

BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
FINANCIAL STATEMENTS
AS OF AND FOR YEAR ENDED JUNE 30, 2017

BARNWELL SCHOOL DISTRICT #19

BLACKVILLE, SOUTH CAROLINA

FINANCIAL STATEMENTS

AS OF AND FOR YEAR ENDED JUNE 30, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Barnwell School District #19
Blackville, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Barnwell School District #19, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Barnwell School District #19, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows, and the respective budgetary comparison for the General Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-9 and the pension schedules on pages 41-42 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 States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

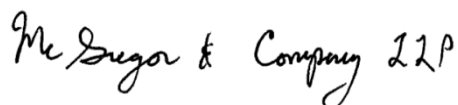
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Barnwell School District #19's basic financial statements. The combining and individual nonmajor fund financial schedules and other schedules required by the South Carolina Department of Education 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial schedules, other schedules required by the South Carolina Department of Education, 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 schedules, other schedules required by the South Carolina Department of Education, 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 December 14, 2017, on our consideration of Barnwell School District #19's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Barnwell School District #19's internal control over financial reporting and compliance.



Barnwell, South Carolina
December 14, 2017

BARNWELL SCHOOL DISTRICT # 19
BLACKVILLE, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2017

Introduction

This narrative overview gives an analysis of the financial activities of Barnwell County School District No. 19 for the fiscal year ended June 30, 2017. Our purpose is to inform our citizens of the effect of our district's operations and to present our financial position.

Financial Highlights

Net Position: The Total Net Position (Deficit) as of June 30, 2017, was (\$2,808,914).

Revenues and Expenditures: Revenues and Other Financing Sources totaled \$11,115,215 and Expenditures and Other Financing Uses totaled \$11,194,258 for all Governmental Funds at the fund level. Accordingly, expenditures and other financing uses exceeded revenues and other financing sources by \$79,043.

General Fund/Fund Balance: Our principal operating fund, the General Fund, had \$5,888,826 in fiscal year 2017 revenues and other financing sources, which primarily consisted of state aid and property taxes. The General Fund's expenditures totaled \$6,024,488, resulting in a decrease in fund balance of \$135,662 and leaving an ending balance of \$321,545 as of June 30, 2017.

Debt: The District retired \$562,000 in principal on its general obligation bonds. The balance of the 2009 Series General Obligation Refunding Bond debt was \$1,060,000 as of June 30, 2017. The fund balance of the Debt Service fund increased by \$16,149, leaving an ending fund balance of \$304,084 as of June 30, 2017. The balance of the 2016 Series Acquisition, Use & Security Agreement was \$220,000 as of June 30, 2017. The fund balance of the School Building fund increased by \$164,925, leaving an ending fund balance of \$57,702 as of June 30, 2017.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements (General, Special Revenue, Debt Service, Capital, Fiduciary, Proprietary) and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. A description of these statements and some related definitions follow:

Government-wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the district's finances, in a manner similar to a private sector business. These statements outline functions of the district that are principally supported by property taxes and intergovernmental revenues (governmental activities) and functions principally supported by user charges (business-type activities). The governmental activities of the district include instruction, support services and inter-

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2017

governmental expenditures. The government-wide financial statements can be found on pages 10-11, and 12 of this report.

Statement of Net Position: The statement of net position presents information on all of the district's assets, deferred outflows, liabilities, and deferred inflows except for those related to fiduciary funds, with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the district is improving or declining.

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

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

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the district's near-term financing requirements. The modified accrual basis of accounting is used for governmental funds.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are on pages 14 and 16.

The District maintains its accounting records in conformity with the South Carolina Department of Education's Financial Accounting Handbook. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Special Revenue, and EIA Funds which are required to be presented as major funds. The Debt Service fund also meets the criteria for classification as a major fund. For the sake of consistency, the District has elected to show

**BARNWELL SCHOOL DISTRICT # 19
BLACKVILLE, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2017**

the School Building Fund as a major fund. The basic governmental funds financial statements can be found on pages 13 and 15 of this report.

Proprietary Funds: Proprietary (Enterprise) funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that of monitoring the cost of such programs for public policy. The proprietary fund financial statements can be found on pages 17-19 of this report.

Fiduciary Funds: Fiduciary (Pupil Activity) funds are used to account for resources held for the benefit of students and are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accrual basis of accounting is used for fiduciary funds. The basic fiduciary fund financial statements can be found on pages 20 and 21 of this report.

Notes to the Financial Statement: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-40 of this report.

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets by \$2,808,914 as of June 30, 2017. A large portion of the District's net position (deficit) reflects its recognition of the allocated percentage of the collective net pension liability and related deferred outflows and inflows.

The District's financial position is the product of several financial transactions, including the net results of activities, the acquisition and payment of debt, the acquisition of capital assets, the depreciation of capital assets, and the reporting of liabilities, deferred outflows, and deferred inflows related to pensions.

The following table presents a summary of the District's net position for the fiscal year ended June 30, 2017, with comparative data listed for the fiscal year ended June 30, 2016.

	2017	2016
Current assets	\$ 2,961,578	\$ 3,098,054
Capital assets, net	<u>7,156,105</u>	<u>6,884,088</u>
Total assets	<u>10,117,683</u>	<u>9,982,142</u>
Deferred Outflows of Resources	<u>1,444,197</u>	<u>724,550</u>
Current liabilities	2,414,450	2,107,862

**BARNWELL SCHOOL DISTRICT # 19
BLACKVILLE, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2017**

Long-term debt outstanding	\$ <u>11,360,459</u>	\$ <u>10,271,914</u>
Total liabilities	<u>13,774,909</u>	<u>12,379,776</u>
Deferred Inflows of Resources	<u>595,885</u>	<u>493,100</u>
Net position:		
Net investment in capital assets	\$ 5,138,105	\$ 5,324,088
Restricted	361,786	287,935
Unrestricted (Deficit)	<u>(8,308,805)</u>	<u>(7,778,207)</u>
Total net position (Deficit)	<u>\$ (2,808,914)</u>	<u>\$ (2,166,184)</u>

Changes in net position: The District's total revenues for the fiscal year ended June 30, 2017, were \$10,115,276. The total cost of all programs and services was \$10,758,006. The following table presents a summary of the activity that resulted in changes in net assets for the fiscal years ended June 30, 2017 and June 30, 2016.

	2017	2016
Revenues:		
Program Revenues:		
Charges for services	\$ 119,278	\$ 90,810
Operating grants and contributions	<u>6,869,876</u>	<u>6,291,556</u>
	<u>6,989,154</u>	<u>6,382,366</u>
General Revenues:		
Property taxes	2,265,895	2,582,149
Unrestricted federal and state aid	802,517	801,036
Investment earnings	1,719	1,139
Miscellaneous	<u>55,991</u>	<u>74,140</u>
	<u>3,126,122</u>	<u>3,458,464</u>
Total Revenues	<u>10,115,276</u>	<u>9,840,830</u>

**BARNWELL SCHOOL DISTRICT # 19
BLACKVILLE, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2017**

	2017	2016
Expenses:		
Instruction	\$ 4,430,955	\$ 4,323,072
Supporting Services	5,275,554	4,251,231
Intergovernmental	79,362	66,355
Interest and other charges	89,024	82,129
Depreciation	288,270	258,539
Food service	<u>594,841</u>	<u>543,999</u>
Total Expenses	<u>10,758,006</u>	<u>9,525,325</u>
Increase(decrease) in net position	<u>\$ (642,730)</u>	<u>\$ 315,505</u>

Governmental activities: The following table presents the cost of the three major functional activities: instruction, support services, interest and debt service. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District taxpayers by each of these functions.

	2017		2016	
	Total Expenses	Net (Expense) Revenue	Total Expenses	Net (Expense) Revenue
Instruction	\$ 4,430,955	\$ (226,101)	\$ 4,323,072	\$ (266,598)
Supporting services	5,275,554	(3,102,381)	4,251,231	(2,510,614)
Intergovernmental	79,362	(79,362)	66,355	(66,355)
Interest and other charges (on long-term debt)	89,024	(89,024)	82,129	(82,129)
Depreciation	<u>288,270</u>	<u>(288,270)</u>	<u>258,539</u>	<u>(258,539)</u>
Total expenses	<u>\$10,163,165</u>	<u>\$(3,785,138)</u>	<u>\$8,981,326</u>	<u>\$(3,184,235)</u>

- The cost of all governmental activities this year was \$10,163,165.
- Net cost of governmental activities for FY 2017 (\$3,785,138) was financed by general revenues, which are made up primarily of property taxes \$2,265,895 and unrestricted federal and state aid \$802,517. Investment earnings accounted for \$1,719 of funding.

BARNWELL SCHOOL DISTRICT # 19
BLACKVILLE, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2017

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The financial performance of the District as a whole is reflected in its governmental funds. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The General Fund is the principal operating fund of the District. Proprietary Funds are used to account for operations that are operated in a manner similar to private business enterprises. The School Food Service Fund is the only Proprietary Fund. The fund had no change in net position.

Budgetary Highlights

A schedule showing the District budget amounts compared to the actual financial activity for the General Fund is provided in this report as a basic financial statement. The District's General Fund budget is an estimate of expected revenues and expenditures intended to be a guide for administering the District's financial plan. Events and circumstances occur during the school year that either increase or decrease a need for instructional or supportive services and/or materials.

Capital Assets and Debt Administration

Capital Assets: As of June 30, 2017, the District had invested \$13,217,691 in capital assets, including school buildings, athletic facilities, buses, and other vehicles and equipment. Total depreciation for the year was \$291,286. The following schedule presents capital asset balances, net of depreciation for the fiscal year ended June 30, 2017.

Land	\$ 63,126
Improvements	1,044,805
Buildings	10,960,987
Machinery and equipment	929,705
Vehicles	<u>219,068</u>
	13,217,691
Less Accumulated Depreciation	<u>(6,061,586)</u>
Total	<u>\$ 7,156,105</u>

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2017**

Additional information on the District's capital assets can be found in Note 3 of this report.

Debt Administration: At year-end the District had \$1,798,000 in general obligation bonds of which \$584,000 is due within one year.

General Obligation Bonds-Series 2009	\$ 1,060,000
General Obligation Bonds-Series 2016	<u>738,000</u>
	<u>\$ 1,798,000</u>

The District had \$220,000 in an acquisition, security & use agreement of which \$55,000 is due within one year.

Acquisition, Security & Use Agreement	<u>\$ 220,000</u>
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Economic Factors and Next Year's Budget

Barnwell School District #19 is located in a small, rural county with a high percentage of free lunch eligibility. Industrial development in our District is negligible, and the value of a mill is currently approximately \$10,745. The budget for 2017-18, as currently approved by the Board, is balanced.

Due to the current economic climate, the District has approved a TAN in the 2016-2017 year in the amount of \$500,000 to help assist with the cash flow of operations (Note 14). The District administration and school board is currently planning and will continue to plan for possible budget reductions to continue to build up the fund balance.

State revenues under the Supplemental Appropriation 11-11-156 B (3827) along with the Legal Residence (Tier 1), Homestead Exemption (Tier 2) and Tax Credit (Tier 3) continues to be advantageous to the District.

Contacting the District's Financial Management

This financial report is designed to provide the citizens of the District with a general overview of the District's finances. If you have any questions about this report or need additional information, contact the finance office at 297 Pascallas Street, P. O. Box 185, Blackville, South Carolina 29817.

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2017**

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITY</u>	<u>TOTAL</u>
ASSETS			
CURRENT ASSETS:			
CASH AND INVESTMENTS	\$ 1,305,305	\$ 47	\$ 1,305,352
TAXES RECEIVABLE	459,708	-	459,708
ACCOUNTS RECEIVABLE	-	1,964	1,964
DUE FROM COUNTY GOVERNMENT	371,850	-	371,850
DUE FROM STATE DEPARTMENT OF EDUCATION	65,264	-	65,264
DUE FROM OTHER STATE AGENCIES	22,812	-	22,812
DUE FROM FEDERAL GOVERNMENT	705,759	-	705,759
DUE FROM TRUST AND AGENCY FUND	2,200	-	2,200
INTERNAL BALANCES	(42,284)	42,284	-
INVENTORY	-	26,668	26,668
TOTAL CURRENT ASSETS	<u>2,890,614</u>	<u>70,963</u>	<u>2,961,577</u>
NONCURRENT ASSETS:			
CAPITAL ASSETS:			
NON-DEPRECIABLE	63,126	-	63,126
DEPRECIABLE, NET OF ACCUMULATED DEPRECIATION	7,063,358	29,622	7,092,980
TOTAL NONCURRENT ASSETS	<u>7,126,484</u>	<u>29,622</u>	<u>7,156,106</u>
TOTAL ASSETS	<u>10,017,098</u>	<u>100,585</u>	<u>10,117,683</u>
DEFERRED OUTFLOWS OF RESOURCES			
NET DEFERRED OUTFLOWS RELATED TO PENSIONS	943,232	-	943,232
TOTAL CONTRIBUTIONS SUBSEQUENT TO THE MEASUREMENT DATE FOR PENSIONS	500,965	-	500,965
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,444,197</u>	<u>-</u>	<u>1,444,197</u>
LIABILITIES			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	396,144	-	396,144
DUE TO TRUST AND AGENCY FUND	42,787	-	42,787
DUE TO STATE DEPARTMENT OF EDUCATION	13,437	-	13,437
DUE TO FEDERAL GOVERNMENT	118,198	-	118,198
ACCRUED SALARIES PAYABLE	529,379	-	529,379
ACCRUED PAYROLL TAXES, RETIREMENT, AND WITHHOLDING PAYABLE	228,390	-	228,390
ACCRUED HEALTH INSURANCE PAYABLE	77,973	-	77,973
ACCRUED INTEREST	20,517	-	20,517
UNEARNED REVENUE	348,625	-	348,625
CURRENT PORTION OF LONG-TERM OBLIGATIONS	639,000	-	639,000
TOTAL CURRENT LIABILITIES	<u>2,414,450</u>	<u>-</u>	<u>2,414,450</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE BASIC FINANCIAL STATEMENTS.

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2017**

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITY</u>	<u>TOTAL</u>
NONCURRENT LIABILITIES			
NONCURRENT PORTION OF LONG-TERM OBLIGATIONS	\$ 1,379,000	\$ -	\$ 1,379,000
AGGREGATE NET PENSION LIABILITY	9,981,459	-	9,981,459
TOTAL NONCURRENT LIABILITIES	<u>11,360,459</u>	<u>-</u>	<u>11,360,459</u>
TOTAL LIABILITIES	<u>13,774,909</u>	<u>-</u>	<u>13,774,909</u>
DEFERRED INFLOWS OF RESOURCES			
NET DEFERRED INFLOWS RELATED TO PENSIONS	595,885	-	595,885
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>595,885</u>	<u>-</u>	<u>595,885</u>
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	5,108,484	29,622	5,138,106
RESTRICTED FOR:			
DEBT SERVICE	304,084	-	304,084
SCHOOL BUILDING	57,702	-	57,702
UNRESTRICTED (DEFICIT)	<u>(8,379,769)</u>	<u>70,963</u>	<u>(8,308,806)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ (2,909,499)</u>	<u>\$ 100,585</u>	<u>\$ (2,808,914)</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE BASIC FINANCIAL STATEMENTS.

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITY	TOTAL
GOVERNMENTAL ACTIVITIES							
INSTRUCTION	\$ 4,430,955	\$ 69,390	\$ 4,135,464	\$ -	\$ (226,101)		\$ (226,101)
SUPPORTING SERVICES	5,275,554	60	2,173,113	-	(3,102,381)		(3,102,381)
INTERGOVERNMENTAL	79,362	-	-	-	(79,362)		(79,362)
INTEREST AND OTHER CHARGES	89,024	-	-	-	(89,024)		(89,024)
DEPRECIATION (NOTE 3)	288,270	-	-	-	(288,270)		(288,270)
TOTAL GOVERNMENTAL ACTIVITIES	10,163,165	69,450	6,308,577	-	(3,785,138)		(3,785,138)
BUSINESS-TYPE ACTIVITY:							
FOOD SERVICE	594,841	49,828	561,299	-	-	\$ 16,286	16,286
TOTAL BUSINESS-TYPE ACTIVITY	594,841	49,828	561,299	-	-	16,286	16,286
TOTAL SCHOOL DISTRICT	\$ 10,758,006	\$ 119,278	\$ 6,869,876	\$ -	(3,785,138)	16,286	(3,768,852)
GENERAL REVENUES:							
TAXES							
PROPERTY TAXES, LEVIED FOR GENERAL PURPOSES					1,723,441	-	1,723,441
PROPERTY TAXES, LEVIED FOR DEBT SERVICE					542,454	-	542,454
FEDERAL AND STATE AID NOT RESTRICTED TO SPECIFIC PURPOSES					802,517	-	802,517
UNRESTRICTED INVESTMENT EARNINGS							
GENERAL					1,432	-	1,432
DEBT SERVICE					287	-	287
MISCELLANEOUS					52,869	3,122	55,991
TOTAL GENERAL REVENUES					3,123,000	3,122	3,126,122
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE TRANSFERS					(662,138)	19,408	(642,730)
TRANSFERS BETWEEN GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES					19,408	(19,408)	-
CHANGE IN NET POSITION					(642,730)	-	(642,730)
NET POSITION (DEFICIT), JULY 1, 2016					(2,266,769)	100,585	(2,166,184)
NET POSITION (DEFICIT), JUNE 30, 2017					\$ (2,909,499)	\$ 100,585	\$ (2,808,914)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE BASIC FINANCIAL STATEMENTS.

