from the EIA Fund into the General Fund for EIA raises for teachers.

**Food Service Fund**

Transfers in:

Funds are transferred from the General Fund to cover excess fringe costs.

Transfers out:

Funds are transferred from the Food Service Fund into the General Fund to cover indirect costs.

**Capital Projects Fund**

Transfers in:

Funds were transferred to the General Fund to recoup prior year's eligible capital expenditures.

**G. Short-Term Obligations**

In July 2011, the School District issued a \$1,853,000 tax anticipation note ("2011 TAN") at a net effective rate of 0.23% to help cover current operating needs. The School District drew down \$1,000,000 that was subsequently repaid in March 2012 for approximately \$1,007,892 (including interest).

<b>Short-Term Obligations</b>	Beginning Balance	Additions	Reductions	Ending Balance
2011 TAN	\$ -	1,000,000	(1,000,000)	\$ -
Total Debt	\$ -	1,000,000	(1,000,000)	\$ -

**H. Long-Term Obligations**

The School District primarily uses general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the governmental activities of the School District. General obligation bonds are direct obligations and pledge the full faith and credit of the government and thus are subject to the state 8% debt limit requirement unless issued/approved under referendum. The general obligation bonds ("GOB") and general obligation refinancing bonds ("GORB") of the School District at June 30, 2012, were comprised of the following:

- 2003 Series – original issue of \$3,400,000 for renovations and additions to certain School District facilities; principal due in annual installments of \$175,000 to \$650,000 through April, 2014; interest is paid semiannually at rates from 2.25% to 4%. Approximately \$559,000 of the outstanding balance is subject to the 8% debt limit and approximately \$441,000 of the outstanding balance is excluded from the 8% debt limit. Issuance costs were not significant and thus have not been recorded related to this issue.
- 2009 SCE Note – Original issue of \$30,220 due in two annual installments of \$15,110 beginning in November 2011. These proceeds were used for the acquisition of HVAC equipment.

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2012**

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**III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)**

**H. Long-Term Obligations (Continued)**

- 2010 Series – Original issue of \$5,155,000 for a partial advance refunding of the Series 2001 general obligation bonds of \$5,100,000. The bond proceeds were placed in an irrevocable trust for the purpose of repaying \$5,100,000 of the 2001 series bonds. As a result the refunded bonds are considered defeased and the liability has been removed from the Statement of Net Assets. The new bonds were issued at a premium of \$274,575 and the School District incurred \$51,884 in issuance costs. The premium and issuance costs have been included in with interest and fiscal charges in the governmental funds statements and have been expensed in the government-wide Statement of Activities due to their immateriality. The reacquisition price exceeded the net carrying amount of the old debt by \$55,000 and was expensed due to its immateriality. The transaction also resulted in an economic gain of approximately \$606,000 and a reduction of approximately \$915,000 in future debt service payments.
- 2011 Acquisition – Original Issue of \$1,875,000 for equipment acquisitions; principal due in annual installments of \$100,000 to \$334,000 through December, 2019; interest is paid annually at a rate of 3.02%. None of this debt is subject to the 8% debt limit. The School District incurred \$32,500 in issuance costs and have been included in with interest and fiscal charges in the governmental funds statements and have been expensed in the government-wide Statement of Activities due to their immateriality.
- 2011A Series – Original Issue of \$870,000 for recoupment of eligible prior years' expenditures; principal due in annual installments of \$165,000 to \$380,000 through September, 2016; interest is paid semiannually at rates from 2% to 2.25%. The new bonds were issued at a premium of \$4,045 and the School District incurred \$17,862 in issuance costs. The premium and issuance costs have been included in with interest and fiscal charges in the governmental funds statements and have been expensed in the government-wide Statement of Activities due to their immateriality.
- 2011B Series– Original Issue of \$1,955,000 for renovations and additions to certain School District facilities; principal due in annual installments of \$25,000 to 1,220,000 through March, 2018; interest is paid semiannually at rates from 2% to 3%. The new bonds were issued at a premium of \$123,021 and the School District incurred \$40,138 in issuance costs. The premium and issuance costs have been included in with interest and fiscal charges in the governmental funds statements and have been expensed in the government-wide Statement of Activities due to their immateriality.

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2012**

**III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)**

**H. Long-Term Obligations (Continued)**

The following is a summary of changes in School District long-term obligations for the year ended June 30, 2012:

Long-Term Obligations	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Debt:					
2003 Series GOB	\$ 1,500,000	-	500,000	1,000,000	\$ 500,000
2009 SCE Note Payable	30,221	-	15,111	15,110	15,110
2010 Series GORB	4,835,000	-	910,000	3,925,000	955,000
2011A ACQ	-	1,875,000	-	1,875,000	100,000
2011A GOB	-	870,000	-	870,000	-
2011B GOB	-	1,955,000	-	1,955,000	-
Total Debt	6,365,221	4,700,000	1,425,111	9,640,110	1,570,110
Accrued Compensated Absences	435,534	288	32,274	403,548	104,693
Total Governmental Activities	\$ 6,800,755	4,700,288	1,457,385	10,043,658	\$ 1,674,803

General Fund resources typically have been used in prior years to liquidate the compensated absences obligations. The Debt Service Fund has been used to service all other long-term obligations.

Section 15 of Article X of the South Carolina State Constitution allows School Districts to incur debt not to exceed eight percent (8%) of the assessed value of all taxable property in the School District, unless approved by a majority vote in a referendum authorized by law. At June 30, 2012, the School District's total assessed property valuation was approximately \$54,518,000 and the legal debt limit was approximately \$4,361,000. The total outstanding indebtedness subject to the legal debt limit was approximately \$3,384,000 at June 30, 2012 thus leaving the School District with a legal debt margin of approximately \$978,000.

Annual debt service requirements to maturity for the indebtedness of the School District's governmental activities are as follows:

Years Ending June 30	General Obligation Bonds		Totals
	Principal	Interest	
2013	\$ 1,570,110	295,990	\$ 1,866,100
2014	1,460,000	239,568	1,699,568
2015	1,495,000	204,348	1,699,348
2016	1,437,000	164,278	1,601,278
2017	1,485,000	113,096	1,598,096
2018	1,535,000	65,985	1,600,985
2019	324,000	19,872	343,872
2020	334,000	10,087	344,087
Totals	\$ 9,640,110	1,113,223	\$ 10,753,333

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2012**

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**IV. OTHER INFORMATION**

**A. South Carolina Retirement System Retirement Plans**

The School District participates in a retirement plan under authorization of Title 9 of the SC Code of Laws, State of South Carolina which covers substantially all of the School District's full-time employees. The plan, the South Carolina Retirement System ("SCRS"), is a cost-sharing multiple employer defined benefit pension system that benefits employees of public schools, the State, and its political subdivisions, and is administered by the Retirement Division of the State Budget and Control Board of South Carolina. Only the State of South Carolina has the authority to establish and amend benefits and funding policy. Membership is required as a condition of employment and both employees and employers must contribute the required amount. A Comprehensive Annual Financial Report containing financial statements and required supplementary information for the South Carolina Retirement System is issued and publicly available by writing the South Carolina Retirement System, P.O. Box 11960, Columbia, SC 29211-1960.

Benefits vest after five years of service, and vested members who retire at age sixty-five or with twenty eight years of service at any age, receive an annual benefit, payable monthly for life. The benefit is based on the length of service and on average final compensation, an annualized average of the employee's highest twelve consecutive quarters' compensation. Reduced benefits are payable as early as age sixty.

The employee required contribution rates to the SCRS plan was 6.50% of covered salary for the years ended June 30, 2012, 2011, and 2010. The employer required contribution rate to the SCRS plan was 9.39%, 9.24%, and 9.24% for the years ended June 30, 2012, 2011, and 2010, respectively. Because the contribution rates to the SCRS are required, they are also actual contributions as well. Thus, the actual contribution rate and amount is 100% of the required contribution rate and amount for the plan for all years presented.

The State of South Carolina also provides an optional retirement plan ("State ORP"). It is a governmental plan administered as a qualified plan pursuant to Section 401(a) of the IRC. The State ORP is a defined contribution plan that provides retirement and survivor benefits for certain administrative positions which allows them to participate. As an alternative to the South Carolina Retirement System, employees eligible for the State ORP may choose between the State ORP plan or the SCRS plan.

Employee required contribution rates to the State ORP were 6.50% of covered salary for the years ended June 30, 2012, 2011, and 2010. The employer required contribution rates were 9.39%, 9.24%, and 9.24% for the years ended June 30, 2012, 2011, and 2010, respectively. In 2012, 2011, and 2010, 5% of the employer required contribution was remitted to the employees authorized investment providers with the balance being remitted to the South Carolina Retirement System. Because the contribution rates to the State ORP are required, they are also actual contributions as well. Thus, the actual contribution rate and amount is 100% of the required contribution rate and amount for the State ORP for all years presented.

In addition to the above rates, participating employers have contributed (a) .15% of payroll for the SCRS and State ORP to provide a group life insurance benefit for their participants (for the current and preceding two years) and (b) 4.30%, 3.90%, and 3.50% surcharge on payroll for retiree health and dental insurance and group life insurance benefit for their active participants for the years ended June 30, 2012, 2011, and 2010, respectively. All employers contribute at the actuarially required contribution rates.

The School District had total wages of approximately \$17,328,000, \$18,092,000, and \$19,510,000 for the years ended June 30, 2012, 2011, and 2010, respectively.

