

MARION COUNTY SCHOOL DISTRICT
Marion, South Carolina

**BASIC FINANCIAL
STATEMENTS AND
SUPPLEMENTAL INFORMATION**

June 30, 2013

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Marion County School District
Marion, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Marion County School District, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express

no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Marion County School District as of June 30, 2013, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 6 through 10 and pages 41 and 42 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 State of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Marion County School District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations and is also not a required part of the financial statements.

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

used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2013, on our consideration of Marion County 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Marion County School District's internal control over financial reporting and compliance.

Kenneth Cobb & Company P.C.

November 19, 2013

Marion County School District
MANAGEMENT'S DISCUSSION & ANALYSIS
Year Ended June 30, 2013

Our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2013.

The report consists of a series of financial statements and notes to those statements. These begin by reporting on the District as a whole and then reporting with more specific detail.

Financial Highlights

The District's net position decreased by \$1,682,554 (including the prior period adjustments) or 3.5%. Program revenues accounted for \$33,888,322 or 68% of total revenues, and general revenues accounted for \$16,000,113 or 32%.

The general fund reported a positive fund balance of \$3.9 million.

Reporting the District as a Whole - Government Wide Statements

The *Statement of Net Positions* and *Statement of Activities* report on the District as a whole, reporting on all assets, liabilities, revenues and expenses on an accrual basis of accounting. This is similar to the basis of accounting used by private businesses. These statements present both an aggregate view of the District's finances and a long-term view of those finances. These two statements report the District's net assets and changes in those assets. This tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. However, other non-financial factors such as property tax base, student enrollment, facility conditions and other factors must also be considered regarding the overall health of the District.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 13 and provide information about the most significant funds - not the District as a whole. These statements tell how services were financed in the short-term as well as what remains for future spending. The District's types of funds and accounting basis are described in the notes to the financial statements. The fund financial statements also look at the District's major funds with all other funds presented in total in one column. The major funds of Marion County School District are the general fund, the EIA funds, the special revenue funds, and the capital projects fund.

Governmental Funds

The majority of the District's programs are reported in governmental funds using the modified accrual basis of accounting. These statements provide a short-term view of the District's general governmental operations and the basic services it provides. The relationship between these financial statements and the government wide financial statements referenced above are reconciled on pages 15 and 18.

Marion County School District
MANAGEMENT'S DISCUSSION & ANALYSIS
Year Ended June 30, 2013

Reporting the District's Most Significant Funds (continued)

Fiduciary Funds

The fiduciary funds are used to report assets held in a trustee or agent capacity. This includes the scholarship trusts and student activity agency funds.

An Analysis of Fiscal Year 2013 and 2012

	Net Assets Governmental Activities		Variance Favorable/ (Unfavorable)
	<u>2013</u>	<u>2012</u>	
Current and other Assets	\$ 13,796,233	\$ 17,887,626	\$ (4,091,393)
Restricted Investments	2,574,516	3,186,413	(611,897)
Capital Assets	<u>37,366,549</u>	<u>38,506,468</u>	<u>(1,139,919)</u>
Total Assets	<u>53,737,298</u>	<u>59,580,507</u>	<u>(5,843,209)</u>
Current Liabilities	4,438,303	6,830,218	2,391,915
Long Term Liabilities	<u>2,608,783</u>	<u>4,376,777</u>	<u>1,767,994</u>
Total Liabilities	<u>7,047,086</u>	<u>11,206,995</u>	<u>4,159,909</u>
Net Position			
Invested in Capital Assets, net of debt	34,470,282	33,015,895	1,454,387
Restricted	4,132,263	5,100,769	(968,506)
Unrestricted	<u>8,087,666</u>	<u>10,256,848</u>	<u>(2,169,182)</u>
Total Net Assets	<u>\$ 46,690,211</u>	<u>\$ 48,373,512</u>	<u>\$ (1,683,301)</u>

Net assets may serve over time as a useful indicator of a government's financial position. In the case of Marion County School District, assets exceed liabilities by \$46.7 million at the close of the most recent fiscal year.

A significant portion of the District's net position (73.8%) reflects its investment in capital assets less any related debt used to acquire those assets that are still outstanding. The District used capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Marion County School District
MANAGEMENT'S DISCUSSION & ANALYSIS
Year Ended June 30, 2013

An Analysis of Fiscal Year 2013 and 2012 (continued)

The "Restricted" portion of the District's net position (8.9%) represents resources subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's ongoing activities.

The District is able to report a positive balance in net position in all categories.

	Governmental Activities		Variance Favorable/ (Unfavorable)
	<u>Fy 2013</u>	<u>Fy 2012</u>	
Revenues			
Program Revenues			
Charges for Services	\$ 417,110	\$ 1,037,940	\$ (620,830)
Operating Grants	33,471,212	35,299,226	(1,828,014)
Capital Grants	0	160,216	(160,216)
Total Program Revenue	<u>33,888,322</u>	<u>36,497,382</u>	<u>(2,609,060)</u>
General Revenues			
Property Taxes	9,877,801	9,595,734	282,067
State Revenue in Lieu of Taxes	5,964,598	3,646,991	2,317,607
Interest Earnings	21,157	36,415	(15,258)
Miscellaneous	136,557	348,719	(212,162)
Total General Revenues	<u>16,000,113</u>	<u>13,627,859</u>	<u>2,372,254</u>
Total Revenues	<u>49,888,435</u>	<u>50,125,241</u>	<u>(236,806)</u>
Expenses			
Instruction	29,388,762	27,984,716	(1,404,046)
Support Services	21,392,508	20,929,768	(462,740)
Community Services	7,778	158,232	150,454
Interest and Other Charges	233,593	258,407	24,814
Intergovernmental	181,850	420,245	238,395
Depreciation	1,047,461	1,591,905	544,444
Total Expenses	<u>52,251,952</u>	<u>51,343,273</u>	<u>(908,679)</u>
Excess Revenues over/(under) Expenses	<u>(2,363,517)</u>	<u>(1,218,032)</u>	<u>(1,145,485)</u>
Special Items & Transfers	<u>1,195</u>	<u>(65,354)</u>	<u>66,549</u>
Change in Net Assets	(2,362,322)	(1,283,386)	(1,078,936)
Net Assets, Beginning	48,372,765	49,657,740	(1,284,975)
Prior Period Adjustment	<u>679,768</u>	<u>(1,589)</u>	<u>681,357</u>
Net Assets, Ending	<u>\$ 46,690,211</u>	<u>\$ 48,372,765</u>	<u>\$ (1,682,554)</u>

Marion County School District
MANAGEMENT'S DISCUSSION & ANALYSIS
Year Ended June 30, 2013

An Analysis of Fiscal Year 2013 and 2012 (continued)

Governmental Activities

Net position of the District's governmental activities decreased by \$2,362,322 (excluding the prior period adjustment). The decrease in net assets is primarily the result of transferring building fund revenue to debt service and paying off general obligation bonds.

Total program revenues decreased by \$2.6 million primarily the result of less money in operating grants. General revenues increased by \$2.4 million. Total expenses increased by \$909 thousand with the largest portion of this increase coming from a 2% step increase for teachers, a retirement employer cost rate increase, and an employer health cost increase. All employees were merged into positions and no one was terminated.

The District's Funds

The District's governmental funds (as presented on the balance sheet on pages 13-14) report a combined fund balance of \$12,505,186, which is below last year's total of \$15,438,673 (as adjusted for the prior period adjustments). The schedule below indicates the fund balance and the total change in fund balances as of June 30, 2013 and 2012.

	June 30, <u>2013</u>	June 30, <u>2012</u>	Increase (Decrease)
Major Governmental			
General	\$ 3,874,593	\$ 4,304,678	\$ (430,085)
Capital Projects	3,999,924	5,338,096	(1,338,172)
Special Revenue	2,715,233	2,965,509	(250,276)
EIA	0	86,921	(86,921)
Debt Service	<u>1,915,436</u>	<u>2,743,469</u>	<u>(828,033)</u>
Total	<u>\$12,505,186</u>	<u>\$ 15,438,673</u>	<u>\$(2,933,487)</u>

General Fund

The District's general fund balance decreased by \$430,085. This is due to not reducing expenditures to match revenue. The District forecasted a loss.

Overall expenditures in the general fund increased by \$2.2 million during the fiscal year 2013. This was largely due to a 2% step increase for teachers, a retirement employer cost rate increase, and an employer health cost increase. All employees were merged into positions and no one was terminated.

Other Funds

The capital projects fund balance decreased \$1.3 million due to transferred funds to Debt Service to pay off general obligation bonds. The District's debt service fund balance decreased by \$828 thousand due to paying off bonds two years in advance.

Marion County School District
MANAGEMENT'S DISCUSSION & ANALYSIS
Year Ended June 30, 2013

General Fund Budget Information

The District's budget is prepared in accordance with South Carolina law and is based on the modified accrual basis of accounting. The most significant budgeted fund is the general fund, and is approved by the Marion County Board of Education. The general fund budget was not amended during fiscal year ended June 30, 2013.

The unfavorable expenditure variance was due to unexpected technology expenses related to the merger, including infrastructure changes.

The budget for the year ended June 30, 2013 was approved to use \$656 thousand of the fund balance.

Capital Assets

The District has \$37.4 million invested in capital assets net of depreciation. Acquisitions net of deletions for governmental activities totaled \$797 thousand and depreciation was \$1.9 million. Detailed information regarding capital asset activity is included in the notes to the basic financial statements (Note 11).

Debt

At June 30, 2013, the District had \$2.9 million in outstanding bonds and notes payable. The District paid \$1.8 million in principal on bonds outstanding during the fiscal year. Detailed information regarding long-term debt and notes payable activity is included in the notes to the basic financial statements (Note 5).

Under current state statutes, the District's general obligation bond debt issues are subject to a legal limitation based on 8% of the total value of real and personal property. At June 30, 2013, the District's general obligation debt was below the legal limit.

Factors Expected to have an Effect on Future Operations

The tax base is declining. Funding such as IDEA is forecasted to be reduced. Continued increases in health care and retirement costs will have an effect on total expenditures with very little increase in revenues. Non-certified staff have not had a salary increase (raise) in four years. A continued need for technology/infrastructure upgrades will be necessary due to the merger.

Contacting the District's Financial Management

This financial report is designed to provide the reader with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Marion County School District at 719 North Main Street, Marion, South Carolina 29571.

Marion County School District
STATEMENT OF NET POSITION
June 30, 2013

	<u>Governmental Activities</u>
ASSETS	
Cash	\$8,404,757
Accounts receivable	2,766
Due from state/federal governments	4,640,035
Due from other agencies	287,782
Taxes receivable	425,539
Inventories	28,872
Prepaid expenses	6,482
Investments-restricted	2,574,516
Buildings & Improvements	59,243,445
Land	2,168,458
Furniture, fixtures & equipment	12,182,265
Accumulated depreciation	(36,227,619)
TOTAL ASSETS	<u>53,737,298</u>
LIABILITIES	
Accounts payable	314,098
Accruals/deductions	2,480,897
Due to state/federal governments	13,673
Due to other agencies	10,000
Revenues received in advance	1,068,161
Obligations payable less than 1 year	551,474
Obligations payable more than 1 year	2,608,783
TOTAL LIABILITIES	<u>7,047,086</u>
NET POSITION	
Invested in capital assets, net of related debt	34,470,282
Restricted for:	
Debt Service	1,915,436
Special Revenue	2,178,073
Permanent Fund - Marion High Library	
Nonexpendable	10,000
Expendable	28,754
Unrestricted for:	
General Fund	3,589,336
Special Revenue	498,406
Capital Projects	3,999,924
TOTAL NET POSITION	<u>\$46,690,211</u>

The notes to the financial statements are an integral part of this report.

Marion County School District
STATEMENT OF ACTIVITIES
Year Ended June 30, 2013

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Total Governmental Activities
Governmental activities:				
Instruction	\$29,388,762	\$217,220	\$24,623,654	(\$4,547,888)
Support services	21,392,508	199,890	8,822,843	(12,369,775)
Community services	7,778	0	1,290	(6,488)
Intergovernmental	181,850	0	23,425	(158,425)
Interest and other charges	233,593	0	0	(233,593)
Depreciation *	1,047,461	0	0	(1,047,461)
TOTAL	\$52,251,952	\$417,110	\$33,471,212	(18,363,630)
General revenues:				
Property taxes levied for:				
General Purposes				9,307,121
Debt Service				570,680
State revenue in lieu of taxes				
General Purposes				5,885,086
Debt Service				79,512
Unrestricted Investment Earnings				21,157
Miscellaneous				136,557
Total general revenues				16,000,113
Special Items and Transfers				
Payments to/from Fiduciary Funds				1,195
				1,195
Changes in net position				(2,362,322)
Net position, beginning of year				48,372,765
Prior Period Adjustment				679,768
Net position, end of year				\$46,690,211

* This amount excludes the depreciation that is included in the direct expenses of the various programs. See Note 11.

The notes to the financial statements are an integral part of this report.

Marion County School District
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2013

	MAJOR GOVERNMENTAL FUNDS			OTHER GOVERNMENTAL FUNDS		Total Governmental Funds
	General	Special Revenue	EIA	Capital Projects	Debt Service	
ASSETS						
Cash	\$5,836,019	\$1,157,816	\$0	\$1,410,922	\$0	\$8,404,757
Investments-restricted	0	664,930	0	0	1,909,586	2,574,516
Accounts receivable	2,165	601	0	0	0	2,766
Taxes receivable	425,523	0	0	0	15	425,538
Due from state/federal government	196,920	3,923,868	519,247	0	0	4,640,035
Due from other agencies	13,531	183,730	0	43	0	197,304
Due from other funds	179,251	1,439,704	0	2,588,959	5,835	4,213,749
Inventory	0	28,872	0	0	0	28,872
Prepaid expenditures	4,912	1,570	0	0	0	6,482
TOTAL ASSETS	\$6,658,321	\$7,401,091	\$519,247	\$3,999,924	\$1,915,436	\$20,494,019
LIABILITIES						
Accounts payable	\$314,098	\$0	\$0	\$0	\$0	\$314,098
Due to other funds	0	3,837,999	285,272	0	0	4,123,271
Due to county treasurer	10,000	0	0	0	0	10,000
Due to state/federal government	0	4,384	9,289	0	0	13,673
Payroll deductions payable	1,192,585	0	0	0	0	1,192,585
Accrued salaries, taxes & benefits	1,267,045	0	0	0	0	1,267,045
Revenues received in advance	0	843,475	224,686	0	0	1,068,161
TOTAL LIABILITIES	2,783,728	4,685,858	519,247	0	0	7,988,833

The notes to the financial statements are an integral part of this report.

Marion County School District
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2013

FUND BALANCES	MAJOR GOVERNMENTAL FUNDS			OTHER GOVERNMENTAL FUNDS		Total Governmental Funds
	General	Special Revenue	EIA	Capital Projects	Debt Service	
Nonspendable:						
Inventory	\$0	\$28,872	\$0	\$0	\$0	\$28,872
Prepaid expenditures	4,912	0	0	0	0	4,912
Permanent Fund Principal	0	10,000	0	0	0	10,000
Restricted for:						
Food Service	0	2,020,265	0	0	0	2,020,265
Title I Unemployment	0	128,222	0	0	0	128,222
Pell Program	0	714	0	0	0	714
Debt Service	0	0	0	0	1,915,436	1,915,436
Committed to:						
Unemployment	0	495,320	0	0	0	495,320
Assigned for:						
Capital Projects	0	0	0	3,999,924	0	3,999,924
Library	0	28,754	0	0	0	28,754
Pupil Services	191,176	3,086	0	0	0	194,262
Unassigned:	3,678,505	0	0	0	0	3,678,505
	3,874,593	2,715,233	0	3,999,924	1,915,436	12,505,186
TOTAL LIABILITIES AND FUND BALANCE	\$6,658,321	\$7,401,091	\$519,247	\$3,999,924	\$1,915,436	\$20,494,019

The notes to the financial statements are an integral part of this report.

Marion County School District
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2013

Fund Balances - total governmental funds	\$12,505,186
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. The cost of assets is \$73,594,168 and the accumulated depreciation is \$36,227,619.	37,366,549
Interest on long term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	(21,267)
Long-term liabilities, including compensated absences and leases payable, are not due and payable in the current period and therefore are not reported in the governmental funds.	<u>(3,160,257)</u>
Net Position - Governmental Funds	<u><u>\$46,690,211</u></u>

The notes to the financial statements are an integral part of this report.

Marion County School District
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
GOVERNMENTAL FUNDS
Year Ended June 30, 2013

REVENUES	MAJOR GOVERNMENTAL FUNDS			OTHER GOVERNMENTAL FUNDS		Total Governmental Funds
	General	Special Revenue	EIA	Capital Projects	Debt Service	
Local						
Taxes	\$9,307,121	\$0	\$0	\$0	\$570,680	\$9,877,801
Tuition and Fees	217,220	0	0	0	0	217,220
Interest	13,488	3,801	0	2,944	3,868	24,101
Other	74,041	706,007	0	300	0	780,348
Intergovernmental	0	200,459	0	0	0	200,459
State						
In Lieu of Property Taxes	5,885,086	0	0	0	79,512	5,964,598
Education Finance Act	10,771,831	0	0	0	0	10,771,831
Education Improvement Act	0	0	4,696,049	0	0	4,696,049
Grants	0	1,040,873	0	0	0	1,040,873
Other	6,312,997	0	0	0	0	6,312,997
Federal						
Grants	0	7,105,350	0	0	0	7,105,350
Other	13,242	2,883,566	0	0	0	2,896,808
TOTAL REVENUES	32,595,026	11,940,056	4,696,049	3,244	654,060	49,888,435
EXPENDITURES						
Current						
Instruction	18,773,474	6,398,968	3,546,319	0	0	28,718,761
Support services	15,554,940	2,200,530	181,355	83,029	0	18,019,854
Community service	0	7,778	0	0	0	7,778
Food service	0	2,826,836	0	0	0	2,826,836
Capital Outlay	149,990	128,715	6,125	747,504	0	1,032,334
Debt service	0	0	0	0	2,035,704	2,035,704
Intergovernmental	(6,704)	171,394	17,160	0	0	181,850
TOTAL EXPENDITURES	34,471,700	11,734,221	3,750,959	830,533	2,035,704	52,823,117

The notes to the financial statements are an integral part of this report.

Marion County School District
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
GOVERNMENTAL FUNDS
Year Ended June 30, 2013

	MAJOR GOVERNMENTAL FUNDS			OTHER GOVERNMENTAL FUNDS		Total Governmental Funds
	General	Special Revenue	EIA	Capital Projects	Debt Service	
Excess Revenue Over (Under) Expenditures	<u>(\$1,876,674)</u>	<u>\$205,835</u>	<u>\$945,090</u>	<u>(\$827,289)</u>	<u>(\$1,381,644)</u>	<u>(\$2,934,682)</u>
OTHER FINANCING SOURCES (USES)						
Transfer to general fund	0	0	(1,032,011)	0	0	(1,032,011)
Transfer to special revenue	(1,121)	0	0	0	0	(1,121)
Transfer from pupil activity	385	810	0	0	0	1,195
Transfer from general fund	0	1,121	0	25,442	17,286	43,849
Transfer to debt service fund	(17,286)	0	0	(536,325)	0	(553,611)
Transfer to building fund	(25,442)	0	0	0	0	(25,442)
Transfer from building fund	0	0	0	0	536,325	536,325
Transfer from EIA funds	1,032,011	0	0	0	0	1,032,011
Indirect costs	<u>458,042</u>	<u>(458,042)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>1,446,589</u>	<u>(456,111)</u>	<u>(1,032,011)</u>	<u>(510,883)</u>	<u>553,611</u>	<u>1,195</u>
Excess Revenue and Other Sources (Uses) Over (Under) Expenditures	<u>(430,085)</u>	<u>(250,276)</u>	<u>(86,921)</u>	<u>(1,338,172)</u>	<u>(828,033)</u>	<u>(2,933,487)</u>
FUND BALANCE - July 1, 2012	4,386,843	2,861,912	96,302	5,757,787	2,323,778	15,426,622
Prior period adjustment	<u>(82,165)</u>	<u>103,597</u>	<u>(9,381)</u>	<u>(419,691)</u>	<u>419,691</u>	<u>12,051</u>
FUND BALANCE - June 30, 2013	<u><u>\$3,874,593</u></u>	<u><u>\$2,715,233</u></u>	<u><u>\$0</u></u>	<u><u>\$3,999,924</u></u>	<u><u>\$1,915,436</u></u>	<u><u>\$12,505,186</u></u>

The notes to the financial statements are an integral part of this report

Marion County School District
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2013

Total net change in fund balance-governmental funds	(\$2,933,487)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds 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 \$1,937,267 differs from capital outlays \$1,032,334 in the period.	(904,933)
The District's policy records only fixed assets greater than \$5,000 as depreciable assets on the Statement of Net Assets. Assets less than \$5,000 are reclassified from capital outlay to supplies on the Statement of Activities.	(234,987)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and therefore, is not reflected in the Statement of Activities.	1,791,473
Interest on long term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This amount is the difference between the June 30, 2013 accrued interest in the amount of \$21,267 and the June 30, 2012 accrued interest in the amount of \$37,347.	16,080
The increase in the liability for compensated absences does not require the use of current or contribute to financial resources and therefore, is not reported as an expenditure in the governmental funds.	(91,026)
Premiums on issuance of refunding debt and associated costs of issuance are reported in full in the year of issuance as other financing sources (uses) in the governmental funds. In the Statement of Activities, however they are amortized over the life of the debt.	(5,442)
Change in Net Position of Governmental Activities	<u>(\$2,362,322)</u>

The notes to the financial statements are an integral part of this report.