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017**

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>EIA</u>	<u>DEBT SERVICE</u>	<u>SCHOOL BUILDING</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS						
CASH AND INVESTMENTS	\$ 1,305,305	\$ -	\$ -	\$ -	\$ -	\$ 1,305,305
TAXES RECEIVABLE	326,062	-	-	133,646	-	459,708
DUE FROM OTHER FUNDS	445,243	-	171,064	-	13,807	630,114
DUE FROM TRUST AND AGENCY FUND	2,200	-	-	-	-	2,200
DUE FROM COUNTY GOVERNMENT	27,518	-	-	300,437	43,895	371,850
DUE FROM SC DEPT OF EDUCATION	39,396	20,701	5,167	-	-	65,264
DUE FROM OTHER STATE AGENCIES	-	22,812	-	-	-	22,812
DUE FROM FEDERAL GOVERNMENT	-	705,759	-	-	-	705,759
TOTAL ASSETS	<u>\$ 2,145,724</u>	<u>\$ 749,272</u>	<u>\$ 176,231</u>	<u>\$ 434,083</u>	<u>\$ 57,702</u>	<u>\$ 3,563,012</u>
LIABILITIES						
ACCOUNTS PAYABLE	\$ 396,144	\$ -	\$ -	\$ -	\$ -	\$ 396,144
DUE TO OTHER FUNDS	227,155	445,243	-	-	-	672,398
DUE TO AGENCY FUNDS	42,787	-	-	-	-	42,787
DUE TO SC DEPT OF EDUCATION	-	-	13,437	-	-	13,437
DUE TO FEDERAL GOVERNMENT	-	118,198	-	-	-	118,198
ACCRUED SALARIES RETIREMENT AND PAYROLL	529,379	-	-	-	-	529,379
WITHHOLDINGS	28,136	-	-	-	-	28,136
ACCRUED SOCIAL SECURITY	36,349	-	-	-	-	36,349
ACCRUED RETIREMENT	163,905	-	-	-	-	163,905
ACCRUED HEALTH INSURANCE	77,973	-	-	-	-	77,973
UNEARNED REVENUE	-	185,831	162,794	-	-	348,625
TOTAL LIABILITIES	<u>1,501,828</u>	<u>749,272</u>	<u>176,231</u>	<u>-</u>	<u>-</u>	<u>2,427,331</u>
DEFERRED INFLOWS						
UNAVAILABLE REVENUE	322,351	-	-	129,999	-	452,350
TOTAL DEFERRED INFLOWS	<u>322,351</u>	<u>-</u>	<u>-</u>	<u>129,999</u>	<u>-</u>	<u>452,350</u>
FUND BALANCES						
RESTRICTED FOR:						
DEBT SERVICE	-	-	-	304,084	-	304,084
CAPITAL CONSTRUCTION	-	-	-	-	57,702	57,702
UNASSIGNED	321,545	-	-	-	-	321,545
TOTAL FUND BALANCES	<u>321,545</u>	<u>-</u>	<u>-</u>	<u>304,084</u>	<u>57,702</u>	<u>683,331</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 2,145,724</u>	<u>\$ 749,272</u>	<u>\$ 176,231</u>	<u>\$ 434,083</u>	<u>\$ 57,702</u>	<u>\$ 3,563,012</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE BASIC FINANCIAL STATEMENTS.

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
WITH THE STATEMENT OF NET POSITION
JUNE 30, 2017**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		\$ 683,331
AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE OF THE FOLLOWING:		
CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND THEREFORE ARE NOT REPORTED AS ASSETS IN THE GOVERNMENTAL FUNDS.		
THE COST OF CAPITAL ASSETS IS	\$ 12,587,697	
ACCUMULATED DEPRECIATION IS	<u>(5,461,213)</u>	7,126,484
PROPERTY TAXES RECEIVABLE ARE NOT AVAILABLE TO PAY FOR CURRENT PERIOD EXPENDITURES AND THEREFORE ARE CONSIDERED UNAVAILABLE REVENUES IN THE FUNDS		
		452,350
LONG-TERM LIABILITIES, INCLUDING BONDS PAYABLE, ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND THEREFORE ARE NOT REPORTED AS LIABILITIES IN THE FUNDS. LONG-TERM LIABILITIES AT YEAR END CONSIST OF:		
BONDS PAYABLE	(1,798,000)	
ACQUISITION, SECURITY & USE AGREEMENT	(220,000)	
ACCRUED INTEREST	<u>(20,517)</u>	(2,038,517)
PENSION RELATED AMOUNTS, INCLUDING THE PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY, DEFERRED OUTFLOWS OF RESOURCES, AND DEFERRED INFLOWS OF RESOURCES, ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND THEREFORE ARE NOT REPORTED AS LIABILITIES IN THE FUNDS. PENSION AMOUNTS AT YEAR END CONSISTS OF:		
AGGREGATE PROPORTIONATE SHARE OF COLLECTIVE NET PENSION LIABILITY	(9,981,459)	
DEFERRED OUTFLOWS OF RESOURCES RELATED TO PENSIONS	1,444,197	
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS	<u>(595,885)</u>	<u>(9,133,147)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		\$ <u>(2,909,499)</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE BASIC FINANCIAL STATEMENTS.

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>EIA</u>	<u>DEBT SERVICE</u>	<u>SCHOOL BUILDING</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUE						
LOCAL	\$ 1,939,173	\$ 158,858	\$ -	\$ 594,853	\$ 205	\$ 2,693,089
INTERGOVERNMENTAL	-	116,523	-	-	-	116,523
STATE	3,565,700	771,305	619,207	52,308	-	5,008,520
FEDERAL	-	1,893,130	-	-	-	1,893,130
TOTAL REVENUES	<u>5,504,873</u>	<u>2,939,816</u>	<u>619,207</u>	<u>647,161</u>	<u>205</u>	<u>9,711,262</u>
EXPENDITURES						
CURRENT						
INSTRUCTION	2,956,126	1,007,042	384,232	-	-	4,347,400
SUPPORTING SERVICES	2,998,731	1,818,858	93,560	-	162,079	5,073,228
OTHER CHARGES						
INTERGOVERNMENTAL EXPENDITURES	63,321	16,041	-	-	-	79,362
DEBT SERVICE						
PRINCIPAL	-	-	-	562,000	-	562,000
INTEREST	6,310	-	-	68,497	-	74,807
OTHER OBJECTS	-	-	-	515	20,015	20,530
CAPITAL OUTLAY	-	-	-	-	673,186	673,186
TOTAL EXPENDITURES	<u>6,024,488</u>	<u>2,841,941</u>	<u>477,792</u>	<u>631,012</u>	<u>855,280</u>	<u>10,830,513</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(519,615)</u>	<u>97,875</u>	<u>141,415</u>	<u>16,149</u>	<u>(855,075)</u>	<u>(1,119,251)</u>
OTHER FINANCING SOURCES (USES):						
PROCEEDS FROM GENERAL OBLIGATION BONDS	-	-	-	-	800,000	800,000
PROCEEDS FROM SALE OF CAPITAL ASSETS	800	-	-	-	-	800
CAPITAL LEASE	-	-	-	-	220,000	220,000
OPERATING TRANSFERS IN	383,153	-	-	-	-	383,153
OPERATING TRANSFERS OUT	-	(222,330)	(141,415)	-	-	(363,745)
TOTAL OTHER FINANCING SOURCES (USES)	<u>383,953</u>	<u>(222,330)</u>	<u>(141,415)</u>	<u>-</u>	<u>1,020,000</u>	<u>1,040,208</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(135,662)</u>	<u>(124,455)</u>	<u>-</u>	<u>16,149</u>	<u>164,925</u>	<u>(79,043)</u>
FUND BALANCE JULY 1, 2016	<u>457,207</u>	<u>124,455</u>	<u>-</u>	<u>287,935</u>	<u>(107,223)</u>	<u>762,374</u>
FUND BALANCE JUNE 30, 2017	<u>\$ 321,545</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 304,084</u>	<u>\$ 57,702</u>	<u>\$ 683,331</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE BASIC FINANCIAL STATEMENTS.

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES WITH THE DISTRICT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (79,043)

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE OF THE FOLLOWING:

CAPITAL OUTLAYS ARE REPORTED IN THE 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.

CAPITAL OUTLAYS	\$ 539,988	
DEPRECIATION EXPENSE	<u>(288,270)</u>	251,718

BOND AND CAPITAL LEASE PROCEEDS ARE REPORTED AS FINANCING SOURCES IN GOVERNMENTAL FUNDS AND THUS CONTRIBUTE TO THE CHANGE IN FUND BALANCE. IN THE GOVERNMENT-WIDE STATEMENTS, HOWEVER, ISSUING DEBT INCREASES LONG-TERM LIABILITIES IN THE STATEMENT OF NET POSITION AND DOES NOT AFFECT THE STATEMENT OF ACTIVITIES

BOND PROCEEDS	(800,000)	
CAPITAL LEASE PROCEEDS	<u>(220,000)</u>	(1,020,000)

REPAYMENT OF BOND PRINCIPAL IS AN EXPENDITURE IN THE GOVERNMENTAL FUNDS, BUT THE REPAYMENT REDUCES LONG-TERM LIABILITIES IN THE STATEMENT OF NET POSITION.

562,000

INTEREST ON LONG-TERM DEBT IN THE STATEMENT OF ACTIVITIES DIFFERS FROM THE AMOUNT REPORTED IN THE GOVERNMENTAL FUNDS BECAUSE INTEREST IS RECOGNIZED AS AN EXPENDITURE IN THE 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 INTEREST ACCRUES, REGARDLESS OF WHEN IT IS DUE. ACCRUED INTEREST ON BONDS DECREASED BY:

6,313

BECAUSE SOME PROPERTY TAXES WILL NOT BE COLLECTED FOR SEVERAL MONTHS AFTER THE DISTRICT'S FISCAL YEAR ENDS, THEY ARE NOT CONSIDERED "AVAILABLE" REVENUES AND ARE UNAVAILABLE IN THE GOVERNMENTAL FUNDS. UNAVAILABLE TAX REVENUES INCREASED BY THIS AMOUNT THIS YEAR.

(211,035)

PENSION EXPENSE IN THE STATEMENT OF ACTIVITIES DIFFERS FROM THE AMOUNT REPORTED IN THE GOVERNMENTAL FUNDS BECAUSE THE PROPORTIONATE SHARES OF COLLECTIVE NET PENSION EXPENSES ARE REQUIRED TO BE REPORTED AND ANY CONTRIBUTIONS MADE SUBSEQUENT TO THE MEASUREMENT DATE ARE TO BE SHOWN AS DEFERRED OUTFLOWS RATHER THAN EXPENSES.

CHANGE IN AGGREGATE PROPORTIONATE SHARE OF COLLECTIVE NET PENSION EXPENSE	(154,422)	
CHANGE IN CONTRIBUTIONS MADE SUBSEQUENT TO THE MEASUREMENT DATE	<u>1,739</u>	<u>(152,683)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (642,730)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE BASIC FINANCIAL STATEMENTS.

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUND
JUNE 30, 2017**

	<u>ENTERPRISE FUND- FOOD SERVICE</u>
ASSETS	
CURRENT ASSETS:	
CASH AND CASH EQUIVALENTS	\$ 47
DUE FROM OTHER FUNDS	42,284
OTHER RECEIVABLES	1,964
INVENTORY - PURCHASED FOOD AND SUPPLIES	<u>26,668</u>
TOTAL CURRENT ASSETS	<u>70,963</u>
NONCURRENT ASSETS:	
MACHINERY AND EQUIPMENT	629,994
LESS: ACCUMULATED DEPRECIATION	<u>(600,372)</u>
TOTAL NONCURRENT ASSETS	<u>29,622</u>
TOTAL ASSETS	<u>100,585</u>
LIABILITIES	<u>-</u>
NET POSITION	
NET INVESTMENT IN CAPITAL ASSETS	29,622
UNRESTRICTED	<u>70,963</u>
TOTAL NET POSITION	<u><u>\$ 100,585</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE BASIC FINANCIAL STATEMENTS.

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>ENTERPRISE FUND- FOOD SERVICE</u>
OPERATING REVENUES:	
PROCEEDS SALE OF MEALS	\$ 49,828
TOTAL OPERATING REVENUES	<u>49,828</u>
OPERATING EXPENSES:	
FOOD COSTS	324,441
SALARIES AND BENEFITS	168,946
PAYMENTS TO OTHER GOVERNMENTAL UNITS	28,794
SUPPLIES AND MATERIALS	41,932
DEPRECIATION	3,016
OTHER OPERATING COSTS	27,712
TOTAL OPERATING EXPENSES	<u>594,841</u>
OPERATING INCOME (LOSS)	<u>(545,013)</u>
NON-OPERATING REVENUES (EXPENSES):	
USDA REIMBURSEMENTS	523,202
COMMODITIES RECEIVED FROM USDA	38,052
OTHER FEDERAL AND STATE AID	45
OTHER INCOME	3,122
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>564,421</u>
INCOME BEFORE OPERATING TRANSFERS	19,408
OPERATING TRANSFERS IN (OUT)	<u>(19,408)</u>
CHANGE IN NET POSITION	-
TOTAL NET POSITION - JULY 1, 2016	<u>100,585</u>
TOTAL NET POSITION - JUNE 30, 2017	<u><u>\$ 100,585</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE BASIC FINANCIAL STATEMENTS.

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2017**

CASH FLOWS FROM OPERATING ACTIVITIES:

CASH RECEIVED FROM PATRONS	\$ 49,828
CASH PAYMENTS TO SUPPLIERS FOR GOODS AND SERVICES	(373,786)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	<u>(197,740)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>(521,698)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:

CASH RECEIVED FROM USDA REIMBURSEMENTS	523,202
CASH RECEIVED FROM OTHER FEDERAL AND STATE AID	45
COMMODITIES RECEIVED	38,052
CASH RECEIVED FROM OTHER SOURCES	3,122
OPERATING TRANSFERS - OUT TO OTHER FUNDS	<u>(19,408)</u>
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	<u>545,013</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

ACQUISITION OF CAPITAL ASSETS	<u>(23,315)</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(23,315)</u>

NET INCREASE (DECREASE) IN CASH

	-
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CASH AND CASH EQUIVALENTS - JULY 1, 2016

	<u>47</u>
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CASH AND CASH EQUIVALENTS - JUNE 30, 2017

	<u><u>\$ 47</u></u>
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RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:

OPERATING INCOME (LOSS)	\$ (545,013)
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ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:

DEPRECIATION	3,016
CHANGE IN ASSETS AND LIABILITIES:	
(INCREASE) DECREASE IN DUE FROM OTHER FUNDS	26,069
(INCREASE) DECREASE IN INVENTORY AND SUPPLIES	<u>(5,770)</u>

NET CASH USED BY OPERATING ACTIVITIES

	<u><u>\$ (521,698)</u></u>
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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE BASIC FINANCIAL STATEMENTS.

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUND
JUNE 30, 2017**

	PRIVATE PURPOSE TRUST FUNDS	AGENCY FUNDS	TOTAL
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 30,431	\$ -	\$ 30,431
DUE TO GENERAL FUND	-	42,787	42,787
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	30,431	42,787	73,218
	<hr/>	<hr/>	<hr/>
LIABILITIES			
DUE TO GENERAL FUND	2,200	-	2,200
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	2,200	-	2,200
	<hr/>	<hr/>	<hr/>
NET POSITION			
RESERVED FOR SCHOLARSHIP ACTIVITIES	28,231	-	28,231
RESERVED FOR PUPIL ACTIVITIES	-	42,787	42,787
	<hr/>	<hr/>	<hr/>
TOTAL NET POSITION	\$ 28,231	\$ 42,787	\$ 71,018
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE BASIC FINANCIAL STATEMENTS.

**BARNWELL SCHOOL DISTRICT #19
 BLACKVILLE, SOUTH CAROLINA
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
 FIDUCIARY FUND
 FOR THE YEAR ENDED JUNE 30, 2017**

	PRIVATE PURPOSE TRUST FUNDS
ADDITIONS	
INVESTMENT EARNINGS	\$ 43
CONTRIBUTIONS AND DONATIONS	<u>200</u>
TOTAL ADDITIONS	243
DEDUCTIONS	
SCHOLARSHIPS	<u>500</u>
CHANGE IN NET POSITION	(257)
NET POSITION JULY 1, 2016	<u>28,488</u>
NET POSITION JUNE 30, 2017	<u><u>\$ 28,231</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE BASIC FINANCIAL STATEMENTS.