The following is a summary of the School District's member wages and employee and employer contributions for the retirement plans:



**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2012**

**IV. OTHER INFORMATION (CONTINUED)**

**A. South Carolina Retirement System Retirement Plans (Continued)**

Year Ended June 30th	Member Wages	Employee Contributions	Employer Contributions	Total Contributions
<b><u>SCRS</u></b>				
2012	\$ 16,640,975	1,081,663	2,302,349	\$ 3,384,012
2011	17,427,317	1,132,599	2,382,438	3,515,037
2010	\$ 18,830,664	1,198,375	2,494,964	\$ 3,693,339
<b><u>State ORP</u></b>				
2012	\$ 569,748	37,034	50,337	\$ 87,371
2011	562,124	36,538	47,802	84,340
2010	\$ 661,471	42,996	53,468	\$ 96,464

**B. Postemployment Benefits**

In addition to the pension benefits, and in accordance with provisions of the State Appropriations Act, an employer contribution surcharge (4.30% for 2012) percent of covered payroll was added to State and Public School entities covered by the State Health Insurance Program. This assessment is for the purpose of providing retiree health insurance coverage on a pay-as-you-go basis, and is remitted to the Division of Insurance Services. No additional employee contributions are required. The annual contribution rate is determined based on a state-wide estimate of annual premiums and covered payroll. The expenditure recognized by the employer for the year ended June 30, 2012 was \$569,121, which is included in the employer contributions shown in the above footnote. There were on average 65 participants eligible to receive retiree health insurance coverage during June 30, 2012. All postretirement benefits paid to the School District's retired members are made from the SCRS and from South Carolina's General Fund (Health Care). The School District has no liability beyond the payment of monthly contributions.

**C. Risk Management**

The School 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 School District continues to carry commercial insurance for property and casualty insurance. There has been no reduction in insurance coverage as compared to the prior year. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

**D. Commitments**

The School District has awarded various construction contracts totaling approximately \$500,000 for various projects throughout the District to be paid for out of the 2011 A ACQ Bonds.

**E. Subsequent Events**

The School District raised their tax millage for school operating purposes from 176.7 mills to 189.7 mills which includes 10 mills to recover a portion of the operating shortfall from prior years. The Debt Service millage was also increased from 24.4 mills to 31.2 mills to cover the School Districts future debt service payments.

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2012**

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**IV. OTHER INFORMATION (CONTINUED)**

**E. Subsequent Events (Continued)**

**Issuances of Debt:**

In August, 2012, the School District entered into a tax anticipation note ("TAN") for approximately \$1,725,000 at a net effective rate of .33% due in April 2013. The School District has drawn down approximately \$400,000 as of the date of issuance of the financial statements.

The School District issued series 2012 General Obligation Refunding Bonds in July for approximately \$1,017,000 to refund the series 2003 general obligation bonds of \$1,000,000.

The School District issued series 2012 General Obligation Bonds in September to make the December principal and interest payment of the 2011A ACQ Bonds. The bonds were issued at an interest rate of 1.75% and are due in March 2013.

**F. Pending Implementation of GASB Statement on Pension**

GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" ("Statement"), was issued by the Governmental Accounting Standards Board ("GASB") in June 2012. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that are provided by other entities. In addition, state and local governments who participate in a cost-sharing multiple employer plan will now be required to recognize a liability for its proportionate share of the net pension liability of that plan. It is GASB's intention that this new Statement will provide citizens and other users of the financial statements with a clearer picture of the size and nature of the School District's financial obligations to current and former employees for past services rendered.

In particular, the School District will be required to report a net pension liability for its participation in the SCRS and PORS on financial statements prepared on the economic resources measurement focus and accrual basis of accounting (i.e., the Statement of Net Assets) and present more extensive note disclosures. In general, it should not have a significant impact on the School District's governmental funds.

The effect of implementation of this Statement has not been determined at this time, but it is anticipated that it will materially decrease the School District's unrestricted net assets. This Statement is required to be implemented by the School District no later than the fiscal year ending June 30, 2015.

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON INFORMATION - GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL

YEAR ENDED JUNE 30, 2012

	GENERAL FUND			
	ORIGINAL BUDGET	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Local Sources:				
Taxes	\$ 6,125,141	6,125,141	6,010,774	\$ (114,367)
Investment Earnings	15,962	15,962	299	(15,663)
Other Local Sources	-	-	61,409	61,409
State Sources	13,326,848	13,326,848	13,945,290	618,442
Federal Sources	87,404	87,404	56,071	(31,333)
<b>TOTAL REVENUE ALL SOURCES</b>	<b>19,555,355</b>	<b>19,555,355</b>	<b>20,073,843</b>	<b>518,488</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	12,760,619	12,760,619	13,078,231	(317,612)
Support Services	7,468,723	7,468,723	7,818,830	(350,107)
Capital Outlay	53,297	53,297	16,367	36,930
<b>TOTAL EXPENDITURES</b>	<b>20,282,639</b>	<b>20,282,639</b>	<b>20,913,428</b>	<b>(630,789)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(727,284)</b>	<b>(727,284)</b>	<b>(839,585)</b>	<b>(112,301)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	776,939	776,939	1,665,928	888,989
Transfers Out	(49,655)	(49,655)	(19,183)	30,472
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>727,284</b>	<b>727,284</b>	<b>1,646,745</b>	<b>919,461</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>807,160</b>	<b>807,160</b>
FUND BALANCE, Beginning of Year	716,712	716,712	716,712	-
<b>FUND BALANCE, End of Year</b>	<b>\$ 716,712</b>	<b>716,712</b>	<b>1,523,872</b>	<b>\$ 807,160</b>

Note: The budget is presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2012

	REVISED BUDGET	ACTUAL	VARIANCE
<b>REVENUES</b>			
1000 Revenue from Local Sources:			
1200 Revenue from Local Governmental Units Other than LEAs:			
1210 Ad Valorem Taxes-Including Delinquent (Dependent)	\$ 5,698,449	5,365,421	\$ (333,028)
1240 Penalties & Interest on Taxes (Dependent)	334,535	430,542	96,007
1280 Revenue in Lieu of Taxes (Independent and Dependent)	92,157	214,811	122,654
1300 Tuition:			
1310 From Patrons for Regular Day School	-	9,139	9,139
1500 Earnings on Investments:			
1510 Interest on Investments	15,962	299	(15,663)
1900 Other Revenue from Local Sources:			
1950 Refund of Prior Year's Expenditures	-	38,882	38,882
1990 Miscellaneous Local Revenue:			
1993 Receipt of Insurance Proceeds	-	11,271	11,271
1999 Revenue from Other Local Sources	-	2,117	2,117
Total Revenue from Local Sources	<u>6,141,103</u>	<u>6,072,482</u>	<u>(68,621)</u>
3000 Revenue from State Sources:			
3100 Restricted State Funding:			
3110 Occupational Education:			
3113 12-Month Agriculture Program	19,087	19,832	745
3130 Special Programs:			
3131 Handicapped Transportation	-	593	593
3132 Home Schooling	-	470	470
3160 School Bus Driver's Salary (Includes Hazardous Condition Transportation)	153,848	187,677	33,829
3162 Transportation Worker's Compensation	-	19,325	19,325
3180 Fringe Benefits Employer Contributions	2,529,342	2,643,827	114,485
3181 Retiree Insurance	487,969	569,121	81,152
3300 Education Finance Act:			
3310 Full-Time Programs:			
3311 Kindergarten	366,166	469,837	103,671
3312 Primary	1,037,219	1,085,880	48,661
3313 Elementary	1,404,404	1,595,361	190,957
3314 High School	330,415	644,190	313,775
3315 Trainable Mentally Handicapped	44,645	32,661	(11,984)
3316 Speech Handicapped (Part-Time Program)	572,422	574,334	1,912
3317 Homebound	\$ 4,951	28,034	\$ 23,083

(Continued)

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2012

	REVISED BUDGET	ACTUAL	VARIANCE
3320 Part-Time Programs:			
3321 Emotionally Handicapped	\$ 42,282	32,973	\$ (9,309)
3322 Educable Mentally Handicapped	38,174	40,842	2,668
3323 Learning Disabilities	457,638	458,680	1,042
3324 Hearing Handicapped	5,289	12,969	7,680
3325 Visually Handicapped	17,511	23,579	6,068
3326 Orthopedically Handicapped	2,780	6,569	3,789
3327 Vocational	999,148	788,762	(210,386)
3330 Other EFA Programs:			
3331 Autism	27,666	53,054	25,388
3375 Education Foundation Supplement	-	102,716	102,716
3800 State Revenue in Lieu of Taxes:			
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	1,321,955	1,321,955	-
3820 Homestead Exemption (Tier 2)	686,677	687,279	602
3825 Reimbursement for Property Tax Relief (Tier 3)	2,500,000	2,389,892	(110,108)
3830 Merchant's Inventory Tax	31,963	31,963	-
3840 Manufacturers Depreciation Reimbursement	245,297	88,935	(156,362)
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	-	33,980	33,980
Total Revenue from State Sources	<u>13,326,848</u>	<u>13,945,290</u>	<u>618,442</u>
4000 Revenue from Federal Sources:			
4900 Other Federal Sources:			
4992 U.S. Forest Commission Revenues	87,404	56,071	(31,333)
Total Revenue from Federal Sources	<u>87,404</u>	<u>56,071</u>	<u>(31,333)</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<b><u>19,555,355</u></b>	<b><u>20,073,843</u></b>	<b><u>518,488</u></b>
<b>EXPENDITURES</b>			
100 Instruction:			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	682,424	882,945	(200,521)
200 Employee Benefits	260,595	321,155	(60,560)
300 Purchased Services	9,361	8,949	412
400 Supplies and Materials	8,939	8,288	651
112 Primary Programs:			
100 Salaries	1,782,688	1,821,467	(38,779)
200 Employee Benefits	580,219	592,833	(12,614)
300 Purchased Services	2,725	2,725	-
400 Supplies and Materials	\$ 41,848	24,310	\$ 17,538