Marion County School District
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2013

	Private-Purpose Trusts	Agency Funds
ASSETS		
Cash	\$0	\$283,812
Accounts receivable	0	2,677
Due from general fund	0	41,853
Investments-restricted	122,325	0
	<u>122,325</u>	<u>0</u>
TOTAL ASSETS	<u>122,325</u>	<u>\$328,342</u>
LIABILITIES		
Due to Other Funds	0	\$132,331
Due to Student Groups	0	196,011
	<u>0</u>	<u>196,011</u>
TOTAL LIABILITIES	<u>0</u>	<u>\$328,342</u>
NET POSITION		
Held in trust for scholarships		
Nonexpendable	49,091	
Expendable	73,234	
	<u>122,325</u>	
TOTAL NET POSITION	<u>\$122,325</u>	

The notes to the financial statements are an integral part of this report.

Marion County School District
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2013

	<u>Private-Purpose Trusts</u>
ADDITIONS	
Interest on investments	\$538
Contributions and donations	<u>1,425</u>
TOTAL ADDITIONS	<u>1,963</u>
DEDUCTIONS	
Scholarships Awarded	<u>4,400</u>
TOTAL DEDUCTIONS	<u>4,400</u>
CHANGE IN NET ASSETS	(2,437)
NET POSITION - July 1, 2012	<u>124,762</u>
NET POSITION - June 30, 2013	<u><u>\$122,325</u></u>

The notes to the financial statements are an integral part of this report.

Marion County School District
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

In June 1999, the GASB unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments*. Certain of the significant changes in the Statement include the following:

Beginning with the fiscal year ended June 30, 2002 the financial statements included:

A Management's Discussion and Analysis (MD&A) providing an analysis of the District's overall financial position and results of operations.

Financial statements prepared using full-accrual accounting for all of the District's activities.

A change in the fund financial statements to focus on the major funds.

Reporting Entity

This report includes all of the funds of Marion County School District. It includes all activities considered to be part of (controlled by or dependent on) the District under GASB Statement No. 14, the Financial Reporting Entity and GASB Statement No. 39, determining whether certain organizations are component units.

Marion County School District is a separately chartered entity from the city in which it exists. The school system was established by an act of the State Legislature that designated an elected Board of Trustees as the governing authority for the school district. The Board consists of seven members elected from the seven single-member election districts of Marion County. The regular term of office for each trustee is four years.

Taxes are collected by Marion County and distributed to the school district. The school system also receives funds from the state and federal governments.

Fund Accounting

The accounts of the District are organized and reported on the basis of funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific District functions or activities. The operations of each fund are accounted for with a separate set of self-balancing accounts.

Funds are classified into the following categories: governmental and fiduciary.

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 Fiduciary Funds) are accounted for through governmental funds.

Marion County School District
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

GASB Statement No. 34 establishes criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category) for the determination of major funds. In addition, management has determined that select funds should be reported as major. Non-major funds are combined in a single column in the fund financial statements.

The following are the School District's major governmental funds:

General Fund - The General fund is the general operating fund of the District and accounts and reports for all financial resources of the District not accounted for and reported in another fund. All general tax revenue and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures are paid from the General Fund.

Special Revenue Funds - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The School District has two Special Revenue Funds:

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

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition, construction, or renovation of capital facilities and other capital assets by the District.

Other Governmental Funds

Debt Service Fund - The Debt Service Fund is used to account and report the accumulation of financial resources that are restricted, committed or assigned to expenditures for the payment of, general long-term debt including capital lease obligations, principal, interest and related costs.

Other Fund Types

Fiduciary Funds - Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, or other governments. These include private purpose trust and agency funds. Private-purpose trust funds account for resources, including both principal and earnings, which must be expended according to the provision of a trust agreement, and are accounted for in essentially the same manner as proprietary funds. Agency funds are purely custodial and thus do not involve measurement of results of operations. The agency funds account for the receipt and disbursement of monies from student activity organizations. These organizations exist with the explicit approval of and are subject to revocation by the County Board. This accounting reflects the District's agency relationship with the student activity organizations.

Marion County School District
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

The Permanent Fund - The Permanent Fund is used to account for financial resources endowed to the School District in trust, for which only the interest earnings may be used by the School District for restricted purposes as specified by the private donors. The School District reports the following permanent fund:

The Marion High School Library Fund accounts for amounts contributed to the School District for the purposes of providing monies for the High School Library. Initial contributions to this fund are recorded as principal and may not be expended. Earnings from investments are recorded as income and are available for the stated fund purposes.

Non-Current Governmental Assets/Liabilities

GASB Statement No. 34 eliminates the presentation of Account Groups, but provides for these records to be maintained and incorporates the information into the Governmental column in the government-wide Statement of Net Assets.

Basis of Presentation

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except fiduciary funds. For the most part, the effect of interfund activity has been removed from these statements.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationships between the government-wide statements and the statements for governmental funds. Accordingly, in the government-wide statements all of the District's assets and liabilities, including capital assets as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statements of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. The District does not allocate indirect expenses. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. All taxes and revenues not classified as program revenues are presented as general revenues of the District.

Fund Financial Statements - Fund financial statements report detailed information about the District. Their focus is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all non-major funds are aggregated into one column. Fiduciary funds are reported by fund type. The Fund financial statements are prepared using either the modified accrual basis for governmental funds or the accrual basis for proprietary and fiduciary funds.

Marion County School District
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

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

Revenues, Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recognized in the accounting period when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period of the District is sixty days after year end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Taxes receivable are reported net of the reserve for uncollectibles. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been met. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes available for advance, investment earnings, tuition, grants, and student fees.

Revenues Received in Advance

The District reports revenue received in advance on its statement of net position and governmental funds balance sheet. In subsequent periods, the liability for revenues received in advance is removed from the statement of net position and governmental funds balance sheet and revenue is recognized.

Expenditures/Expenses

On the accrual basis of accounting, expenses are recorded at the time they are incurred. The measurement focus of governmental fund accounting is on flow of current financial resources. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred except for (1) principal and interest on general long term debt, which is recorded when due, and (2) the costs of accumulated unpaid vacation and sick leave, which is reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by the employees.

Deposits and Investments

The District is authorized by state statute to invest in the following:

1. obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States;

Marion County School District
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

2. 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;
3. (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 rating 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.
4. savings and loan associations to the extent that the same are insured by an agency of the federal government,
5. certificates of deposits where collaterally secured by securities of the type described in 1 & 2 above held by a third party escrow agent or custodian, of a market value not less than the amounts 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,
6. repurchase agreements when collateralized by securities as set forth in this section, and
7. 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 (a) limited to obligations described in items (1), (2), (3) and (5) and (6) 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.

Inventories

Inventories are valued at cost which approximates market, using the first in, first out (FIFO) method except for commodities received from the USDA which are stated at values assigned by the USDA. The costs of inventories are recorded as expenditures at the time of purchase and significant inventories on hand at year end are recorded as assets.

Capital Assets and Depreciation

General capital assets are reported in the government-wide statement of net assets but are not reported in the fund financial statements.

Marion County School District
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District follows the policy of not capitalizing assets with a cost of less than \$5,000 or with a useful life of less than 1 year. The District does not possess any infrastructure. All reported capital assets, with the exception of land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

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

Description	Useful Life
Land	Not Depreciated
Land Improvements	20-50 Years
Buildings and Improvements	10-50 Years
Furniture and Equipment	3-10 Years
Vehicles	3-10 Years
Construction in Progress	Not Depreciated

Property Tax Calendar

The property taxes are collected by the county and remitted to the District. The District's property tax calendar is as follows:

January	1 - property tax assessment
October	1 - levy of property taxes
January	16 - penalties are added to property taxes
March	17 - execution of property taxes

New vehicle property taxes are assessed and levied by the County Auditor. Payment on new vehicles purchased from a dealer are due within 120 days of purchase. Other vehicle property taxes are assessed and levied in the month the vehicle is scheduled for license renewal with the South Carolina Department of Transportation and payment is due before the end of the month of the scheduled renewal.

Sick Leave and Annual Leave

Employees of the District are permitted to accumulate sick leave up to a maximum of 90 days. Sick leave is accumulated at a rate of 1 1/4 days of sick leave for each month of active service. If an employee retires, they are paid for up to 15 days of accumulated annual leave at the employees daily rate of pay. If an employee leaves the employ of the District other than by retirement, there would be no restitution for any unused days.

All District employees who are 12 month employees accrue leave at the rate of 5/6th day per month for a total of 10 days per year. Employees may carry over a maximum of 15 unused annual leave days to the next fiscal year.

Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans).

Marion County School District
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide presentation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

Net Position/Fund Balance

The government-wide financial statements utilize a net position presentation. Net position is categorized as invested in capital assets (net of related debt), restricted and unrestricted.

Invested In Capital Assets, Net of Related Debt – This category groups all capital assets, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents net assets of the District, not restricted for any project or purpose.

The District adopted GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. Fund balances are classified as follows:

Nonspendable - Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted - Amounts that can be spent only for specific purposes because of the District policy, state or federal laws, or externally imposed conditions by grantors or creditors.

Committed - Amounts that can be used only for specific purposes determined by a formal action by School Board of Trustees, the District's highest level of decision making authority. Commitments may be modified or rescinded only through policies approved by the Board.

Assigned - Amounts that are intended to be used for specific purposes that are considered neither restricted nor committed. These fund balances may be assigned by the Superintendent for specific purposes. The assigned designation may be reversed by the Superintendent or the Board of Trustees.

Unassigned - All amounts not included in other spendable classifications.

Marion County School District
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

The details of the fund balances are included in the Governmental Funds Balance Sheet (pages 13-14). As discussed earlier, restricted funds are used first as appropriate.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

NOTE 2 - CASH AND INVESTMENTS

The total carrying values of cash by financial statement category are as follows:

Cash	\$ 8,688,569
Cash-Restricted	<u>2,696,841</u>
Total	<u>\$11,385,410</u>

The accounts are insured and the respective financial institutions provide proof of collateral to the District for the significant amounts in excess of F.D.I.C. insurance ceilings.

At June 30, 2013, the bank balance of the District's deposits was \$13,784,876. (The difference between bank balances and book balances is due to petty cash and outstanding deposits and checks). The following chart shows the bank where these funds were deposited and a breakdown of FDIC insurance coverage, securities pledged and any uncollateralized amounts. (The securities pledged were held by the bank or its agent but not in the District's name).

<u>Deposit With</u>	<u>Bank Balance</u>	<u>FDIC Insurance</u>	<u>Pledged Securities & Letter of Credit</u>	<u>Uncollateralized Amount</u>
Anderson Brothers Bank	\$ 7,113,579	\$ 250,000	\$5,988,006	\$ 0
TD Bank	524,318	250,000	300,000	0
First Citizens Bank	5,263,956	750,000	5,340,145	0
Pee Dee Federal	<u>883,023</u>	500,000	610,000	0
	<u>\$ 13,784,876</u>			

The District has not adopted policies that limit the District's allowable deposits or investments and that addresses the specific types of risk to which the government is exposed.

The District's cash and deposits are subject to the following risk, which is examined in more detail as follows:

Custodial Credit Risk is the risk that an entity will not be able to recover the value of its collateral securities that are in the possession of an outside party if the counterparty fails. The District does not have a policy for custodial credit risk. As of June 30, 2013, \$13,784,876 of the District's bank balances of \$12,034,876 was collateralized with securities held by the pledging financial institution or its agent, but not in the District's name and \$300,000 was secured by a letter of credit.

Marion County School District
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2013

NOTE 3 - DEPOSITS - RESTRICTED

Starting in fiscal year 1979, the District established a self-insurance fund to provide for unemployment compensation. The monies are set aside from the General Fund and the Federal Projects to provide for these benefits. The general fund unemployment fund totals \$495,320 and the Federal Projects fund totals \$128,222. Both of these are recorded in the special revenue fund.

The District held \$2,634 in a bank account restricted for the PELL program.

The District acts as trustee for six private scholarships. They total \$122,325 and are recorded in the Fiduciary Fund.

The District received a private donation which is restricted for the benefit of the Marion High School library. Only the earnings from this donation may be spent. This donation plus earnings at June 30, 2013 total \$38,754 and is recorded as a permanent fund.

The Marion County Board of Education established a fund to collect funds to make the balloon payment due on the lease for Creek Bridge High School. These funds contained \$ 1,909,586 at June 30, 2013.

NOTE 4 - AGENCY FUND - DUE TO STUDENT GROUPS

This amount shows funds which have been designated for the use of student projects.

NOTE 5 - GENERAL OBLIGATION BONDS AND NOTE PAYABLE AND CAPITAL LEASES PAYABLE

On May 27, 2004 the District issued \$4,045,000 in General Obligation Bonds with an average interest rate of 3.71% to advance refund \$3,900,000 of outstanding 1993 series bonds with an average interest rate of 5.66%. The payments will be made annually by the debt service fund.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$105,275. This difference reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2014 using the effective-interest method. Bond issuance costs of \$39,275 are also being charged to operations through the year 2014. The remaining costs were charged to operations for the fiscal year ended June 30, 2013 due to the bond defeasance.

On July 11, 2012 the Marion County School District transferred \$1,360,167.50 to Wells Fargo to establish an irrevocable trust fund to defease the Marion School District Seven general obligation refunding bonds series 2003 and the Marion School District One general obligation bonds series 2004. The breakdown of the funds deposited in the trust fund is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2003	\$ 275,000.00	\$ 13,767.50	\$ 288,767.50
Series 2004	<u>1,010,000.00</u>	<u>61,400.00</u>	<u>1,071,400.00</u>
	<u>\$ 1,285,000.00</u>	<u>\$ 75,167.50</u>	<u>\$ 1,360,167.50</u>

The irrevocable trust funds (the "Defeasance Fund") are to be held by the escrow agent as a trust fund separate and apart from all other funds of the School District. The amounts on deposit in the Defeasance Fund shall be held in cash and un-invested. The escrow agent shall transfer on or before the respective due dates there of sufficient moneys to be paid on each principal and interest payment date. The Defeasance Fund should provide amounts sufficient to pay principal and interest on the defeased bonds in accordance with the schedule of remaining payments due. Accordingly, the escrow account and the defeased bonds are not included in the District's financial statements.

Marion County School District
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2013

NOTE 5 - GENERAL OBLIGATION BOND AND NOTE PAYABLE - (continued)

The defeased bonds outstanding at June 30, 2013 considered extinguished are as follows:

Series 2003	\$ 140,000.00
Series 2004	<u>525,000.00</u>
	<u>\$ 665,000.00</u>

On October 19, 2009, Marion School District One obtained a no interest loan for \$29,226 from the SC Energy Office as part of an ARRA award to install digital controls on HVAC units at Johnakin Middle and Easterling Primary Schools. As part of the consolidation process, this debt was assumed by the Marion County School District. The loan will be repaid in 4 annual installments of \$5,573 due November 1 of each year starting in 2011 and ending in 2014. The payment has been funded by the general fund in prior years.

The following schedule shows principal requirements until maturity:

Year Ended <u>6/30</u>	<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>
2013				\$ 11,146
2014	\$ 5,573	\$ 5,573	\$ 0	5,573
2015	5,573	5,573	0	0

On October 13, 2010 Marion School District Two obtained a no interest loan for \$22,292 from the SC Energy Office as part of an ARRA award to install digital controls on HVAC units in Palmetto Middle School and McCormick Elementary School and to network the energy management system. As part of the consolidation process, this debt was assumed by the Marion County School District. The loan will be repaid in 4 annual installments of \$5,573 each year beginning November 1, 2011 and ending November 1, 2014. The payment has been funded by the general fund in prior years.

The following schedule shows principal requirements until maturity:

Year Ended <u>6/30</u>	<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>
2013				\$ 14,613
2014	\$ 7,307	\$ 7,307	\$ 0	7,306
2015	7,306	7,306	0	0

In October 2010, Marion School District Seven obtained a no interest loan for \$14,375 from the SC Energy Office as part of an ARRA award to install digital controls on HVAC units at Johnakin Middle and Easterling Primary Schools. As part of the consolidation process, this debt was assumed by the Marion County School District. The loan will be repaid in 4 annual installments of \$3,594 due November 1 of each year starting in 2011 and ending in 2014. The payment has been funded by the general fund in prior years.

Marion County School District
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2013

NOTE 5 - GENERAL OBLIGATION BOND AND NOTE PAYABLE - (continued)

The following schedule shows principal requirements until maturity:

<u>Year Ended</u> <u>6/30</u>	<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>
2013				\$ 7,188
2014	\$ 3,594	\$ 3,594	\$ 0	3,594
2015	3,594	3,594	0	0

On May 15, 2002, Marion County Board of Education signed a Ground Lease Agreement with BB&T to lease for the consideration (ground lease rent) of \$6,500,000 the property (and any improvements) on which the Creek Bridge High School was constructed. The lease commenced on May 15, 2002 ends on May 15, 2032. As part of the consolidation process, this debt was assumed by the Marion County School District. Simultaneously with the delivery of the Ground Lease, BB&T is leasing back the property to the Marion County School District pursuant to a Lease Agreement dated May 15, 2002. This lease commenced on May 15, 2002 and ended on the next succeeding June 30. The lease term will be automatically renewed at the end of the original term and each renewal term thereof shall be for a period of one additional year, however the final renewal term, if applicable, shall end on May 15, 2032.

The Lease Agreement's shall terminate upon the earliest of any of the following events:

1. The last day of the Fiscal Year during which there occurs an event of non-appropriation, or the expiration of the grace period;
2. The purchase by the School District of all of the bank's interest in the property, under Article XI of the Lease Agreement;
3. An event of default and termination of the Lease Term by the Bank under Article XIII of the Lease Agreement;
4. May 15, 2032, which date constitutes the last day of the final renewal term or the date by which all base rent and additional rent required hereunder shall have been paid in full, whichever is later.

If the lease is terminated, the School District will deliver the property back to the bank. The obligations of the School District under this lease do not constitute a pledge of the full faith, credit or taxing power of the School District within the meaning of any state constitutional or statutory provision.

The lease requires annual payments commencing May 15, 2003 through May 15, 2017. The lease carries an interest rate of 5.00% per annum.

The last payment in the year 2017 includes a balloon payment of \$1,202,250.

In prior years Marion School District Seven funded 23% (\$1.14 million) of this capital lease. The County Board funded the remaining 77% (\$3.83 million). The County Board and District Seven funded these capital lease payments with additional tax revenues.