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	AMENDED	ACTUAL	
REVENUES				
LOCAL	\$ 2,734,779	\$ 1,920,846	\$ 1,939,173	\$ 18,327
STATE	3,221,283	3,728,841	3,565,700	(163,141)
TOTAL REVENUES	<u>5,956,062</u>	<u>5,649,687</u>	<u>5,504,873</u>	<u>(144,814)</u>
EXPENDITURES				
CURRENT				
INSTRUCTION	2,996,862	2,947,318	2,956,126	(8,808)
SUPPORTING SERVICES	2,929,200	2,915,744	2,998,731	(82,987)
INTERGOVERNMENTAL	30,000	56,000	63,321	(7,321)
DEBT SERVICE				
PRINCIPAL AND INTEREST	-	-	6,310	(6,310)
TOTAL EXPENDITURES	<u>5,956,062</u>	<u>5,919,062</u>	<u>6,024,488</u>	<u>(105,426)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(269,375)</u>	<u>(519,615)</u>	<u>(250,240)</u>
OTHER FINANCING SOURCES (USES):				
PROCEEDS FROM SALE OF CAPITAL ASSETS	-	-	800	800
OPERATING TRANSFERS IN	-	269,375	383,153	113,778
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>269,375</u>	<u>383,953</u>	<u>114,578</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES		<u>\$ -</u>	<u>(135,662)</u>	<u>\$ (135,662)</u>
FUND BALANCE JULY 1, 2016			<u>457,207</u>	
FUND BALANCE JUNE 30, 2017			<u>\$ 321,545</u>	

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE BASIC FINANCIAL STATEMENTS.

BARNWELL SCHOOL DISTRICT #19
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

The accounting and reporting policies of the School District relating to the accompanying financial statements conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units*, and by the Financial Accounting Standard Board (when applicable). As allowed in Section P80 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, the School District has elected not to apply to its proprietary activities Financial Accounting Standards Board Statements and Interpretation, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedures issued after November 30, 1989. The more significant accounting policies of the School District are described below.

B. Financial Reporting Entity

The School District's financial statements include the accounts of all School District operations. The criteria for including organizations as component units within the School District's reporting entity, as set forth in Section 2100 of GASB's *Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the School District holds the corporate power of the organization
- the School District appoints a voting majority of the organization's board
- the School District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the School District
- there is fiscal dependency by the organization on the School District

Based on the aforementioned criteria, the School District has no component units.

C. Fund Accounting

The accounts for the School District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are recorded in a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, revenues, and expenditures. The following funds are used by the School District:

Governmental Funds

General Fund

This fund accounts for and reports all financial resources not accounted for and reported in another fund. This is the principal fund of the School District and accounts for the primary operation of the School District.

Special Revenue Fund

This fund accounts for and reports the proceeds of specific sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

BARNWELL SCHOOL DISTRICT #19
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Fund Accounting (Cont'd)

EIA Fund

The EIA fund is used to account for the proceeds of the additional 1 percent sales and use tax that are restricted to expenditures for the Education Improvement Act strategies.

Debt Service Fund

The purpose of this fund is to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital Projects Fund (School Building Fund)

The purpose of this fund is to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay.

Proprietary Funds

Enterprise Fund (Food Service Fund)

The purpose of this fund is to account for activities of the food service operations of the School District, including collections for meals from students and teachers, USDA reimbursement, and all related expenditures.

Fiduciary Funds

Agency Funds (Pupil Activity Fund)

These funds are used to account for funds the School District holds as an agent for others. The Pupil Activity Funds account for the various activities of the individual schools.

Private Purpose Trust Fund (Scholarship Funds)

The purpose of this fund is to account for assets held by the School District in a trustee capacity.

D. Government-wide and Fund Financial Statements

Government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the School District. As a general rule, the effect of interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

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

BARNWELL SCHOOL DISTRICT #19
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

D. Government-wide and Fund Financial Statements (Cont'd)

Fund financial statements are also provided in the report for all of the governmental funds, proprietary funds, and the fiduciary funds of the School District. Fiduciary funds are reported by fund type. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the district-wide statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the School District's enterprise fund are food service charges. Operating expenses for the School District's enterprise fund include food production costs, supplies, administrative costs, and depreciation on capital assets. All revenues or expenses are meeting this definition are reported as nonoperating revenues and expenses.

Inter-fund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other financing sources and uses on the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and on the Proprietary Fund Statement of Revenue, Expenses, and Changes in Fund Net Position. All inter-fund transactions between governmental funds are eliminated on the government-wide statements. Inter-fund activities between governmental funds and fiduciary funds remain as due to/due from on the government-wide Statement of Net Position.

The District reports the General Fund, Special Revenue Fund, Education Improvement Act Fund, Debt Service Fund and School Building Fund as major governmental funds, which are reported as separate columns in the fund financial statements.

E. Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be "available" when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered "measurable" when transferred to the District's account by the County Treasurer and are recognized at that time. Revenue from federal, state and other grants designated for payment of specific School District expenditures is recognized when the related expenditures are incurred: accordingly, when such funds are received, they are recorded as deferred revenues until earned.

BARNWELL SCHOOL DISTRICT #19
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

F. Inventory

Inventory held by the Food Service Fund is recorded at cost, with cost being determined by the first-in, first-out method. Inventories are not recognized in any of the governmental funds and are considered to be immaterial.

G. Operation of School District

The School District has an elected Board of Trustees. This Board is the decision-making body of the School District and is responsible for the operations of the School District. The School District Superintendent is hired by the Board of Trustees and has the responsibility of carrying out their decisions.

H. Budgets and Budgetary Accounting

The School District follows these procedures in establishing the budgetary data reflected in these financial statements:

- (a) Prior to July 1, the School District Superintendent submits to the Barnwell School District #19 Board of Trustees a proposed operating budget for the General Fund for the fiscal year commencing July 1.
- (b) Public hearings are conducted to obtain taxpayer comments.
- (c) Prior to July 1, the General Fund budget is legally enacted through passage of an ordinance.
- (d) Budgets are adopted on a basis consistent with GAAP.
- (e) The General Fund budget is approved for total appropriations only. The School District Board of Trustees is authorized to transfer budget amounts within the General Fund.
- (f) Unused appropriations lapse at year end.
- (g) The budget amounts shown in the financial statements are the original and final authorized amounts.

I. Net Position and Fund Balance

Government-Wide Financial Statements

When the District incurs an expense for which it may use either restricted or unrestricted assets, it uses restricted assets first. Net position on the Statement of Net Position includes the following:

Net Investment in Capital Assets – The component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt that is directly attributable to the acquisition, construction, or improvement of these capital assets.

BARNWELL SCHOOL DISTRICT #19
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

I. Net Position and Fund Balance (Cont'd)

Restricted – The component of net position that is limited as to the manner in or purpose for which it may be used. Restrictions on net position imposed by external persons or bodies, through constitutional provision, or via enabling legislation. None of the restricted assets reported in the Statement of Net Position is restricted through enabling legislation.

Unrestricted – The difference between the assets and liabilities that is not reported in Net Position for Net Investment in Capital Assets, Net Position Restricted for Debt Service, Net Position for School Building, or Net Position Restricted for Special Revenue.

Fund Financial Statements

In accordance with Government Accounting Standards Board Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

Non-spendable – Funds are a) not in a spendable form (i.e. inventories, prepaid items, long-term loans and notes receivable) or b) legally or contractually required to be maintained intact (i.e. corpus of a permanent fund).

Restricted – Constraints placed on the use of resources are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or b) imposed by law through constitutional provisions of enabling legislation.

Committed – Constraints on use are imposed by formal action by the District's Board of Trustees and can only be removed by the same type of action (i.e. resolution or ordinance).

Assigned – Amounts constrained by the District's intent that they be used for a specific purpose, but are neither restricted nor committed.

Unassigned – Residual amounts not falling into any of the above categories.

Management is authorized to assign fund balance amounts for specified purposes as needed.

The District uses restricted amounts first when both restricted and unrestricted fund balances are available, unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The District does not have a formal minimum fund balance policy.

J. Inter-fund Activity

Inter-fund Receivables and Payables

During the course of operations, numerous transactions occur between funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Inter-fund receivables and payables between funds are eliminated in the Statement of Net Position.

BARNWELL SCHOOL DISTRICT #19
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

J. Inter-fund Activity (cont'd)

Inter-fund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as inter-fund transfers. For the purpose of the statement of activities, all inter-fund transfers between individual governmental funds have been eliminated. All transfers between funds are routine in nature and consistent with the activities of the fund making the transfer.

K. Pensions

The Governmental Accounting Standards Board (GASB) issued Statement No. 68 entitled Accounting and Financial Reporting for Pension Plans in June 2012. The disclosure requirements applicable to employers participating in the South Carolina Retirement System are prescribed in paragraphs 48 through 82 of GASB 68. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Carolina Retirement System and additions to/deductions from the South Carolina Retirement System's fiduciary net position have been determined on the same basis as they are reported by the South Carolina Retirement System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 - PROPERTY TAX

Property tax revenues are recognized when they become available. Available means when due or past due and receivable within the current period, collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The property taxes receivable amount consists of all delinquent property taxes. Estimated uncollectible taxes are amounts not collected within 60 days and are not available to meet current obligations at the end of the year.

Property taxes, excluding personal property taxes on motor vehicles, attach as an enforceable lien on property as of January 1, and are billed and collected by Barnwell County. Taxes are levied on October 1, and are due and payable January 15. All unpaid taxes levied October 1, become delinquent March 17, of the following year. Penalties are assessed as follows: 3% on January 16, 10% on February 2, and 15% on March 17.

NOTE 3 - CAPITAL ASSETS

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Property and equipment acquired or constructed prior to June 30, 2002, were recorded at cost or estimated historical cost. Acquisitions subsequent to June 30, 2002, have been recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

BARNWELL SCHOOL DISTRICT #19
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3 - CAPITAL ASSETS (CONT'D)

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

Assets	Years
Buildings	25-60
Improvements	15
Equipment	5-10
Vehicles	5-10

Proprietary Fund equipment purchases are capitalized in the Proprietary Fund at cost and depreciated on a straight-line basis over 12 years. Depreciation expense for all capital assets, governmental activities is reported as a separate line item in the statement of activities.

The following is a summary of changes in the capital assets, governmental activities for the fiscal year:

	Balance July 1, 2016	Additions	Retirements	Balance June 30, 2017
Non depreciable:				
Land	\$ 63,126	\$ -	\$ -	\$ 63,126
Depreciable:				
Buildings	10,960,987	-	-	10,960,987
Improvements	619,745	425,060	-	1,044,805
Equipment	184,783	114,928	-	299,711
Vehicles	219,068	-	-	219,068
	12,047,709	539,988	-	12,587,697
Less accumulated depreciation	(5,172,943)	(288,270)	-	(5,461,213)
Governmental activities capital assets, net	\$ 6,874,766	\$ 251,718	\$ -	\$ 7,126,484

The following is a summary of changes in the capital assets, business-type activities for the fiscal year:

	Balance July 1, 2016	Additions	Retirements	Balance June 30, 2017
Equipment	\$ 643,089	\$ 23,315	\$ 36,410	\$ 629,994
Less accumulated depreciation	(633,767)	(3,016)	(36,410)	(600,373)
Business-type activities capital assets, net	\$ 9,322	\$ 20,299	\$ -	\$ 29,621

BARNWELL SCHOOL DISTRICT #19
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4 – INTERFUND TRANSFERS

Transfers between various funds for the fiscal year are as follows:

Fund	Transfers In	Transfers Out
General Fund	\$ 383,153	\$ -
Special Revenue Funds	-	222,330
Special Revenue EIA	-	141,415
Food Service Fund	-	19,408
Total	<u>\$ 383,153</u>	<u>\$ 383,153</u>

The Special Revenue Funds include transfers of indirect costs and excess Medicaid funds to the General Fund. The EIA Fund includes allowable transfers of EIA specified revenue to the General Fund. The Food Service Fund includes transfers of indirect costs to the General Fund.

NOTE 5 - CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, the Food Service Fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

NOTE 6 - DEPOSITS

Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District's deposits may not be returned or the School District will not be able to recover collateral securities in the possession of an outside party. The School District does not have a formal policy regarding custodial credit risk.

The cash on deposit under the direction of the School District consists solely of funds held in checking accounts and certificates of deposit maintained at one regional financial institution.

At June 30, 2017, the carrying amount (reconciled balance) of the School District's deposits was \$1,335,736 and the bank balance was \$1,445,537. Of the bank balance, \$280,431 was covered by federal depository insurance, and the remaining \$1,165,106 was covered by collateral held by the bank's bond department pledged in the School District's name.

Statutes authorized the School District to invest in obligations of the U.S. government or agencies thereof, obligations of the State of South Carolina or political subdivisions thereof, and certificates of deposit collateralized by the aforementioned obligations or insured by an agency of the federal government.

NOTE 7 – LONG-TERM DEBT

The following is a summary of governmental activities long-term debt transactions for the year ended June 30, 2017:

	General Obligation Bonds	Acquisition, Security and Use Agreement	Total
Balance at July 1, 2016	\$ 1,560,000	\$ -	\$ 1,560,000
Issued during year	800,000	220,000	1,020,000
Retired during year	<u>(562,000)</u>	<u>-</u>	<u>(562,000)</u>
Balance at June 30, 2017	<u>\$ 1,798,000</u>	<u>\$ 220,000</u>	<u>\$ 2,018,000</u>

BARNWELL SCHOOL DISTRICT #19
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 7 – LONG-TERM DEBT (CONT'D)

Details of long-term debt at June 30, 2017, are as follows:

General Obligation Bond

\$4,625,000 General Obligation Bond of 2009, dated April 9, due in annual installments of \$410,000 to \$540,000 each March 1, through 2019, with interest rates varying from 3% to 4%. \$1,060,000

General Obligation Bond

\$800,000 General Obligation Bond of 2016, dated August 18, due in annual installments of \$62,000 to \$307,000 each March 1, through 2021, with an interest rate of 1.55%. \$ 738,000

\$1,798,000

The annual requirements to amortize the General Obligation Bonds outstanding as of June 30, 2017, including bond interest payments are as follows:

Year Ending June 30,	<u>General Obligation Bonds</u>		
	Principal	Interest	Total
2018	\$ 584,000	\$ 53,839	\$ 637,839
2019	605,000	32,047	637,047
2020	302,000	9,440	311,440
2021	<u>307,000</u>	<u>4,759</u>	<u>311,759</u>
	<u>\$ 1,798,000</u>	<u>\$ 100,085</u>	<u>\$ 1,898,085</u>

Acquisition, Security and Use Agreement

\$220,000 Acquisition, Security and Use Agreement, Series 2016, dated October 12, due in annual installments of \$55,000 each December 1, through 2020, with an interest rate of 1.85%. \$ 220,000

The annual requirements to amortize the Acquisition, Security and Use Agreement as of June 30, 2017, including interest payments are as follows:

Year Ending June 30,	<u>Acquisition, Security and Use Agreement</u>		
	Principal	Interest	Total
2018	\$ 55,000	\$ 4,070	\$ 59,070
2019	55,000	3,053	58,053
2020	55,000	2,035	57,035
2021	<u>55,000</u>	<u>1,018</u>	<u>56,018</u>
	<u>\$ 220,000</u>	<u>\$ 10,176</u>	<u>\$ 230,176</u>

Interest on long-term debt is included as a separate line item in the statement of activities. The total amount of interest charged to expense in the statement of activities for the year ended June 30, 2017 was \$69,048. No interest on long-term debt has been allocated directly to a specific function.

BARNWELL SCHOOL DISTRICT #19
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 8 – RETIREMENT PLAN

General Information about the Pension Plans

Barnwell School District #19 participates in the South Carolina Retirement System (SCRS) and the State Optional Retirement Program (State ORP). The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the Budget and Control Board, which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems (Systems) and serves as a co-trustee of the Systems in conducting the review.

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

Plan Descriptions

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

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

Membership

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

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

State ORP – As an alternative to membership in SCRS, newly hired state, public school, and higher education employees and individuals newly elected in the S.C. General Assembly beginning with the November 2012 general election have the option to participate in the State Optional Retirement Program (State ORP), which is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers. For this reason, State ORP programs are not considered part of the retirement systems for financial statement purposes.

BARNWELL SCHOOL DISTRICT #19
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 8 – RETIREMENT PLAN (CONT'D)

Employee and Employer contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employers to the member's account with investment providers for the employee contribution (8.66 percent) and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution (6.41 percent) and an incidental death benefit contribution (.15 percent), if applicable, which is retained by SCRS.

Benefits Provided

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

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

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

Contributions

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

**BARNWELL SCHOOL DISTRICT #19
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 8 – RETIREMENT PLAN (CONT'D)

- Required **employee** contribution rates for fiscal year 2016-2017 are as follows:

SCRS

Employee Class Two 8.66% of earnable compensation

Employee Class Three 8.66% of earnable compensation

State ORP Employee 8.66% of earnable compensation

- Required **employer** contribution rates for fiscal year 2016-2017 are as follows:

SCRS

Employer Class Two 11.41% of earnable compensation

Employer Class Three 11.41% of earnable compensation

Employer Incidental Death Benefit 0.15% of earnable compensation

State ORP Employee

Employer Contribution 11.41% of earnable compensation

Employer Incidental Death Benefit 0.15% of earnable compensation

Of the employer contribution of 11.41% for State ORP, 5% of earnable compensation must be remitted by the employer directly to the ORP vendor to be allocated to the member's account with the remainder of the employer contribution remitted to SCRS.

The governmental unit's contributions to the SCRS for the last three fiscal years were as follows:

SCRS	2017	2016	2015
Employee Contributions	\$ 385,677	\$ 363,641	\$ 365,582
Employer Contributions	\$ 508,149	\$ 494,092	\$ 492,950
Employer Group Life Contributions	\$ 6,582	\$ 6,873	\$ 6,899
Total	\$ 900,408	\$ 864,606	\$ 865,431

The governmental unit contributed 100% of the required contributions for the current year and each of the two preceding years.