(Continued)

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2012

	REVISED BUDGET	ACTUAL	VARIANCE
113 Elementary Programs:			
100 Salaries	\$ 2,599,360	2,865,597	\$ (266,237)
200 Employee Benefits	870,589	959,771	(89,182)
300 Purchased Services	107,456	84,154	23,302
400 Supplies and Materials	31,755	23,229	8,526
600 Other Objects	4,212	3,454	758
114 High School Programs:			
100 Salaries	2,054,657	2,103,600	(48,943)
200 Employee Benefits	682,460	685,546	(3,086)
300 Purchased Services	46,387	33,092	13,295
400 Supplies and Materials	34,453	44,656	(10,203)
500 Capital Outlay	-	-	-
600 Other Objects	14,323	12,488	1,835
115 Career and Technology Education Program:			
100 Salaries	684,319	687,718	(3,399)
140 Terminal Leave	-	12,089	(12,089)
200 Employee Benefits	208,182	200,333	7,849
300 Purchased Services - Other Than Tuition	6,669	5,065	1,604
400 Supplies and Materials	67,074	39,766	27,308
600 Other Objects	3,065	1,758	1,307
120 Exceptional Programs:			
121 Educable Mentally-Handicapped:			
100 Salaries	48,842	66,717	(17,875)
200 Employee Benefits	16,245	22,223	(5,978)
300 Purchased Services	1,875	-	1,875
600 Other Objects	100	-	100
122 Trainable Mentally Handicapped:			
100 Salaries	195,938	224,755	(28,817)
200 Employee Benefits	78,054	73,191	4,863
123 Orthopedically Handicapped:			
400 Supplies and Materials	-	73	(73)
124 Visually Handicapped:			
100 Salaries	5,768	21,138	(15,370)
200 Employee Benefits	1,474	6,677	(5,203)
125 Hearing Handicapped:			
100 Salaries	10,557	10,569	(12)
200 Employee Benefits	2,866	2,989	(123)
400 Supplies and Materials	-	1,120	(1,120)
126 Speech Handicapped:			
100 Salaries	63,473	55,497	7,976
200 Employee Benefits	25,143	16,120	9,023
300 Purchased Services	\$ 219,008	158,035	\$ 60,973

(Continued)

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2012

	REVISED BUDGET	ACTUAL	VARIANCE
127 Learning Disabilities:			
100 Salaries	\$ 688,452	434,387	\$ 254,065
200 Employee Benefits	236,610	140,404	96,206
300 Purchased Services	3,192	-	3,192
129 Coordinated Early Intervening Services (CEIS):			
100 Salaries	188,972	170,420	18,552
200 Employee Benefits	53,652	55,617	(1,965)
130 Pre-School Programs:			
137 Pre-School Handicapped-Self-Contained (3 & 4-Yr. Olds):			
200 Employee Benefits	-	273	(273)
140 Special Programs:			
145 Homebound:			
100 Salaries	19,047	19,031	16
200 Employee Benefits	3,965	4,091	(126)
300 Purchased Services	800	5,108	(4,308)
147 CDEPP:			
100 Salaries	395	55	340
200 Employee Benefits	68	12	56
149 Other Special Programs:			
100 Salaries	64,799	62,687	2,112
200 Employee Benefits	22,789	22,252	537
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	-	33,444	(33,444)
200 Employee Benefits	-	9,787	(9,787)
170 Summer School Programs:			
172 Elementary Summer School:			
100 Salaries	-	1,464	(1,464)
200 Employee Benefits	-	315	(315)
175 Instructional Programs Beyond Regular School Day:			
100 Salaries	-	2,400	(2,400)
200 Employee Benefits	-	516	(516)
180 Adult/Continuing Educational Programs:			
187 Adult Education - Remedial:			
100 Salaries	15,567	22,740	(7,173)
200 Employee Benefits	9,208	9,136	72
Total Instruction	<u>\$ 12,760,619</u>	<u>13,078,231</u>	<u>\$ (317,612)</u>

(Continued)

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2012

	REVISED BUDGET	ACTUAL	VARIANCE
200 Support Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	\$ 23,219	23,218	\$ 1
200 Employee Benefits	7,417	7,402	15
300 Purchased Services	-	6,067	(6,067)
400 Supplies and Materials	-	305	(305)
212 Guidance Services:			
100 Salaries	416,280	449,455	(33,175)
200 Employee Benefits	133,980	129,625	4,355
300 Purchased Services	355	355	-
400 Supplies and Materials	571	569	2
213 Health Services:			
100 Salaries	-	83,513	(83,513)
200 Employee Benefits	-	29,719	(29,719)
300 Purchased Services	-	391	(391)
400 Supplies and Materials	-	1,207	(1,207)
220 Instructional Staff Services:			
221 Improvement of Instruction-Curriculum Development:			
100 Salaries	75,530	115,525	(39,995)
200 Employee Benefits	22,759	34,643	(11,884)
300 Purchased Services	1,980	4,326	(2,346)
400 Supplies and Materials	3,054	3,118	(64)
600 Other Objects	5,862	1,249	4,613
222 Library and Media Services:			
100 Salaries	390,079	410,033	(19,954)
200 Employee Benefits	126,499	127,846	(1,347)
300 Purchased Services	2,455	135	2,320
400 Supplies and Materials	2,556	2,258	298
500 Capital Outlay	6,840	8,456	(1,616)
600 Other Objects	488	-	488
223 Supervision of Special Programs:			
300 Purchased Services	490	-	490
400 Supplies and Materials	1,496	-	1,496
224 Improvement of Instruction-Inservice and Staff Training:			
300 Purchased Services	1,359	-	1,359
400 Supplies and Materials	1,858	-	1,858
230 General Administrative Services:			
231 Board of Education:			
200 Employee Benefits	237,017	195,632	41,385
300 Purchased Services	26,124	52,484	(26,360)
318 Audit Services	46,410	57,362	(10,952)
400 Supplies and Materials	290	247	43
600 Other Objects	\$ 36,217	55,610	\$ (19,393)

(Continued)



GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2012

	REVISED BUDGET	ACTUAL	VARIANCE
232 Office of Superintendent:			
100 Salaries	\$ 168,944	171,110	\$ (2,166)
200 Employee Benefits	39,655	43,946	(4,291)
300 Purchased Services	5,928	2,046	3,882
400 Supplies and Materials	2,583	1,036	1,547
500 Capital Outlay	572	-	572
600 Other Objects	5,224	1,543	3,681
233 School Administration:			
100 Salaries	1,070,218	1,153,004	(82,786)
200 Employee Benefits	347,958	375,569	(27,611)
300 Purchased Services	1,041	1,801	(760)
400 Supplies and Materials	6,524	2,294	4,230
600 Other Objects	13,828	6,629	7,199
250 Finance and Operations Services:			
252 Fiscal Services:			
100 Salaries	153,912	146,792	7,120
200 Employee Benefits	44,469	48,107	(3,638)
300 Purchased Services	10,510	25,678	(15,168)
400 Supplies and Materials	11,044	10,931	113
500 Capital Outlay	5,000	-	5,000
600 Other Objects	730	794	(64)
254 Operation and Maintenance of Plant:			
100 Salaries	650,227	623,987	26,240
140 Terminal Leave	-	9,925	(9,925)
200 Employee Benefits	273,245	271,131	2,114
300 Purchased Services	516,129	544,584	(28,455)
321 Public Utilities (Excludes Gas, Oil, Elec. & Other Heating Fuels)	92,618	113,293	(20,675)
400 Supplies and Materials	223,023	152,480	70,543
470 Energy (Includes Gas, Oil, Elec. & Other Heating Fuels)	609,398	672,407	(63,009)
500 Capital Outlay	8,380	7,911	469
600 Other Objects	20,224	362	19,862
255 Student Transportation (State Mandated):			
100 Salaries	384,899	459,094	(74,195)
200 Employee Benefits	181,258	154,072	27,186
300 Purchased Services	1,306	1,012	294
400 Supplies and Materials	2,388	1,278	1,110
500 Capital Outlay	760	-	760
600 Other Objects	86,287	67,954	18,333
256 Food Service:			
200 Employee Benefits	180,000	213,377	(33,377)
257 Internal Services:			
400 Supplies and Materials	5,958	5,459	499
258 Security:			
300 Purchased Services	\$ 122,859	130,407	\$ (7,548)

(Continued)