Marion County School District
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2013

NOTE 5 - GENERAL OBLIGATION BOND AND NOTE PAYABLE - (continued)

The following schedule shows principal and interest requirements until maturity:

Year Ended				
<u>6/30</u>	<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>
2013				\$ 2,875,000
2014	\$ 678,750	\$ 535,000	\$ 143,750	2,340,000
2015	692,000	575,000	117,000	1,765,000
2016	708,250	620,000	88,250	1,145,000
2017	<u>1,202,250</u>	<u>1,145,000</u>	<u>57,250</u>	0
	<u>\$ 3,281,250</u>	<u>\$ 2,875,000</u>	<u>\$ 406,250</u>	

The following is a summary of changes in long-term debt for the year ended June 30, 2013.

	<u>6/30/2012</u>	<u>Additions</u>	<u>Principal</u>	<u>Interest</u>	<u>6/30/2013</u>	<u>Due Within One Year</u>
Bonds	\$ 1,285,000	0	\$ 1,285,000	\$ 75,168	\$ 0	\$ 0
Energy Notes	49,420	0	16,473	0	32,947	16,474
Capital Leases	<u>3,365,000</u>	<u>0</u>	<u>490,000</u>	<u>168,250</u>	<u>2,875,000</u>	<u>535,000</u>
	<u>\$ 4,699,420</u>	<u>\$ 0</u>	<u>\$ 1,791,473</u>	<u>\$ 243,418</u>	<u>2,907,947</u>	<u>\$ 551,474</u>
Compensated Absences					<u>252,310</u>	
					<u>\$ 3,160,257</u>	

The annual requirements to amortize all debt outstanding as of June 30, 2013 are as follows:

<u>Fiscal Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 551,474	\$ 143,750	\$ 695,224
2015	591,473	117,000	708,473
2016	620,000	88,250	708,250
2017	<u>1,145,000</u>	<u>57,250</u>	<u>1,202,250</u>
	<u>\$ 2,907,947</u>	<u>\$ 406,250</u>	<u>\$ 3,314,197</u>

There was no short term debt issued during the fiscal year and none outstanding at June 30, 2013.

NOTE 6 - OPERATING LEASES

The District has entered into an agreement to lease the Springville Elementary School building to the Pee Dee Community Action Agency Head Start for \$624 per month. The lease is renewed annually. The District has entered into an agreement to lease five classrooms of the east wing of Spring Branch School Building and joint usage of the cafeteria and kitchen facilities to the Trinity Behavioral Care for a monthly fee of \$421. The lease is renewed annually.

The District has entered into various operating leases for copiers and other equipment. The lease periods range from 1 to 5 years. During the current year a total of \$99,173 was expended under operating leases. \$4,651 is due in the following year as the final payment on the operating lease.

Marion County School District
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2013

NOTE 6 - OPERATING LEASES - (continued)

In prior years, the District entered into capital leases for the acquisition of school facilities and improvements. The lease meets the criteria of a capital lease as defined by SFAS No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee.

Capital assets acquired by leases have been capitalized in the statement of net assets for governmental activities in the amount of \$7,009,000. The lease balances at June 30, 2013 was \$2,875,000. The amortization of capital assets under capital leases is included in depreciation expense.

NOTE 7 - RETIREMENT

Plan Description - Substantially all School District employees are members of the South Carolina Retirement System ("SCRS"). The South Carolina Retirement System is a cost-sharing multi-employer defined benefit pension plan (the "Plan") administered by the South Carolina Retirement Systems; a division of the South Carolina State Budget and Control Board. The Plan offers retirement and disability benefits, cost of living adjustments on an adhoc basis, life insurance benefits and survivor benefits. The Plan's provisions are established under Title 9 of the South Carolina Code of Laws. A Comprehensive Annual Financial Report containing basic financial statements and required supplementary information for the Plan is issued and publicly available on their website at www.retirement.sc.gov or by writing the South Carolina Retirement System, Post Office Box 11960, Columbia, South Carolina 29211-1960.

Funding Policy - Both employees and employers are required to contribute to the Plan under authority of Title 9 of the South Carolina Code of Laws. Employee contributions to the Plan are 7.0% of salary for SCRS. Employers are required to contribute at the following actuarially determined rates, which are 10.45% for SCRS. In addition to the above rates, participating employers of the South Carolina Retirement System contribute 4.55% and 0.15% of payroll to provide retiree health and dental insurance and group life insurance benefits for active participants of the SCRS.

The School District contributed amounts equal to 100% of the required contributions for employers:

Employer Contribution	Amount For Retirement	% of Covered Payroll	Amount For Retiree Insurance Surcharge	% of Covered Payroll	Amount For Death Benefits	% of Covered Payroll
6/30/13	\$2,788,527	10.45%	\$1,214,143	4.55%	\$40,027	.15%
6/30/12	\$2,559,451	9.385%	\$1,172,555	4.3%	\$49,903	.15%
6/30/11	\$2,578,271	9.24%	\$1,088,105	3.9%	\$41,850	.15%

Marion County School District
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2013

NOTE 8 - RETIREMENT - (continued)

Employee Contributions	Amount	% of Covered Payroll
6/30/13	\$1,867,913	7.0%
6/30/12	\$1,772,469	6.5%
6/30/11	\$1,812,770	6.5%

Other Retirement Plan

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 Internal Revenue Code. The State ORP is a defined contribution plan that provides retirement and survivor benefits as an alternative to the SCRS. The South Carolina legislative body has authority for establishing and amending plan provisions through the State appropriation bill. The legislative body also has authority for establishing or amending employee contributions. The South Carolina Retirement System and the Budget and Control Board have the authority for establishing and amending the employer contribution rates. Employees may choose between the State ORP plan or the SCRS. Employee contributions to the ORP Plan are 7.0% of salary. For ORP participants, employers contribute 5.45% of salary plus 4.7% of payroll to the SCRS to provide retiree health and dental insurance and group life insurance benefit for active participants and 5% to the selected ORP providers.

SCRS Employer Contribution	Amount For Retirement	% of Covered Payroll	Amount For Retiree Insurance Surcharge	% of Covered Payroll	Amount For Death Benefits	% of Covered Payroll
6/30/13	\$11,456	5.45%	\$9,564	4.55%	\$315	.15%
6/30/12	\$12,522	4.385%	\$12,280	4.3%	\$428	.15%
6/30/11	\$13,445	4.24%	\$12,367	3.9%	\$476	.15%

ORP Providers Employer Contribution	Amount For Retirement	% of Covered Payroll	ORP Providers Employee Contribution	% of Covered Payroll
6/30/13	\$10,510	5.0%	\$14,714	7.0%
6/30/12	\$14,278	5.0%	\$18,161	6.5%
6/30/11	\$15,856	5.0%	\$20,612	6.5%

Marion County School District
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2013

NOTE 8 - RETIREMENT - (continued)

Post Retirement Benefits

Plan Description - In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental and long-term disability benefits to certain retired State and school district employees and their covered dependents. All permanent full-time and certain permanent part-time employees of the District are eligible to receive these benefits. The State provides post-employment health and dental benefits to employees who retire from State service or who have terminated with at least twenty years of service. They must meet one or more of the eligibility requirements: age, length of service or hire date. Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit.

For new hires May 2, 2009 and after, retirees are eligible for benefits if they have established twenty-five years of service for 100% employer funding and fifteen through twenty-four years of service for 50% employer funding. Benefits become effective when the former employee retires under a State retirement system. Basic long-term disability benefits (BLTD) are provided to active state, public school district and participating local government employees approved for disability.

One may obtain complete financial statements for the benefit plans and the trust funds from Employee Insurance Program, 1201 Main Street, Suite 300, Columbia, South Carolina 29201.

Funding Policies - Section 1-11-710 and 1-11-720 of the South Carolina Code of Laws of 1976, as amended, requires these postemployment health care and long-term disability benefits be funded through annual appropriations by the General Assembly for active employees to the EIP and participating retirees to the SBCB except the portion funded through the pension surcharge and provided from other applicable sources of the EIP for its active employees who are not funded by state general fund appropriations. Employers participating in the RMP are mandated by State statute to contribute at a rate assessed each year by the Office of the State Budget; 4.55%, 4.3%, and 3.9% of annual covered payroll for 2013, 2012, and 2011, respectively. The EIP sets the employer contribution rate based on a pay-as-you-go basis. The School District paid \$1,223,707, \$1,184,835, and \$1,100,472 applicable to the surcharge included with the employer contribution for retirement benefits for the fiscal years ended June 30, 2013, 2012, and 2011, respectively. For each of these years, the School District paid 100% of the required employer actuarially determine rates.

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

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Grants - The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits should become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual funds included herein or on the overall financial position of the District at June 30, 2013.

Marion County School District
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2013

NOTE 9 - COMMITMENTS AND CONTINGENCIES - (continued)

Unemployment - The School District does not participate in the unemployment reserve fund for the State of South Carolina Employment Security Commission. The District pays unemployment claims as incurred. This is a common procedure for school districts.

Litigation - In the normal course of operation, the District may from time to time, become a party to legal claims and disputes. As of June 30, 2013 the District has been named by several former employees alleging discrimination and these claims could go to trial. There is also a possible lawsuit for an injured student.

Construction contract - The District has signed a \$88,500 contract with FBi Construction for security upgrades.

NOTE 10 - RISKS AND UNCERTAINTIES

The District is exposed to various risks of loss related to torts; theft of or damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. Management believes such coverage is sufficient to preclude any significant uninsured losses for covered risks. The District also pays insurance premiums to certain commercial insurers to cover risks that may occur in normal operations. The insurers promise to pay to or on behalf of the insured for covered economic losses sustained during the policy in accord with the insurance policy and benefit program limits.

Several state funds accumulate assets and the State assumes substantially all risks for the following:

1. Claims of covered public employees for health and dental insurance benefits (South Carolina Budget and Control Board Insurance Division).
2. Claims for general liability, property and casualty loss and workers compensation (South Carolina School Boards Insurance Trust).

Employees elect health coverage through either an HMO or through the State self-insured plan. All other coverages listed above are through applicable State self-insured plans, except dependent and optional life premiums which are remitted through the State to commercial carriers.

The District obtains coverage for its property and casualty insurance through the South Carolina School Boards Insurance Trust.

The District believes it is more economical to manage its workers compensation claims through the South Carolina School Boards Insurance Trust Fund (SCSBIT/WCTF), a public entity risk pool comprised of member school districts in the State of SC. The entity is operating as a common risk management and insurances program. The District pays an annual premium to SCSBIT/WCTF for its workers compensation insurance coverage based upon the total payroll of the District for each year. The agreement for formation of the SCSBIT/WCTF provides that the SCSBIT/WCTF will be self-sustaining through member premiums and deficiencies can be charged back to the member districts in the event a fund deficit arises. Insurance settlements have not exceeded insurance coverage for the past three years.

The District has recorded insurance premium expenditures in the applicable functional expenditures categories of the unrestricted current funds. These expenditures do not include estimated claims losses and estimable premium adjustments.

Marion County School District
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2013

NOTE 10 - RISKS AND UNCERTAINTIES - (continued)

The District has not reported a supplemental premium assessment expenditure and the related liability at June 30, 2013, because the requirements of GASB Statement 10, which states that a liability for supplemental assessments must be reported if information prior to issuance of financial statements indicates that it is probable that an asset has been impaired or a liability has been incurred on or before June 30, 2013 and the amount of the premium is reasonably estimable, have not been satisfied.

In management's opinion, supplemental premium assessments, if any, would not be significant enough to have a material effect on the financial position of the District.

During the year ended June 30, 2013 the District did not reduce insurance coverages from coverage levels of the prior year. No settlements have exceeded coverage levels in place during the fiscal years ended June 30, 2013, 2012, or 2011.

NOTE 11 - CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Land	\$ 2,168,458	\$ 0	\$ 0	\$ 2,168,458
Construction in progress	18,320	0	18,320	0
Total capital assets not being depreciated	<u>\$ 2,186,778</u>	<u>\$ 0</u>	<u>\$ 18,320</u>	<u>\$ 2,168,458</u>
Capital assets being depreciated				
Buildings & improvements	\$ 58,603,146	\$ 640,299	\$ 0	\$ 59,243,445
Furniture, fixtures, and equipment	12,006,897	175,368	0	12,182,265
Total capital assets being depreciated	<u>70,610,043</u>	<u>815,667</u>	<u>0</u>	<u>71,425,710</u>
Less accumulated depreciation for				
Buildings & improvements	24,407,094	1,434,754	0	25,841,848
Furniture, fixtures, and equipment	9,883,258	502,513	0	10,385,771
Total accumulated depreciation	<u>34,290,352</u>	<u>1,937,267</u>	<u>0</u>	<u>36,227,619</u>
Total capital assets being depreciated, net	<u>\$ 36,319,691</u>	<u>\$(1,121,600)</u>	<u>\$ 0</u>	<u>\$ 35,198,091</u>

Depreciation expense was charged to the functions as follows:

Instruction	\$ 577,715
Support	312,091
Unallocated	1,047,461
TOTAL DEPRECIATION EXPENSE	<u>\$ 1,937,267</u>

Marion County School District
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2013

NOTE 12 - RELATED PARTIES

The District is not aware of any related party transactions that would have a material effect on these financial statements.

NOTE 13 - INTERFUND TRANSFERS

<u>Transfer From</u>	<u>Transfer to</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Debt Service Fund	\$ 17,286	To fund debt repayment and fees
	Special Revenue	1,121	To supplement funding
	Capital Projects	<u>25,442</u>	To supplement funding
		<u>43,849</u>	
Special Revenue Funds	General Fund	<u>458,042</u>	To fund indirect costs
Capital Projects Fund	Debt Service Fund	<u>536,325</u>	To fund debt defeasance
EIA Funds	General Fund	<u>1,032,011</u>	To fund the teacher salary supplements and related fringe
		<u>\$ 2,070,227</u>	
Agency Fund	General Fund	\$ 385	To transfer expenditures
	W/I Agency Funds	126,747	To supplement funding
	Food Service	<u>810</u>	
		<u>\$ 127,942</u>	

NOTE 14 - INTERFUND BALANCES

Balances due to/from other funds at June 30, 2013, represent short-term loans:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	EIA	\$ 285,272
	Capital Projects	(2,588,959)
	Debt Service	(5,835)
	Fiduciary Funds	90,478
	Special Revenue Funds	<u>2,398,295</u>
		<u>179,251</u>
Capital Projects Fund	General Fund	2,588,959
Special Revenue Funds	General Fund	1,439,704
Debt Service	General Fund	<u>5,835</u>
		<u>\$ 4,213,749</u>

Marion County School District
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2013

NOTE 15 - RELATED ORGANIZATIONS

GASB Statement No. 39, requires certain legally separate tax-exempt organizations for which the primary government is not financially accountable to be included in the financial reporting entity if certain criteria are met. The standard is directed principally towards fund-raising organizations, such as foundations, parent teacher organizations (PTO's) and booster clubs. The District reviewed its relationship with its related organizations and determined they should not be included in the reporting entity because their economic resources are not significant to the District.

NOTE 16 - TAXES RECEIVABLE

At June 30, 2013 Marion County School District had total taxes receivable of \$1,364,585. Of this amount, \$939,047 is deemed doubtful for collection or deferred for future years.

NOTE 17 - PRIOR PERIOD ADJUSTMENT

A prior period adjustment of \$62,544 was recorded in the general fund to write-off two prior year special revenue receivables that were not collected. Also, a prior period adjustment for \$19,621 was recorded to correct the beginning balance of a liability.

The food service program previously reported by Marion School District Seven as an enterprise fund and a business type activity was reclassified as a special revenue fund (a governmental activity). Therefore, a prior period adjustment of \$103,597 was recorded in the Food Service Fund, a Special Revenue Fund.

Long-term debt	164,240
Capital assets, net of depreciation	<u>(60,643)</u>
Prior period adjustment	<u>\$ 103,597</u>

\$103,597 of net assets reported as net assets for business-type activities as of 6/30/12, were reclassified as net assets for governmental activities.

A prior period adjustment was recorded in the capital projects fund and the debt service fund for \$419,691. Funds collected to service the debt repayment had been accounted for in the capital projects fund by Marion School District Seven. Marion County School District reclassified this to the debt service fund.

A prior period adjustment of \$9,381 was recorded in the special revenue funds to write-off a prior year receivable that was not collected.

A prior period adjustment was recorded in the government-wide statement of activities to record a liability of \$10,781 to the SC Energy Office that was not recorded by Marion School District Seven at June 30, 2012. Also, a prior period adjustment of \$782,095 was recorded on the government-wide statement of activities to remove Marion School District Seven's portion of the Creek Bridge High School lease. The total amount of the lease was recorded by Marion County Board of Education at June 30, 2012.

Marion County School District
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2013

NOTE 18 - RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In June 2012, the GASB issued Statement No. 67, Financial Reporting for Pension Plans. The objective of this statement is to improve financial reporting by state and local governmental pension plans. Statement No. 67 is effective for financial statements for fiscal years beginning after June 15, 2013. Management is currently evaluating the impact of the adoption of this statement on the District's financial statements.

In April, 2012 the GASB issued Statement No. 65, Items Previously Reported as Assets and Liabilities. This statement makes certain items previously classified as assets and liabilities consistent with the definitions in GASB Concepts Statement No. 4. It is effective for periods beginning after December 15, 2012. Management is currently evaluating the impact of the adoption of this statement on the District's financial statement.

Marion County School District
BUDGETARY COMPARISON SCHEDULE
Budget (GAAP Basis) and Actual - General Fund
Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Local	\$10,380,757	\$10,380,757	\$9,611,870	(\$768,887)
State	21,923,029	21,923,029	22,969,914	1,046,885
Federal	15,000	15,000	13,242	(1,758)
TOTAL REVENUES	32,318,786	32,318,786	32,595,026	276,240
EXPENDITURES				
Current				
Instruction	18,741,413	18,741,413	18,773,474	(32,061)
Support Services	15,199,063	15,199,063	15,554,940	(355,877)
Intergovernmental	80,950	80,950	(6,704)	87,654
Capital Outlay				
Instruction	91,585	91,585	86,161	5,424
Support Services	254,273	254,273	63,829	190,444
TOTAL EXPENDITURES	34,367,284	34,367,284	34,471,700	(104,416)
Excess/(Deficiency) of Revenues Over Expenditures	(2,048,498)	(2,048,498)	(1,876,674)	171,824
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	1,391,631	1,391,631	1,446,589	54,958
TOTAL OTHER FINANCING SOURCES (USES)	1,391,631	1,391,631	1,446,589	54,958
Excess/(Deficiency) of Revenues & Other Sources (Uses) Over Expenditures	(656,867)	(656,867)	(430,085)	226,782
FUND BALANCE - July 1, 2012	4,195,667	4,195,667	4,195,667	0
Prior Period Adjustment	0	0	(82,165)	(82,165)
FUND BALANCE - June 30, 2013	\$3,538,800	\$3,538,800	\$3,683,417	\$144,617

Note 1: An annual budget for the General Fund is approved by the Marion County Board of Education. All appropriations lapse at fiscal year-end. The basis of accounting is modified accrual.

Marion County School District
BUDGETARY COMPARISON SCHEDULE
Budget (GAAP Basis) and Actual - Special Revenue Funds
Year Ended June 30, 2013

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Federal	\$8,709,476	\$8,688,462	\$6,770,858	(\$1,917,604)
Intergovernmental	128,618	128,618	109,502	(19,116)
TOTAL REVENUES	8,838,094	8,817,080	6,880,360	(1,936,720)
EXPENDITURES				
Current				
Instruction	6,153,831	6,180,438	4,984,621	1,195,817
Support Services	2,331,879	2,315,058	1,660,849	654,209
Community Services	3,279	3,279	1,290	1,989
Intergovernmental	0	0	6,265	(6,265)
TOTAL EXPENDITURES	8,488,989	8,498,775	6,653,025	1,845,750
Excess/(Deficiency) of Revenues Over Expenditures	349,105	318,305	227,335	(90,970)
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(349,105)	(318,305)	(227,335)	90,970
TOTAL OTHER FINANCING SOURCES (USES)	(349,105)	(318,305)	(227,335)	90,970
Excess/(Deficiency) of Revenues & Other Sources (Uses) Over Expenditures	0	0	0	0
FUND BALANCE - July 1, 2012	0	0	0	0
FUND BALANCE - June 30, 2013	\$0	\$0	\$0	\$0

Note 1: Special revenue fund budgets are approved by the grantor agency, not the local board of trustees. Only those funds with approved budgets are included in this schedule. The basis of accounting is modified accrual.