**BARNWELL SCHOOL DISTRICT #19
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 8 – RETIREMENT PLAN (CONT'D)

Actuarial Assumptions

Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued as of July 1, 2015.

The most recent actuarial valuation reports adopted by PEBA Board and Budget and Control Board are as of June 30, 2016. The net pension liability of each defined benefit pension plan was therefore determined by PEBA’s consulting actuary, Gabriel, Roeder, Smith and Company (GRS), based on the July 1, 2015 actuarial valuations, using membership data as of July 1, 2015 actuarial valuations, projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2016, using generally accepted actuarial procedures. Information included in the following schedules is based of the certification provided by GRS.

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2015 valuation for SCRS:

Actuarial Cost Method	SCRS
Actuarial Assumptions:	Entry Age Normal
Investment rate of return	7.5%
Projected salary increases	3.5% -12.5%
Includes inflation at	2.75%
Benefits adjustments	Lesser of 1% or \$500

The post-retiree mortality assumption is dependent upon the member’s job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000.

Assumptions used in the July 1, 2015 valuation for SCRS are as follows:

<u>Former Job Class</u>	<u>Males</u>	<u>Females</u>
Educators	RP-2000 Males (with White Collar adjustment) multiplied by 110%	RP-2000 Females (with White Collar adjustment) multiplied by 95%
General Employees and Members of the General Assembly	RP-2000 Males multiplied by 100%	RP-2000 Females multiplied by 90%
Public Safety, Firefighters, and members of the South Carolina National Guard	RP-2000 Males (with Blue Collar adjustment) multiplied by 115%	RP-2000 Females (with Blue Collar adjustment) multiplied by 115%

**BARNWELL SCHOOL DISTRICT #19
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 8 – RETIREMENT PLAN (CONT'D)

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67 less that System's fiduciary net position. As of June 30, 2016, NPL amounts for SCRS are presented below (amounts expressed in thousands).

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employers' Net Pension Liability (Asset)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
SCRS	\$45,356,215	\$23,996,362	\$21,359,853	52.9%

The total pension liability is calculated by the Systems' actuary, and the plan's fiduciary net position is reported in the Systems' financial statements. The net pension liability is disclosed in accordance with the requirements of GASB 67 in the Systems' notes to the financial statements and required supplementary information.

Discount Rate

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

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30 year capital market outlook at the end of the third quarter 2015. The long-term expected rates of return represent assumptions developed using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

The expected returns, along with expected inflation rate, form the basis for the target asset allocation as adopted by the Investment Commission for fiscal year 2016. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentages and then adding the actuarial expected inflation which is summarized in the table below. For actuarial purposes, the 7.50 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.75 percent inflation component.

BARNWELL SCHOOL DISTRICT #19
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 8 – RETIREMENT PLAN (CONT'D)

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
Global Equity	43.0%		
Global Public Equity	34.0%	6.52%	2.22%
Private Equity	9.0%	9.30%	0.84%
Real Assets	8.0%		
Real Estate	5.0%	4.32%	0.22%
Commodities	3.0%	4.53%	0.13%
Infrastructure	0.0%	6.26%	0.00%
Opportunistic	20.0%		
GTAA/Risk Parity	10.0%	3.90%	0.39%
HF (Low Beta)	10.0%	3.87%	0.39%
Diversified Credit	17.0%		
Mixed Credit	5.0%	3.52%	0.17%
Emerging Markets Debt	5.0%	4.91%	0.25%
Private Debt	7.0%	4.47%	0.31%
Conservative Fixed Income	12%		
Core Fixed Income	10.0%	1.72%	0.17%
Cash and Short Duration (Net)	2.0%	0.71%	0.01%
Total Expected Real Return	100.0%		5.10%
Inflation for Actuarial Purposes			2.75%
Total Expected Nominal Return			7.85%

Sensitivity Analysis

The following table presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.50%)	Current Discount Rate (7.50%)	1.00% Increase (8.50%)
SCRS	\$ 12,451,597	9,981,459	\$ 7,925,162

Payables to the Pension Plan

As of June 30, 2017, the District had \$163,905 in payables outstanding to the pension plans for its legally required contributions.

BARNWELL SCHOOL DISTRICT #19
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 8 – RETIREMENT PLAN (CONT'D)

Pension Liabilities

At June 30, 2017, the District reported a liability of \$9,981,459 for its proportionate share of the net pension liability for the SCRS. The net pension liability of each defined benefit plan as determined based on the most recent actuarial valuation as of July 1, 2015, using membership as of that date projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2016. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental units, actuarially determined. At June 30, 2017 the District's proportion was 0.046730 percent.

For the year ended June 30, 2017 the District recognized pension expense of \$921,118

At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

SCRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 103,470	\$ 10,840
Net Difference Between Projected and Actual Earnings On Pension Plan Investments	839,762	-
Changes in Proportions and Differences Between District Contributions and Proportionate Share of Contributions	-	585,045
Direct Contributions Subsequent to the Measurement Date	500,965	-
Totals	\$ 1,444,197	\$ 595,885

The amount of \$500,965 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017.

The following schedule reflects the amortization of the net balance of remaining deferred outflows/(inflows) of resources at June 30, 2016. Average remaining service lives of all employees provided with pensions through the pension plans at the measurement date was 4.116 years for SCRS.

Measurement Period Ending June 30,	SCRS
2017	\$ 84,389
2018	84,389
2019	84,389
2020	84,389
2021	9,791
Net Balance of Deferred Outflows/(Inflows) of Resources	\$ 347,347

BARNWELL SCHOOL DISTRICT #19
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 9 – DEFERRED COMPENSATION PLANS

Several optional deferred compensation plans are available to School District employees. Some employees have elected to participate. The multiple-employer plans, created under Internal Revenue Code Sections 457 and 401(k), are accounted for as agency funds of the State of South Carolina and are included in the Comprehensive Annual Financial Report of the State of South Carolina. Employees may withdraw the current value of their contributions when they terminate employment. Employees may also withdraw contributions prior to termination, if they meet requirements specified by the applicable plan. Compensation deferred under Section 401(k) is placed in trust for the contributing employee. The State has no liability for losses under the plans.

NOTE 10 – INTERFUND RECEIVABLES AND PAYABLES

Individual fund interfund receivable and payable balances at June 30, 2017, were:

Fund	Interfund Receivables	Interfund Payables
General Fund	\$ 445,243	\$ 227,155
Special Revenue	-	445,243
EIA Special Revenue	171,064	-
Food Service Fund	42,284	-
School Building Fund	<u>13,807</u>	<u>-</u>
	<u>\$ 672,398</u>	<u>\$ 672,398</u>

NOTE 11 – RISK MANAGEMENT

The School District is exposed to various risks of loss. The School District is insured through the South Carolina School Board Insurance Trust for losses related to torts; theft, damage, or destruction of assets; business interruption; errors or omissions; and acts of God. The School District pays premiums to the State Workmen’s Compensation Fund for job-related illnesses and to Blue Cross/Blue Shield for health insurance. Surety bonds are provided through commercial insurance.

NOTE 12 – NET POSITION BALANCES

Following is a list of all restrictions on District net position and a brief description of each:

- (A) Restricted for Debt Service – used to segregate a portion of net position for debt service resources legally restricted to the payment of long-term debt principal and interest amounts maturing in future years.
- (B) Restricted for School Building – used to segregate a portion of net position to be used for the acquisition and improvement of capital facilities.

The District’s unrestricted net position represents the remainder of the equity in governmental activity funds.

BARNWELL SCHOOL DISTRICT #19
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 13 – POST EMPLOYMENT BENEFITS

Plan Description

The South Carolina Health Insurance Trust Fund and the South Carolina Long-Term Disability Insurance Trust Fund were established by the State of South Carolina as Act 195, which became effective on May 1, 2008. These trusts were established to fund and account for the employer costs of the State's retiree health and dental plans and the State's basic long-term disability plan in compliance with Governmental Accounting Standards Board Statements No. 43, Financial Reporting for Post Employment Benefit Plans Other Than Pension Plans, and No. 45, Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions. The Employee Insurance Program administers both trusts and the State Budget and Control Board acts as Trustee. The State Treasurer is custodian of the funds and invests the funds in accordance with State statutes. The Trustee for these trusts has determined them to be cost-sharing multiple-employer defined benefit plans that cover employees of the State, including all agencies and public school districts. The South Carolina Health Insurance Trust Fund provides health and dental insurance benefits to eligible retirees and the South Carolina Long-Term Disability Insurance Trust Fund provides disability payments to eligible employees as defined in Article 5 of the State Code of Laws (the Code). Article 5 of the Code authorizes the Trustee of both Plans to at any time adjust the Plan, including the benefits and contributions, as necessary to insure the fiscal stability of the Plans.

Both Plans issue a publicly available financial report that includes financial statements and required information for the Plans. These reports may be obtained by writing to Phyllis Buie, Finance Officer, Employee Insurance Program, 1201 Main Street, Suite 360, Columbia, SC 29201.

Funding Policy

Article 5 of the Code provides that contribution requirements of the Plan members and the participating employers are established and may be amended by the Trustee. Participating employers are contractually required to contribute at rates assessed each year by the State Budget and Control Board, currently 5.00% of annual covered payroll for health insurance. The State Budget and Control Board sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan for a period not to exceed thirty years. The District's contributions to the SC Retiree Health Insurance Trust Fund for the years ended June 30, 2015, 2016, and 2017 were \$229,966, \$244,203, and \$237,374 which equaled the required contributions for these years.

NOTE 14 – SUBSEQUENT EVENTS

On June 27, 2017, the District authorized the issuance and sale of a \$500,000 Tax Anticipation Note (TAN), through the South Carolina Association of Governmental Organizations (SCAGO). As of the report date, none of the \$500,000 authorized has been issued and sold. The note shall bear interest at a rate of 3.00%.

NOTE 15 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

For fiscal year ended June 30, 2017, General Fund expenditures totaled \$6,024,488 and exceeded the appropriated final budget of \$5,919,062 resulting in a negative variance of \$105,426.

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY (SCRS)
LAST 10 FISCAL YEARS
YEAR ENDED JUNE 30, 2017**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
District's proportion of the net pension liability (asset)	0.046730%	0.048572%	0.052021%	NA*	NA*	NA*	NA*	NA*	NA*	NA*
District's proportionate share of the net pension liability (asset)	\$ 9,981,459	\$ 9,211,914	\$ 8,956,292	NA*	NA*	NA*	NA*	NA*	NA*	NA*
District's covered-employee payroll	\$ 4,581,679	\$ 4,581,671	\$ 4,711,605	NA*	NA*	NA*	NA*	NA*	NA*	NA*
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	217.86%	201.06%	190.09%	NA*	NA*	NA*	NA*	NA*	NA*	NA*
Plan fiduciary net position as a percentage of the total pension liability	52.90%	57.00%	59.90%	NA*	NA*	NA*	NA*	NA*	NA*	NA*

NA* - Not Available

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.
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THE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY SCHEDULE ARE AN INTEGRAL PART OF THIS SCHEDULE.

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
SCHEDULE OF DISTRICT CONTRIBUTIONS (SCRS)
LAST 10 FISCAL YEARS
YEAR ENDED JUNE 30, 2017**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	\$ 500,480	\$ 496,412	\$ 500,624	NA*	NA*	NA*	NA*	NA*	NA*	NA*
Contributions in relation to the contractually required contribution	(500,480)	(496,412)	(500,624)	NA*	NA*	NA*	NA*	NA*	NA*	NA*
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 4,581,679	\$ 4,581,671	\$ 4,711,605	NA*	NA*	NA*	NA*	NA*	NA*	NA*
Contributions as a percentage of covered-employee payroll	10.92%	10.83%	10.63%	NA*	NA*	NA*	NA*	NA*	NA*	NA*

NA* - Not Available

<p>This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.</p>

THE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY SCHEDULE ARE AN INTEGRAL PART OF THIS SCHEDULE.

BARNWELL SCHOOL DISTRICT #19
NOTE TO THE REQUIRED SUPPLEMENTARY SCHEDULE
JUNE 30, 2017

NOTE 1 – PENSIONS

Until information is available for other years, comparability of benefit terms and changes of assumptions are not available.

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
1000 REVENUE FROM LOCAL SOURCES			
1100 TAXES:			
1110 AD VALOREM TAXES	\$ 1,213,421	\$ 1,219,144	\$ 5,723
1140 PENALTIES & INTEREST ON TAXES	13,540	-	(13,540)
1200 REVENUE FROM LOCAL GOVERNMENTAL UNITS OTHER THAN LEA'S:			
1280 REVENUE IN LIEU OF TAXES	668,385	663,220	(5,165)
1300 TUITION:			
1320 REGULAR DAY SCHOOL FROM OTHER LEA'S	-	3,513	3,513
1500 EARNINGS ON INVESTMENTS:			
1510 INTEREST ON INVESTMENTS	1,500	1,227	(273)
1900 OTHER REVENUE FROM LOCAL SOURCES			
1920 CONTRIBUTIONS & DONATIONS PRIVATE SOURCES	-	3,695	3,695
1950 REFUND OF PRIOR YEAR'S EXPENDITURES	-	5,588	5,588
1990 MISCELLANEOUS LOCAL REVENUE			
1999 REVENUE FROM OTHER LOCAL SOURCES	24,000	42,786	18,786
TOTAL LOCAL SOURCES	<u>1,920,846</u>	<u>1,939,173</u>	<u>18,327</u>
3000 REVENUE FROM STATE SOURCES			
3130 SPECIAL PROGRAMS:			
3131 HANDICAPPED TRANSPORTATION	-	711	711
3160 SCHOOL BUS DRIVERS SALARY	38,944	66,339	27,395
3161 EAA BUS DRIVERS	-	206	206
3162 TRANSPORTATION WORKERS' COMPENSATION	4,187	5,414	1,227
3180 FRINGE BENEFITS EMPLOYER CONTRIBUTIONS	800,307	773,096	(27,211)
3181 RETIREE INSURANCE	177,244	182,472	5,228
3300 EDUCATION FINANCE ACT			
3310 FULL-TIME PROGRAMS:			
3311 KINDERGARTEN	61,260	74,897	13,637
3312 PRIMARY	270,135	226,278	(43,857)
3313 ELEMENTARY	427,119	398,926	(28,193)
3314 HIGH SCHOOL	100,556	94,914	(5,642)
3315 TRAINABLE MENTALLY HANDICAPPED	-	2,997	2,997
3316 SPEECH HANDICAPPED (PART-TIME PROGRAM)	100,060	88,725	(11,335)
3317 HOMEBOUND	18,043	8,994	(9,049)

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
3000 REVENUE FROM STATE SOURCES			
3320 PART-TIME PROGRAMS:			
3321 EMOTIONALLY HANDICAPPED	\$ 33,472	\$ 6,679	\$ (26,793)
3322 EDUCABLE MENTALLY HANDICAPPED	4,001	30,026	26,025
3323 LEARNING DISABILITIES	188,099	173,161	(14,938)
3325 VISUALLY HANDICAPPED	-	3,976	3,976
3326 ORTHOPEDICALLY HANDICAPPED	4,040	3,996	(44)
3327 VOCATIONAL	303,132	318,412	15,280
3330 OTHER EFA PROGRAMS:			
3331 AUTISM	15,271	15,101	(170)
3332 HIGH ACHIEVING STUDENTS	9,210	8,696	(514)
3334 LIMITED ENGLISH PROFICIENCY	5,942	6,268	326
3351 ACADEMIC ASSISTANCE	48,129	86,531	38,402
3352 PUPILS IN POVERTY	248,368	234,250	(14,118)
3353 DUAL CREDIT ENROLLMENT	32,977	4,426	(28,551)
3800 STATE REVENUE IN LIEU OF TAXES:			
3810 REIMBURSEMENT FOR LOCAL PROPERTY TAX RELIEF	183,344	183,447	103
3820 HOMESTEAD EXEMPTION	104,000	104,349	349
3825 REIMBURSEMENT FOR PROPERTY TAX RELIEF - TIER III	337,512	334,087	(3,425)
3827 \$2.5 MILLION BONUS	173,909	91,999	(81,910)
3830 MERCHANT'S INVENTORY TAX	4,580	4,578	(2)
3840 MANUFACTURER DEPRECIATION REIMBURSEMENT	10,000	3,360	(6,640)
3890 OTHER STATE PROPERTY TAX REVENUE	25,000	28,389	3,389
TOTAL STATE SOURCES	<u>3,728,841</u>	<u>3,565,700</u>	<u>(163,141)</u>
TOTAL REVENUE ALL SOURCES	<u>5,649,687</u>	<u>5,504,873</u>	<u>(144,814)</u>
EXPENDITURES			
100 INSTRUCTION			
110 GENERAL INSTRUCTION			
111 KINDERGARTEN PROGRAMS:			
100 SALARIES	135,542	152,566	(17,024)
200 EMPLOYEE BENEFITS	105,568	103,709	1,859
300 PURCHASED SERVICES	3,200	4,900	(1,700)
400 SUPPLIES AND MATERIALS	1,500	-	1,500
112 PRIMARY PROGRAMS:			
100 SALARIES	232,494	258,297	(25,803)
200 EMPLOYEE BENEFITS	89,977	106,428	(16,451)
300 PURCHASED SERVICES	4,950	1,200	3,750
400 SUPPLIES AND MATERIALS	1,800	1,650	150
600 OTHER OBJECTS	800	1,215	(415)