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2012

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
260 Central Support Services:			
263 Information Services:			
100 Salaries	\$ 9,575	9,753	\$ (178)
200 Employee Benefits	2,423	2,481	(58)
400 Supplies and Materials	7,835	7,835	-
264 Staff Services:			
100 Salaries	88,384	89,541	(1,157)
200 Employee Benefits	27,900	28,414	(514)
300 Purchased Services	3,842	1,794	2,048
400 Supplies and Materials	4,485	1,610	2,875
600 Other Objects	10,029	4,489	5,540
266 Technology and Data Processing Services:			
100 Salaries	123,678	122,063	1,615
200 Employee Benefits	39,192	38,802	390
300 Purchased Services	31,046	18,483	12,563
400 Supplies and Materials	52,391	13,187	39,204
500 Capital Outlay	38,585	-	38,585
600 Other Objects	3,088	547	2,541
270 Support Services Pupil Activity:			
271 Pupil Services Activities:			
100 Salaries	170,115	164,227	5,888
200 Employee Benefits	37,369	33,673	3,696
300 Purchased Services	5,000	-	5,000
400 Supplies and Materials	19,054	15,129	3,925
600 Other Objects	29,745	62,406	(32,661)
Total Support Services	<u>7,522,020</u>	<u>7,835,197</u>	<u>(313,177)</u>
<b>TOTAL EXPENDITURES</b>	<b>\$ 20,282,639</b>	<b>20,913,428</b>	<b>\$ (630,789)</b>

(Continued)

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2012

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interfund Transfers, From (To) Other Funds:			
5230 Transfer from Special Revenue EIA Fund	\$ 653,830	693,650	\$ 39,820
5250 Transfer from Capital Projects Fund	-	852,268	852,268
5280 Transfer from Other Funds Indirect Costs	123,109	120,010	(3,099)
421-710 Transfer to Special Revenue Fund	(49,655)	(15,242)	34,413
424-710 Transfer to Capital Projects Fund	-	(3,941)	(3,941)
TOTAL OTHER FINANCING SOURCES (USES)	<u>727,284</u>	<u>1,646,745</u>	<u>919,461</u>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>807,160</b>	<b>807,160</b>
FUND BALANCE, Beginning of Year	<u>716,712</u>	<u>716,712</u>	<u>-</u>
<b>FUND BALANCE, End of Year</b>	<u><b>\$ 716,712</b></u>	<u><b>1,523,872</b></u>	<u><b>\$ 807,160</b></u>

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**SPECIAL REVENUE FUND**

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

**YEAR ENDED JUNE 30, 2012**

	<b>Title I (BA Projects) (201/202)</b>	<b>IDEA (CA Projects) (203/204)</b>
<b>REVENUES</b>		
1000 Revenue from Local Sources:		
1900 Other Revenue from Local Sources:		
1930 Medicaid	\$ -	-
1999 Revenue from Other Local Sources	-	-
Total Revenue from Local Sources	<u>-</u>	<u>-</u>
3000 Revenue from State Sources:		
3100 Restricted State Funding:		
3110 Occupational Education:		
3118 EEDA Career Specialist	-	-
3120 General Education:		
3123 Formative Assessment	-	-
3125 Career and Technology Education Equipment	-	-
3127 Student Health and Fitness - PE Teachers	-	-
3130 Special Programs:		
3134 Child Development Education Pilot Program (CDEPP) (Carryover Only)	-	-
3136 Student Health and Fitness - Nurses	-	-
3190 Miscellaneous Restricted State Grants:		
3193 Education License Plates	-	-
3607 6-8 Enhancement (Carryover Provision)	-	-
3610 K-5 Enhancement	-	-
3900 Other State Revenue:		
3991 ADEPT (Assisting, Developing, and Evaluating Professional Teaching) (Carryover Only)	-	-
3994 Before/After School Childcare	-	-
3999 Revenue from Other State Sources	-	-
Total Revenue from State Sources	<u>\$ -</u>	<u>-</u>

<b>Preschool Handicapped (CG Projects) (205/206)</b>	<b>CATE (VA Projects) (207/208)</b>	<b>Drug Free (FP/FQ Projects) (209/210)</b>	<b>Adult Education (243)</b>	<b>Other Designated Restricted State Grants</b>	<b>Other Special Revenue Programs</b>	<b>Totals</b>
-	-	-	-	-	347,645	\$ 347,645
-	-	-	-	-	119,678	119,678
-	-	-	-	-	467,323	467,323
-	-	-	-	81,496	-	81,496
-	-	-	-	10,150	-	10,150
-	-	-	-	38,014	-	38,014
-	-	-	-	24,925	-	24,925
-	-	-	-	32,194	-	32,194
-	-	-	-	158,508	-	158,508
-	-	-	-	1,758	-	1,758
-	-	-	-	7,816	-	7,816
-	-	-	-	167,307	-	167,307
-	-	-	-	5,858	-	5,858
-	-	-	-	-	10,339	10,339
-	-	-	-	-	127,385	127,385
-	-	-	-	528,026	137,724	\$ 665,750

(Continued)

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**SPECIAL REVENUE FUND**

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

**YEAR ENDED JUNE 30, 2012**

	<b>Title I (BA Projects) (201/202)</b>	<b>IDEA (CA Projects) (203/204)</b>
4000 Revenue from Federal Sources:		
4200 Occupational Education:		
4210 Perkins Aid, Title I	\$ -	-
4300 Elementary and Secondary Education Act of 1965 (ESEA):		
4310 Title I	923,635	-
4312 Rural and Low-Income School Program, Title VI	-	-
4315 American Recovery and Reinvestment Act (ARRA), Title I Basic State Grant Programs (Carryover Provision)	-	-
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III	-	-
4351 Improving Teacher Quality	-	-
4400 Adult Education:		
4410 Basic Adult Education	-	-
4500 Programs for Children with Disabilities:		
4510 Individuals with Disabilities Education Act (IDEA)	-	766,044
4520 Preschool Grants (IDEA) (Carryover Provision)	-	-
4540 IDEA (ARRA 611)	-	-
4550 IDEA Preschool (ARRA 619)	-	-
Total Revenue from Federal Sources	<u>923,635</u>	<u>766,044</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<b><u>923,635</u></b>	<b><u>766,044</u></b>

**EXPENDITURES**

100 Instruction:		
110 General Instruction:		
111 Kindergarten Program:		
100 Salaries	33,963	-
200 Employee Benefits	14,429	-
400 Supplies and Materials	230	-
112 Primary Programs:		
100 Salaries	279,465	-
200 Employee Benefits	89,540	-
300 Purchased Services	42,197	-
400 Supplies and Materials	113,241	-
113 Elementary Programs:		
100 Salaries	130	-
200 Employee Benefits	10	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
500 Capital Outlay	\$ -	-

<b>Preschool Handicapped (CG Projects) (205/206)</b>	<b>CATE (VA Projects) (207/208)</b>	<b>Drug Free (FP/FQ Projects) (209/210)</b>	<b>Adult Education (243)</b>	<b>Other Designated Restricted State Grants</b>	<b>Other Special Revenue Programs</b>	<b>Totals</b>
-	52,847	-	-	-	-	\$ 52,847
-	-	-	-	-	16,126	939,761
-	-	-	-	-	65,024	65,024
-	-	-	-	-	6,216	6,216
-	-	-	-	-	10,245	10,245
-	-	-	-	-	157,394	157,394
-	-	-	106,421	-	-	106,421
-	-	-	-	-	10,618	776,662
59,187	-	-	-	-	-	59,187
-	-	-	-	-	137,921	137,921
-	-	-	-	-	8,579	8,579
<b>59,187</b>	<b>52,847</b>	<b>-</b>	<b>106,421</b>	<b>-</b>	<b>412,123</b>	<b>2,320,257</b>
<b>59,187</b>	<b>52,847</b>	<b>-</b>	<b>106,421</b>	<b>528,026</b>	<b>1,017,170</b>	<b>3,453,330</b>
-	-	-	-	43,246	61,524	138,733
-	-	-	-	20,195	18,198	52,822
-	-	-	-	-	-	230
-	-	-	-	20,484	82,699	382,648
-	-	-	-	4,441	17,616	111,597
-	-	-	-	-	-	42,197
-	-	-	-	-	2,455	115,696
-	-	-	-	-	-	130
-	-	-	-	-	-	10
-	-	-	-	-	16,126	16,126
-	-	-	-	-	2,458	2,458
-	-	-	-	-	1,302	\$ 1,302

(Continued)

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**SPECIAL REVENUE FUND**

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

**YEAR ENDED JUNE 30, 2012**

	<b>Title I (BA Projects) (201/202)</b>	<b>IDEA (CA Projects) (203/204)</b>
114 High School Programs:		
100 Salaries	\$ 700	-
200 Employee Benefits	105	-
300 Purchased Services	-	-
115 Career and Technology Education Program:		
100 Salaries	-	-
200 Employee Benefits	-	-
500 Capital Outlay	-	-
120 Exceptional Programs:		
121 Educable Mentally Handicapped:		
100 Salaries	-	67,725
200 Employee Benefits	-	33,534
400 Supplies and Materials	-	-
122 Trainable Mentally Handicapped:		
100 Salaries	-	43,198
200 Employee Benefits	-	18,350
400 Supplies and Materials	-	74
123 Orthopedically Handicapped:		
400 Supplies and Materials	-	178
124 Visually Handicapped:		
100 Salaries	-	8,526
200 Employee Benefits	-	4,074
300 Purchased Services	-	843
400 Supplies and Materials	-	-
125 Hearing Handicapped:		
100 Salaries	26,422	-
200 Employee Benefits	7,472	-
300 Purchased Services	-	456
400 Supplies and Materials	-	-
126 Speech Handicapped:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	818
127 Learning Disabilities:		
100 Salaries	-	112,158
200 Employee Benefits	-	55,981
300 Purchased Services	-	1,890
400 Supplies and Materials	\$ -	9,481