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

Board of Trustees
Marion County School District
Marion, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Marion County School District, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Marion County School District's basic financial statements and have issued our report thereon dated November 19, 2013.

Internal Control Over Financial Reporting

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

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

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

we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. We consider the deficiencies listed as items #2013-1, #2013-2, #2013-4, #2013-8, and #2013-9 to be significant deficiencies in internal control over financial reporting.

Compliance and Other Matters

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

We noted certain matters that we reported to the management Marion County School District, in a separate letter dated November 19, 2013.

Marion County School District's Responses to Findings

Marion County School District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Kenneth Cobb & Company P.C.

November 19, 2013

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Board of Trustees
Marion County School District
Marion, South Carolina

Report on Compliance for Each Major Federal Program

We have audited the Marion County School District's 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 its major federal programs for the year ended June 30, 2013. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

Opinion on Each Major Federal Program

In our opinion, Marion County School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item #2013-7. Our opinion on each major federal program is not modified with respect to this matter.

Marion County School District's response to this noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items #2013-1 and #2013-2 to be significant deficiencies.

Marion County School District's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Kenneth Cobb & Company P.C.

November 19, 2013

Marion County School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013

LEA Subfund Code	Federal Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Total Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Passed through SDE:				
Child Nutrition Cluster				
Non-Cash Assistance (Commodities)				
600	National School Lunch Program	10.555	N/A	\$167,999
Cash Assistance				
600	School Breakfast Program	10.553	N/A	845,209
600	National School Lunch Program	10.555	N/A	2,134,200
Cash Assistance- Subtotal				2,979,409
600	Fresh Fruit & Vegetable Program	10.582	13FF097	32,434
600	Fresh Fruit & Vegetable Program	10.582	13FV097	6,416
				38,850
Total U.S. Department of Agriculture				\$3,186,258
<u>U.S. DEPARTMENT OF LABOR</u>				
Passed through the SC Department of Employment & Workforce				
862	Jobs for America's Graduates	17.259	12JAG104	59,853
Total U.S. Department of Labor				59,853
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Passed through SDE:				
243	Adult Education	84.002	13-EA097	68,667
201	Title I	84.010	13-BA097	3,124,967
201	Title I	84.010	12-BA059	265,220
201	Title I	84.010	12-BA060	52,082
201	Title I	84.010	12-BA093	31,450
237	School Improvement	84.010	12-BJ060	100,988
237	School Improvement	84.010	12-BJ093	34,736
237	School Improvement	84.010	12-BJ059	115,279
237	School Improvement-ARRA	84.010	11-BJ060	2,818
				3,727,540
203	IDEA	84.027A	13-CA097	1,141,939
204	IDEA	84.027A	12-CA059	349,277
204	IDEA	84.027A	12-CA060	135,885
204	IDEA	84.027A	12-CA093	40,628
205	Preschool Handicapped	84.173	13-CG097	65,722
206	Preschool Handicapped	84.173	12-CG060	12,325
206	Preschool Handicapped	84.173	12-CG093	839
212	Extended School Year	84.173	N/A	7,588
				1,754,203
207	CATE - Subprogram-01	84.048	13-VA097	8,408
207	CATE - Subprogram-03	84.048	13-VA097	5,000
207	CATE - Subprogram-04	84.048	13-VA097	8,004
207	CATE - Subprogram-05	84.048	13-VA097	3,015
207	CATE - Subprogram-09	84.048	13-VA097	75,217
207	CATE - Subprogram-10	84.048	13-VA097	11,508
207	CATE - Subprogram-11	84.048	13-VA097	3,415
207	CATE - Subprogram-02	84.048	12-VA093	9,512
				124,079
820	PELL	84063	N/A	187,540
224	21st Century Community Learning Centers Grant	84.287	12-CL059	4,716
224	21st Century Community Learning Centers Grant	84.287	13-CL059	174,805
224	21st Century Community Learning Centers Grant	84.287	13-CL097	108,670
				288,191

Marion County School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013

LEA Subfund Code	Federal Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Total Expenditures
251	Rural and Low Income Schools	84.358	13-BS097	\$96,848
251	Rural and Low Income Schools	84.358	12-BS093	2,673
251	Rural and Low Income Schools	84.358	12-BS060	7,085
251	Rural and Low Income Schools	84.358	12-BS059	11,754
				118,360
264	Limited English Proficiency	84.365	13- BP097	8,689
267	Improving Teacher Quality	84.367A	13-TQ097	485,147
267	Improving Teacher Quality	84.367A	12-TQ059	12,419
267	Improving Teacher Quality	84.367A	12-TQ060	929
267	Improving Teacher Quality	84.367A	12-TQ093	1,923
				500,418
861	Comprehensive Health Education	N/A	N/A	63
				6,777,750
	Passed through the SC Commission on Higher Education			
821	SC GEAR UP	84.334S	P334S110019	174,143
821	SC GEAR UP	84.334S	N/A	16,768
				190,911
829	HEAP	84.378A	P378A100048	2,623
				193,534
	Direct Programs:			
100	Impact Aid	84.041	N/A	13,242
				13,242
	Total U.S. Department of Education			6,984,526
	<u>U.S. DEPARTMENT OF DEFENSE</u>			
	Direct Programs:			
297	JROTC-Marine Corps	N/A	N/A	72,137
296	JROTC-Army	N/A	N/A	61,929
				134,066
	TOTAL FEDERAL ASSISTANCE			\$10,364,703

- (1) The accompanying schedule of expenditures of federal awards is a summary of the activity of the District's federal awards programs presented on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.
- (2) Non monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.
- (3) The District has loans to the SC Energy office through the ARRA Energy Program that had an outstanding balances at June 30, 2013 of \$32,947.
- (4) The District provided funding under grant #13-BP097 Limited English Proficiency to the following subrecipients:
- | | |
|--------------------------------|----------------|
| Florence School District Three | \$5,574 |
| Dillon School District Three | 691 |
| | <u>\$6,265</u> |

Marion County School District
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2012 to June 30, 2013

I. SUMMARY OF AUDITOR'S RESULTS

- a. The auditor's report expresses an unqualified opinion on the financial statements of Marion County School District.
- b. Five significant deficiencies disclosed during the audit of the financial statements of Marion County School District are reported in the *Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. None of these significant deficiencies are considered to be material weaknesses.
- c. No instances of noncompliance material to the financial statements of Marion County School District were disclosed during the audit.
- d. Three significant deficiencies pertaining to major federal award programs are disclosed in the *Independent Auditor's Report on Compliance for each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133*. These significant deficiencies are not reported as material weaknesses.
- e. The auditor's report on compliance for the major federal awards programs for Marion County School District expresses an unqualified opinion on all major programs.
- f. Audit findings that are required to be reported in accordance with Section 510 (a) of OMB Circular A-133 are reported in this schedule.
- g. The programs tested as major programs included:

USDA School Lunch and Breakfast Program	CFDA Nos. 10.553, 10.555
Title One	CFDA Nos. 84.010, 84.389
IDEA Program Cluster	CFDA Nos. 84.027, 84.173, 84.391A, 84.392A
Improving Teacher Quality	CFDA No. 84.367
- h. The threshold for distinguishing Types A and B programs was \$300,000.
- i. Marion County School District was not determined to be a low-risk auditee.

II. FINDINGS -FINANCIAL STATEMENTS AUDIT

Significant Deficiency

#2013-1 Preparation of annual financial statements and disclosures

Condition: The District does not prepare its annual financial statements and footnote disclosures. The District staff work with the auditor in the preparation and subsequently reviews and approves all statements and disclosures before issuance.

Marion County School District
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2012 to June 30, 2013

Criteria: Internal controls should be in place that provide reasonable assurance that financial statements are free of material misstatements and that the independent auditor is not part of this control system.

Effect: The District relies on the auditor to prepare the financial statements and disclosures and reviews the final product. Caution must be exercised so that the auditor is not deemed to be part of the internal control system.

Recommendation: The District can accept this condition and concentrate on the review and approval process or prepare all financial statements and disclosures in house or hire an outside source to prepare the financial statements and disclosures.

Response: The District feels that the best plan is to accept this condition and concentrate on the review and approval process.

#2013-2 Inadequate Segregation of Duties

Condition: Due to a small staff size, the District does not have complete segregation of duties.

Criteria: The ideal internal control would not allow one person to perform a transaction from beginning to end.

Effect: An error in financial reporting may not be detected in a timely manner or the misappropriation of assets could be concealed.

Recommendation: We recommend that the Board and management continue to use supervisory reviews such as monitoring financial statements and budget reports, and segregate duties where cost beneficial to do so.

Response: The Board and management will continue to use supervisory reviews. The District will segregate duties where it is not cost prohibitive.

#2013-4 Daily Deposits

Condition: While testing the District's receipt book procedures, we noted instances in which funds were not deposited in accordance with District policy.

Criteria: District policy requires that funds be deposited when totaling \$200 or more on a daily basis at the end of each school day or after a school event.

Effect: Funds not deposited on a daily basis are more susceptible to misappropriation.

Recommendation: Funds should be deposited as required by District policy.

Response: We will enforce the District policy regarding daily deposits.

Marion County School District
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2012 to June 30, 2013

#2013-8 Purchasing Procedures

Condition: There were numerous instances in which the purchase order was obtained after the purchase had been made or in which no purchase order was obtained at all. In addition, there were instances, in which the proper approvals were not obtained prior to the purchase.

Criteria: District policy requires an approved purchase order for purchases of goods unless the item is specifically excluded from the purchasing policy or it is below the prescribed dollar amount. District policy also requires purchases be approved by supervisory officials.

Effect: Purchases are made without the knowledge or approval of management.

Recommendation: District staff should adhere to the policy.

Response: Purchases will follow the District's policy.

#2013-9 Reconcile Payroll and Related Taxes and Benefits to Outside Sources

Condition: There were significant adjustments required at year end to the payroll related taxes and benefit expenditures.

Criteria: Expenditures should be recorded materially correct during the year in order for interim financial statements to be correct.

Effect: Financial reporting during the year is misstated and proper monitoring of the financial status of the District cannot be done.

Recommendation: Payroll and payroll related taxes and benefits can be reconciled to outside sources such as federal tax forms (941's), quarterly retirement reports, and monthly health insurance invoices. This would allow management to become aware of any posting problems.

Response: Now that accounts are setup properly, this will allow balancing of accounts to be done more efficiently. Thus, resolving the posting problems.

III. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

See Section II for conditions #2013-1 through #2013-2.

Marion County School District
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2012 to June 30, 2013

Pass Through Entities:

SC Department of Education
SC Department of Employment & Workforce
SC Commission on Higher Education

All Federal Programs - see Schedule of Expenditures of Federal Awards for CFDA numbers

#2013-7 Meals Claimed for Reimbursement Improperly

Condition: There were students in the District's meal accounting software program that were carried forward from the prior year and who did not submit a current year application to participate in the free and reduced lunch program.

Criteria: Students should not receive free or reduced meals unless they are certified as eligible by another outside source or unless they have an approved application on file.

Effect: The District received reimbursement from the USDA in excess of what it was entitled.

Findings:

Number of lunch meals reimbursed in error	6,663
Number of breakfast meals reimbursed in error	3,126
 Total number of student meals-lunch	 719,207
Total number of student meals-breakfast	441,246
 Potential excess reimbursement	 \$21,442
 Total USDA reimbursement received	 \$2,671,504

Recommendation: The reporting system should be reviewed to ensure that all students being claimed for reimbursement are actually eligible for the reimbursement.

Response: Now, that the Meals Plus software problems have been corrected, this should not occur in the new year.

Marion County School District
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2013

#2012-1 Preparation of annual financial statements and disclosures (previously reported by Marion School District One and Marion School District Two)

Condition: The District does not prepare its annual financial statements and footnote disclosures. The District staff work with the auditor in the preparation and subsequently reviews and approves all statements and disclosures before issuance.

Recommendation: The District can accept this condition and concentrate on the review and approval process or prepare all financial statements and disclosures in house or hire an outside source to prepare the financial statements and disclosures.

Current Status: This is a continuing condition.

#2012-2 (#2012-1) Inadequate Segregation of Duties (previously reported by Marion School District One and Marion School District Two, Marion School District Seven, Marion County Board of Education and Marion County Technical Education Center)

Condition: Due to a small staff size, the District does not have complete segregation of duties.

Recommendation: We recommend that the Board and management continue to use supervisory reviews such as monitoring financial statements and budget reports, and segregate duties where cost beneficial to do so.

Current Status: This is a continuing condition.

#2012-3 (#2012-7) Inventory Procedures for Equipment Purchased with Federal and State Funds (previously reported by Marion School District One and Marion School District Two)

Condition: The District does have an updated inventory system that accounts for fixed assets with a cost of greater than \$5,000. However, it does not include all of the information required by state and federal regulations such as which assets are purchased with federal or state funds and the disposition date.

Recommendation: We recommend that the District revise its inventory system to ensure that the records include a description of the property, the vendor's name, the acquisition date, the cost of the property, the percentage of federal or state participation, the location of the property and any ultimate disposition data including the date of disposal and the sales price of the property on disposition. Physical inventory and reconciliation to the perpetual inventory records should also be done at least every two years.

Current Status: This is a continuing condition.

#2012-3 Daily Deposits (previously reported by Marion School District Two)

Condition: While testing the District's receipt book procedures, we noted instances in which funds were not deposited in accordance with District policy.

Recommendation: Funds should be deposited as required by District policy.

Current Status: This is a continuing condition.

Marion County School District
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2013

#2012-4 Support of Federal Salaries and Wages (previously reported by Marion School District Two)

Condition: The District lacked 5 semi-annual certifications from employees that certified that the employee worked solely on the federal program duties.

Recommendation: All employees who work solely on a single federal award or cost objective should certify at least semi-annually that the actual work supports the salary distribution.

Current Status: This is a continuing condition.

#2012-3 General Ledger Maintenance (previously reported by Marion School District Seven)

Condition: The Board's management failed to properly record and reconcile general ledger transactions to underlying financial data in a timely and complete manner.

Recommendation: Board management should adhere strictly to Board policy guidelines when preparing and reviewing the interim operating statements for all funds. In addition, appropriate financial officials should review general ledger detail to insure its completeness, accuracy and timeliness.

Current Status: There were no findings related to this condition for the fiscal year ended June 30, 2013.

#2012-4 Reconciliation of Professional Certified Staff Reports to District Financial Records (previously reported by Marion School District Two)

Condition: The salary information per the Professional Certified Staff (PCS) report did not agree with the District's financial records.

Recommendation: The information per the PCS report should be verified to the District financial records.

Current Status: This is a continuing condition.

#2012-5 Account Number Coding (previously reported by Marion School District Two)

Condition: During the tests of procurement procedures, there were 11 instances in which the account number coding was not in accordance with the S.C. Department of Education guidelines. There was a total of 430 items tested. In addition the posting of revenue for the pupil activity funds does not appear to be correct, since there are very few postings to the admissions accounts.

Recommendation: All staff that is involved with account number coding of purchases or revenue should receive additional training in the account descriptions of the S.C. Department of Education.

Current Status: This is a continuing condition.

Marion County School District
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2013

#2012-6 Calculation of Household Incomes to Determine Eligibility for the USDA School Lunch and Breakfast Programs (previously reported by Marion School District Two)

Condition: Income calculations to determine eligibility for participation in the USDA school lunch and breakfast program were done incorrectly.

Sample Size: 100 applications
Deviations: 3 applications

Recommendations: Care should be taken in the income calculations and the calculations and the eligibility determinations should be reviewed by a secondary party.

Current Status: There were no findings related to this condition for the fiscal year ended June 30, 2013.

#2012-8 Monitor Collateral Pledged by Financial Institution to Secure Bank Deposits (previously reported by Marion School District Two)

Condition: As of June 30, 2012, the financial institution that held the District's deposits did not have sufficient collateral pledged to secure the District's deposits in the event of a bank failure.

Recommendation: We suggest that collateral be monitored to ensure that it is sufficient to cover the District's deposits.

Current Status: There were no findings related to this condition for the fiscal year ended June 30, 2013.

#2012-9 Monitor Receivables for Collection (previously reported by Marion School District Two)

Condition: Receivables such as "Due from the State or Federal Government" were not monitored to ensure that the receivables are collected. As of June 30, 2012, there was a receivable of \$56,925 that has been outstanding since June 30, 2011. The District is in contact with the SC Department of Education and is working to collect this receivable.

Recommendation: All receivables should be monitored for collection. When delays arise in collection the payee should be contacted to resolve any issues delaying the receipt of the funds.

Current Status: There were no findings related to this condition for the fiscal year ended June 30, 2013.

Marion County School District
 DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/
 FEDERAL GOVERNMENT
 June 30, 2013

<u>Program</u>	<u>Project/Grant Number</u>	<u>Revenue Code</u>	<u>Description</u>	<u>Amount Due To</u>
Title One School Improvement		4310	Unexpended Funds	<u>\$4,383.94</u>
National Board Certification (NBC) salary supplement	N/A	3532	Unexpended Funds	767.50
Palmetto Priority Assistance	N/A	3572	Unexpended Funds	7,500.00
* Teacher Supplies	N/A	3577	Unexpended Funds	<u>1,021.76</u>
				<u>9,289.26</u>
			Total	<u><u>\$13,673.20</u></u>

* These funds were for the Marion County AVC.