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
113 ELEMENTARY PROGRAMS:			
100 SALARIES	836,303	717,655	118,648
200 EMPLOYEE BENEFITS	309,020	275,372	33,648
300 PURCHASED SERVICES	8,200	20,594	(12,394)
400 SUPPLIES AND MATERIALS	3,000	16,779	(13,779)
600 OTHER OBJECTS	750	1,215	(465)
114 HIGH SCHOOL PROGRAMS:			
100 SALARIES	\$ 641,168	\$ 713,832	\$ (72,664)
200 EMPLOYEE BENEFITS	243,732	216,889	26,843
300 PURCHASED SERVICES	2,500	17,070	(14,570)
400 SUPPLIES AND MATERIALS	3,000	1,604	1,396
600 OTHER OBJECTS	750	1,215	(465)
115 VOCATIONAL PROGRAMS:			
100 SALARIES	93,354	48,132	45,222
200 EMPLOYEE BENEFITS	35,910	22,733	13,177
300 PURCHASED SERVICES	50,800	52,136	(1,336)
500 CAPITAL OUTLAY	-	657	(657)
116 VOCATIONAL PROGRAMS - MIDDLE SCHOOLS:			
100 SALARIES	-	47,588	(47,588)
200 EMPLOYEE BENEFITS	-	22,905	(22,905)
117 DRIVER EDUCATION PROGRAM			
300 PURCHASED SERVICES	3,600	3,150	450
120 EXCEPTIONAL PROGRAMS			
121 EDUCABLE MENTALLY HANDICAPPED:			
100 SALARIES	7,752	6,981	771
200 EMPLOYEE BENEFITS	3,453	3,494	(41)
127 LEARNING DISABILITIES:			
100 SALARIES	78,430	86,349	(7,919)
200 EMPLOYEE BENEFITS	38,041	36,303	1,738
130 PRE-SCHOOL PROGRAMS			
139 EARLY CHILDHOOD PROGRAMS:			
200 EMPLOYEE BENEFITS	-	6,473	(6,473)
140 SPECIAL PROGRAMS			
141 GIFTED AND TALENTED-ACADEMIC:			
200 EMPLOYEE BENEFITS	39	-	39
300 PURCHASED SERVICES	2,000	-	2,000
400 SUPPLIES AND MATERIALS	500	-	500

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
145 HOMEBOUND:			
200 EMPLOYEE BENEFITS	-	214	(214)
300 PURCHASED SERVICES	1,650	1,298	352
149 OTHER SPECIAL PROGRAMS:			
400 SUPPLIES AND MATERIALS	\$ -	\$ 1,382	\$ (1,382)
160 OTHER EXCEPTIONAL PROGRAMS			
161 AUTISM:			
100 SALARIES	1,755	1,656	99
200 EMPLOYEE BENEFITS	780	784	(4)
300 PURCHASED SERVICES	5,000	-	5,000
180 ADULT/CONTINUING EDUCATIONAL PROGRAMS			
188 PARENTING/FAMILY LITERACY:			
100 SALARIES	-	1,249	(1,249)
200 EMPLOYEE BENEFITS	-	452	(452)
TOTAL INSTRUCTION	<u>2,947,318</u>	<u>2,956,126</u>	<u>(8,808)</u>
200 SUPPORTING SERVICES			
210 PUPIL SERVICES			
211 ATTENDANCE AND SOCIAL WORK SERVICES:			
100 SALARIES	-	2,330	(2,330)
200 EMPLOYEE BENEFITS	-	581	(581)
212 GUIDANCE SERVICES:			
100 SALARIES	87,228	107,726	(20,498)
200 EMPLOYEE BENEFITS	31,016	38,586	(7,570)
300 PURCHASED SERVICES	600	60	540
400 SUPPLIES AND MATERIALS	700	1,740	(1,040)
213 HEALTH SERVICES:			
100 SALARIES	-	16,912	(16,912)
200 EMPLOYEE BENEFITS	-	10,012	(10,012)
300 PURCHASED SERVICES	700	427	273
400 SUPPLIES AND MATERIALS	1,400	962	438
220 INSTRUCTIONAL STAFF SERVICES			
221 IMPROVEMENT OF INSTRUCTION - CURRICULUM DEVELOPMENT:			
100 SALARIES	18,400	17,180	1,220
200 EMPLOYEE BENEFITS	2,309	22,190	(19,881)
300 PURCHASED SERVICES	-	6,125	(6,125)
400 SUPPLIES AND MATERIALS	-	499	(499)

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2017**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
222 LIBRARY AND MEDIA SERVICES:			
100 SALARIES	70,494	80,428	(9,934)
200 EMPLOYEE BENEFITS	30,088	24,838	5,250
400 SUPPLIES AND MATERIALS	3,000	2,900	100
223 SUPERVISION OF SPECIAL PROGRAMS:			
100 SALARIES	\$ 4,477	\$ 651	\$ 3,826
200 EMPLOYEE BENEFITS	1,414	4,396	(2,982)
300 PURCHASED SERVICES	2,000	2,679	(679)
224 IMPROVEMENT OF INSTRUCTION - INSERVICE & STAFF TRAINING:			
100 SALARIES	-	5,747	(5,747)
200 EMPLOYEE BENEFITS	1,000	671	329
300 PURCHASED SERVICES	-	349	(349)
230 GENERAL ADMINISTRATION SERVICES			
231 BOARD OF EDUCATION:			
100 SALARIES	11,250	339	10,911
200 EMPLOYEE BENEFITS	166,596	6,645	159,951
300 PURCHASED SERVICES	22,400	58,670	(36,270)
318 AUDIT SERVICES	40,000	49,860	(9,860)
400 SUPPLIES AND MATERIALS	550	104	446
600 OTHER OBJECTS	13,200	37,082	(23,882)
232 OFFICE OF THE SUPERINTENDENT:			
100 SALARIES	150,000	147,270	2,730
200 EMPLOYEE BENEFITS	41,496	43,631	(2,135)
300 PURCHASED SERVICES	8,700	15,897	(7,197)
400 SUPPLIES AND MATERIALS	6,200	7,562	(1,362)
600 OTHER OBJECTS	5,640	7,808	(2,168)
233 SCHOOL ADMINISTRATION:			
100 SALARIES	340,067	320,528	19,539
200 EMPLOYEE BENEFITS	122,977	126,004	(3,027)
250 FINANCE AND OPERATIONS SERVICES			
252 FISCAL SERVICES:			
100 SALARIES	137,000	144,062	(7,062)
200 EMPLOYEE BENEFITS	57,225	44,537	12,688
300 PURCHASED SERVICES	5,962	28,077	(22,115)
400 SUPPLIES AND MATERIALS	17,800	22,552	(4,752)
253 FACILITIES ACQUISITION AND CONSTRUCTION			
300 PURCHASED SERVICES	700	598	102

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
254 OPERATION AND MAINTENANCE OF PLANT:			
100 SALARIES	169,493	181,767	(12,274)
200 EMPLOYEE BENEFITS	86,447	85,442	1,005
300 PURCHASED SERVICES	198,122	180,116	18,006
321 PUBLIC UTILITIES	29,700	37,904	(8,204)
400 SUPPLIES AND MATERIALS	53,437	46,922	6,515
470 ENERGY	269,157	234,525	34,632
500 CAPITAL OUTLAY	8,000	-	8,000
600 OTHER OBJECTS	21,432	40,931	(19,499)
255 STUDENT TRANSPORTATION:			
100 SALARIES	\$ 90,666	\$ 129,966	\$ (39,300)
200 EMPLOYEE BENEFITS	40,723	52,423	(11,700)
300 PURCHASED SERVICES	27,000	1,974	25,026
400 SUPPLIES AND MATERIALS	500	450	50
600 OTHER OBJECTS	1,500	1,322	178
256 FOOD SERVICE:			
200 EMPLOYEE BENEFITS	92,298	89,237	3,061
258 SECURITY:			
300 PURCHASED SERVICES	53,500	63,289	(9,789)
260 CENTRAL SUPPORT SERVICES			
264 STAFF SERVICES:			
100 SALARIES	-	43,078	(43,078)
200 EMPLOYEE BENEFITS	-	8	(8)
300 PURCHASED SERVICES	1,500	-	1,500
266 TECHNOLOGY AND DATA PROCESSING SERVICES:			
100 SALARIES	110,533	111,805	(1,272)
200 EMPLOYEE BENEFITS	36,978	42,087	(5,109)
300 PURCHASED SERVICES	65,900	72,300	(6,400)
400 SUPPLIES AND MATERIALS	12,450	1,131	11,319
270 SUPPORT SERVICES - PUPIL ACTIVITY			
271 PUPIL SERVICE ACTIVITIES:			
100 SALARIES	83,064	109,468	(26,404)
200 EMPLOYEE BENEFITS	23,255	27,966	(4,711)
300 PURCHASED SERVICES	6,000	6,345	(345)
400 SUPPLIES AND MATERIALS	19,500	10,073	9,427
600 OTHER OBJECTS	12,000	18,987	(6,987)
TOTAL SUPPORTING SERVICES	<u>2,915,744</u>	<u>2,998,731</u>	<u>(82,987)</u>

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
400 OTHER CHARGES			
410 INTERGOVERNMENTAL EXPENDITURES			
412 PAYMENTS TO OTHER GOVERNMENTAL UNITS			
720 TRANSITS	56,000	63,321	(7,321)
TOTAL INTERGOVERNMENTAL EXPENDITURES	<u>56,000</u>	<u>63,321</u>	<u>(7,321)</u>
500 DEBT SERVICE			
620 INTEREST	-	6,310	(6,310)
TOTAL DEBT SERVICE	<u>-</u>	<u>6,310</u>	<u>(6,310)</u>
TOTAL EXPENDITURES	5,919,062	6,024,488	(105,426)
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (269,375)</u>	<u>\$ (519,615)</u>	<u>\$ (250,240)</u>
OTHER FINANCING SOURCES (USES)			
5300 PROCEEDS FROM SALE OF CAPITAL ASSETS	-	800	800
INTERFUND TRANSFERS, FROM (TO) OTHER FUNDS:			
5220 TRANSFER FROM SPECIAL REVENUE FUND	-	171,877	171,877
5230 TRANSFER FROM SPECIAL REVENUE EIA FUND	224,375	141,415	(82,960)
5280 TRANSFER FROM OTHER FUNDS INDIRECT COSTS	45,000	69,861	24,861
TOTAL OTHER FINANCING SOURCES (USES)	<u>269,375</u>	<u>383,953</u>	<u>114,578</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>(135,662)</u>	<u>\$ (135,662)</u>
FUND BALANCE JULY 1, 2016		<u>457,207</u>	
FUND BALANCE JUNE 30, 2017		<u>\$ 321,545</u>	

BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2017

	TITLE I (BA PROJECTS) (201/202)	IDEA (CA PROJECTS) (203/204)	PRESCHOOL HANDICAPPED (CG PROJECTS) (205/206)	CATE (VA PROJECTS) (207/208)	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	TOTAL
REVENUES							
1000 REVENUE FROM LOCAL SOURCES							
1900 OTHER REVENUE FROM LOCAL SOURCES:							
1930 MEDICAID	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,937	\$ 65,937
1999 REVENUE FROM OTHER LOCAL SOURCES	-	-	-	-	-	92,921	92,921
TOTAL LOCAL SOURCES	-	-	-	-	-	158,858	158,858
2000 INTERGOVERNMENTAL REVENUE							
2300 PAYMENTS FROM NON-PROFIT ENTITIES	-	-	-	-	-	116,523	116,523
TOTAL INTERGOVERNMENTAL REVENUE	-	-	-	-	-	116,523	116,523
3000 REVENUE FROM STATE SOURCES							
3100 RESTRICTED STATE FUNDING:							
3105 TECHNOLOGY TECHNICAL ASSISTANCE	-	-	-	-	420,573	-	420,573
3110 OCCUPATIONAL EDUCATION:							
3118 EEDA CAREER SPECIALIST	-	-	-	-	60,412	-	60,412
3120 GENERAL EDUCATION:							
3127 STUDENT HEALTH AND FITNESS - PE TEACHERS	-	-	-	-	5,134	-	5,134
3130 SPECIAL PROGRAMS:							
3134 CHILD DEVELOPMENT EDUCATION PILOT PROGRAM	-	-	-	-	99,290	-	99,290
3135 DSS SNAP & E&T Program	-	-	-	-	62,730	-	62,730
3136 STUDENT HEALTH AND FITNESS - NURSES	-	-	-	-	29,034	-	29,034
3177 SUMMER READING CAMPS	-	-	-	-	8,203	-	8,203
3183 TEACHER RECRUITING AND RETENTION	-	-	-	-	27,338	-	27,338
3190 MISCELLANEOUS RESTRICTED STATE GRANTS:							
3193 EDUCATION LICENSE PLATES	-	-	-	-	283	-	283
3600 EDUCATION LOTTERY ACT REVENUE:							
3630 K-12 TECHNOLOGY INITIATIVE	-	-	-	-	58,308	-	58,308
TOTAL STATE SOURCES	-	-	-	-	771,305	-	771,305

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2017**

	TITLE I (BA PROJECTS) (201/202)	IDEA (CA PROJECTS) (203/204)	PRESCHOOL HANDICAPPED (CG PROJECTS) (205/206)	CATE (VA PROJECTS) (207/208)	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	TOTAL
4000 REVENUE FROM FEDERAL SOURCES							
4200 OCCUPATIONAL EDUCATION:							
4210 VOCATIONAL AID, TITLE I	\$ -	\$ -	\$ -	\$ 21,459	\$ -	\$ -	\$ 21,459
4300 ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965:							
4310 TITLE I, BASIC STATE GRANT PROGRAMS	544,604	-	-	-	-	170,528	715,132
4312 RURAL & LOW - INCOME S/P TITLE VI	-	-	-	-	-	17,498	17,498
4314 SCHOOL IMPROVEMENT GRANT	-	-	-	-	-	103,894	103,894
4351 IMPROVING TEACHER QUALITY	-	-	-	-	-	64,377	64,377
4353 TEACHER INCENTIVE FUND (TIF) 4	-	-	-	-	-	276,097	276,097
4500 PROGRAMS FOR CHILDREN WITH DISABILITIES							
4510 INDIVIDUALS WITH DISABILITIES EDUCATION ACT (IDEA)	-	499,466	-	-	-	-	499,466
4520 PRE-SCHOOL GRANTS	-	-	15,344	-	-	-	15,344
4900 OTHER FEDERAL SOURCES:							
4924 21st CENTURY COMMUNITY LEARNING CENTER PROGRAM	-	-	-	-	-	179,863	179,863
TOTAL FEDERAL SOURCES	<u>544,604</u>	<u>499,466</u>	<u>15,344</u>	<u>21,459</u>	<u>-</u>	<u>812,257</u>	<u>1,893,130</u>
TOTAL REVENUE ALL SOURCES	<u>544,604</u>	<u>499,466</u>	<u>15,344</u>	<u>21,459</u>	<u>771,305</u>	<u>1,087,638</u>	<u>2,939,816</u>
EXPENDITURES							
100 INSTRUCTION							
110 GENERAL INSTRUCTION							
111 KINDERGARTEN PROGRAMS:							
100 SALARIES	-	-	-	-	-	4,500	4,500
112 PRIMARY PROGRAMS:							
100 SALARIES	-	-	-	-	-	13,500	13,500
113 ELEMENTARY PROGRAMS:							
100 SALARIES	123,644	-	-	-	-	24,301	147,945
200 EMPLOYEE BENEFITS	53,900	-	-	-	-	433	54,333
300 PURCHASED SERVICES	2,602	-	-	-	-	51,657	54,259
400 SUPPLIES AND MATERIALS	15,861	-	-	-	5,134	51,325	72,320