<b>Preschool Handicapped (CG Projects) (205/206)</b>	<b>CATE (VA Projects) (207/208)</b>	<b>Drug Free (FP/FQ Projects) (209/210)</b>	<b>Adult Education (243)</b>	<b>Other Designated Restricted State Grants</b>	<b>Other Special Revenue Programs</b>	<b>Totals</b>
-	-	-	-	-	-	\$ 700
-	-	-	-	-	-	105
-	-	-	-	10,150	-	10,150
-	5,400	-	-	-	-	5,400
-	1,131	-	-	-	-	1,131
-	17,827	-	-	38,014	-	55,841
-	-	-	-	-	-	67,725
-	-	-	-	-	-	33,534
-	-	-	-	-	270	270
-	-	-	-	-	-	43,198
-	-	-	-	-	-	18,350
-	-	-	-	-	57	131
151	-	-	-	-	527	856
-	-	-	-	-	-	8,526
-	-	-	-	-	-	4,074
-	-	-	-	-	400	1,243
-	-	-	-	-	2,132	2,132
-	-	-	-	-	-	26,422
-	-	-	-	-	-	7,472
-	-	-	-	-	-	456
-	-	-	-	-	363	363
-	-	-	-	-	44,037	44,037
-	-	-	-	-	12,492	12,492
-	-	-	-	-	-	818
-	-	-	-	-	10,075	122,233
-	-	-	-	-	2,165	58,146
-	-	-	-	-	-	1,890
-	-	-	-	-	31,156	\$ 40,637

(Continued)

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**SPECIAL REVENUE FUND**

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

**YEAR ENDED JUNE 30, 2012**

	<b>Title I (BA Projects) (201/202)</b>	<b>IDEA (CA Projects) (203/204)</b>
128 Emotionally Handicapped:		
100 Salaries	\$ -	13,425
200 Employee Benefits	-	11,354
129 Coordinated Early Intervening Services (CEIS):		
100 Salaries	-	-
200 Employee Benefits	-	-
130 Pre-School Programs:		
137 Pre-School Handicapped Self-Contained (3 & 4-Yr. Olds):		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
140 Special Programs:		
145 Homebound:		
100 Salaries	-	620
200 Employee Benefits	-	133
300 Purchased Services	-	643
147 CDEPP:		
100 Salaries	84,891	-
200 Employee Benefits	29,969	-
300 Purchased Services	-	-
600 Other Objects	-	-
149 Other Special Programs:		
100 Salaries	13,415	-
200 Employee Benefits	6,488	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
160 Other Exceptional Programs:		
161 Autism:		
400 Supplies and Materials	-	-
170 Summer School Programs:		
175 Instructional Programs Beyond Regular School Day:		
100 Salaries	23,494	-
200 Employee Benefits	5,048	-
300 Purchased Services	\$ 1,395	-

<b>Preschool Handicapped (CG Projects) (205/206)</b>	<b>CATE (VA Projects) (207/208)</b>	<b>Drug Free (FP/FQ Projects) (209/210)</b>	<b>Adult Education (243)</b>	<b>Other Designated Restricted State Grants</b>	<b>Other Special Revenue Programs</b>	<b>Totals</b>
-	-	-	-	-	-	\$ 13,425
-	-	-	-	-	-	11,354
-	-	-	-	-	4,819	4,819
-	-	-	-	-	1,866	1,866
40,053	-	-	-	-	7,565	47,618
17,080	-	-	-	-	1,331	18,411
-	-	-	-	-	250	250
27	-	-	-	-	1,893	1,920
-	-	-	-	-	-	620
-	-	-	-	-	-	133
-	-	-	-	-	-	643
-	-	-	-	18,497	-	103,388
-	-	-	-	11,116	-	41,085
-	-	-	-	60	-	60
-	-	-	-	421	-	421
-	-	-	-	-	3,617	17,032
-	-	-	-	-	1,665	8,153
-	-	-	-	-	840	840
-	-	-	-	-	2,672	2,672
-	-	-	-	-	2,658	2,658
-	-	-	-	-	-	23,494
-	-	-	-	-	-	5,048
-	-	-	-	-	-	\$ 1,395

(Continued)

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**SPECIAL REVENUE FUND**

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

**YEAR ENDED JUNE 30, 2012**

	<b>Title I (BA Projects) (201/202)</b>	<b>IDEA (CA Projects) (203/204)</b>
180 Adult/Continuing Educational Programs:		
181 Adult Basic Education Programs:		
100 Salaries	-	-
200 Employee Benefits	\$ -	-
400 Supplies and Materials	-	-
182 Adult Secondary Education Programs:		
100 Salaries	-	-
200 Employee Benefits	-	-
400 Supplies and Materials	-	-
188 Parenting/Family Literacy:		
100 Salaries	-	-
200 Employee Benefits	-	-
400 Supplies and Materials	15,480	-
Total Instruction	<u>788,084</u>	<u>383,461</u>
200 Support Services:		
210 Pupil Services:		
211 Attendance and Social Work Services:		
400 Supplies and Materials	343	-
212 Guidance Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
213 Health Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	944
400 Supplies and Materials	-	161
214 Psychological Services:		
100 Salaries	-	115,882
200 Employee Benefits	-	31,958
300 Purchased Services	-	2,376
400 Supplies and Materials	-	207
215 Exceptional Program Services:		
400 Supplies and Materials	\$ -	1,787

<b>Preschool Handicapped (CG Projects) (205/206)</b>	<b>CATE (VA Projects) (207/208)</b>	<b>Drug Free (FP/FQ Projects) (209/210)</b>	<b>Adult Education (243)</b>	<b>Other Designated Restricted State Grants</b>	<b>Other Special Revenue Programs</b>	<b>Totals</b>
-	-	-	20,045	-	-	\$ 20,045
-	-	-	4,276	-	-	4,276
-	-	-	6,000	-	-	6,000
-	-	-	57,285	-	-	57,285
-	-	-	10,851	-	-	10,851
-	-	-	7,665	-	-	7,665
-	-	-	-	-	25,000	25,000
-	-	-	-	-	13,745	13,745
-	-	-	-	-	-	15,480
<b>57,311</b>	<b>24,358</b>	<b>-</b>	<b>106,122</b>	<b>166,624</b>	<b>373,973</b>	<b>1,899,933</b>
-	-	-	-	-	-	343
-	21,610	-	-	63,177	-	84,787
-	-	-	-	18,319	-	18,319
-	400	-	-	-	-	400
-	-	-	-	-	5,659	5,659
-	-	-	-	113,361	52,398	165,759
-	-	-	-	45,147	21,385	66,532
-	-	-	-	-	125,135	126,079
-	-	-	-	-	4,643	4,804
-	-	-	-	-	2,000	117,882
-	-	-	-	-	430	32,388
309	-	-	-	-	-	2,685
-	-	-	-	-	6,388	6,595
-	-	-	-	-	162	\$ 1,949

(Continued)

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**SPECIAL REVENUE FUND**

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

**YEAR ENDED JUNE 30, 2012**

	<b>Title I (BA Projects) (201/202)</b>	<b>IDEA (CA Projects) (203/204)</b>
220 Instructional Staff Services:		
221 Improvement of Instruction - Curriculum Development:		
100 Salaries	\$ -	-
200 Employee Benefits	-	-
300 Purchased Services	38,406	137
400 Supplies and Materials	4,767	-
223 Supervision of Special Programs:		
100 Salaries	43,101	137,019
200 Employee Benefits	14,723	51,559
300 Purchased Services	1,419	8,534
400 Supplies and Materials	252	1,717
500 Capital Outlay	-	-
224 Improvement of Instruction - Inservice and Staff Training:		
100 Salaries	-	900
200 Employee Benefits	-	148
300 Purchased Services	-	66
250 Finance and Operations Services:		
251 Student Transportation (Federal/District Mandated):		
100 Salaries	1,024	7,525
200 Employee Benefits	220	1,588
300 Purchased Services	2,539	-
253 Facilities Acquisition and Construction:		
500 Capital Outlay:		
520 Construction Services	-	-
255 Student Transportation (State Mandated):		
100 Salaries	120	-
200 Employee Benefits	25	-
260 Central Support Services:		
262 Planning:		
300 Purchased Services	-	-
266 Technology and Data Processing Services:		
300 Purchased Services	-	-
500 Capital Outlay	2,667	-
270 Support Services - Pupil Activity:		
271 Pupil Services Activities:		
300 Purchased Services	-	-
400 Supplies and Materials	2,514	-
Total Support Services	<u>\$ 112,120</u>	<u>362,508</u>