Marion County School District
General Fund
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Budget (GAAP Basis) and Actual
Year Ended June 30, 2013

	Budget	Actual	Variance With Final Budget
REVENUES:			
1000 Revenue from local sources			
1100 Taxes			
1110 Ad valorem taxes - including delinquent taxes	\$8,947,431	\$9,073,683	\$126,252
1140 Penalties & interest on taxes	219,369	32,136	(187,233)
1200 Revenue from local governmental units other than LEA's			
1280 Revenue in lieu of taxes	172,418	201,302	28,884
1300 Tuition			
1310 Tuition	629,670	216,770	(412,900)
1320 From other LEA's for regular day school	4,800	0	(4,800)
1350 From patrons for summer school	15,000	450	(14,550)
1500 Earnings on investments			
1510 Interest on investments	34,500	13,488	(21,012)
1700 Pupil activities			
1740 Student fees	50,569	0	(50,569)
1900 Other revenue from local sources			
1910 Rentals	27,000	54,286	27,286
1930 Medicaid	280,000	785	(279,215)
1950 Refund of prior year's expenditures	0	4,876	4,876
1990 Miscellaneous local revenue			
1999 Revenue from other local sources	0	14,094	14,094
TOTAL LOCAL SOURCES	10,380,757	9,611,870	(768,887)
3000 Revenue from state sources			
3100 Restricted state funding			
3130 Special programs			
3131 Handicapped transportation	760	654	(106)
3160 School bus driver's salary	291,201	402,147	110,946
3162 Transportation Workers' Compensation	22,000	32,437	10,437
3180 Fringe benefits employer contributions	4,616,144	4,796,179	180,035
3181 Retiree insurance	895,367	1,034,490	139,123
3199 Other restricted state grants	0	275	275
3300 Education finance act			
3310 Full-time programs			
3311 Kindergarten	789,120	941,798	152,678
3312 Primary	2,142,080	2,074,102	(67,978)
3313 Elementary	2,681,099	2,613,692	(67,407)
3314 High School	1,322,008	1,522,033	200,025
3315 Trainable mentally handicapped	96,153	111,664	15,511
3316 Speech handicapped	860,662	820,426	(40,236)
3317 Homebound	43,607	47,928	4,321
3320 Part-time programs			
3321 Emotionally handicapped	18,515	26,790	8,275
3322 Educable mentally handicapped	145,392	131,439	(13,953)
3323 Learning disabilities	1,254,420	1,177,473	(76,947)
3324 Hearing handicapped	4,418	8,756	4,338
3325 Visually handicapped	26,506	31,506	5,000
3326 Orthopedically handicapped	13,255	13,971	716
3327 Vocational	1,456,495	1,100,910	(355,585)
3330 Other EFA programs			
3331 Autism	138,451	149,343	10,892
3800 State revenue in lieu of taxes			
3810 Reimbursement for local residential property tax relief	1,731,822	1,866,169	134,347
3820 Homestead exemption	619,535	748,244	128,709
3825 Reimbursement for property tax relief	1,735,558	2,397,683	662,125
3827 \$2.5 million bonus	613,278	352,317	(260,961)
3830 Merchant's inventory tax	125,184	145,998	20,814
3840 Manufacturers depreciation reimbursement	185,418	259,482	74,064
3890 Other state property tax revenues	94,581	115,193	20,612

Marion County School District
General Fund
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Budget (GAAP Basis) and Actual
Year Ended June 30, 2013

	Budget	Actual	Variance With Final Budget
3900 Other state revenue			
3999 Revenue from other state sources	\$0	\$46,815	\$46,815
TOTAL STATE SOURCES	21,923,029	22,969,914	1,046,885
4000 Revenue from federal sources			
4100 Federally impacted areas			
4110 Maintenance and operations (P.L. 874)	15,000	13,242	(1,758)
TOTAL FEDERAL SOURCES	15,000	13,242	(1,758)
TOTAL REVENUE ALL SOURCES	32,318,786	32,595,026	276,240
EXPENDITURES			
100 Instruction			
110 General instruction			
111 Kindergarten programs			
100 Salaries	786,633	798,018	(11,385)
200 Employee benefits	280,500	292,863	(12,363)
300 Purchased services	10,296	8,168	2,128
400 Supplies and materials	15,748	12,918	2,830
600 Other objects	143	0	143
	1,093,320	1,111,967	(18,647)
112 Primary programs			
100 Salaries	1,873,520	1,941,794	(68,274)
200 Employee benefits	748,486	775,055	(26,569)
300 Purchased services	31,121	22,824	8,297
400 Supplies and materials	53,078	51,161	1,917
500 Capital outlay	2,099	0	2,099
600 Other objects	1,697	1,938	(241)
	2,710,001	2,792,772	(82,771)
113 Elementary programs			
100 Salaries	3,571,834	3,713,487	(141,653)
200 Employee benefits	1,246,129	1,358,044	(111,915)
300 Purchased services	58,436	43,831	14,605
400 Supplies and materials	86,213	92,366	(6,153)
500 Capital outlay	9,906	5,367	4,539
600 Other objects	2,373	2,779	(406)
	4,974,891	5,215,874	(240,983)
114 High school programs			
100 Salaries	3,499,657	3,707,001	(207,344)
200 Employee benefits	1,164,180	1,300,699	(136,519)
300 Purchased services	35,213	34,290	923
400 Supplies and materials	130,790	119,540	11,250
500 Capital outlay	30,580	21,175	9,405
600 Other objects	1,983	1,450	533
	4,862,403	5,184,155	(321,752)
115 Career and technology education programs			
100 Salaries	1,023,494	914,045	109,449
200 Employee benefits	404,360	332,302	72,058
300 Purchased services - other than tuition	32,400	35,620	(3,220)
400 Supplies and materials	41,940	43,870	(1,930)
500 Capital outlay	46,000	59,619	(13,619)
600 Other objects	0	4,669	(4,669)
	1,548,194	1,390,125	158,069
117 Driver education program			
100 Salaries	16,240	22,570	(6,330)
200 Employee benefits	3,827	5,134	(1,307)
300 Purchased services	1,200	918	282
400 Supplies and materials	1,700	2,392	(692)
	22,967	31,014	(8,047)

Marion County School District
General Fund
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Budget (GAAP Basis) and Actual
Year Ended June 30, 2013

	Budget	Actual	Variance With Final Budget
120 Exceptional programs			
121 Educable mentally handicapped			
100 Salaries	\$287,352	\$286,019	\$1,333
200 Employee benefits	118,541	123,613	(5,072)
300 Purchased services	0	332	(332)
400 Supplies and materials	7,941	4,850	3,091
	<u>413,834</u>	<u>414,814</u>	<u>(980)</u>
122 Trainable mentally handicapped			
100 Salaries	127,958	118,462	9,496
200 Employee benefits	52,513	44,522	7,991
300 Purchased services	500	0	500
400 Supplies and materials	2,388	64	2,324
	<u>183,359</u>	<u>163,048</u>	<u>20,311</u>
123 Orthopedically handicapped			
100 Salaries	66,395	5,882	60,513
200 Employee benefits	12,976	957	12,019
400 Supplies and materials	1,100	0	1,100
	<u>80,471</u>	<u>6,839</u>	<u>73,632</u>
124 Visually handicapped			
100 Salaries	9,221	5,153	4,068
200 Employee benefits	3,279	2,066	1,213
300 Purchased services	0	444	(444)
	<u>12,500</u>	<u>7,663</u>	<u>4,837</u>
125 Hearing handicapped			
200 Employee benefits	3,030	0	3,030
	<u>3,030</u>	<u>0</u>	<u>3,030</u>
126 Speech handicapped			
100 Salaries	305,430	302,028	3,402
200 Employee benefits	98,675	114,128	(15,453)
300 Purchased services	46,019	713	45,306
400 Supplies and materials	4,318	297	4,021
600 Other objects	200	0	200
	<u>454,642</u>	<u>417,166</u>	<u>37,476</u>
127 Learning disabilities			
100 Salaries	1,109,901	967,756	142,145
200 Employee benefits	392,670	309,453	83,217
400 Supplies and materials	4,826	1,373	3,453
	<u>1,507,397</u>	<u>1,278,582</u>	<u>228,815</u>
128 Emotionally handicapped			
100 Salaries	19,363	14,173	5,190
200 Employee benefits	4,434	4,345	89
400 Supplies and materials	1,078	0	1,078
	<u>24,875</u>	<u>18,518</u>	<u>6,357</u>
130 Pre-School programs			
133 Pre-School handicapped self contained (5 yr. olds)			
100 Salaries	5,406	0	5,406
200 Employee benefits	2,041	0	2,041
	<u>7,447</u>	<u>0</u>	<u>7,447</u>
137 Pre-School handicapped self contained (3 & 4 yr. olds)			
100 Salaries	56,565	57,128	(563)
200 Employee benefits	20,746	24,512	(3,766)
	<u>77,311</u>	<u>81,640</u>	<u>(4,329)</u>
139 Early childhood programs			
100 Salaries	73,786	0	73,786
200 Employee benefits	18,021	1,351	16,670
300 Purchased services	850	190	660
400 Supplies and materials	2,596	1,980	616
	<u>95,253</u>	<u>3,521</u>	<u>91,732</u>

Marion County School District
General Fund
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Budget (GAAP Basis) and Actual
Year Ended June 30, 2013

	Budget	Actual	Variance With Final Budget
140 Special programs			
141 Gifted and talented - academic			
100 Salaries	\$75,585	\$77,022	(\$1,437)
200 Employee benefits	27,582	31,470	(3,888)
300 Purchased services	75	0	75
	<u>103,242</u>	<u>108,492</u>	<u>(5,250)</u>
143 Advanced placement			
100 Salaries	19,379	18,923	456
200 Employee benefits	5,613	5,696	(83)
400 Supplies and materials	1,392	2,080	(688)
	<u>26,384</u>	<u>26,699</u>	<u>(315)</u>
145 Homebound			
100 Salaries	62,877	64,701	(1,824)
200 Employee benefits	15,557	13,519	2,038
300 Purchased services	22,220	9,944	12,276
400 Supplies and materials	400	0	400
	<u>101,054</u>	<u>88,164</u>	<u>12,890</u>
147 CDEPP			
100 Salaries	59,457	59,405	52
200 Employee Benefits	32,084	36,627	(4,543)
300 Purchased services	1,330	385	945
400 Supplies and materials	0	12,773	(12,773)
	<u>92,871</u>	<u>109,190</u>	<u>(16,319)</u>
148 Gifted and talented-artistic			
100 Salaries	7,555	7,586	(31)
200 Employee benefits	3,040	3,423	(383)
	<u>10,595</u>	<u>11,009</u>	<u>(414)</u>
160 Other exceptional programs			
161 Autism			
100 Salaries	226,463	175,191	51,272
200 Employee benefits	92,320	86,681	5,639
300 Purchased services	1,200	547	653
400 Supplies and materials	5,285	0	5,285
	<u>325,268</u>	<u>262,419</u>	<u>62,849</u>
170 Summer school program			
172 Elementary summer school			
200 Employee benefits	592	0	592
300 Purchased services	4,875	0	4,875
400 Supplies and materials	6,704	0	6,704
	<u>12,171</u>	<u>0</u>	<u>12,171</u>
173 High school summer school			
200 Employee benefits	0	469	(469)
	<u>0</u>	<u>469</u>	<u>(469)</u>
175 Instructional programs beyond regular school day			
100 Salaries	2,000	36,913	(34,913)
200 Employee benefits	467	6,348	(5,881)
300 Purchased services	0	5,373	(5,373)
	<u>2,467</u>	<u>48,634</u>	<u>(46,167)</u>
180 Adult/continuing educational programs			
181 Adult basic education programs			
400 Supplies and materials	5,500	3,057	2,443
500 Capital outlay	3,000	0	3,000
	<u>8,500</u>	<u>3,057</u>	<u>5,443</u>
185 Vocational Adult education programs			
100 Salaries	0	110	(110)
200 Employee benefits	0	23	(23)
	<u>0</u>	<u>133</u>	<u>(133)</u>

Marion County School District
General Fund
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Budget (GAAP Basis) and Actual
Year Ended June 30, 2013

	Budget	Actual	Variance With Final Budget
188 Parenting			
200 Employee benefits	\$0	\$1,179	(\$1,179)
300 Purchased services	500	0	500
400 Supplies and materials	4,252	0	4,252
	<u>4,752</u>	<u>1,179</u>	<u>3,573</u>
190 Instructional pupil activity			
100 Salaries	59,954	65,912	(5,958)
200 Employee benefits	13,845	16,580	(2,735)
	<u>73,799</u>	<u>82,492</u>	<u>(8,693)</u>
TOTAL INSTRUCTION	<u>18,832,998</u>	<u>18,859,635</u>	<u>(26,637)</u>
200 Support services			
210 Pupil services			
211 Attendance and social work services			
100 Salaries	222,254	253,042	(30,788)
200 Employee benefits	85,257	99,203	(13,946)
300 Purchased services	8,025	12,310	(4,285)
400 Supplies and materials	0	75	(75)
600 Other objects	0	60	(60)
	<u>315,536</u>	<u>364,690</u>	<u>(49,154)</u>
212 Guidance services			
100 Salaries	673,029	693,093	(20,064)
200 Employee benefits	238,176	226,630	11,546
300 Purchased services	9,900	6,859	3,041
400 Supplies and materials	7,630	4,410	3,220
600 Other objects	400	975	(575)
	<u>929,135</u>	<u>931,967</u>	<u>(2,832)</u>
213 Health services			
100 Salaries	293,921	227,823	66,098
200 Employee benefits	119,756	112,505	7,251
300 Purchased services	6,425	28,624	(22,199)
400 Supplies and materials	14,140	3,033	11,107
	<u>434,242</u>	<u>371,985</u>	<u>62,257</u>
214 Psychological services			
100 Salaries	34,284	32,408	1,876
200 Employee benefits	23,130	15,075	8,055
400 Supplies and materials	200	0	200
	<u>57,614</u>	<u>47,483</u>	<u>10,131</u>
215 Exceptional program services			
100 Salaries	2,000	0	2,000
200 Employee benefits	467	0	467
	<u>2,467</u>	<u>0</u>	<u>2,467</u>
216 Vocational placement services			
100 Salaries	62,725	15,231	47,494
200 Employee benefits	26,490	18,412	8,078
300 Purchased services	4,500	1,437	3,063
400 Supplies and materials	1,000	706	294
500 Capital outlay	0	2,621	(2,621)
	<u>94,715</u>	<u>38,407</u>	<u>56,308</u>
220 Instructional staff services			
221 Improvement of instruction-curriculum development			
100 Salaries	278,484	401,505	(123,021)
200 Employee benefits	103,308	147,543	(44,235)
300 Purchased services	19,600	8,131	11,469
400 Supplies and materials	13,647	6,203	7,444
500 Capital outlay	12,000	0	12,000
600 Other objects	9,079	1,243	7,836
	<u>436,118</u>	<u>564,625</u>	<u>(128,507)</u>

Marion County School District
General Fund
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Budget (GAAP Basis) and Actual
Year Ended June 30, 2013

	Budget	Actual	Variance With Final Budget
222 Library and media services			
100 Salaries	\$548,529	\$507,400	\$41,129
200 Employee benefits	176,593	171,193	5,400
300 Purchased services	27,751	24,028	3,723
400 Supplies and materials	52,071	34,885	17,186
	<u>804,944</u>	<u>737,506</u>	<u>67,438</u>
223 Supervision of special programs			
100 Salaries	86,315	125,527	(39,212)
200 Employee benefits	31,302	36,009	(4,707)
300 Purchased services	4,935	4,667	268
400 Supplies and materials	6,500	4,764	1,736
500 Capital outlay	6,500	0	6,500
600 Other objects	1,468	455	1,013
	<u>137,020</u>	<u>171,422</u>	<u>(34,402)</u>
224 Improvement of instruction-in-service & staff training			
100 Salaries	5,400	0	5,400
200 Employee benefits	5,539	159	5,380
300 Purchased services	12,840	11,390	1,450
400 Supplies and materials	8,476	2,219	6,257
600 Other objects	700	0	700
	<u>32,955</u>	<u>13,768</u>	<u>19,187</u>
230 General administration services			
231 Board of education			
100 Salaries	25,899	83,233	(57,334)
200 Employee benefits	14,040	24,552	(10,512)
300 Purchased services	103,466	109,173	(5,707)
318 Audit services	88,815	110,805	(21,990)
400 Supplies and materials	10,004	7,798	2,206
600 Other objects	28,600	23,052	5,548
	<u>270,824</u>	<u>358,613</u>	<u>(87,789)</u>
232 Office of the superintendent			
100 Salaries	313,026	315,495	(2,469)
200 Employee benefits	99,982	101,983	(2,001)
300 Purchased services	47,865	13,708	34,157
400 Supplies and materials	11,900	5,837	6,063
600 Other objects	5,822	2,088	3,734
	<u>478,595</u>	<u>439,111</u>	<u>39,484</u>
233 School administration			
100 Salaries	2,110,849	2,047,858	62,991
200 Employee benefits	705,863	698,849	7,014
300 Purchased services	64,421	87,542	(23,121)
400 Supplies and materials	72,343	53,285	19,058
500 Capital outlay	1,000	5,093	(4,093)
600 Other objects	6,013	5,188	825
	<u>2,960,489</u>	<u>2,897,815</u>	<u>62,674</u>
250 Finance and operations services			
251 Student transportation (federal/district mandated)			
100 Salaries	15,966	6,066	9,900
200 Employee benefits	6,839	4,594	2,245
300 Purchased services	0	3,278	(3,278)
	<u>22,805</u>	<u>13,938</u>	<u>8,867</u>
252 Fiscal services			
100 Salaries	172,041	255,985	(83,944)
200 Employee benefits	168,307	107,099	61,208
300 Purchased services	50,800	14,918	35,882
400 Supplies and materials	29,844	14,692	15,152
500 Capital outlay	4,500	0	4,500
600 Other objects	10,420	54,917	(44,497)
	<u>435,912</u>	<u>447,611</u>	<u>(11,699)</u>

Marion County School District
General Fund
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Budget (GAAP Basis) and Actual
Year Ended June 30, 2013

	Budget	Actual	Variance With Final Budget
253 Facilities acquisition & construction			
300 Purchased services	\$6,800	\$0	\$6,800
500 Capital outlay	156,484	0	156,484
	<u>163,284</u>	<u>0</u>	<u>163,284</u>
254 Operations and maintenance of plant			
254 Operations and maintenance of plant			
100 Salaries	1,103,640	1,103,470	170
200 Employee benefits	504,028	525,644	(21,616)
300 Purchased services	1,304,696	1,368,374	(63,678)
321 Public utilities	124,382	85,241	39,141
400 Supplies and materials	353,304	348,957	4,347
470 Energy	1,346,861	1,253,230	93,631
500 Capital outlay	31,059	15,053	16,006
600 Other objects	7,094	275	6,819
	<u>4,775,064</u>	<u>4,700,244</u>	<u>74,820</u>
255 Student transportation (state mandated)			
100 Salaries	600,904	852,810	(251,906)
200 Employee benefits	208,382	292,381	(83,999)
300 Purchased services	97,628	76,575	21,053
400 Supplies and materials	24,600	19,784	4,816
600 Other objects	2,790	2,876	(86)
	<u>934,304</u>	<u>1,244,426</u>	<u>(310,122)</u>
256 Food service			
100 Salaries	0	120	(120)
200 Employee benefits	643,484	377,417	266,067
	<u>643,484</u>	<u>377,537</u>	<u>265,947</u>
257 Internal services			
100 Salaries	0	56,846	(56,846)
200 Employee benefits	0	20,102	(20,102)
300 Purchased services	22,591	17,113	5,478
400 Supplies and materials	6,037	0	6,037
500 Capital outlay	7,468	0	7,468
600 Other objects	600	0	600
	<u>36,696</u>	<u>94,061</u>	<u>(57,365)</u>
258 Security			
300 Purchased services	313,833	337,857	(24,024)
400 Supplies and materials	16,800	25,429	(8,629)
600 Other objects	0	900	(900)
	<u>330,633</u>	<u>364,186</u>	<u>(33,553)</u>
260 Central support services			
263 Information services			
100 Salaries	26,500	45,271	(18,771)
200 Employee benefits	10,805	21,496	(10,691)
300 Purchased services	15,250	2,512	12,738
400 Supplies and materials	6,155	1,780	4,375
600 Other objects	0	158	(158)
	<u>58,710</u>	<u>71,217</u>	<u>(12,507)</u>
264 Staff services			
100 Salaries	207,659	207,805	(146)
200 Employee benefits	72,535	69,070	3,465
300 Purchased services	19,450	15,229	4,221
400 Supplies and materials	8,200	6,186	2,014
600 Other objects	3,900	715	3,185
	<u>311,744</u>	<u>299,005</u>	<u>12,739</u>

Marion County School District
General Fund
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Budget (GAAP Basis) and Actual
Year Ended June 30, 2013

	Budget	Actual	Variance With Final Budget
266 Technology and data processing services			
100 Salaries	\$233,318	\$371,328	(\$138,010)
200 Employee benefits	79,344	114,361	(35,017)
300 Purchased services	68,750	123,839	(55,089)
400 Supplies and materials	26,050	27,887	(1,837)
500 Capital outlay	35,262	41,062	(5,800)
600 Other objects	0	315	(315)
	<u>442,724</u>	<u>678,792</u>	<u>(236,068)</u>
270 Support services pupil activity			
271 Pupil services activities			
100 Salaries	235,639	262,332	(26,693)
200 Employee benefits	54,668	57,531	(2,863)
300 Purchased services	21,575	26,272	(4,697)
400 Supplies and materials	0	8,650	(8,650)
600 Other objects	31,440	35,575	(4,135)
	<u>343,322</u>	<u>390,360</u>	<u>(47,038)</u>
TOTAL SUPPORT SERVICES	<u>15,453,336</u>	<u>15,618,769</u>	<u>(165,433)</u>
400 Other charges			
410 Intergovernmental expenditures			
411 Payment to SC Department of Education			
720 Transits	10,000	0	10,000
412 Payment to other governmental units			
720 Transits	22,200	(7,167)	29,367
414 Medicaid payments to SCDE			
720 Transits	48,750	463	48,287
TOTAL INTERGOVERNMENTAL EXPENDITURES	<u>80,950</u>	<u>(6,704)</u>	<u>87,654</u>
TOTAL EXPENDITURES	<u>34,367,284</u>	<u>34,471,700</u>	<u>(104,416)</u>
Excess/(Deficiency) of revenues over expenditures	<u>(2,048,498)</u>	<u>(1,876,674)</u>	<u>171,824</u>
OTHER FINANCING SOURCES (USES)			
5600 Lease purchase	176,000	0	(176,000)
Interfund Transfers, From (To) Other Funds			
5220 Transfer from special revenue fund	140,799	0	(140,799)
5230 Transfer from EIA	845,832	1,032,011	186,179
5270 Transfer from pupil activity fund	14,000	385	(13,615)
5280 Indirect Costs	215,000	458,042	243,042
421-710 Transfer to Special Revenue Fund	0	(1,121)	(1,121)
423-710 Transfer to Debt Service Fund	0	(17,286)	(17,286)
425-710 Transfer to Building Fund	0	(25,442)	(25,442)
	<u>1,391,631</u>	<u>1,446,589</u>	<u>54,958</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,391,631</u>	<u>1,446,589</u>	<u>54,958</u>
Excess/(Deficiency) of revenues over expenditures and other financing sources (uses)	<u>(656,867)</u>	<u>(430,085)</u>	<u>226,782</u>
FUND BALANCE - July 1, 2012	4,195,667	4,195,667	0
Prior period adjustment	0	(82,165)	(82,165)
FUND BALANCE - June 30, 2013	<u>\$3,538,800</u>	<u>\$3,683,417</u>	<u>\$144,617</u>