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2017**

	TITLE I (BA PROJECTS) (201/202)	IDEA (CA PROJECTS) (203/204)	PRESCHOOL HANDICAPPED (CG PROJECTS) (205/206)	CATE (VA PROJECTS) (207/208)	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	TOTAL
114 HIGH SCHOOL PROGRAMS:							
100 SALARIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,625	\$ 11,625
300 PURCHASED SERVICES	-	-	-	-	13,132	10,000	23,132
400 SUPPLIES AND MATERIALS	-	-	-	-	283	17,498	17,781
115 VOCATIONAL PROGRAMS:							
400 SUPPLIES AND MATERIALS	-	-	-	6,011	-	-	6,011
120 EXCEPTIONAL PROGRAMS							
121 EDUCABLE MENTALLY HANDICAPPED:							
100 SALARIES	-	1,289	-	-	-	-	1,289
200 EMPLOYEE BENEFITS	-	212	-	-	-	-	212
300 PURCHASED SERVICES	-	1,080	-	-	-	-	1,080
122 TRAINABLE MENTALLY HANDICAPPED:							
300 PURCHASED SERVICES	-	25,000	-	-	-	-	25,000
124 VISUALLY HANDICAPPED:							
300 PURCHASED SERVICES	-	6,137	-	-	-	-	6,137
126 SPEECH HANDICAPPED:							
300 PURCHASED SERVICES	-	-	-	-	-	2,404	2,404
400 SUPPLIES AND MATERIALS	-	3,004	-	-	-	-	3,004
127 LEARNING DISABILITIES:							
100 SALARIES	-	47,419	-	-	-	-	47,419
200 EMPLOYEE BENEFITS	-	20,649	-	-	-	-	20,649
300 PURCHASED SERVICES	-	3,349	-	-	-	-	3,349
400 SUPPLIES AND MATERIALS	-	41,934	-	-	-	-	41,934
130 PRESCHOOL PROGRAMS							
139 EARLY CHILDHOOD PROGRAMS:							
100 SALARIES	63,347	-	-	-	-	26,720	90,067
200 EMPLOYEE BENEFITS	23,364	-	-	-	-	5,559	28,923
300 PURCHASED SERVICES	-	-	-	-	-	465	465
400 SUPPLIES AND MATERIALS	690	-	-	-	-	794	1,484
500 CAPITAL OUTLAY	-	-	-	-	-	849	849
140 SPECIAL PROGRAMS							
147 FULL DAY 4K:							
100 SALARIES	-	-	-	-	64,384	-	64,384
200 EMPLOYEE BENEFITS	-	-	-	-	34,662	-	34,662
300 PURCHASED SERVICES	-	-	-	-	126	-	126
400 SUPPLIES AND MATERIALS	-	-	-	-	118	-	118

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2017**

	TITLE I (BA PROJECTS) (201/202)	IDEA (CA PROJECTS) (203/204)	PRESCHOOL HANDICAPPED (CG PROJECTS) (205/206)	CATE (VA PROJECTS) (207/208)	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	TOTAL
160 OTHER EXCEPTIONAL PROGRAMS							
161 AUTISM:							
100 SALARIES	\$ -	\$ 12,865	\$ -	\$ -	\$ -	\$ -	\$ 12,865
200 EMPLOYEE BENEFITS	-	3,198	-	-	-	-	3,198
170 SUMMER SCHOOL PROGRAMS							
171 PRIMARY SUMMER SCHOOL:							
100 SALARIES	-	-	-	-	5,955	-	5,955
200 EMPLOYEE BENEFITS	-	-	-	-	1,443	-	1,443
400 SUPPLIES AND MATERIALS	-	-	-	-	15	-	15
172 ELEMENTARY SUMMER SCHOOL:							
100 SALARIES	-	-	-	-	-	13,700	13,700
200 EMPLOYEE BENEFITS	-	-	-	-	-	7,900	7,900
400 SUPPLIES AND MATERIALS	-	-	-	-	-	1,242	1,242
175 INSTRUCTIONAL PROGRAMS BEYOND REGULAR SCHOOL DAY:							
100 SALARIES	-	24	-	-	-	111,747	111,771
200 EMPLOYEE BENEFITS	-	6	-	-	-	20,311	20,317
300 PURCHASED SERVICES	-	-	-	-	-	8,352	8,352
400 SUPPLIES AND MATERIALS	-	-	-	-	-	15,259	15,259
180 ADULT/CONTINUING EDUCATIONAL PROGRAMS							
188 PARENTING/FAMILY LITERACY:							
100 SALARIES	14,985	-	-	-	-	-	14,985
200 EMPLOYEE BENEFITS	6,041	-	-	-	-	15	6,056
300 PURCHASED SERVICES	2,552	-	-	-	-	-	2,552
400 SUPPLIES AND MATERIALS	1,386	-	-	-	-	1,085	2,471
TOTAL INSTRUCTION	308,372	166,166	-	6,011	125,252	401,241	1,007,042
200 SUPPORTING SERVICES							
210 PUPIL SERVICES							
211 ATTENDANCE AND SOCIAL WORK:							
100 SALARIES	14,985	-	-	-	-	533	15,518
200 EMPLOYEE BENEFITS	6,041	-	-	-	-	130	6,171
400 SUPPLIES AND MATERIALS	1,245	-	-	-	-	-	1,245
212 GUIDANCE:							
400 SUPPLIES AND MATERIALS	-	-	-	13,515	-	-	13,515

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2017**

	TITLE I (BA PROJECTS) (201/202)	IDEA (CA PROJECTS) (203/204)	PRESCHOOL HANDICAPPED (CG PROJECTS) (205/206)	CATE (VA PROJECTS) (207/208)	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	TOTAL
213 HEALTH SERVICES:							
100 SALARIES	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ 25,000
200 EMPLOYEE BENEFITS	-	-	-	-	4,034	-	4,034
300 PURCHASED SERVICES	-	73,807	15,344	-	-	-	89,151
214 PSYCHOLOGICAL SERVICES:							
300 PURCHASED SERVICES	-	41,267	-	-	-	-	41,267
400 SUPPLIES AND MATERIALS	-	4,383	-	-	-	-	4,383
217 CAREER SPECIALIST SERVICES:							
100 SALARIES	-	-	-	-	46,990	-	46,990
200 EMPLOYEE BENEFITS	-	-	-	-	13,422	-	13,422
220 INSTRUCTIONAL STAFF SERVICES							
221 IMPROV OF INSTRUCTION - CURRICULUM DEVELOPMENT:							
100 SALARIES	46,000	-	-	-	56,274	-	102,274
200 EMPLOYEE BENEFITS	16,018	-	-	-	6,456	-	22,474
300 PURCHASED SERVICES	3,688	-	-	-	-	23,560	27,248
400 SUPPLIES AND MATERIALS	943	-	-	-	-	-	943
223 SUPERVISION OF SPECIAL PROGRAMS:							
100 SALARIES	92,000	127,188	-	340	-	50,242	269,770
200 EMPLOYEE BENEFITS	30,148	36,990	-	-	-	15,940	83,078
300 PURCHASED SERVICES	1,803	4,403	-	-	-	-	6,206
400 SUPPLIES AND MATERIALS	802	8,974	-	-	-	271	10,047
224 IMPROVEMENT OF INSTRUCTION - INSERVICE TRAINING:							
100 SALARIES	-	-	-	-	-	162,794	162,794
200 EMPLOYEE BENEFITS	-	-	-	-	-	66,421	66,421
300 PURCHASED SERVICES	-	-	-	1,593	-	120,634	122,227
250 FINANCE AND OPERATIONS SERVICES							
251 STUDENT TRANSPORTATION (FEDERAL/DISTRICT MANDATED):							
100 SALARIES	-	6,831	-	-	-	5,944	12,775
200 EMPLOYEE BENEFITS	-	1,563	-	-	-	1,313	2,876
253 FACILITIES ACQUISITION AND CONSTRUCTION:							
100 SALARIES	-	-	-	-	652	-	652
200 EMPLOYEE BENEFITS	-	-	-	-	138	-	138

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2017**

	TITLE I (BA PROJECTS) (201/202)	IDEA (CA PROJECTS) (203/204)	PRESCHOOL HANDICAPPED (CG PROJECTS) (205/206)	CATE (VA PROJECTS) (207/208)	OTHER DESIGNATED RESTRICTED STATE GRANTS	OTHER SPECIAL REVENUE PROGRAMS	TOTAL
255 STUDENT TRANSPORTATION:							
100 SALARIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,085	\$ 14,085
200 EMPLOYEE BENEFITS	-	-	-	-	-	3,567	3,567
300 PURCHASED SERVICES	-	-	-	-	-	2,023	2,023
260 CENTRAL SUPPORT SERVICES							
264 STAFF SERVICES:							
100 SALARIES	-	-	-	-	27,338	143,171	170,509
200 EMPLOYEE BENEFITS	-	-	-	-	-	10,976	10,976
266 TECHNOLOGY AND DATA PROCESSING SERVICES:							
300 PURCHASED SERVICES	-	-	-	-	45,176	-	45,176
400 SUPPLIES AND MATERIALS	-	-	-	-	420,573	-	420,573
270 SUPPORT SERVICES - PUPIL ACTIVITY							
271 PUPIL SERVICE ACTIVITIES:							
100 SALARIES	-	-	-	-	-	143	143
200 EMPLOYEE BENEFITS	-	-	-	-	-	33	33
300 PURCHASED SERVICES	-	-	-	-	-	1,154	1,154
TOTAL SUPPORTING SERVICES	<u>213,673</u>	<u>305,406</u>	<u>15,344</u>	<u>15,448</u>	<u>646,053</u>	<u>622,934</u>	<u>1,818,858</u>
400 INTERGOVERNMENTAL EXPENDITURES							
414 MEDICAID PAYMENTS TO SDE							
720 TRANSITS	-	-	-	-	-	16,041	16,041
TOTAL INTERGOVERNMENTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,041</u>	<u>16,041</u>
TOTAL EXPENDITURES	<u>522,045</u>	<u>471,572</u>	<u>15,344</u>	<u>21,459</u>	<u>771,305</u>	<u>1,040,216</u>	<u>2,841,941</u>
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>22,559</u>	<u>27,894</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,422</u>	<u>97,875</u>
OTHER FINANCING SOURCES (USES)							
INTERFUND TRANSFERS, FROM (TO) OTHER FUNDS:							
420-710 TRANSFER TO GENERAL FUND	-	-	-	-	-	(171,877)	(171,877)
431-791 SPECIAL REVENUE FUND INDIRECT COSTS	(22,559)	(27,894)	-	-	-	-	(50,453)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(22,559)</u>	<u>(27,894)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(171,877)</u>	<u>(222,330)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND USES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(124,455)</u>	<u>(124,455)</u>
FUND BALANCE JULY 1, 2016	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>124,455</u>	<u>124,455</u>
FUND BALANCE JUNE 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
SPECIAL REVENUE FUND
SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS
FOR THE YEAR ENDED JUNE 30, 2017**

<u>SUBFUND</u>	<u>REVENUE CODE</u>	<u>PROGRAMS</u>	<u>REVENUES</u>	<u>EXPENDITURES</u>	<u>SPECIAL REVENUE</u>		<u>SPECIAL REVENUE FUND UNEARNED REVENUE</u>
					<u>INTERFUND TRANSFERS IN/(OUT)</u>	<u>OTHER FUND TRANSFERS IN/(OUT)</u>	
903	3183	TEACHER RECRUITMENT AND RETENTION	\$ 27,338	\$ 27,338	\$ -	\$ -	\$ -
915	3105	TECHNOLOGY TECHNICAL ASSISTANCE	420,573	420,573	-	-	-
919	3193	EDUCATION LICENSE PLATES	283	283	-	-	-
924	3134	CHILD DEVELOPMENT EDUCATION PILOT PROGRAM	99,290	99,290	-	-	10,111
926	3177	SUMMER READING CAMPS	8,203	8,203	-	-	8,713
928	3118	EEDA CAREER SPECIALIST	60,412	60,412	-	-	59,132
935	3135	READING COACHES	62,730	62,730	-	-	-
936	3136	STUDENT HEALTH AND FITNESS-NURSES	29,034	29,034	-	-	-
937	3127	STUDENT HEALTH AND FITNESS-PE TEACHERS	5,134	5,134	-	-	4,765
963	3630	K-12 TECHNOLOGY REVENUE	58,308	58,308	-	-	6,578
967	3607	6-8 ENHANCEMENT	-	-	-	-	96,532
			<u>\$ 771,305</u>	<u>\$ 771,305</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 185,831</u>

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
LISTING OF LEA SUBFUND CODES AND TITLES
FOR THE YEAR ENDED JUNE 30, 2017**

OTHER DESIGNATED RESTRICTED STATE GRANTS

903	TEACHER RECRUITMENT AND RETENTION
915	TECHNOLOGY TECHNICAL ASSISTANCE
919	EDUCATION LICENSE PLATES
924	CDEP EXPANSION
926	SUMMER READING CAMPS
928	EEDA CAREER SPECIALIST
935	READING COACHES
936	STUDENT HEALTH AND FITNESS-NURSES
937	STUDENT HEALTH AND FITNESS-PE TEACHERS
963	K-12 TECHNOLOGY INITIATIVE
967	6-8 ENHANCEMENT

OTHER SPECIAL REVENUE PROGRAMS

188	MEDICAID
190	RURAL RECRUITMENT (CERRA)
224	AFTER SCHOOL LEARNING PROGRAM
231	SCHOOL IMPROVEMENT GRANT
236	TITLE 1 NEGLECTED AND DELINQUENT
239	TITLE I PRIORITY
251	RURAL & LOW INCOME SCHOOL PROGRAM, TITLE VI
262	TEACHER INCENTIVE FUND (TIF) 4
267	IMPROVING TEACHER QUALITY
801	TEACHER GRANT WITH WALMART
804	SAVE THE CHILDREN

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - ALL PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2017**

REVENUES

3000 REVENUE FROM STATE SOURCES

3500 EDUCATION IMPROVEMENT ACT:

3502 ADEPT	\$ 1,932
3511 PROFESSIONAL DEVELOPMENT	3,226
3525 CAREER AND TECHNOLOGY EDUCATION EQUIPMENT	30,144
3526 REFURBISHMENT OF K-8 SCIENCE KITS	8,961
3527 SPECIAL CATE EQUIPMENT	138,771
3533 TEACHER OF THE YEAR AWARDS	1,077
3538 STUDENTS AT RISK OF SCHOOL FAILURE	104,685
3541 CHILD DEVELOPMENT EDUCATION PILOT PROGRAM (CDEPP)	11,704
3550 TEACHER SALARY INCREASE	123,430
3555 SCHOOL EMPLOYER CONTRIBUTIONS	17,985
3558 READING	3,660
3571 PALMETTO PRIORITY SCHOOLS	140,724
3577 TEACHER SUPPLIES	11,825
3578 HIGH SCHOOLS THAT WORK/MAKING MIDDLE GRADES WORK	3,720
3592 WORK-BASED LEARNING	3,170
3595 EEDA - SUPPLIES AND MATERIALS - CAREER AWARENESS	920
3597 AID TO DISTRICTS	13,273

TOTAL STATE SOURCES	<u>619,207</u>
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TOTAL REVENUE ALL SOURCES	<u>619,207</u>
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EXPENDITURES

100 INSTRUCTION

110 GENERAL INSTRUCTION

112 PRIMARY PROGRAMS:

100 SALARIES	13,273
200 EMPLOYEE BENEFITS	1,385
400 SUPPLIES AND MATERIALS	3,850

113 ELEMENTARY PROGRAMS:

100 SALARIES	1,000
200 EMPLOYEE BENEFITS	77
300 PURCHASED SERVICES	32,163
400 SUPPLIES AND MATERIALS	63,025

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - ALL PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2017**

114 HIGH SCHOOL PROGRAMS:		
100 SALARIES	\$	38,019
200 EMPLOYEE BENEFITS		7,178
400 SUPPLIES AND MATERIALS		4,400
115 CAREER AND TECHNOLOGY EDUCATION PROGRAMS:		
300 PURCHASED SERVICES		1,562
400 SUPPLIES AND MATERIALS		140
500 CAPITAL OUTLAY		168,776
140 SPECIAL PROGRAMS		
147 CDEPP:		
100 SALARIES		11,704
170 SUMMER SCHOOL PROGRAM		
172 ELEMENTARY SUMMER SCHOOL:		
100 SALARIES		17,460
200 EMPLOYEE BENEFITS		4,369
400 SUPPLIES AND MATERIALS		432
175 INSTRUCTIONAL PROGRAMS BEYOND REGULAR SCHOOL DAY:		
100 SALARIES		13,110
200 EMPLOYEE BENEFITS		2,309
TOTAL INSTRUCTION		384,232
 200 SUPPORTING SERVICES		
210 PUPIL SERVICES		
211 ATTENDANCE AND SOCIAL WORK:		
300 PURCHASED SERVICES		3,333
212 GUIDANCE SERVICES:		
400 SUPPLIES AND MATERIALS		1,470
213 HEALTH:		
300 PURCHASED SERVICES		2,917

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - ALL PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2017**

220 INSTRUCTIONAL STAFF SERVICES		
221 IMPROVEMENT OF INSTRUCTION - CURRICULUM DEVELOPMENT:		
100 SALARIES	\$	30,600
200 EMPLOYEE BENEFITS		7,639
222 LIBRARY AND MEDIA:		
400 SUPPLIES AND MATERIALS		275
223 SUPERVISION OF SPECIAL PROGRAMS:		
100 SALARIES		2,720
200 EMPLOYEE BENEFITS		108
224 IMPROVEMENT OF INSTRUCTION - INSERVICE AND STAFF TRAINING:		
100 SALARIES		6,667
200 EMPLOYEE BENEFITS		1,637
300 PURCHASED SERVICES		18,723
400 SUPPLIES AND MATERIALS		862
250 FINANCE AND OPERATIONS SERVICES		
255 STUDENT TRANSPORTATION:		
100 SALARIES		2,383
200 EMPLOYEE BENEFITS		590
300 PURCHASED SERVICES		1,136
260 CENTRAL SUPPORT SERVICES		
264 STAFF SERVICES:		
100 SALARIES		12,500
TOTAL SUPPORTING SERVICES		<u>93,560</u>
TOTAL EXPENDITURES		<u>477,792</u>
EXCESS OF REVENUES OVER EXPENDITURES		<u>141,415</u>

**BARNWELL SCHOOL DISTRICT #19
 BLACKVILLE, SOUTH CAROLINA
 EDUCATION IMPROVEMENT ACT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - ALL PROGRAMS
 FOR THE YEAR ENDED JUNE 30, 2017**