<b>Preschool Handicapped (CG Projects) (205/206)</b>	<b>CATE (VA Projects) (207/208)</b>	<b>Drug Free (FP/FQ Projects) (209/210)</b>	<b>Adult Education (243)</b>	<b>Other Designated Restricted State Grants</b>	<b>Other Special Revenue Programs</b>	<b>Totals</b>
-	-	-	-	82,728	-	\$ 82,728
-	-	-	-	21,138	-	21,138
-	-	-	-	-	1,249	39,792
-	-	-	-	2,100	-	6,867
-	-	-	-	-	63,159	243,279
-	-	-	-	-	24,662	90,944
5	-	-	299	-	15,615	25,872
-	-	-	-	-	17,184	19,153
-	-	-	-	-	7,393	7,393
-	-	-	-	-	700	1,600
-	-	-	-	-	150	298
-	483	-	-	-	14,337	14,886
-	-	-	-	-	-	8,549
-	-	-	-	-	-	1,808
-	-	-	-	-	-	2,539
-	-	-	-	-	64,908	64,908
-	-	-	-	-	5,133	5,253
-	-	-	-	-	393	418
-	5,578	-	-	-	-	5,578
-	-	-	-	-	21,249	21,249
-	-	-	-	-	32,157	34,824
-	418	-	-	-	-	418
-	-	-	-	-	-	2,514
<b>314</b>	<b>28,489</b>	<b>-</b>	<b>299</b>	<b>345,970</b>	<b>486,489</b>	<b>\$ 1,336,189</b>

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**SPECIAL REVENUE FUND**

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

**YEAR ENDED JUNE 30, 2012**

	<b>Title I (BA Projects) (201/202)</b>	<b>IDEA (CA Projects) (203/204)</b>
300 Community Services:		
350 Custody and Care of Children:		
100 Salaries	\$ -	-
200 Employee Benefits	-	-
390 Other Community Services:		
400 Supplies and Materials	-	-
Total Community Services	-	-
<b>TOTAL EXPENDITURES</b>	<b>900,204</b>	<b>745,969</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Interfund Transfers, From (To) Other Funds:		
5210 Transfer from General Fund (Exclude Indirect Costs)	-	-
420-710 Transfer to General Fund (Exclude Indirect Costs)	-	-
431-791 Special Revenue Fund Indirect Costs (Use Only for Transfer of Indirect Costs to General Fund)	(23,431)	(20,075)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(23,431)</b>	<b>(20,075)</b>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>-</b>
FUND BALANCE, Beginning of Year	-	-
<b>FUND BALANCE, End of Year</b>	<b>\$ -</b>	<b>-</b>



<b>Preschool Handicapped (CG Projects) (205/206)</b>	<b>CATE (VA Projects) (207/208)</b>	<b>Drug Free (FP/FQ Projects) (209/210)</b>	<b>Adult Education (243)</b>	<b>Other Designated Restricted State Grants</b>	<b>Other Special Revenue Programs</b>	<b>Totals</b>
-	-	-	-	-	11,837	\$ 11,837
-	-	-	-	-	2,543	2,543
-	-	-	-	-	1,500	1,500
-	-	-	-	-	15,880	15,880
<b>57,625</b>	<b>52,847</b>	<b>-</b>	<b>106,421</b>	<b>512,594</b>	<b>876,342</b>	<b>3,252,002</b>
-	-	-	-	-	15,242	15,242
-	-	-	-	(15,432)	-	(15,432)
(1,562)	-	-	-	-	(6,880)	(51,948)
(1,562)	-	-	-	(15,432)	8,362	(52,138)
-	-	-	-	-	<b>149,190</b>	<b>149,190</b>
-	-	-	-	-	10,783	10,783
-	-	-	-	-	<b>159,973</b>	<b>\$ 159,973</b>

SPECIAL REVENUE FUND

SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES

YEAR ENDED JUNE 30, 2012

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OTHER DESIGNATED RESTRICTED STATE GRANTS

905	Career Technology Education Equipment
916	ADEPT (Assisting, Developing, and Evaluating Professional Teaching)
919	Education License Plates
924	Child Development Education Pilot Program (CDEPP)
928	EEDA Career Specialists
933	Formative Assessment
936	Student Health and Fitness - Nurses
937	Student Health and Fitness - PE Teachers
960	K-5 Enhancement (Carryover Provision)
967	6-8 Enhancement (Carryover Provision)

OTHER SPECIAL REVENUE PROGRAMS

202	Title I, Part A
203	IDEA 611
205	IDEA Preschool
207	Perkins Aid, Title I, Base Grants Current Year
213	Personnel Development - IDEA
215	IDEA (ARRA 611)
216	IDEA Preschool (ARRA 610)
222	American Recovery and Reinvestment Act (ARRA), Title I Basic State Grant (Carryover Provision)
237	Title 1 School Improvement
251	Rural and Low-Income School Program, Title VI (84.358B) (Carryover Provision)
256	Medicaid
263	First Steps
264	Title III - English Language Acquisition
267	Improving Teacher Quality
804	Maintenance Transportation
805	Technology Awards
807	State Farm Grant
808	Special Needs Transportation
899	Before/After School Childcare

SPECIAL REVENUE FUND

SUMMARY SCHEDULE FOR OTHER DESIGNATED RESTRICTED STATE GRANTS

YEAR ENDED JUNE 30, 2012

Subfund	Revenue	Programs	Revenues	Expenditures	Special Revenue		Special Revenue Fund Deferred
					Interfund Transfers In (Out)	Other Fund Transfers In (Out)	
905	3125	Career and Technology Education Equipment	\$ 38,014	38,014	-	-	\$ 2,153
916	3991	ADEPT (Assisting, Developing and Evaluating (Carryover O	5,858	-	-	(5,858)	-
919	3193	Education License Plates	1,758	-	-	(1,758)	-
924	3134	Child Development Education Pilot Program (CDEPP)	32,194	32,194	-	-	-
928	3118	EEDA Career Specialists	81,496	81,496	-	-	-
933	3123	Formative Assessment	10,150	10,150	-	-	8,087
936	3136	Student Health and Fitness - Nurses	158,508	158,508	-	-	-
937	3127	Student Health and Fitness - PE Teachers	24,925	24,925	-	-	-
960	3610	K-5 Enhancement	167,307	167,307	-	-	-
967	3607	6-8 Enhancement	7,816	-	-	(7,816)	-
<b>Totals</b>			<b>\$ 528,026</b>	<b>512,594</b>	<b>-</b>	<b>(15,432)</b>	<b>\$ 10,240</b>

**EDUCATION IMPROVEMENT ACT**

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

**YEAR ENDED JUNE 30, 2012**

<b>REVENUES</b>	<b>ACTUAL</b>
3000 Revenue from State Sources:	
3500 Education Improvement Act:	
3511 Professional Development	\$ 20,138
3526 Refurbishment of K-8 Science Kits	20,625
3525 Career and Technology Education Equipment	14,307
3532 National Board Certification (NBC) Salary Supplement (No Carryover Provision)	533,015
3533 Teacher of the Year Awards	1,077
3538 Students at Risk of School Failures	527,301
3541 CDEPP (Child Development Education Pilot Program)	310,416
3542 Preschool Programs for Children with Disabilities	24,558
3544 High Achieving Students	45,483
3550 Teacher Salary Increase	360,719
3555 School Employer Contributions	77,500
3556 Adult Education	135,310
3558 Reading	20,000
3577 Teacher Supplies	61,000
3578 High Schools That Work/Making Middle Grades Work	9,902
3588 IDEA MOE Special Allocation	244,672
3592 Work-Based Learning	7,500
3597 Aid to Districts	99,206
3598 Cost Savings Allocations	7,147
3599 Other EIA	9,714
Total Revenue from State Sources	<u>2,529,590</u>
 <b>TOTAL REVENUE ALL SOURCES</b>	 <b><u>2,529,590</u></b>

**EXPENDITURES**

100 Instruction:	
110 General Instruction:	
111 Kindergarten Programs:	
100 Salaries	71,380
200 Employee Benefits	17,976
400 Supplies and Materials	3,500
112 Primary Programs:	
100 Salaries	232,827
200 Employee Benefits	60,956
400 Supplies and Materials	12,885
113 Elementary Programs:	
100 Salaries	195,356
200 Employee Benefits	53,978
400 Supplies and Materials	\$ 16,250

(Continued)

**EDUCATION IMPROVEMENT ACT**

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

**YEAR ENDED JUNE 30, 2012**

	<u>ACTUAL</u>
114 High School Programs:	
100 Salaries	\$ 172,548
200 Employee Benefits	44,129
300 Purchased Services	19,000
400 Supplies and Materials	11,635
115 Career and Technology Education Program:	
100 Salaries	7,500
200 Employee Benefits	1,576
400 Supplies and Materials	3,500
120 Exceptional Programs:	
121 Educable Mentally Handicapped:	
400 Supplies and Materials	250
122 Trainable Mentally Handicapped:	
400 Supplies and Materials	1,500
124 Visually Handicapped:	
400 Supplies and Materials	250
125 Hearing Handicapped:	
400 Supplies and Materials	250
126 Speech Handicapped:	
400 Supplies and Materials	500
127 Learning Disabilities:	
100 Salaries	196,765
200 Employee Benefits	64,738
400 Supplies and Materials	3,250
129 Coordinated Early Intervening Services (CEIS):	
100 Salaries	4,125
200 Employee Benefits	871
400 Supplies and Materials	750
130 Pre-School Programs:	
137 Preschool Handicapped Self-Contained (3- and 4- Yr. Olds):	
100 Salaries	17,151
200 Employee Benefits	7,407
400 Supplies and Materials	250
140 Special Programs:	
141 Gifted and Talented - Academic:	
100 Salaries	37,607
200 Employee Benefits	12,235
147 CDEPP:	
100 Salaries	207,672
200 Employee Benefits	71,845
400 Supplies and Materials	\$ 1,250

(Continued)

EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2012

	<u>ACTUAL</u>
180 Adult/Continuing Educational Programs:	
181 Adult Basic Education Programs:	
100 Salaries	\$ 6,131
200 Employee Benefits	2,942
400 Supplies and Materials	125
182 Adult Secondary Education Programs:	
100 Salaries	3,161
200 Employee Benefits	527
400 Supplies and Materials	1,032
188 Parenting/Family Literacy:	
100 Salaries	8,000
200 Employee Benefits	1,368
Total Instruction	<u>1,576,948</u>
200 Support Services:	
210 Pupil Services:	
212 Guidance Services:	
100 Salaries	15,436
200 Employee Benefits	3,632
400 Supplies and Materials	2,500
220 Instructional Staff Services:	
221 Improvement of Instruction-Curriculum Development:	
100 Salaries	66,770
200 Employee Benefits	18,068
222 Library and Media:	
100 Salaries	15,000
200 Employee Benefits	3,177
400 Supplies and Materials	2,000
223 Supervision of Special Programs:	
100 Salaries	99,257
200 Employee Benefits	28,030
300 Purchased Services	5,142
400 Supplies and Materials	874
224 Improvement of Instruction - Inservice and Staff Training:	
100 Salaries	4,200
200 Employee Benefits	833
300 Purchased Services	4,038
250 Finance and Operations Services:	
251 Student Transportation (Federal/District Mandated):	
100 Salaries	2,326
200 Employee Benefits	\$ 500

(Continued)

EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2012

	<u>ACTUAL</u>
254 Operation and Maintenance of Plant:	
300 Purchased Services	\$ 224
400 Supplies and Materials	948
Total Support Services	<u>272,955</u>
410 Intergovernmental Expenditures:	
411 Payments to SDE	
720 Transits	1,468
Total Intergovernmental Expenditures	<u>1,468</u>
<b>TOTAL EXPENDITURES</b>	<b><u>1,851,371</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>	
Interfund Transfers, From (To) Other Funds:	
420-710 Transfer to General Fund (Exclude Indirect Costs)	(678,219)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(678,219)</u>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	-
FUND BALANCE, Beginning of Year	<u>-</u>
<b>FUND BALANCE, End of Year</b>	<b><u>\$ -</u></b>

EDUCATION IMPROVEMENT ACT

SUMMARY SCHEDULE BY PROGRAM

YEAR ENDED JUNE 30, 2012

Program	Revenues	Expenditures	EIA Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	EIA Fund Deferred Revenue
3500 Education Improvement Act:					
3502 ADEPT	\$ -	-	-	-	\$ 2,101
3511 Professional Development	20,138	5,137	-	(15,001)	1,011
3525 Career and Technology Education Equipment	14,307	-	-	(14,307)	-
3526 Refurbishment of K-8 Science Kits	20,625	-	-	(20,625)	5,000
3530 Trainable & Profoundly Mentally Disabled Student Services (Students with Moderate to Severe Intellectual Disabilities)	-	-	-	-	18,266
3532 National Board Certification (NBC) Salary Supplement (No Carry Over)	533,015	533,015	-	-	-
3533 Teacher of the Year Awards	1,077	1,077	-	-	-
3538 Students At Risk for Failure	527,301	527,301	-	-	123,487
3541 CDEPP (Child Development Education Pilot Program)	310,416	270,416	-	(40,000)	58,714
3542 Preschool Programs for Children with Disabilities	24,558	24,558	-	-	-
3544 High Achieving Students	45,483	45,483	-	-	-
3550 Teacher Salary Increase	360,719	-	-	(360,719)	-
3555 School Employer Contributions	77,500	-	-	(77,500)	-
3556 Adult Education	135,310	135,310	-	-	7,106
3558 Reading	20,000	-	-	(20,000)	14,034
3577 Teacher Supplies	61,000	61,000	-	-	-
3578 High Schools That Work	9,902	3,402	-	(6,500)	1,124
3585 Aid to Districts-Special Education	-	-	-	-	224,921
3588 Maintenance of Effort	244,672	244,672	-	-	-
3592 School-to-Work Transition Act	7,500	-	-	(7,500)	19,164
3597 Aid to Districts	99,206	-	-	(99,206)	-
3598 Cost Savings Allocations	7,147	-	-	(7,147)	-
3599 Other EIA	9,714	-	-	(9,714)	-
<b>Totals</b>	<b>\$ 2,529,590</b>	<b>1,851,371</b>	<b>-</b>	<b>(678,219)</b>	<b>\$ 474,928</b>



ALL FUNDS

DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT

YEAR ENDED JUNE 30, 2012

<u>Program</u>	<u>Project/Grant Number</u>	<u>Revenue &amp; Subfund Code</u>	<u>Description</u>	<u>Amount Due to State Department of Education or Federal Government</u>	<u>Status of Amount Due to Grantors</u>
National Board Salary Supplement	EIA	3532/332	Unexpended Funds	\$ 988	Paid After Year-End
Teacher Supplies	N/A	3577/377	Unexpended Funds	480	Paid After Year-End
Personnel Development	10-CO001	4510/213	Unexpended Funds	3,155	Paid After Year-End
<b>Total</b>				<b>\$ 4,623</b>	

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**Schedule C-1**

**DEBT SERVICE FUND**

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

**YEAR ENDED JUNE 30, 2012**

	<u><b>ACTUAL</b></u>
<b>REVENUES</b>	
1000 Revenue from Local Sources:	
1100 Taxes:	
1110 Ad Valorem Taxes-Including Delinquent (Fiscally Independent LEA)	\$ 1,200,104
1140 Penalties & Interest on Taxes (Independent)	58,001
1200 Revenue from Local Governmental Units Other than LEAs:	
1280 Revenue in Lieu of Taxes (Dependent and Independent)	34,046
1500 Earnings on Investments:	
1510 Interest on Investments	75
Total Revenue from Local Sources	<u>1,292,226</u>
3000 Revenue from State Sources:	
3800 State Revenue in Lieu of Taxes:	
3820 Homestead Exemption	120,780
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	6,872
Total Revenue from State Sources	<u>127,652</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<u><b>1,419,878</b></u>
<b>EXPENDITURES</b>	
500 Debt Service:	
610 Redemption of Principal	1,425,110
620 Interest	229,293
690 Other Objects (Includes Fees for Servicing Bonds)	4,150
Total Debt Service	<u>1,658,553</u>
<b>TOTAL EXPENDITURES</b>	<u><b>1,658,553</b></u>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>(238,675)</b>
FUND BALANCE, Beginning of Year	<u>577,993</u>
<b>FUND BALANCE, End of Year</b>	<u><b>\$ 339,318</b></u>

**CAPITAL PROJECTS FUND**

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

**YEAR ENDED JUNE 30, 2012**

	<u>ACTUAL</u>
<b>REVENUES</b>	
1000 Revenue from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 919
Total Revenue from Local Sources	<u>919</u>
3000 Revenue from State Sources:	
3900 Other State Revenue:	
3999 Revenue from Other State Sources	46,000
Total Revenue from State Sources	<u>46,000</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<u><b>46,919</b></u>
<b>EXPENDITURES</b>	
250 Finance and Operations:	
253 Facilities Acquisition & Construction:	
300 Purchased Services	18,530
400 Supplies and Materials	19,661
500 Capital Outlay:	
520 Construction Services	1,014,115
Total Support Services	<u>1,052,306</u>
500 Debt Service:	
690 Other Objects	90,500
Total Debt Service	<u>90,500</u>
<b>TOTAL EXPENDITURES</b>	<u><b>1,142,806</b></u>
<b>OTHER FINANCING SOURCES (USES)</b>	
5110 Premium on Bonds Sold	106,299
5120 Proceeds of General Obligation Bonds	2,825,000
5600 Lease Purchases	1,875,000
Interfund Transfers, From (To) Other Funds:	
420-710 Transfer to General Fund (Exclude Indirect Cost)	(852,268)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u><b>3,954,031</b></u>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>2,858,144</b>
FUND BALANCE, Beginning of Year	<u>27,995</u>
<b>FUND BALANCE, End of Year</b>	<u><b>\$ 2,886,139</b></u>

**FOOD SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**

**YEAR ENDED JUNE 30, 2012**

	<u>ACTUAL</u>
<b>REVENUES</b>	
1000 Revenue from Local Sources:	
1600 Food Service:	
1610 Lunch Sales to Pupils	\$ 253,322
1630 Special Sales to Pupils	19,511
1640 Lunch Sales to Adults	39,472
1650 Breakfast Sales to Adults	696
1660 Special Sales to Adults	2,024
1900 Other Revenue from Local Sources:	
1999 Revenue from Other Local Sources	868
Total Revenue from Local Sources	<u>315,893</u>
3000 Revenue from State Sources:	
3100 Restricted State Funding:	
3140 School Lunch:	
3142 Program Aid	186
Total Revenue from State Sources	<u>186</u>
4000 Revenue from Federal Sources:	
4800 USDA Reimbursement:	
4810 School Lunch and After School Snacks Program	900,578
4830 School Breakfast Program	450,531
4900 Other Federal Sources:	
4991 USDA Commodities (Food Distribution Program)	85,673
4999 Revenue from Other Federal Sources	12,246
Total Revenue from Federal Sources	<u>1,449,028</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<b><u>1,765,107</u></b>
<b>EXPENSES</b>	
256 Food Service:	
100 Salaries	556,201
140 Terminal Leave	5,175
200 Employee Benefits	68,275
500 Capital Outlay	11,945
600 Other Objects	20,363
Total Food Services	<u>1,534,444</u>
<b>TOTAL EXPENSES</b>	<b><u>\$ 1,534,444</u></b>