Marion County School District
All Special Revenue Funds
COMBINING BALANCE SHEET
June 30, 2013

	Food Service	State and Federal Grants	Special Revenue Education Improvement Act	Total
ASSETS				
Cash	\$1,135,478	\$19,252	\$0	\$1,154,730
Accounts receivable	83	518	0	601
Investment - restricted	0	626,176	0	626,176
Due from other Agencies	0	183,730	0	183,730
Due from General Fund	864,606	575,098	0	1,439,704
Due from State/Federal Government	20,098	3,903,770	519,247	4,443,115
Prepaid expenditures	0	1,570	0	1,570
Inventory	28,872	0	0	28,872
TOTAL ASSETS	\$2,049,137	\$5,310,114	\$519,247	\$7,878,498
LIABILITIES				
Due to General Fund	\$0	\$3,837,999	\$285,272	\$4,123,271
Due to State/Federal Government	0	4,384	9,289	13,673
Revenues received in advance	0	843,475	224,686	1,068,161
TOTAL LIABILITIES	0	4,685,858	519,247	5,205,105
FUND BALANCES				
Nonspendable:				
Inventory	28,872	0	0	28,872
Restricted For:				
Pell Grant	0	714	0	714
Unemployment	0	128,222	0	128,222
Food Service	2,020,265	0	0	2,020,265
Committed to:				
Unemployment	0	495,320	0	495,320
TOTAL FUND BALANCES	2,049,137	624,256	0	2,673,393
TOTAL LIABILITIES AND FUND BALANCE	\$2,049,137	\$5,310,114	\$519,247	\$7,878,498

Marion County School District
All Special Revenue Funds
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year Ended June 30, 2013

	Food Service	State and Federal Grants	Special Revenue Education Improvement Act	Total
REVENUES				
Local	\$172,356	\$537,196	\$0	\$709,552
State	255	1,040,618	4,696,049	5,736,922
Federal	2,883,566	7,105,350	0	9,988,916
Intergovernmental	27,603	172,856	0	200,459
TOTAL REVENUES	3,083,780	8,856,020	4,696,049	16,635,849
EXPENDITURES				
Current				
Instruction	0	6,398,968	3,546,319	9,945,287
Support services	0	2,200,530	181,355	2,381,885
Community services	0	7,778	0	7,778
Food service	2,826,836	0	0	2,826,836
Capital Outlay				
Instruction	0	0	6,125	6,125
Food service	128,715	0	0	128,715
Intergovernmental	0	171,394	17,160	188,554
TOTAL EXPENDITURES	2,955,551	8,778,670	3,750,959	15,485,180
Excess/(Deficiency) of revenue over expenditures	128,229	77,350	945,090	1,150,669
OTHER FINANCING SOURCES (USES)				
Transfer from Pupil Activity funds	810	0	0	810
Transfer from general fund	0	1,121	0	1,121
Transfer to general fund	0	0	(1,032,011)	(1,032,011)
Indirect Cost	(230,707)	(227,335)	0	(458,042)
TOTAL OTHER FINANCING SOURCES (USES)	(229,897)	(226,214)	(1,032,011)	(1,488,122)
Excess/(Deficiency) of revenue over expenditures and other financing sources (uses)	(101,668)	(148,864)	(86,921)	(337,453)
FUND BALANCE - July 1, 2012	2,047,208	773,120	96,302	2,916,630
Prior period adjustment	103,597	0	(9,381)	94,216
FUND BALANCE - June 30, 2013	\$2,049,137	\$624,256	\$0	\$2,673,393

Marion County School District
Special Revenue Funds

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

Year Ended June 30, 2013

	201 Title I BA Projects	203/204 IDEA CA Projects	205/206 Preschool Handicapped CG Projects	207 CATE VA Projects
REVENUES				
1000 Revenue from local sources	\$0	\$0	\$0	\$0
1500 Earnings on investments				
1510 Interest on investments				
1900 Other revenue from local sources	0	0	0	0
1920 Contributions and donations from private sources	0	0	0	0
1930 Medicaid				
1990 Miscellaneous local revenue	0	0	0	0
1999 Revenue from other local sources	0	0	0	0
Total local sources	0	0	0	0
2000 Intergovernmental revenue				
2100 Payments from other governmental units	0	0	0	0
Total intergovernmental revenue	0	0	0	0
3000 Revenue from state sources				
3100 Restricted state funding				
3110 Occupational education	0	0	0	0
3116 EEDA Miscellaneous	0	0	0	0
3118 EEDA career specialist				
3120 General education	0	0	0	0
3123 Formative Assessment				
3127 Student health and fitness - PE teachers	0	0	0	0
3128 High Schools That Work/Making Middle Grades Work	0	0	0	0
3130 Special Programs				
3133 IDEA Contingency Fund	0	0	0	0
3134 Child Development Education Pilot Program (CDEPP)	0	0	0	0
3136 Student Health and Fitness - Nurses	0	0	0	0
3190 Miscellaneous Restricted State Grants	0	0	0	0
3193 Education License Plates	0	0	0	0
3199 Other Restricted State Grants	0	0	0	0
3600 Education lottery act revenue				
3607 6-8 Enhancement	0	0	0	0
3610 K-5 Enhancement	0	0	0	0
3699 Other state lottery programs	0	0	0	0
3900 Other state revenue				
3991 ADEPT	0	0	0	0
3999 Revenue from other state sources	0	0	0	0
Total state sources	0	0	0	0

Marion County School District
Special Revenue Funds

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year Ended June 30, 2013

	201 Title I BA Projects	203/204 IDEA CA Projects	205/206 Preschool Handicapped CG Projects	207- CATE VA Projects
4000 Revenue from federal sources	\$0	\$0	\$0	\$124,079
4200 Occupational education				
4210 Perkins, Title I	3,473,719	0	0	0
4300 Elementary and secondary education act of 1965 (ESEA)	0	0	0	0
4310 Title I, Basic state grant programs	0	0	0	0
4312 Rural and low-income school program, Title VI	0	0	0	0
4341 Language instruction for limited English proficient & immigrant students	0	0	0	0
4351 Improving teacher quality	0	0	0	0
4400 Adult education				
4410 Basic adult education	0	0	0	0
4500 Programs for children with disabilities				
4510 Individuals with disabilities education act (IDEA)	0	1,667,729	0	0
4520 Preschool grants	0	0	78,886	0
4900 Other federal sources				
4924 21st Century community learning centers program	0	0	0	0
4990 Other federal revenue				
4999 Revenue from other federal sources	0	0	0	0
Total federal sources	3,473,719	1,667,729	78,886	124,079
TOTAL REVENUE ALL SOURCES	3,473,719	1,667,729	78,886	124,079
EXPENDITURES				
100 Instruction				
110 General instruction				
111 Kindergarten programs				
100 Salaries	102,189	0	0	0
200 Employee benefits	29,246	0	0	0
300 Purchased services	76,492	0	0	0
400 Supplies and materials	28,252	0	0	0
	236,179	0	0	0
112 Primary programs				
100 Salaries	434,539	0	0	0
200 Employee benefits	146,832	0	0	0
300 Purchased services	225,038	0	0	0
400 Supplies and materials	76,473	0	0	0
	882,882	0	0	0

Marion County School District
Special Revenue Funds
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year Ended June 30, 2013

	201 Title I BA Projects	203/204 IDEA CA Projects	205/206 Preschool Handicapped CG Projects	207 CATE VA Projects
113 Elementary programs				
100 Salaries	\$425,029	\$0	\$0	\$0
200 Employee benefits	131,070	0	0	0
300 Purchased services	249,954	0	0	0
400 Supplies and materials	60,058	0	0	0
	<u>866,111</u>	<u>0</u>	<u>0</u>	<u>0</u>
114 High school programs				
100 Salaries	120,451	0	0	0
200 Employee benefits	40,758	0	0	0
300 Purchased services	64,165	0	0	0
400 Supplies and materials	115,953	0	0	0
	<u>341,327</u>	<u>0</u>	<u>0</u>	<u>0</u>
115 Career & technology education program				
300 Purchased services other than tuition	0	0	0	25,685
400 Supplies and materials	0	0	0	11,823
	<u>0</u>	<u>0</u>	<u>0</u>	<u>37,508</u>
120 Exceptional programs				
121 Educable mentally handicapped				
100 Salaries	0	125,250	0	0
200 Employee benefits	0	53,471	0	0
300 Purchased services	0	1,012	0	0
400 Supplies and materials	0	31,230	0	0
	<u>0</u>	<u>210,963</u>	<u>0</u>	<u>0</u>
122 Trainable mentally handicapped				
100 Salaries	0	83,019	0	0
200 Employee benefits	0	36,298	0	0
300 Purchased services	0	1,553	0	0
400 Supplies and materials	0	23,691	0	0
	<u>0</u>	<u>144,561</u>	<u>0</u>	<u>0</u>
123 Orthopedically handicapped				
300 Purchased services	0	35,742	0	0
	<u>0</u>	<u>35,742</u>	<u>0</u>	<u>0</u>
124 Visually Handicapped				
300 Purchased services	0	12,097	0	0
400 Supplies and materials	0	96	0	0
	<u>0</u>	<u>12,193</u>	<u>0</u>	<u>0</u>

Marion County School District
Special Revenue Funds
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year Ended June 30, 2013

	201 Title I BA Projects	203/204 IDEA CA Projects	205/206 Preschool Handicapped CG Projects	207 CATE VA Projects
125 Hearing handicapped				
200 Employee benefits	\$0	\$3	\$0	\$0
300 Purchased services	0	138,838	0	0
	0	138,841	0	0
126 Speech handicapped				
100 Salaries	0	0	0	0
200 Employee benefits	0	0	0	0
300 Purchased services	0	1,824	0	0
400 Supplies and materials	0	17,923	0	0
600 Other objects	0	1,210	0	0
	0	20,957	0	0
127 Learning disabilities				
100 Salaries	0	108,400	0	0
200 Employee benefits	0	36,489	0	0
300 Purchased services	0	7,703	0	0
400 Supplies and materials	0	90,792	0	0
	0	243,384	0	0
128 Emotionally handicapped				
100 Salaries	0	17	0	0
200 Employee benefits	0	4	0	0
400 Supplies and materials	0	400	0	0
	0	421	0	0
129 Coordinated Early Intervening Services (CEIS)				
100 Salaries	0	13,847	0	0
200 Employee benefits	0	3,497	0	0
400 Supplies and materials	0	3,000	0	0
	0	20,344	0	0
130 Preschool programs				
137 Preschool handicapped self-contained (3&4 yr. olds)				
100 Salaries	0	29,676	52,187	0
200 Employee benefits	0	15,092	23,429	0
300 Purchased services	0	764	0	0
400 Supplies and materials	0	5,378	2,585	0
	0	50,910	78,201	0

Marion County School District
Special Revenue Funds
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year Ended June 30, 2013

	201 Title I BA Projects	203/204 IDEA CA Projects	205/206 Preschool Handicapped CG Projects	207 CATE VA Projects
140 Special programs				
145 Homebound	\$0	\$825	\$0	\$0
100 Salaries	0	65	0	0
200 Employee benefits	0	890	0	0
149 Other special programs				
100 Salaries	0	21,151	0	0
200 Employee benefits	0	7,489	0	0
	0	28,640	0	0
160 Other exceptional programs				
161 Autism				
100 Salaries	0	112,550	0	0
200 Employee benefits	0	36,265	0	0
300 Purchased services	0	81	0	0
400 Supplies and materials	0	7,717	0	0
	0	156,613	0	0
170 Summer School Program				
172 Elementary summer school				
100 Salaries	0	0	0	0
200 Employee benefits	0	0	0	0
	0	0	0	0
173 High school summer school				
100 Salaries	0	0	0	0
200 Employee benefits	0	0	0	0
400 Supplies and materials	0	0	0	0
	0	0	0	0
175 Instructional programs beyond regular school day				
100 Salaries	0	0	0	0
200 Employee benefits	0	0	0	0
300 Purchased services	0	0	0	0
400 Supplies and materials	0	0	0	0
	0	0	0	0

Marion County School District
Special Revenue Funds
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year Ended June 30, 2013

	201 Title I BA Projects	203/204 IDEA CA Projects	205/206 Preschool Handicapped CG Projects	207- CATE VA Projects
180 Adult/continuing educational programs				
181 Adult basic education programs				
100 Salaries	\$0	\$0	\$0	\$0
200 Employee benefits	0	0	0	0
300 Purchased services	0	0	0	0
400 Supplies and materials	0	0	0	0
	0	0	0	0
182 Adult secondary education program				
100 Salaries	0	500	0	0
200 Employee benefits	0	0	0	0
300 Purchased services	0	0	0	0
400 Supplies and materials	0	0	0	0
	0	500	0	0
188 Parenting/family literacy				
100 Salaries	70,276	0	0	0
200 Employee benefits	29,035	0	0	0
300 Purchased services	2,774	0	0	0
400 Supplies and materials	9,752	0	0	0
	111,837	0	0	0
	2,438,336	1,064,959	78,201	37,508
TOTAL INSTRUCTION				
200 Support services				
210 Pupil services				
211 Attendance and Social Work Services				
300 Purchased services	0	6,299	0	0
	0	6,299	0	0
212 Guidance services				
100 Salaries	23,876	0	0	0
200 Employee benefits	7,112	0	0	0
300 Purchased services	0	0	0	0
400 Supplies and materials	334	0	0	0
	31,322	0	0	0
213 Health services				
100 Salaries	0	23,420	0	0
200 Employee benefits	0	6,871	0	0
300 Purchased services	0	2,946	400	0
400 Supplies and materials	972	4,940	0	0
	972	38,177	400	0

Marion County School District
Special Revenue Funds
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year Ended June 30, 2013

	201 Title 1 BA Projects	203/204 IDEA CA Projects	205/206 Preschool Handicapped CG Projects	207 CATE VA Projects
214 Psychological services				
100 Salaries	\$0	\$89,652	\$0	\$0
200 Employee benefits	0	35,420	0	0
300 Purchased services	0	16,100	0	0
400 Supplies and materials	0	10,632	0	0
600 Other objects	0	260	0	0
	0	152,064	0	0
215 Exceptional program services				
300 Purchased services	0	71,616	0	0
	0	71,616	0	0
216 Vocational placement services				
100 Salaries	0	0	0	67,120
200 Employee benefits	0	0	0	16,924
300 Purchased services	0	11,553	0	39
	0	11,553	0	84,083
217 Career specialist services				
100 Salaries	0	0	0	0
200 Employee benefits	0	0	0	0
	0	0	0	0
220 Instructional staff services				
221 Improvement of instruction-curriculum development				
100 Salaries	403,295	0	0	0
200 Employee benefits	119,538	0	0	0
300 Purchased services	3,450	12,347	0	0
600 Other objects	17,291	0	0	0
	543,574	12,347	0	0
222 Library and media				
100 Salaries	23,926	0	0	0
200 Benefits	7,030	0	0	0
400 Supplies and materials	15,237	0	0	0
	46,193	0	0	0
223 Supervision of special programs				
100 Salaries	82,345	109,944	0	0
200 Employee benefits	25,873	37,640	0	0
300 Purchased services	2,717	21,189	73	0
400 Supplies and materials	6,039	16,647	0	0
600 Other objects	0	360	0	0
	116,974	185,780	73	0

Marion County School District
Special Revenue Funds
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year Ended June 30, 2013

	201 Title I BA Projects	203/204 IDEA CA Projects	205/206 Preschool Handicapped CG Projects	207 CATE VA Projects
224 Improvement of instruction-in-service and staff training				
100 Salaries	\$0	\$1,000	\$0	\$0
200 Employee benefits	0	218	0	0
300 Purchased services	126,793	2,403	212	0
400 Supplies and materials	964	36	0	0
600 Other objects	8,766	55	0	0
	136,523	3,712	212	0
230 General administration services				
233 School administration				
400 Supplies and materials	5,527	0	0	0
	5,527	0	0	0
250 Finance & operations services				
251 Student transportation (federal/district mandated)				
100 Salaries	3,727	33,538	0	0
200 Employee benefits	899	12,454	0	0
300 Purchased services	0	0	0	0
400 Supplies and materials	0	1,200	0	0
600 Other objects	0	1,859	0	0
	4,626	49,051	0	0
252 Fiscal services				
400 Supplies and materials	0	0	0	0
	0	0	0	0
255 Student transportation				
100 Salaries	0	0	0	0
200 Employee benefits	0	0	0	0
	0	0	0	0
270 Support services pupil activity				
271 Pupil service activities				
100 Salaries	650	1,185	0	900
200 Employee benefits	151	276	0	189
300 Purchased services	0	1,000	0	1,399
400 Supplies and materials	0	250	0	0
600 Other objects	3,031	1,689	0	0
	3,832	4,400	0	2,488
TOTAL SUPPORT SERVICES	889,543	534,999	685	86,571

Marion County School District
Special Revenue Funds
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year Ended June 30, 2013

	201 Title I BA Projects	203/204 IDEA CA Projects	205/206 Preschool Handicapped CG Projects	207 CATE VA Projects
300 Community services	\$1,290	\$0	\$0	\$0
300 Welfare Services	1,290	0	0	0
400 Supplies and materials				
390 Other community services	0	0	0	0
300 Purchased services	0	0	0	0
	1,290	0	0	0
TOTAL COMMUNITY SERVICES				
400 Other charges				
410 Intergovernmental expenditures				
411-720 Payments to SCDE	0	0	0	0
412-720 Payments to other governmental units	0	0	0	0
Total Intergovernmental Expenditures	0	0	0	0
TOTAL EXPENDITURES	3,329,169	1,599,958	78,886	124,079
Excess/(Deficiency) of revenues over expenditures	144,550	67,771	0	0
OTHER FINANCING SOURCES (USES)				
Interfund transfers, from (to) other funds				
5210 Transfer from general fund	0	0	0	0
431-791 Special revenue fund indirect costs	(144,550)	(67,771)	0	0
TOTAL OTHER FINANCING SOURCES (USES)	(144,550)	(67,771)	0	0
Excess/(Deficiency) of revenues over expenditures and other financing sources (uses)	0	0	0	0
FUND BALANCE - July 1, 2012	0	0	0	0
FUND BALANCE - June 30, 2013	\$0	\$0	\$0	\$0

Marion County School District
Special Revenue Funds
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year Ended June 30, 2013