OTHER FINANCING SOURCES (USES)

INTERFUND TRANSFERS, FROM (TO) OTHER FUNDS:

420-710 TRANSFER TO GENERAL FUND	\$ (141,415)
TOTAL OTHER FINANCING SOURCES (USES)	(141,415)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	-
FUND BALANCE JULY 1, 2016	-
FUND BALANCE JUNE 30, 2017	\$ -

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
EDUCATION IMPROVEMENT ACT
SUMMARY SCHEDULE BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2017**

PROGRAM	REVENUES	EXPENDITURES	OTHER FUND TRANSFERS IN/(OUT)	EIA FUND UNEARNED REVENUE
3500 EDUCATION IMPROVEMENT ACT:				
3502 ADEPT	\$ 1,932	\$ 1,932	\$ -	\$ -
3511 PROFESSIONAL DEVELOPMENT	3,226	3,226	-	4,714
3512 TECHNOLOGY PROFESSIONAL DEVELOPMENT	-	-	-	3,566
3518 FORMATIVE ASSESSMENT	-	-	-	3,283
3519 GRADE 10 ASSESSMENTS	-	-	-	570
3525 CAREER AND TECHNOLOGY EDUCATION EQUIPMENT	30,144	30,144	-	37,590
3526 REFURBISHMENT OF K-8 SCIENCE KITS	8,961	8,961	-	11,920
3527 SPECIAL CATE EQUIPMENT	138,771	138,771	-	-
3533 TEACHER OF THE YEAR AWARD	1,077	1,077	-	-
3538 STUDENTS AT RISK OF SCHOOL FAILURE	104,685	104,685	-	-
3541 CHILD DEVELOPMENT EDUCATION PILOT PROGRAM	11,704	11,704	-	-
3550 TEACHER SALARY INCREASE	123,430	-	(123,430)	-
3555 SCHOOL EMPLOYER CONTRIBUTIONS	17,985	-	(17,985)	-
3558 READING	3,660	3,660	-	7,043
3571 PALMETTO PRIORITY SCHOOLS	140,724	140,724	-	49,705
3577 TEACHER SUPPLIES	11,825	11,825	-	-
3578 HIGH SCHOOLS THAT WORK/MAKING MIDDLE GRADES WORK	3,720	3,720	-	2,151
3587 IDEA MOE Tier I	-	-	-	36,803
3592 WORK-BASED LEARNING	3,170	3,170	-	3,206
3595 EEDA - SUPPLIES AND MATERIALS - CAREER AWARENESS	920	920	-	2,243
3597 AID TO DISTRICTS	13,273	13,273	-	-
TOTALS	\$ 619,207	\$ 477,792	\$ (141,415)	\$ 162,794

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2017**

REVENUES

1000 REVENUE FROM LOCAL SOURCES

1100 TAXES:

1110 AD VALOREM TAXES	\$	594,566
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1500 EARNINGS ON INVESTMENTS:

1510 INTEREST ON INVESTMENTS		287
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TOTAL LOCAL SOURCES		<u>594,853</u>
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3000 REVENUE FROM STATE SOURCES

3800 STATE REVENUE IN LIEU OF TAXES:

3820 HOMESTEAD EXEMPTION		48,507
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3840 MANUFACTURERS DEPRECIATION REIMBURSEMENT		3,801
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TOTAL STATE SOURCES		<u>52,308</u>
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TOTAL REVENUE ALL SOURCES		<u>647,161</u>
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EXPENDITURES

500 DEBT SERVICE:

610 REDEMPTION OF PRINCIPAL		562,000
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620 INTEREST		68,497
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690 OTHER OBJECTS		515
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TOTAL EXPENDITURES		<u>631,012</u>
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EXCESS REVENUES OVER EXPENDITURES		16,149
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FUND BALANCE JULY 1, 2016		<u>287,935</u>
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FUND BALANCE JUNE 30, 2017	\$	<u><u>304,084</u></u>
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**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
SCHOOL BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2017**

REVENUES

1000 REVENUE FROM LOCAL SOURCES

1500 EARNINGS ON INVESTMENTS:

1510 INTEREST ON INVESTMENTS	\$	205
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TOTAL LOCAL SOURCES		<u>205</u>
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TOTAL REVENUE ALL SOURCES		<u>205</u>
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EXPENDITURES

250 FINANCE AND OPERATIONS

253 FACILITIES ACQUISITION & CONSTRUCTION:

500 CAPITAL OUTLAY

525 BUILDINGS		197,900
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540 EQUIPMENT		276,556
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590 OTHER CAPITAL OUTLAY		16,142
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254 OPERATION AND MAINTENANCE OF PLANT:

300 PURCHASED SERVICES		94,497
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500 CAPITAL OUTLAY		
540 EQUIPMENT		21,575

260 CENTRAL SUPPORT SERVICES

266 TECHNOLOGY AND DATA PROCESSING SERVICES:

300 PURCHASED SERVICES		14,075
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400 SUPPLIES AND MATERIALS		43,507
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500 CAPITAL OUTLAY		139,737
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600 OTHER OBJECTS		10,000
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270 SUPPORT SERVICES - PUPIL ACTIVITY

271 PUPIL SERVICE ACTIVITIES:

500 CAPITAL OUTLAY		<u>21,276</u>
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TOTAL SUPPORTING SERVICES		<u>835,265</u>
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**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
SCHOOL BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2017**

500 DEBT SERVICE

690 OTHER OBJECTS	\$ 20,015
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TOTAL EXPENDITURES	<u>855,280</u>
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EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>(855,075)</u>
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OTHER FINANCING SOURCES (USES)

5120 PROCEEDS OF GENERAL OBLIGATION BONDS	800,000
5500 CAPITAL LEASE	<u>220,000</u>

TOTAL OTHER FINANCING SOURCES (USES)	<u>1,020,000</u>
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EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	164,925
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FUND BALANCE (DEFICIT) JULY 1, 2016	<u>(107,223)</u>
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FUND BALANCE JUNE 30, 2017	<u><u>\$ 57,702</u></u>
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**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED JUNE 30, 2017**

REVENUES

1000 REVENUE FROM LOCAL SOURCES

1600 FOOD SERVICE:

1610 LUNCH SALES TO PUPILS	\$	9,142
1620 BREAKFAST SALES TO PUPILS		1,663
1630 SPECIAL SALES TO PUPILS		16,854
1640 LUNCH SALES TO ADULTS		18,798
1650 BREAKFAST SALES TO ADULTS		716
1660 SPECIAL SALES TO ADULTS		2,655
		49,828

1900 OTHER REVENUE FROM LOCAL SOURCES:

1999 REVENUE FROM OTHER LOCAL SOURCES	3,122
	3,122

TOTAL LOCAL SOURCES

52,950

3000 REVENUE FROM STATE SOURCES

3140 SCHOOL LUNCH:

3142 PROGRAM AID	45
	45

TOTAL STATE SOURCES

45

4000 REVENUE FROM FEDERAL SOURCES

4800 USDA REIMBURSEMENT:

4810 SCHOOL LUNCH AND AFTER SCHOOL SNACKS PROGRAM	332,505
4830 SCHOOL BREAKFAST PROGRAM	171,097
4860 FRESH FRUITS & VEGETABLES PROGRAM	19,600

4900 OTHER FEDERAL SOURCES:

4991 USDA COMMODITIES	38,052
	38,052

TOTAL FEDERAL SOURCES

561,254

TOTAL REVENUE ALL SOURCES

614,249

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED JUNE 30, 2017**

EXPENSES

256 FOOD SERVICE:

100 SALARIES	\$	168,946
300 PURCHASED SERVICES		16,539
400 SUPPLIES AND MATERIALS		366,373
500 CAPITAL OUTLAY		13,058
600 OTHER OBJECTS		1,131
		1,131

TOTAL FOOD SERVICE EXPENSES

566,047

INTERGOVERNMENTAL EXPENSES

412 PAYMENTS TO OTHER GOVERNMENTAL UNITS:

720 TRANSITS		28,794
		28,794

TOTAL EXPENSES

594,841

INCOME BEFORE OTHER FINANCING SOURCES (USES)

19,408

OTHER FINANCING SOURCES (USES)

INTERFUND TRANSFERS, FROM (TO) OTHER FUNDS:

432-791 FOOD SERVICE FUND INDIRECT COSTS		(19,408)
		(19,408)

TOTAL OTHER FINANCING SOURCES (USES)

(19,408)

NET PROFIT (LOSS)

-

RETAINED EARNINGS JULY 1, 2016

100,585

RETAINED EARNINGS JUNE 30, 2017

\$ 100,585

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
PUPIL ACTIVITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2017**

REVENUES

1000 REVENUES FROM LOCAL SOURCES

1100 TAXES LEVIED/ASSESSED BY THE LEA

1190 OTHER TAXES (INDEPENDENT) \$ 26,709

1700 PUPIL ACTIVITIES:

1730 PUPIL ORGANIZATION MEMBERSHIP 168,900

TOTAL REVENUES FROM LOCAL SOURCES 195,609

TOTAL RECEIPTS ALL SOURCES 195,609

EXPENDITURES

270 SUPPORT SERVICES PUPIL ACTIVITY:

271 FISCAL SERVICES:

200 EMPLOYEE BENEFITS 74

600 OTHER OBJECTS 163,351

660 PUPIL ACTIVITY 27,031

TOTAL EXPENDITURES 190,456

**EXCESS / DEFICIENCY OF REVENUES OVER (UNDER)
EXPENDITURES** 5,153

FUND BALANCE JULY 1, 2016 37,634

FUND BALANCE JUNE 30, 2017 \$ 42,787

**BARNWELL SCHOOL DISTRICT #19
 BLACKVILLE, SOUTH CAROLINA
 TRUST FUND - SOL BLATT, JR. SCHOLARSHIP FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 2017**

REVENUES	
1000 REVENUE FROM LOCAL SOURCES	
1500 EARNINGS ON INVESTMENTS	
1510 INTEREST ON INVESTMENTS	\$ 20
EXPENDITURES	<u>-</u>
EXCESS / DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	20
BEGINNING FUND BALANCE	<u>10,359</u>
ENDING FUND BALANCE	<u><u>\$ 10,379</u></u>

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
TRUST FUND - D. FRED COHOON SCHOLARSHIP FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2017**

REVENUES	
1000 REVENUE FROM LOCAL SOURCES	
1500 EARNINGS ON INVESTMENTS	
1510 INTEREST ON INVESTMENTS	\$ 2
1900 OTHER REVENUE FROM LOCAL SOURCES	
1920 CONTRIBUTIONS AND DONATIONS PRIVATE SOURCES	200
TOTAL REVENUES	202
EXPENDITURES	
	-
EXCESS / DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	202
BEGINNING FUND BALANCE	1,136
ENDING FUND BALANCE	\$ 1,338

**BARNWELL SCHOOL DISTRICT #19
 BLACKVILLE, SOUTH CAROLINA
 TRUST FUND - DANNY STOUDEMIRE SCHOLARSHIP FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 2017**

REVENUES	
1000 REVENUES FROM LOCAL SOURCES	
1500 EARNINGS ON INVESTMENTS	
1510 INTEREST ON INVESTMENTS	\$ 18
EXPENDITURES	<u>-</u>
EXCESS / DEFICIENCY OF REVENUES OVER (UNDER)	
EXPENDITURES	18
BEGINNING FUND BALANCE	<u>13,355</u>
ENDING FUND BALANCE	<u><u>\$ 13,373</u></u>

**BARNWELL SCHOOL DISTRICT #19
 BLACKVILLE, SOUTH CAROLINA
 TRUST FUND - HAWKS HIT HARDER SCHOLARSHIP FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 2017**

REVENUES

1000 REVENUES FROM LOCAL SOURCES

1500 EARNINGS ON INVESTMENTS

1510 INTEREST ON INVESTMENTS \$ 3

EXPENDITURES

231 BOARD OF EDUCATION

600 OTHER OBJECTS 500

EXCESS / DEFICIENCY OF REVENUES OVER (UNDER)

EXPENDITURES (497)

BEGINNING FUND BALANCE

3,638

ENDING FUND BALANCE

\$ 3,141

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
DETAILED SCHEDULE OF
DUE TO STATE DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT
FOR THE YEAR ENDED JUNE 30, 2017**

PROGRAM	GRANT OR PROJECT NUMBER	REVENUE & SUBFUND CODE	DESCRIPTION	AMOUNT DUE TO SDE/FEDERAL GOVERNMENT
TITLE I - REGULAR	84.010 / H63010100117	4310 / 201	OVERCLAIMED FUNDS	\$ 10,694.31
IDEA - REGULAR	84.027 / H63010100917	4510 / 203	OVERCLAIMED FUNDS	40,089.97
21ST CENTURY	84.287 / H63010006915	4924 / 224	OVERCLAIMED FUNDS	62,532.63
IMPROVING TEACHER QUALITY	84.367 / H63010006817	4351 / 267	OVERCLAIMED FUNDS	4,880.61
PROFESSIONAL DEVELOPMENT	EIA	3511 / 311	NON-EXPENDED FUNDS	852.94
TECHNOLOGY PROF DEV	EIA	3512 / 312	NON-EXPENDED FUNDS	3,780.73
FORMATIVE ASSESSMENT	EIA	3518 / 318	NON-EXPENDED FUNDS	7.00
REFURBISHMENT OF K-8 SCIENCE KITS	EIA	3526 / 326	NON-EXPENDED FUNDS	548.61
SPECIAL CATE EQUIPMENT	EIA	3527 / 327	NON-EXPENDED FUNDS	8,228.58
WORK-BASED LEARNING	EIA	3592 / 392	NON-EXPENDED FUNDS	19.31
				<u>\$ 131,634.69</u>

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
LOCATION RECONCILIATION SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2017**

LOCATION			COST	TOTAL
ID	LOCATION DESCRIPTION	EDUCATION LEVEL	TYPE	EXPENDITURES
00	DISTRICT-WIDE	NON-SCHOOLS	CENTRAL	\$ 3,253,430
01	BLACKVILLE-HILDA HIGH SCHOOL	HIGH SCHOOLS	SCHOOL	2,841,759
03	MACEDONIA ELEMENTARY SCHOOL	ELEMENTARY SCHOOLS	SCHOOL	3,957,095
04	BLACKVILLE-MIDDLE SCHOOL	MIDDLE SCHOOL	SCHOOL	1,381,623
12	BUS DRIVERS	NON-SCHOOLS	CENTRAL	182,403
TOTAL EXPENDITURES/DISBURSEMENTS FOR ALL FUNDS				\$ 11,616,310

THE ABOVE EXPENDITURES ARE RECONCILED TO THE DISTRICT'S FINANCIAL STATEMENTS AS FOLLOWS:

GENERAL FUND (SUBFUND 100'S)	\$ 6,024,488
SPECIAL REVENUE FUND (SUBFUND 200'S, 900'S, SOME 800'S)	2,841,941
SPECIAL REVENUE EIA FUND (SUBFUND 300'S)	477,792
DEBT SERVICE FUND (SUBFUND 400'S)	631,012
PROPRIETARY FUND (FOOD SERVICE) (SUBFUND 600'S)	594,841
TRUST AND AGENCY FUND (PUPIL ACTIVITY) (SUBFUND 700'S, SOME 800'S)	190,956
TOTAL EXPENDITURES/DISBURSEMENTS FOR ALL FUNDS	\$ 11,616,310

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

LEA Subfund Code	Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Total Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through S. C. Department of Education:				
Child Nutrition Cluster:				
Non-Cash Assistance (Commodities):				
600	National School Lunch Program	10.555	N/A	\$ 38,052
Cash Assistance:				
600	School Breakfast Program	10.553	N/A	171,097
600	National School Lunch Program	10.555	N/A	332,505
				<u>503,602</u>
Child Nutrition Cluster Total				541,654
600	USDA Fresh Fruits and Vegetables	10.582	N/A	19,600
TOTAL U.S. DEPARTMENT OF AGRICULTURE				<u>561,254</u>
U.S. DEPARTMENT OF EDUCATION				
Passed Through S.C. Department of Education:				
201	Title I - Regular	84.010	H63010100117	523,977
201	Title I - Regular Carryover	84.010	H63010100116	20,627
236	Title I - Neglected and Delinquent	84.013	H63010100116	1,925
236	Title I - Neglected and Delinquent	84.013	H63010100117	21,503
239	Title I - Priority	84.010	H63010100117	147,100
Total Title I Program				<u>715,132</u>
203	IDEA - Regular	84.027	H63010100915	81,533
203	IDEA - Regular	84.027	H63010100916	408,975
203	IDEA - Regular	84.027	H63010100917	8,958
205	Handicapped Preschool Grant	84.173	H63010100816	7,186
205	Handicapped Preschool Grant	84.173	H63010100817	8,158
Total IDEA Cluster				<u>514,810</u>

THE ACCOMPANYING NOTE IS AN INTEGRAL PART OF THIS SCHEDULE.