(Continued)

FOOD SERVICE FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

YEAR ENDED JUNE 30, 2012

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	<u>ACTUAL</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Interfund Transfers, From (To) Other Funds:	
5210 Transfer from General Fund (Excludes Indirect Costs)	\$ 3,941
432-791 Food Service Fund Indirect Costs	(68,061)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u><b>(64,120)</b></u>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>166,543</b>
FUND NET ASSETS, Beginning of Year	<u>481,101</u>
<b>FUND NET ASSETS, End of Year</b>	<u><b>\$ 647,644</b></u>

(Continued)

PUPIL ACTIVITY FUND

SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN DUE TO STUDENT ORGANIZATIONS

YEAR ENDED JUNE 30, 2012

	<u>ACTUAL</u>
<b>RECEIPTS</b>	
1000 Receipts from Local Sources:	
1700 Pupil Activities:	
1710 Admissions	\$ 460,859
1720 Bookstore Sales	22,688
1730 Pupil Organization Membership Dues and Fees	301,086
1790 Other	205,278
1900 Other Revenue from Local Sources	
1920 Contributions & Donations Private Sources	19,541
1999 Revenue from Other Local Sources	31,553
Total Receipts from Local Sources	<u>1,041,005</u>
<b>TOTAL RECEIPTS ALL SOURCES</b>	<b><u>1,041,005</u></b>
<b>DISBURSEMENTS</b>	
190 Instructional Pupil Activity:	
660 Supporting Services Pupil Activity	63,733
Total Instruction	<u>63,733</u>
270 Support Services Pupil Activity:	
271 Pupil Service Activities	
660 Supporting Services Pupil Activity	781,405
272 Enterprise Activities:	
660 Supporting Services Pupil Activity	196,022
Total Support	<u>977,427</u>
<b>TOTAL DISBURSEMENTS</b>	<b><u>1,041,160</u></b>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>(155)</b>
DUE TO STUDENT ORGANIZATIONS, Beginning of Year	<u>278,976</u>
<b>DUE TO STUDENT ORGANIZATIONS, End of Year</b>	<b><u>\$ 278,821</u></b>

ABBEVILLE COUNTY SCHOOL DISTRICT  
 ABBEVILLE, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2012

LEA Subfund Code	Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass Through Grantor's Number	Federal Expenditures
<b>US Department of Agriculture</b>				
Pass-through State Department of Education:				
600	National School Breakfast Program	10.553	N/A	\$ 450,531
600	National School Lunch Program - Cash Assistance	10.555	N/A	900,578
600	National School Lunch Program - Non-Cash Assistance	10.555	N/A	85,673
Total Passed Through State Department of Education				<u>1,436,782</u>
600	Lunch Program Aid	10.560	N/A	2,431
600	National School Lunch Program Equipment Assistance Grant	10.579	11-NS001	9,815
Direct Program:				
100	Schools and Roads - Grants to Counties	10.666	N/A	<u>56,071</u>
<b>Total US Department of Agriculture</b>				<b><u>1,505,099</u></b>
<b>US Department of Education</b>				
Pass-through State Department of Education:				
202	Title I	84.010	12-BA001	923,635
222	ARRA - Title I	84.389A	09-SA001	6,216
237	School Improvement Grant	84.010	12-BJ001	16,126
Total 84.010 & 84.389A				<u>945,977</u>
Individuals with Disabilities Education Act				
203	IDEA	84.027	12-CA001	766,044
205	Handicapped Preschool Grants	84.173	12-CG001	59,187
213	Personnel Development	84.027A	12-CO001	10,618
215	ARRA - IDEA 611	84.391A	10-SC001	137,921
216	ARRA - IDEA Preschool 619	84.392A	10-SG001	8,579
Total 84.027, 84.027A, 84.173, 84.391A & 84.392A				<u>982,349</u>
207	Occupational Education	84.048	12-VA001	52,847
243	Adult Education - State - Administered Basic Grant Program	84.002	12-EA001	106,421
251	Title VI - Rural and Low-Income School Program	84.369	12-BS001	65,024
264	Title III - English Language Acquisition	84.365A	12-BP001	10,245
267	Title II - Improving Teacher Quality	84.367A	12-TQ001	157,394
Total Passed Through State Department of Education				<u>2,320,257</u>
<b>Total US Department of Education</b>				<b><u>2,320,257</u></b>
<b>TOTAL FEDERAL ASSISTANCE EXPENDED</b>				<b><u>\$ 3,825,356</u></b>

See accompanying notes to the schedule of expenditures of federal awards.

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED JUNE 30, 2012**

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**A – General**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) presents the activity of all federal award programs of Abbeville County School District, South Carolina (the “School District”) for the year ended June 30, 2012. All federal awards received directly from the federal agencies, as well as those passed through other government agencies, are included on the Schedule.

**B – Basis of Accounting**

The accompanying Schedule is presented using the modified accrual basis of accounting, which is described in the notes to the School District’s basic financial statements.

**C – Relationship to Basic Financial Statements**

Federal award expenditures are reported in the School District’s basic financial statements as expenditures in the General Fund and the Special Revenue Fund and as expenses in the Enterprise Fund.

**D – Relationship to Federal Financial Reports**

Amounts reported in the accompanying Schedule agree with the amounts reported in the related federal financial reports except for timing differences relating to expenditures made subsequent to the filing of the federal financial reports.



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

The Board of Trustees  
Abbeville County School District  
Abbeville, South Carolina

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

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

*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 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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2012-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic 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*.

We noted certain matters that we reported to management of the School District in a separate letter dated November 30, 2012.

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

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

*Greene, Finney & Horton LLP*

Greene, Finney & Horton, LLP  
Mauldin, South Carolina  
November 30, 2012

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

The Board of Trustees  
Abbeville County School District  
Abbeville, South Carolina

Compliance

We have audited Abbeville County School District, South Carolina's (the "School District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2012. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, the School District complied, in all material respects, with the 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, 2012.

Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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

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

*Greene, Finney & Horton LLP*

Greene, Finney & Horton, LLP  
Mauldin, South Carolina  
November 30, 2012

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**YEAR ENDED JUNE 30, 2012**

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**FINDING – 2011 FINANCIAL STATEMENTS**

**Federal Agency: US Department of Agriculture  
South Carolina Department of Education: Pass-Through Agency  
CFDA # 10.553, School Breakfast Program; CFDA # 10.555, School  
Lunch Program (both Cash Assistance and Noncash Assistance)**

**2011-2: SIGNIFICANT DEFICIENCIES NOTED PERTAINING TO THE SPECIAL TESTS VERIFICATION  
REQUIREMENT**

**Condition and Context:** The School District is required to send out a verification package to verify that the students are in the correct reimbursement category (Free, Reduced, or Full Pay). The School District did not correctly change the student's status on three applications after receiving information during the verification process.

**Criteria:** The School District is required to verify 3% of the application that have been submitted during the year to ensure that the income information that has been provided is correct.

**Status:** The School District has taken appropriate corrective action on the above condition.

**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED JUNE 30, 2012**

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**Section I - Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified?	<u>  X  </u> Yes	<u>      </u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u>      </u> Yes	<u>  X  </u> None Reported
Noncompliance material to financial statements noted?	<u>      </u> Yes	<u>  X  </u> No

*Federal Awards*

Internal control over major programs:

Material weakness(es) identified?	<u>      </u> Yes	<u>  X  </u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u>      </u> Yes	<u>  X  </u> None Reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	<u>      </u> Yes	<u>  X  </u> No
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Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555	USDA Breakfast and Lunch program
84.010, 84.389A	Title I Cluster, including School Improvement and ARRA programs

Dollar threshold used to distinguish between type A and type B programs:	<u>      \$300,000      </u>
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Auditee qualified as low-risk auditee?	<u>  X  </u> Yes	<u>      </u> No
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**ABBEVILLE COUNTY SCHOOL DISTRICT  
ABBEVILLE, SOUTH CAROLINA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED JUNE 30, 2012**

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**Section II – Finding – 2012 Financial Statements Audit**

**2012-1: INTERNAL CONTROLS OVER ANNUAL FINANCIAL REPORTING PROCESS**

- Condition:** The School District does not have adequate internal controls over its annual financial reporting process that would allow for the School District to prevent or detect material misstatements in its basic financial statements. Instead, the School District has chosen to use its external independent auditors as its internal control for the annual financial reporting process, from the recording of various receivables and payables on the modified accrual basis, recording debt proceeds, and the conversion to the full accrual basis that is used for the government-wide financial statements.
- Criteria:** The School District should have adequate internal controls (other than its external independent auditors) in place that would prevent or detect material misstatements from the day-to-day transactions all the way to the reporting of those transactions in the annual financial statements.
- Cause:** The size and limited financial resources of the School District.
- Context and Effect:** There is a higher risk that material misstatements in the basic financial statements will go undetected.
- Recommendation:** The School District should consider the cost/benefit factors related to providing adequate internal controls over its annual financial reporting process.
- Response:** The School District will continue to evaluate the cost/benefit factors of providing adequate internal controls over its annual financial reporting process. Currently, the School District believes it is most cost beneficial to use its external auditors to perform these functions related to its financial reporting process and to prepare the School District's annual financial statements.

**Section III – Federal Awards Findings and Questions Costs**

NONE