	243 Adult Education EA Projects	Designated Restricted State Grants	Other Special Revenue Programs	Total
REVENUES				
1000 Revenue from local sources	\$0	\$0	\$3,476	\$3,476
1500 Earnings on investments				
1510 Interest on investments	0	0	13,582	13,582
1900 Other revenue from local sources	0	0	487,740	487,740
1930 Medicaid				
1990 Miscellaneous local revenue	0	0	32,398	32,398
1999 Revenue from other local sources	0	0	537,196	537,196
Total local sources				
2000 Intergovernmental revenue				
2100 Payments from other governmental units	0	0	172,856	172,856
Total intergovernmental revenue	0	0	172,856	172,856
3000 Revenue from state sources				
3100 Restricted state funding				
3110 Occupational education	0	2,225	0	2,225
3116 EEDA Miscellaneous	0	222,615	0	222,615
3118 EEDA career specialist				
3120 General education	0	0	0	0
3123 Formative Assessment	0	0	0	0
3127 Student health and fitness - PE teachers	0	24,906	0	24,906
3128 High Schools That Work/Making Middle Grades Work	0	15,000	0	15,000
3130 Special Programs				
3133 IDEA Contingency Fund	0	309,166	0	309,166
3134 Child Development Education Pilot Program (CDEPP)	0	0	0	0
3136 Student Health and Fitness - Nurses	0	157,341	0	157,341
3190 Miscellaneous Restricted State Grants				
3193 Education License Plates	0	2,396	0	2,396
3199 Other Restricted State Grants	0	0	1,820	1,820
3600 Education lottery act revenue				
3607 6-8 Enhancement	0	8,534	0	8,534
3610 K-5 Enhancement	0	212,357	0	212,357
3699 Other state lottery programs	0	64,173	0	64,173
3900 Other state revenue				
3991 ADEPT	0	370	0	370
3999 Revenue from other state sources	0	0	19,715	19,715
Total state sources	0	1,019,083	21,535	1,040,618

Marion County School District
Special Revenue Funds
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year Ended June 30, 2013

	243 Adult Education EA Projects	Designated Restricted State Grants	Other Special Revenue Programs	Total
4000 Revenue from federal sources	\$0	\$0	\$0	\$124,079
4200 Occupational education				
4210 Perkins, Title I	0	0	253,821	3,727,540
4300 Elementary and secondary education act of 1965 (ESEA)	0	0	118,360	118,360
4310 Title I, Basic state grant programs	0	0	8,689	8,689
4312 Rural and low-income school program, Title VI	0	0	500,418	500,418
4341 Language instruction for limited English proficient & immigrant students	0	0		
4351 Improving teacher quality				
4400 Adult education				
4410 Basic adult education	68,667	0	0	68,667
4500 Programs for children with disabilities				
4510 Individuals with disabilities education act (IDEA)	0	0	7,588	1,675,317
4520 Preschool grants	0	0	0	78,886
4900 Other federal sources				
4924 21st Century community learning centers program	0	0	288,191	288,191
4990 Other federal revenue				
4999 Revenue from other federal sources	0	0	515,203	515,203
Total federal sources	68,667	0	1,692,270	7,105,350
TOTAL REVENUE ALL SOURCES	68,667	1,019,083	2,423,857	8,856,020
EXPENDITURES				
100 Instruction				
110 General instruction				
111 Kindergarten programs				
100 Salaries	0	98,460	56,246	256,895
200 Employee benefits	0	26,624	23,068	78,938
300 Purchased services	0	0	0	76,492
400 Supplies and materials	0	0	94	28,346
	0	125,084	79,408	440,671
112 Primary programs				
100 Salaries	0	48,092	331,965	814,596
200 Employee benefits	0	12,799	118,247	277,878
300 Purchased services	0	0	3,272	228,310
400 Supplies and materials	0	2,495	8,879	87,847
	0	63,386	462,363	1,408,631

Marion County School District
Special Revenue Funds
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year Ended June 30, 2013

	243 Adult Education EA Projects	Designated Restricted State Grants	Other Special Revenue Programs	Total
113 Elementary programs				
100 Salaries	\$0	\$75,128	\$338,404	\$838,561
200 Employee benefits	0	30,736	117,214	279,020
300 Purchased services	0	298	19,994	270,246
400 Supplies and materials	0	2,083	61,855	123,996
	0	108,245	537,467	1,511,823
114 High school programs				
100 Salaries	0	6,982	234,051	361,484
200 Employee benefits	0	2,276	62,679	105,713
300 Purchased services	0	7,225	2,801	74,191
400 Supplies and materials	0	25,002	34,151	175,106
	0	41,485	333,682	716,494
115 Career & technology education program				
300 Purchased services other than tuition	0	0	79,500	105,185
400 Supplies and materials	0	0	187,229	199,052
	0	0	266,729	304,237
120 Exceptional programs				
121 Educable mentally handicapped				
100 Salaries	0	86,564	16,138	227,952
200 Employee benefits	0	40,338	3,577	97,386
300 Purchased services	0	0	0	1,012
400 Supplies and materials	0	0	0	31,230
	0	126,902	19,715	357,580
122 Trainable mentally handicapped				
100 Salaries	0	11,794	0	94,813
200 Employee benefits	0	2,552	0	38,850
300 Purchased services	0	0	1,565	3,118
400 Supplies and materials	0	0	0	23,691
	0	14,346	1,565	160,472
123 Orthopedically handicapped				
300 Purchased services	0	0	0	35,742
	0	0	0	35,742
124 Visually Handicapped				
300 Purchased services	0	13,192	0	25,289
400 Supplies and materials	0	0	0	96
	0	13,192	0	25,385

Marion County School District
Special Revenue Funds
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year Ended June 30, 2013

	243 Adult Education EA Projects	Designated Restricted State Grants	Other Special Revenue Programs	Total
125 Hearing handicapped				
200 Employee benefits	\$0	\$0	\$0	\$3
300 Purchased services	0	0	0	138,838
	0	0	0	138,841
126 Speech handicapped				
100 Salaries	0	7,910	26,418	34,328
200 Employee benefits	0	3,260	8,707	11,967
300 Purchased services	0	0	99,336	101,160
400 Supplies and materials	0	0	0	17,923
600 Other objects	0	0	0	1,210
	0	11,170	134,461	166,588
127 Learning disabilities				
100 Salaries	0	28,255	1,438	138,093
200 Employee benefits	0	8,848	333	45,670
300 Purchased services	0	0	0	7,703
400 Supplies and materials	0	0	0	90,792
	0	37,103	1,771	282,258
128 Emotionally handicapped				
100 Salaries	0	0	0	17
200 Employee benefits	0	0	0	4
400 Supplies and materials	0	0	0	400
	0	0	0	421
129 Coordinated Early Intervening Services (CEIS)				
100 Salaries	0	0	0	13,847
200 Employee benefits	0	0	0	3,497
400 Supplies and materials	0	0	0	3,000
	0	0	0	20,344
130 Preschool programs				
137 Preschool handicapped self-contained (3&4 yr. olds)				
100 Salaries	0	33,172	0	115,035
200 Employee benefits	0	12,648	0	51,169
300 Purchased services	0	0	0	764
400 Supplies and materials	0	54	0	8,017
	0	45,874	0	174,985

Marion County School District
Special Revenue Funds
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year Ended June 30, 2013

	243 Adult Education EA Projects	Designated Restricted State Grants	Other Special Revenue Programs	Total
140 Special programs				
145 Homebound				
100 Salaries	\$0	\$0	\$0	\$825
200 Employee benefits	0	0	0	65
	0	0	0	890
149 Other special programs				
100 Salaries	0	0	0	21,151
200 Employee benefits	0	0	0	7,489
	0	0	0	28,640
160 Other exceptional programs				
161 Autism				
100 Salaries	0	20,217	0	132,767
200 Employee benefits	0	11,317	0	47,582
300 Purchased services	0	0	0	81
400 Supplies and materials	0	0	0	7,717
	0	31,534	0	188,147
170 Summer School Program				
172 Elementary summer school				
100 Salaries	0	0	5,134	5,134
200 Employee benefits	0	0	1,200	1,200
	0	0	6,334	6,334
173 High school summer school				
100 Salaries	0	0	7,469	7,469
200 Employee benefits	0	0	1,613	1,613
400 Supplies and materials	0	0	565	565
	0	0	9,647	9,647
175 Instructional programs beyond regular school day				
100 Salaries	0	0	99,542	99,542
200 Employee benefits	0	0	22,228	22,228
300 Purchased services	0	0	43,324	43,324
400 Supplies and materials	0	0	21,933	21,933
	0	0	187,027	187,027

Marion County School District
Special Revenue Funds
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year Ended June 30, 2013

	243 Adult Education EA Projects	Designated Restricted State Grants	Other Special Revenue Programs	Total
180 Adult/continuing educational programs				
181 Adult basic education programs				
100 Salaries	\$31,341	\$0	\$0	\$31,341
200 Employee benefits	7,365	0	0	7,365
300 Purchased services	1,461	0	1,018	2,479
400 Supplies and materials	2,590	0	1,699	4,289
	42,757	0	2,717	45,474
182 Adult secondary education program				
100 Salaries	18,648	0	0	19,148
200 Employee benefits	3,800	0	0	3,800
300 Purchased services	237	0	825	1,062
400 Supplies and materials	851	0	1,990	2,841
	23,536	0	2,815	26,851
188 Parenting/family literacy				
100 Salaries	0	0	30,400	100,676
200 Employee benefits	0	0	10,647	39,682
300 Purchased services	0	0	8,040	10,814
400 Supplies and materials	0	0	562	10,314
	0	0	49,649	161,486
TOTAL INSTRUCTION	66,293	618,321	2,095,350	6,398,968
200 Support services				
210 Pupil services				
211 Attendance and Social Work Services				
300 Purchased services	0	0	1,094	7,393
	0	0	1,094	7,393
212 Guidance services				
100 Salaries	0	0	0	23,876
200 Employee benefits	0	0	0	7,112
300 Purchased services	0	0	490	490
400 Supplies and materials	0	0	944	1,278
	0	0	1,434	32,756
213 Health services				
100 Salaries	0	115,998	65,528	204,946
200 Employee benefits	0	41,343	27,931	76,145
300 Purchased services	0	0	0	3,346
400 Supplies and materials	0	0	13,784	19,696
	0	157,341	107,243	304,133

Marion County School District
Special Revenue Funds
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year Ended June 30, 2013

	243 Adult Education EA Projects	Designated Restricted State Grants	Other Special Revenue Programs	Total
214 Psychological services				
100 Salaries	\$0	\$5,943	\$0	\$5,943
200 Employee benefits	0	0	0	35,420
300 Purchased services	0	0	0	16,100
400 Supplies and materials	0	11,625	0	22,257
600 Other objects	0	0	0	260
	0	17,568	0	169,632
215 Exceptional program services				
300 Purchased services	0	0	0	71,616
	0	0	0	71,616
216 Vocational placement services				
100 Salaries	0	74,816	0	141,936
200 Employee benefits	0	26,024	0	42,948
300 Purchased services	0	3,851	0	15,443
	0	104,691	0	200,327
217 Career specialist services				
100 Salaries	0	43,357	0	43,357
200 Employee benefits	0	14,315	0	14,315
	0	57,672	0	57,672
220 Instructional staff services				
221 Improvement of instruction-curriculum development				
100 Salaries	0	46,720	0	450,015
200 Employee benefits	0	17,453	0	136,991
300 Purchased services	0	0	280	16,077
600 Other objects	0	0	0	17,291
	0	64,173	280	620,374
222 Library and media				
100 Salaries	0	0	0	23,926
200 Benefits	0	0	0	7,030
400 Supplies and materials	0	0	0	15,237
	0	0	0	46,193
223 Supervision of special programs				
100 Salaries	0	0	14,895	207,184
200 Employee benefits	0	0	3,467	66,980
300 Purchased services	1,800	0	1,724	27,503
400 Supplies and materials	574	0	1,542	24,802
600 Other objects	0	0	165	525
	2,374	0	21,793	326,994

Marion County School District
Special Revenue Funds
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year Ended June 30, 2013

	243 Adult Education EA Projects	Designated Restricted State Grants	Other Special Revenue Programs	Total
224 Improvement of instruction-in-service and staff training				
100 Salaries	\$0	\$0	\$0	\$1,000
200 Employee benefits	0	0	0	218
300 Purchased services	0	7,572	31,582	168,562
400 Supplies and materials	0	149	1,812	2,961
600 Other objects	0	0	0	8,821
	0	7,721	33,394	181,562
230 General administration services				
233 School administration	0	0	490	6,017
400 Supplies and materials	0	0	490	6,017
250 Finance & operations services				
251 Student transportation (federal/district mandated)				
100 Salaries	0	7,625	43,862	88,752
200 Employee benefits	0	0	9,085	22,438
300 Purchased services	0	0	34,727	34,727
400 Supplies and materials	0	0	0	1,200
600 Other objects	0	0	0	1,859
	0	7,625	87,674	148,976
252 Fiscal services				
400 Supplies and materials	0	0	85	85
	0	0	85	85
255 Student transportation				
100 Salaries	0	0	9,217	9,217
200 Employee benefits	0	0	0	0
	0	0	9,217	9,217
270 Support services pupil activity				
271 Pupil service activities				
100 Salaries	0	300	1,455	4,490
200 Employee benefits	0	33	319	968
300 Purchased services	0	0	2,785	5,184
400 Supplies and materials	0	0	0	250
600 Other objects	0	220	1,751	6,691
	0	553	6,310	17,583
TOTAL SUPPORT SERVICES	2,374	417,344	269,014	2,200,530

Marion County School District
Special Revenue Funds
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year Ended June 30, 2013

	243 Adult Education EA Projects	Designated Restricted State Grants	Other Special Revenue Programs	Total
300 Community services	\$0	\$0	\$0	\$1,290
360 Welfare Services	0	0	0	1,290
400 Supplies and materials	0	0	6,488	6,488
390 Other community services	0	0	6,488	6,488
300 Purchased services	0	0	6,488	7,778
TOTAL COMMUNITY SERVICES				
400 Other charges				
410 Intergovernmental expenditures	0	0	165,129	165,129
411-720 Payments to SCDE	0	0	6,265	6,265
412-720 Payments to other governmental units	0	0	171,394	171,394
Total Intergovernmental Expenditures				
TOTAL EXPENDITURES	68,667	1,035,665	2,542,246	8,778,670
Excess/(Deficiency) of revenues over expenditures	0	(16,582)	(118,389)	77,350
OTHER FINANCING SOURCES (USES)				
Interfund transfers, from (to) other funds	0	0	1,121	1,121
5210 Transfer from general fund	0	0	(15,014)	(227,335)
431-791 Special revenue fund indirect costs	0	0	(13,893)	(226,214)
TOTAL OTHER FINANCING SOURCES (USES)				
Excess/(Deficiency) of revenues over expenditures and other financing sources (uses)	0	(16,582)	(132,282)	(148,864)
FUND BALANCE - July 1, 2012	0	16,582	756,538	773,120
FUND BALANCE - June 30, 2013	\$0	\$0	\$624,256	\$624,256

Marion County School District
Special Revenue Fund
NOTES TO COMBINING SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year Ended June 30, 2013

<u>Subfund code</u>	<u>Title</u>
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Designated Restricted State Grants consists of the following:

916	ADEPT (Assisting, Developing, & Evaluating Professional Teaching)
919	Education License Plates
926	At Risk High School
928	EEDA Career Specialist
930	IDEA Contingency Fund
936	Student Health & Fitness - Nurses
937	Student Health & Fitness - PE Teachers
938	High Schools That Work/Making Middle Grades Work
960	K-5 Enhancement
967	6-8 Enhancement
969	Other State Lottery Programs

Marion County School District
Special Revenue Fund
NOTES TO COMBINING SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year Ended June 30, 2013

<u>Subfund code</u>	<u>Title</u>
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Other Special Revenue Programs consists of the following:

212	Extended School Year
224	21st Century Community Learning Centers
237	Title I - School Improvement
251	Rural and Low-Income School Program, Title VI
264	Title III - Limited English Proficiency
267	Improving Teacher Quality
296	Army JROTC
297	Marine Corps JROTC
800	Unemployment Reserve Fund
801	Unemployment Reserve Fund
813	Exxon Grant
815	Food programs
817	SC Campaign to Prevent Teenage Pregnancy
820	PELL Grant
821	SC GEAR Up
829	Higher Education Awareness Program (HEAP)
830	PMD
832	Medicaid Special Needs Transportation
840	Teacher Courses
850	Marion County Healthcare Foundation
851	SC Vocational Rehabilitation Grant
856	Adult Education
861	Comprehensive Health Education
862	JAG
863	Hot Dog I Can Read
865	Apple
879	E-rate
887	Target
891	Extended School Year-state
968	Medicaid
970	Medicaid
990	First Steps

Marion County School District
Special Revenue Fund

SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS
Year Ended June 30, 2013

Subfund	Revenue	Programs	Revenues	Expenditures	Special Revenue Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	Special Revenue Fund Revenue Received in Advance
916	3991	ADEPT (Assisting, Developing, & Evaluating Professional Teaching)	\$370	\$370	\$0	\$0	\$0
919	3193	Education License Plates	2,396	2,396	0	0	0
926	3116	At Risk High School	0	16,582	0	0	0
928	3116	EEDA Miscellaneous	2,225	2,225	0	0	0
928	3118	EEDA Career Specialist	222,615	222,615	0	0	0
930	3133	IDEA Contingency Fund	309,166	309,166	0	0	0
936	3136	Student Health and Fitness - Nurses	157,341	157,341	0	0	0
937	3127	Student Health and Fitness - PE Teachers	24,906	24,906	0	0	21,365
938	3128	High Schools That Work/Making Middle Grades Work	15,000	15,000	0	0	0
960	3610	K-5 Enhancement	212,357	212,357	0	0	0
967	3607	6-8 Enhancement	8,534	8,534	0	0	12,194
969	3699	Other State Lottery Programs	64,173	64,173	0	0	0
			<u>\$1,019,083</u>	<u>\$1,035,665</u>	<u>\$0</u>	<u>\$0</u>	<u>\$33,559</u>

Marion County School District
Education Improvement Act
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL PROGRAMS
Year Ended June 30, 2013

REVENUES

3000 Revenue from state sources	
3100 Restricted State funding	
3161 EAA Bus Driver salary and fringe	\$2,316
3500 Education improvement act	
3502 ADEPT	4,614
3509 Arts in education	27,279
3511 Professional development	26,661
3518 Formative Assessment	25,484
3525 Career and technology education equipment	56,480
3526 Refurbishment of K-8 science kits	29,418
3530 Students with moderate to severe intellectual disabilities	3,062
3532 National board certification (NBC) salary supplement	137,383
3533 Teacher of the year awards	1,077
3538 Students at risk of school failure	1,317,102
3541 Child Development Education Pilot Programs (CDEPP)	954,929
3544 High achieving students	70,832
3550 Teacher salary increase	487,677
3551 Teacher salary supplement state share	352,723
3555 School employer contributions	191,611
3556 Adult education	172,621
3558 Reading	12,077
3577 Teacher supplies	95,535
3578 High schools that work	7,975
3585 Aid to Districts - Special Education	417,423
3592 Work based learning	22,474
3594 EEDA supplemental programs	161,381
3597 Aid to Districts	101,186
3599 Other EIA	16,729
TOTAL REVENUES	4,696,049

Marion County School District
Education Improvement Act
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL PROGRAMS
Year Ended June 30, 2013

EXPENDITURES

100 Instruction	
110 General instruction	
111 Kindergarten programs	
300 Purchased services	\$250
400 Supplies and materials	4,288
	<u>4,538</u>
112 Primary programs	
100 Salaries	346,492
200 Employee benefits	120,697
300 Purchased services	3,101
400 Supplies and materials	32,861
	<u>503,151</u>
113 Elementary programs	
100 Salaries	508,940
200 Employee benefits	173,889
300 Purchased services	2,754
400 Supplies and materials	72,115
	<u>757,698</u>
114 High school programs	
100 Salaries	302,050
200 Employee benefits	94,208
300 Purchased services	19,070
400 Supplies and materials	85,250
	<u>500,578</u>
115 Career and technology education programs	
100 Salaries	33,500
200 Employee benefits	7,394
400 Supplies and materials	60,211
500 Capital outlay	6,125
	<u>107,230</u>
117 Driver education program	
400 Supplies and materials	380
	<u>380</u>
120 Exceptional programs	
121 Educable mentally handicapped	
100 Salaries	55,057
200 Employee benefits	17,708
400 Supplies and materials	1,549
	<u>74,314</u>
122 Trainable mentally handicapped	
100 Salaries	128,801
200 Employee benefits	28,465
400 Supplies and materials	516
	<u>157,782</u>

Marion County School District
Education Improvement Act
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL PROGRAMS
Year Ended June 30, 2013

126 Speech handicapped	
100 Salaries	\$50,508
200 Employee benefits	15,399
400 Supplies and materials	788
	<u>66,695</u>
127 Learning disabilities	
100 Salaries	137,695
200 Employee benefits	46,725
400 Supplies and materials	2,571
	<u>186,991</u>
130 Pre-School programs	
137 Preschool handicapped self-contained (3 & 4 yr. olds)	
100 Salaries	2,234
200 Employee benefits	549
400 Supplies and materials	761
	<u>3,544</u>
139 Early childhood programs	
100 Salaries	7,500
200 Employee benefits	1,710
	<u>9,210</u>
140 Special programs	
141 Gifted and talented - academic	
100 Salaries	49,008
200 Employee benefits	14,777
400 Supplies and materials	94
	<u>63,879</u>
143 Advanced placement	
400 Supplies and materials	686
	<u>686</u>
147 CDEPP	
100 Salaries	695,142
200 Employee benefits	258,848
400 Supplies and materials	4,515
	<u>958,505</u>
160 Other Exceptional Programs	
161 Autism	
100 Salaries	47,611
200 Employee benefits	19,546
	<u>67,157</u>
170 Summer school programs	
175 Instructional programs beyond regular school day	
100 Salaries	4,225
200 Employee benefits	992
	<u>5,217</u>

Marion County School District
Education Improvement Act
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL PROGRAMS
Year Ended June 30, 2013

180 Adult/continuing educational programs	
181 Adult basic education programs	
100 Salaries	\$71,169
200 Employee benefits	11,100
400 Supplies	773
	<u>83,042</u>
182 Adult secondary education programs	
300 purchased services	1,847
	<u>1,847</u>
 TOTAL INSTRUCTION	 <u>3,552,444</u>
 200 Support services	
210 Pupil services	
212 Guidance services	
400 Supplies and materials	4,592
	<u>4,592</u>
213 Health services	
300 Purchased services	2,345
400 Supplies and materials	717
	<u>3,062</u>
220 Instructional staff services	
221 Improvement of instruction-curriculum development	
100 Salaries	6,000
200 Employee benefits	1,409
300 Purchased services	1,521
400 Supplies and materials	733
	<u>9,663</u>
222 Library and media	
400 Supplies and materials	2,299
	<u>2,299</u>
223 Supervision of special programs	
100 Salaries	60,862
200 Employee benefits	26,529
300 Purchased services	82
400 Supplies and materials	259
	<u>87,732</u>
224 Improvement of instruction - inservice and staff training	
100 Salaries	3,500
200 Employee benefits	823
300 Purchased services	58,273
400 Supplies and materials	3,048
	<u>65,644</u>

Marion County School District
Education Improvement Act
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL PROGRAMS
Year Ended June 30, 2013

250 Finance and operations services	
251 Student transportation (federal/district mandated)	
100 Salaries	\$3,420
200 Employee benefits	786
300 Purchased services	1,479
	<u>5,685</u>
255 Student transportation (state mandated)	
100 Salaries	2,316
	<u>2,316</u>
270 Support Services Pupil Activity	
271 Pupil Services Activities	
100 Salaries	150
200 Employee benefits	30
300 Purchased services	182
	<u>362</u>
TOTAL SUPPORT SERVICES	<u>181,355</u>
400 Other charges	
410 Intergovernmental Expenditures	
411 Payments to South Carolina Department of Education	
720 Transits	431
412 Payments to other governmental units	
720 Transits	16,729
TOTAL INTERGOVERNMENTAL	<u>17,160</u>
TOTAL EXPENDITURES	<u>3,750,959</u>
Excess/(Deficiency) of revenues over expenditures	<u>945,090</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds	
420-710 Transfer to General Fund	(1,032,011)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,032,011)</u>
Excess/(Deficiency) of revenues over expenditures and other sources (uses)	(86,921)
FUND BALANCE - July 1, 2012	96,302
Prior period adjustment	(9,381)
FUND BALANCE - June 30, 2013	<u><u>\$0</u></u>

Marion County School District
Education Improvement Act
SUMMARY SCHEDULE BY PROGRAM
Year Ended June 30, 2013

	Revenues	Expenditures	EIA Fund Transfers In (Out)	EIA Fund Revenue Received in Advance	Other Fund Transfers In (Out)
3000 Revenue from state sources	\$2,316	\$2,316	\$0	\$0	\$0
3100 Restricted State funding					
3161 EAA Bus Driver salary and fringe	4,614	4,614	0	10,608	0
3500 Education improvement act	27,279	27,279	0	24,741	0
3502 ADEPT	26,661	26,661	0	5,121	0
3509 Arts in education	25,484	25,484	0	0	0
3511 Professional development	56,480	63,013	0	4,120	0
3518 Formative Assessment	29,418	29,708	0	5,934	0
3525 Career and technology education equipment	3,062	3,062	0	0	0
3526 Refurbishment of K-8 science kits	137,383	137,811	0	0	0
3530 Students with moderate to severe intellectual disabilities	1,077	1,079	0	0	0
3532 National board certification (NBC) salary supplement	1,317,102	1,325,187	0	33,746	0
3533 Teacher of the year awards	954,929	954,929	0	20,856	0
3538 Students at risk of school failure	70,832	70,832	0	0	0
3541 Child Development Education Pilot Programs (CDEPP)	487,677	0	0	0	(487,677)
3544 High achieving students	352,723	0	0	0	(352,723)
3550 Teacher salary increase	191,611	0	0	0	(191,611)
3551 Teacher salary supplement state share	172,621	172,621	0	15,041	0
3555 School employer contributions	12,077	12,077	0	19,666	0
3556 Adult education	0	2	0	0	0
3558 Reading	0	31,999	0	0	0
3568 EAA technical assistance	95,535	95,535	0	0	0
3571 Palmetto Priority schools	7,975	7,975	0	5,114	0
3577 Teacher supplies	417,423	457,005	0	39,582	0
3578 High schools that work	22,474	22,474	0	0	0
3585 Aid to Districts - Special Education	161,381	161,381	0	40,157	0
3592 Work based learning	101,186	101,186	0	0	0
3594 EEDA supplemental programs	16,729	16,729	0	0	0
3597 Aid to Districts					
3599 Other EIA	\$4,696,049	\$3,750,959	\$0	\$224,686	(\$1,032,011)
TOTAL					

Marion County School District
Debt Service Fund
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Year Ended June 30, 2013

REVENUES

1000 Revenue from local sources	
1100 Taxes	
1110 Ad valorem taxes including delinquent (fiscally independent LEA)	\$443,154
1140 Penalties & Interest on Taxes (Independent)	96,769
1200 Revenues from local governmental units other than LEAs	
1280 Revenue in lieu of taxes (dependent & independent)	30,757
1500 Earnings on investments	
1510 Interest on investments	3,868
TOTAL LOCAL SOURCES	<u>574,548</u>

3000 Revenue from state sources	
3800 State revenue in lieu of taxes	
3820 Homestead exemption (Tier 2)	41,767
3830 Merchant's inventory tax	29,835
3840 Manufacturers Depreciation Reimbursement	2,789
3890 Other state property tax revenues	<u>5,121</u>
TOTAL STATE SOURCES	<u>79,512</u>

TOTAL REVENUE ALL SOURCES	<u>654,060</u>
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EXPENDITURES

500 Debt service	
610 Redemption of principal	1,791,473
620 Interest	243,418
690 Other objects	813
TOTAL EXPENDITURES	<u>2,035,704</u>

Excess/(Deficiency) of revenues over expenditures	<u>(1,381,644)</u>
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OTHER FINANCING SOURCES (USES)

Interfund Transfers, From (To) Other Funds	
5210 Transfer from general fund	17,286
5250 Transfer from school building fund	536,325
TOTAL OTHER FINANCING SOURCES (USES)	<u>553,611</u>

Excess/(Deficiency) of revenue over expenditures and other financing sources (uses)	(828,033)
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FUND BALANCE - July 1, 2012	2,323,778
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Prior Period Adjustment	<u>419,691</u>
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FUND BALANCE - June 30, 2013	<u><u>\$1,915,436</u></u>
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Marion County School District
Capital Projects - School Building Fund
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year Ended June 30, 2013

REVENUES

1000 Revenue from local sources	
1500 Earnings on investments	
1510 Interest on investments	\$2,944
1920 Contributions & donations private sources	300
TOTAL LOCAL SOURCES	<u>3,244</u>
TOTAL REVENUE ALL SOURCES	<u>3,244</u>

EXPENDITURES

250 Finance and operations	
253 Facilities acquisition and construction	
300 Purchased services	27,552
400 Supplies and materials	54,452
500 Capital outlay	
520 Construction services	434,446
530 Improvements other than buildings	240,786
545 Technology, Equipment and Software	63,843
550 Vehicles	8,429
600 Other objects	
690 other objects	1,025
TOTAL EXPENDITURES	<u>830,533</u>

Excess/(Deficiency) of revenues over expenditures	<u>(827,289)</u>
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OTHER FINANCING SOURCES/(USES)

Interfund transfers	
5210 Transfer from general fund	25,442
423-710 Transfer to debt service fund	<u>(536,325)</u>
TOTAL OTHER FINANCING SOURCES/(USES)	<u>(510,883)</u>

Excess/(deficiency) of revenues over expenditures and others financing sources	(1,338,172)
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FUND BALANCE - July 1, 2012	5,757,787
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Prior period adjustment	<u>(419,691)</u>
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FUND BALANCE - June 30, 2013	<u><u>\$3,999,924</u></u>
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Marion County School District
Special Revenue - Food Service Fund
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year Ended June 30, 2013

REVENUES	
1000 Revenue from local sources	
1500 Earnings on investments	
1510 Interest on investments	\$69
1600 Food service	
1610 Lunch sales to pupils	63,475
1620 Breakfast sales to pupils	525
1630 Special sales to pupils	56,237
1640 Lunch sales to adults	48,468
1650 Breakfast sales to adults	1,301
1660 Special sales to adults	2,281
TOTAL REVENUE FROM LOCAL SOURCES	<u>172,356</u>
2000 Intergovernmental revenue	
2100 Payments from other governmental units	27,603
TOTAL REVENUE FROM OTHER GOVERNMENT UNITS	<u>27,603</u>
3000 Revenue from state sources	
3100 Restricted state funding	
3142 Program aid	255
TOTAL STATE SOURCES	<u>255</u>
4000 Revenue from federal sources	
4800 USDA reimbursement	
4810 School lunch and after school snacks program	1,913,641
4830 School breakfast program	757,862
4860 Fresh fruits and vegetables program	38,850
4900 Other federal sources	
4991 USDA commodities (food distribution program)	167,999
4999 Other federal revenue	5,214
TOTAL FEDERAL SOURCES	<u>2,883,566</u>
TOTAL REVENUE ALL SOURCES	<u>3,083,780</u>
EXPENDITURES	
256 Food Service	
100 Salaries	1,009,022
200 Employee benefits	157,230
300 Purchased services	74,464
400 Supplies and materials	1,583,133
500 Capital outlay	128,715
600 Other objects	2,987
TOTAL FOOD SERVICE EXPENDITURES	<u>2,955,551</u>
Excess/(Deficiency) of revenues over expenditures	<u>128,229</u>

Marion County School District
Special Revenue - Food Service Fund
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year Ended June 30, 2013

OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds	
5270 Transfer from pupil activity	\$810
432-791 Food service fund indirect costs	<u>(230,707)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(229,897)</u>
Excess/(Deficiency) of revenues over expenditures and other financing sources (uses)	
	(101,668)
FUND BALANCE - July 1, 2012	2,047,208
Prior Period Adjustment	<u>103,597</u>
FUND BALANCE - June 30, 2013	<u><u>\$2,049,137</u></u>

Marion County School District
Pupil Activity Funds
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN
FUND BALANCE/DUE TO STUDENT GROUPS
Year Ended June 30, 2013

RECEIPTS

1000 Receipts from local sources	
1500 Earnings on investments	
1510 Interest on investments	\$883
1700 Pupil activities	
1710 Admissions	131,106
1720 Bookstore sales	19,590
1730 Pupil organization membership dues and fees	1,247
1740 Student fees	14,490
1790 Other	428,852
1900 Other revenue from local sources	
1920 Contributions and donations - private sources	19,453
1999 Revenue from other local sources	3,825
TOTAL RECEIPTS FROM LOCAL SOURCES	<u>619,446</u>

DISBURSEMENTS

190 Instructional pupil activity	
660 Pupil activity	62,581
270 Support services pupil activity	
272 Enterprise activities	
100 Salaries	63,224
200 Employee Benefits	14,431
660 Pupil activity	673,694
273 Trust and agency activities	
100 Salaries	75
200 Employee Benefits	19
660 Pupil activity	4,400
TOTAL PUPIL ACTIVITY EXPENDITURES	<u>818,424</u>
Excess/(Deficiency) of receipts over disbursements	<u>(198,978)</u>

OTHER FINANCING SOURCES (USES)

Interfund Transfers, From (To) Other Funds	
5270 Transfer from pupil activity funds	126,747
420-710 Transfer to general fund	(535)
425-710 Transfer to food service fund	(660)
426-710 Transfer to pupil activity funds	(126,747)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,195)</u>
Excess/(Deficiency) of receipts over disbursements and other financing sources (uses)	(200,173)
FUND BALANCE/DUE TO STUDENT GROUPS - July 1, 2012	<u>751,525</u>
FUND BALANCE/DUE TO STUDENT GROUPS - June 30, 2013	<u>\$551,352</u>

Fund balance and balance due to student groups at June 30, 2013 can be broken down as follows:

Due to student groups - (agency)	\$196,011
Reserve for pupil activities	191,176
Reserve for BASC	3,086
Reserve for scholarship funds	122,325
Reserve for Marion High School Library	38,754
	<u>\$551,352</u>

Marion County School District
Pupil Activity Funds
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN
FUND BALANCE/DUE TO STUDENT GROUPS
Year Ended June 30, 2013

	Agency Funds	Private Purpose Trust Funds	General Fund	Other Governmental Funds	Total
RECEIPTS					
1000 Receipts from local sources					
1500 Earnings on investments					
1510 Interest on investments	\$89	\$538	\$0	\$256	\$883
1700 Pupil activities					
1710 Admissions	131,106	0	0	0	131,106
1720 Bookstore sales	19,590	0	0	0	19,590
1730 Pupil organization membership dues and fees	1,247	0	0	0	1,247
1740 Student fees	14,490	0	0	0	14,490
1790 Other	428,852	0	0	0	428,852
1900 Other revenue from local sources					
1920 Contributions and donations - private sources	18,028	1,425	0	0	19,453
1999 Revenue from other local sources	3,825	0	0	0	3,825
TOTAL RECEIPTS FROM LOCAL SOURCES	<u>617,227</u>	<u>1,963</u>	<u>0</u>	<u>256</u>	<u>619,446</u>
DISBURSEMENTS					
190 Instructional pupil activity					
660 Pupil activity	62,581	0	0	0	62,581
270 Support services pupil activity					
272 Enterprise activities					
100 Salaries	63,224	0	0	0	63,224
200 Employee Benefits	14,431	0	0	0	14,431
660 Pupil activity	673,694	0	0	0	673,694
273 Trust and agency activities					
100 Salaries	75	0	0	0	75
200 Employee Benefits	19	0	0	0	19
660 Pupil activity	0	4,400	0	0	4,400
TOTAL PUPIL ACTIVITY EXPENDITURES	<u>814,024</u>	<u>4,400</u>	<u>0</u>	<u>0</u>	<u>818,424</u>
Excess/(Deficiency) of receipts over disbursements	<u>(196,797)</u>	<u>(2,437)</u>	<u>0</u>	<u>256</u>	<u>(198,978)</u>
OTHER FINANCING SOURCES (USES)					
Interfund Transfers, From (To) Other Funds					
5270 Transfer from pupil activity funds	126,747	0	0	0	126,747
420-710 Transfer to general fund	(535)	0	0	0	(535)
425-710 Transfer to food service fund	(660)	0	0	0	(660)
426-710 Transfer to pupil activity funds	(126,747)	0	0	0	(126,747)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,195)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,195)</u>
Excess/(Deficiency) of receipts over disbursements and other financing sources (uses)	<u>(197,992)</u>	<u>(2,437)</u>	<u>0</u>	<u>256</u>	<u>(200,173)</u>
FUND BALANCE/DUE TO STUDENT GROUPS - July 1, 2012	<u>394,003</u>	<u>124,762</u>	<u>191,176</u>	<u>41,584</u>	<u>751,525</u>
FUND BALANCE/DUE TO STUDENT GROUPS - June 30, 2013	<u>\$196,011</u>	<u>\$122,325</u>	<u>\$191,176</u>	<u>\$41,840</u>	<u>\$551,352</u>

For basic financial statement reporting purposes, the funds accounted for in the pupil activity funds are reclassified based on generally accepted accounting principle fund definitions.

Marion County School District
LOCATION RECONCILIATION SCHEDULE
Year Ended June 30, 2013

LOCATION ID	LOCATION DESCRIPTION	EDUCATION LEVEL	COST TYPE	TOTAL EXPENDITURES
000	All Schools	Non-Schools	Central	\$2,200,832
001	Spring Branch Property	Non-Schools	Central	9,036
002	Marion High School	High School	School	5,755,120
003	Easterling School	Elementary	School	5,818,198
004	Marion Intermediate School	Elementary	School	4,468,317
007	Johnakin Middle School	Middle School	School	4,824,225
008	Mullins High School	High School	School	4,233,904
009	Palmetto Middle School	Middle School	School	3,159,685
010	McCormick Elementary School	Elementary	School	2,599,207
012	Fox Field	Non-Schools	Central	14,302
013	North Mullins Primary School	Elementary	School	2,933,478
014	Mullins Early Childhood Center	Elementary	School	867,575
022	Activity Bus	Non-Schools	Central	38,137
023	Brittons Neck Elementary School	Elementary	School	2,995,612
024	Creek Bridge High School	High School	School	4,083,601
030	Adult Education	Other School	School	368,725
031	Southside Success Academy	Alternative School	School	749,130
033	Athletic Complex	High School	Central	11,998
907	Community Center Centenary	Non-Schools	Central	13,853
908	Saffold Building	Non-Schools	Central	3,076
910	Central Office	Non-Schools	Central	5,293,942
913	Marion County Schools Annex	Non-Schools	Central	228,724
922	Superintendent House Centenary	Non-Schools	Central	1,478
924	Marion County Schools District Office Annex	Non-Schools	Central	246
925	Maintenance	Non-Schools	Central	186,176
926	Storage	Non-Schools	Central	937
927	Old Red Brick School	Non-Schools	Central	1,400
928	Rains Centenary Elementary	Non-Schools	Central	32,627
929	Rains District Office-House	Non-Schools	Central	5,283
930	Springville	Non-Schools	Central	5,249
933	Southside	Non-Schools	Central	8,806
940	Bus driver	Non-Schools	Central	60,368

Marion County School District
LOCATION RECONCILIATION SCHEDULE
Year Ended June 30, 2013

LOCATION ID	LOCATION DESCRIPTION	EDUCATION LEVEL	COST TYPE	TOTAL EXPENDITURES
950	Subs	Non-Schools		\$317
995	Academy for Careers & Technology	High School	Central School	2,667,977
TOTAL EXPENDITURES/DISBURSEMENTS FOR ALL FUNDS				<u>\$53,641,541</u>
The above expenditures are reconciled to the District's financial statements as follows:				
	General Fund			\$34,471,700
	Special Revenue Fund			8,778,670
	Special Revenue Fund - Food Service			2,955,551
	Special Revenue EIA Fund			3,750,959
	Debt Service Fund			2,035,704
	Capital Projects Fund			830,533
	Trust and Agency Funds			818,424
TOTAL EXPENDITURES/DISBURSEMENTS FOR ALL FUNDS				<u>\$53,641,541</u>