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

LEA Subfund Code	Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Total Expenditures
U.S. DEPARTMENT OF EDUCATION (cont'd)				
207	Occupational Education - Carryover (Subprogram 06)	84.048	H63010107115	\$ 6,354
207	Occupational Education - Carryover (Subprogram 12)	84.048	H63010107115	350
207	Occupational Education (Subprogram 04)	84.048	H63010107116	1,555
207	Occupational Education (Subprogram 06)	84.048	H63010107116	335
207	Occupational Education (Subprogram 09)	84.048	H63010107116	970
207	Occupational Education (Subprogram 10)	84.048	H63010107116	1,669
207	Occupational Education (Subprogram 11)	84.048	H63010107116	524
207	Occupational Education (Subprogram 12)	84.048	H63010107116	1,370
207	Occupational Education (Subprogram 14)	84.048	H63010107116	600
207	Occupational Education (Subprogram 15)	84.048	H63010107116	370
207	Occupational Education (Subprogram 01)	84.048	H63010107117	2,900
207	Occupational Education (Subprogram 04)	84.048	H63010107117	2,361
207	Occupational Education (Subprogram 09)	84.048	H63010107117	1,132
207	Occupational Education (Subprogram 14)	84.048	H63010107117	600
207	Occupational Education (Subprogram 15)	84.048	H63010107117	368
	Total 84.048			21,458
224	21st Century Program	84.287	H63010006915	9,644
224	21st Century Program	84.287	H63010006916	142,390
224	21st Century Program	84.287	H63010006917	27,829
231	School Improvement Grant - 16	84.377	H63010010414	37,732
231	School Improvement Grant - 17	84.377	H63010010414	66,161
251	Rural & Low Income Schools	84.358	H63010007016	2,813
251	Rural & Low Income Schools	84.358	H63010007017	14,685
262	Teacher Incentive Program	84.374	H63010013813	276,097
267	Improving Teacher Quality	84.367	H63010006817	52,362
267	Improving Teacher Quality	84.367	H63010006816	3,064
267	Improving Teacher Quality - Mini	84.367	H63010006816	8,951
	TOTAL U.S. DEPARTMENT OF EDUCATION			1,893,128
	TOTAL FEDERAL FINANCIAL ASSISTANCE EXPENDED			\$ 2,454,382

THE ACCOMPANYING NOTE IS AN INTEGRAL PART OF THIS SCHEDULE.

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017**

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the activity of all federal award programs of Barnwell School District #19, Blackville, South Carolina (the "School District") for the year ended June 30, 2017. All federal awards received directly from federal agencies, as well as those passed through other government agencies, are included on the Schedule.

2. BASIS OF ACCOUNTING

The accompanying Schedule is presented using the modified accrual basis of accounting.

3. RELATIONSHIP TO FINANCIAL STATEMENTS

Federal award expenditures are reported in the School District's financial statements as expenditures in the Special Revenue Fund and operating expenses in the Proprietary Fund.

4. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

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

5. DE MINIMIS INDIRECT COST RATE

The District has not elected to use the 10% de minimis indirect cost rate.

C.C. McGregor, CPA 1906-1968	PARTNERS				ASSOCIATES			
	W.C. Stevenson, CPA	D.L. Richardson, CPA	D.K. Strickland, CPA	V.K. Laroche, CPA	G.P. Davis, CPA	H.S. Mims, CPA		
	B.T. Kight, CPA	E.C. Inabinet, CPA	J.P. McGuire, CPA	G.N. Mundy, CPA	H.J. Darver, CPA	T. Solorzano, CPA		
	G.D. Skipper, CPA	S.S. Luoma, CPA	L.H. Kelly, CPA	M.L. Layman, CPA	D.M. Herpel, CPA	C.W. Bolen, CPA		
	L.R. Leaphart, Jr, CPA	T.M. McCall, CPA	J.R. Matthews II, CPA	P.A. Betette, Jr, CPA	H.O. Crider, Jr, CPA	L.T. Hewitt, CPA		
	M.J. Binnicker, CPA	H.D. Brown, Jr, CPA		S. Wo, CPA	F.C. Gillam, Jr, CPA			
W.W. Francis, CPA	L.B. Salley, CPA		C.D. Hincee, CPA	M.L. Goode, CPA				

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*

To the Board of Trustees
 Barnwell School District #19
 Blackville, South Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Barnwell School District #19 as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Barnwell School District #19’s basic financial statements and have issued our report thereon dated December 14, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Barnwell School District #19’s internal control over financial reporting (internal control) to determine the auditing 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 Barnwell School District #19’s internal control. Accordingly, we do not express an opinion on the effectiveness of Barnwell School District #19’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as B-1 through B-12 to be material weaknesses.

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

(continued)

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit the attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as B-13 through B-14 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Barnwell School District #19's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed five instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items B-15 through B-19.

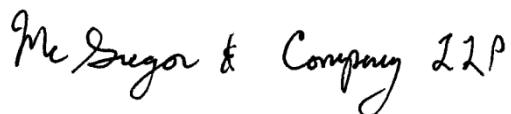
We noted certain other matters that we reported to management of Barnwell School District #19 in a separate letter dated December 14, 2017.

Barnwell School District #19's Response to Findings

Management's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Barnwell School District #19's responses were not subjected to the auditing procedures applied in the audit of the financial statement 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 entity's internal control or on compliance. This report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Barnwell, South Carolina
December 14, 2017

C.C. McGregor, CPA 1906–1968	PARTNERS			ASSOCIATES		
	W.C. Stevenson, CPA	D.L. Richardson, CPA	D.K. Strickland, CPA	V.K. Laroche, CPA	G.P. Davis, CPA	H.S. Mims, CPA
	B.T. Kight, CPA	E.C. Inabinet, CPA	J.P. McGuire, CPA	G.N. Mundy, CPA	H.J. Darver, CPA	T. Solorzano, CPA
	G.D. Skipper, CPA	S.S. Luoma, CPA	L.H. Kelly, CPA	M.L. Layman, CPA	D.M. Herpel, CPA	C.W. Bolen, CPA
	L.R. Leaphart, Jr, CPA	T.M. McCall, CPA	J.R. Matthews II, CPA	P.A. Betette, Jr, CPA	H.O. Crider, Jr, CPA	L.T. Hewitt, CPA
	M.J. Binnicker, CPA	H.D. Brown, Jr, CPA		S. Wo, CPA	F.C. Gillam, Jr, CPA	
W.W. Francis, CPA	L.B. Salley, CPA		C.D. Hincee, CPA	M.L. Goode, CPA		

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

To the Board of Trustees
Barnwell School District #19
Blackville, South Carolina

Report on Compliance for Each Major Federal Program

We have audited Barnwell School District #19’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Barnwell School District #19’s major federal programs for the year ended June 30, 2017. Barnwell School District #19’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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of Barnwell School District #19’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Barnwell School District #19’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Barnwell School District #19’s compliance.

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

Basis for Qualified Opinion on CFDA 84.010 Title I Regular 2017 Grant

As described in the accompanying schedule of findings and questioned costs, Barnwell School District #19 did not comply with requirements regarding CFDA 84.010 Title I Regular 2017 Grant, as described in finding C-1 for Cash Management. Compliance with such requirements is necessary, in our opinion, for Barnwell School District #19 to comply with the requirements applicable to that program.

Qualified Opinion on CFDA 84.010 Title I Regular 2017 Grant

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph on CFDA 84.010 Title I Regular 2017 Grant, Barnwell School District #19 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA 84.010 Title I Regular 2017 Grant for the year ended June 30, 2017.

Basis for Qualified Opinion on CFDA 84.027 Individuals with Disabilities Act (IDEA) Regular 2017 Grant

As described in the accompanying schedule of findings and questioned costs, Barnwell School District #19 did not comply with requirements regarding CFDA 84.027 IDEA Regular 2017 Grant, as described in finding C-2 for Cash Management. Compliance with such requirements is necessary, in our opinion, for Barnwell School District #19 to comply with the requirements applicable to that program.

Qualified Opinion on CFDA 84.027 IDEA Regular 2017 Grant

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph on CFDA 84.027 IDEA Regular 2017 Grant, Barnwell School District #19 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA 84.027 IDEA Regular 2017 Grant for the year ended June 30, 2017.

Basis for Qualified Opinion on CFDA 84.173 Individuals with Disabilities Act (IDEA) Preschool 2016 & 2017 Grants

As described in the accompanying schedule of findings and questioned costs, Barnwell School District #19 did not comply with requirements regarding CFDA 84.173 IDEA Preschool 2016 & 2017 Grants, as described in finding C-3 for Reporting. Compliance with such requirements is necessary, in our opinion, for Barnwell School District #19 to comply with the requirements applicable to that program.

Qualified Opinion on CFDA 84.173 IDEA Preschool 2016 & 2017 Grants

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph on CFDA 84.173 IDEA Preschool 2016 & 2017 Grants, Barnwell School District #19 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA 84.173 IDEA Preschool 2016 & 2017 Grants for the year ended June 30, 2017.

Other Matters

Barnwell School District #19's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Barnwell School District #19's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

(continued)

Report on Internal Control over Compliance

Management of Barnwell School District #19 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 Barnwell School District #19's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Barnwell School District #19's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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.

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit the attention by those charged with governance.

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

Mc Sugar & Company LLP

Barnwell, South Carolina
December 14, 2017

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Barnwell School District #19.
2. Fourteen control deficiencies related to the audit of the financial statements are reported in the Independent Auditor's Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit of Financial Statements Performed In Accordance With *Government Auditing Standards*. The control deficiencies referenced as B-1 through B-12 are considered to be material weaknesses and B-13 through B-14 are considered to be significant deficiencies.
3. No deficiencies related to internal controls over compliance are reported in the Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance required by the Uniform Guidance.
4. Five instances of noncompliance material to the financial statements of Barnwell School District #19 were disclosed during the audit. They are listed as B-15 through B-19 in the 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*.
5. The auditor's report on compliance for the major federal award programs for Barnwell School District #19 expresses a qualified opinion.
6. Three audit findings in relation to compliance relative to the major federal award programs for Barnwell School District #19 were disclosed during the audit. The compliance findings are referenced as C-1 through C-3.
7. The programs tested as major programs included:

<u>Name of Federal Program</u>	<u>CFDA</u>
Title I Program	84.010, 84.013
IDEA Cluster	84.027, 84.173

8. The threshold for distinguishing Types A and B programs was \$750,000 as described in the Uniform Guidance.
9. Barnwell School District #19 was not determined to be a low-risk auditee under the Uniform Guidance.

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

MATERIAL WEAKNESSES

B-1 Preparation of Financial Statements

Condition: The District did not prepare its own financial statements and note disclosures.

Criteria: Entities should be able to prepare the financial statements and note disclosures in accordance with generally accepted accounting principles (GAAP) and Governmental Accounting Standards Board's (GASB) statements.

Cause: The District does not have the personnel with the necessary knowledge, qualifications, and experience to apply GAAP and GASB standards in the preparation of its financial statements and note disclosures.

Auditee Response: Management has made a cost/benefit analysis and determined that the present methods used to prepare its financial statements and note disclosures are adequate for its needs.

B-2 Reconciliation of Bank Accounts

Condition: The District's bank accounts were not properly reconciled to the general ledger and reconciliations were not being completed in a timely manner. It was noted that many months went by before bank reconciliations were attempted.

Criteria: Proper internal controls and sound fiscal management require that bank accounts be reconciled to the general ledger on a timely basis, preferably monthly, and that any unusual reconciling items be reviewed and corrected. Adjustments to the general ledger need to be made.

Effect of Condition: Without timely and accurate reconciliations of bank accounts to the general ledger, management cannot guarantee that its books and records are accurate and that all transactions have been properly recorded.

Cause: The internal controls in place are inadequate to assure that accounts are reconciled.

Recommendation: The District should prepare bank reconciliations each month and at least by the close of the following month to remedy any errors on a timely basis. District personnel should investigate any unusual reconciling items and make all the necessary journal entries to maintain an accurate general ledger.

Auditee Response: Management agrees with the auditor's recommendations. The Interim Finance Director will make an effort to complete bank reconciliations by the close of the following month to remedy any errors on a timely basis.

B-3 Due from County Treasurer

Condition: The amount due from County Treasurer was not properly reconciled and not reconciled in a timely manner to the County Treasurer's records. The Treasurer collects property taxes and other state revenues each month and turns these funds over to the District.

Criteria: Effective internal controls and sound fiscal management require that all revenues be recorded correctly and timely. Account balances should be reconciled to the County Treasurer's records monthly, with any funds not received and deposited recorded as Due from County Treasurer.

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (continued)

MATERIAL WEAKNESSES (continued)

B-3 Due from County Treasurer (continued)

Effect of Condition: Without timely and accurate reconciliations of County Treasurer records with District records, certain transactions may not be recorded on a current basis. Also, interim financial information will not be complete or accurate without timely reconciliations.

Cause: The District does not have suitable internal controls in place to determine if District accounts are reconciled correctly and timely with County Treasurer records.

Recommendation: The District should employ effective internal controls over funds held at the County Treasurer's office to assure that all transactions are posted accurately to the general ledger and amounts recorded as due from County Treasurer agree to amounts due to the District as provided in the County Treasurer's records.

Auditee Response: Management agrees with the auditor's recommendations. The Interim Finance Director will reconcile the general ledger monthly to the County Treasurer's report to ensure all transactions are properly recorded and posted.

B-4 Receivables, Deferrals, Federal and State Revenues

Condition: Upon initial review of the general ledger, it was noted that receivable accounts were never reversed from prior year, current receivables were not recorded, and deferred revenue was not adjusted. We also noted errors in the recording of revenue such as federal revenues were posted using the incorrect revenue code.

Criteria: Proper financial reporting provides for accurate recording of revenues and receivables. Restricted state revenues or federal revenues should be accounted for in the proper special revenue funds.

Effect of Condition: Numerous bookkeeping entries were needed to properly account for revenues, receivables, and deferrals. Special revenue and EIA funds could not be properly closed without numerous adjustments. Lack of the proper accounting for these funds can result in overspending of budgets, unexpended funds being lost, and/or impedance of financial decision making, including budgeting and spending.

Cause: Personnel do not have the necessary knowledge and experience to apply accounting procedures to the general ledger, including, but not limited to, making the necessary adjustments and posting to the proper fund or account.

Recommendation: District personnel should study, review, and become familiar with the South Carolina Department of Education's funding manual and accounting code manual. District personnel should also ensure that all revenues are recorded in the proper period, proper fund, and proper account; and that receivable accounts reflect revenues earned but not yet received.

Auditee Response: Management agrees with the auditor's recommendations. The Interim Finance Director will develop and implement operating procedures to correct these internal controls over funds received from federal and state sources. All federal and state revenues and expenditures will be reconciled monthly.

B-5 Accounts Payable

Condition: It was noted that accrued accounts payable from the prior year was not reversed out properly in the current year. We also found two material payables that were improperly accrued.

Criteria: All payables should be recorded in accordance with generally accepted accounting principles (GAAP).

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (continued)

MATERIAL WEAKNESSES (continued)

B-5 Accounts Payable (continued)

Effect of Condition: By not reversing the prior year payables, liabilities were overstated and expenditures were not recorded on the general ledger in the proper period. A journal entry had to be made to record the reversing of payables. Another journal entry had to be made to unaccrue two payables, one of which resulted in EIA amounts to be sent back to the State Department of Education.

Cause: District personnel did not have the experience to recognize that there were expenses that needed to be reversed from the prior year.

Recommendation: District personnel should review year-end liability accounts to see if amounts appear reasonable.

Auditee Response: Management agrees with the auditor's recommendation. The Interim Finance Director will review year-end liability accounts to see if amounts appear reasonable.

B-6 Health/Dental Payable

Condition: Health/Dental payable was not reconciled or reviewed at year-end resulting in an undetected error. When accruing health/dental payable, District personnel accrued both the July and August liabilities twice. This resulted in extra charged to accrued health/dental payable. Health/dental payable had to be adjusted.

Criteria: Proper internal controls require that account balances be reconciled and reviewed.

Effect of Condition: The error resulted in an overstatement of liabilities and expenditures.

Cause: When accruing health/dental payable, the July and August liabilities of the following year were not posted. District personnel failed to adjust on the general ledger for the proper liability.

Recommendation: Payroll liabilities need to be periodically reviewed for accuracy. Internal controls need to be implemented to allow for detection of such errors.

Auditee Response: Management agrees with the auditor's recommendation. The Interim Finance Director will review payroll liabilities periodically for accuracy. Internal controls will be implemented to allow for detection of such errors.

B-7 Payroll Liabilities

Condition: Payroll liabilities were not reconciled or reviewed at year-end resulting in undetected errors. Electronic fund drafts were not properly recorded between FICA payable, FICA expenses, and federal withholding. We found an entry made twice in June 2017 that not only affected the withholding accounts, but also made the payroll bank account materially incorrect.

Criteria: Proper internal controls require that account balances be reconciled and reviewed.

Effect of Condition: The errors resulted in an overstatement of assets, an understatement of liabilities, an understatement of expenditures, a lost opportunity for federal funds, and incorrect liability balances at year-end.

Cause: When posting payroll, the fringe posting register is posted separately. The additional step was not completed by District personnel. When posting payroll drafts, the client was unable to determine which accounts to debit, therefore, the known amounts were posted correctly and the unknown amounts were plugged to accrued FICA.

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (continued)

MATERIAL WEAKNESSES (continued)

B-7 Payroll Liabilities (continued)

Recommendation: Payroll liabilities need to be periodically reviewed for accuracy and should be reconciled to payroll system reports. Internal controls need to be implemented to allow for detection of such errors.

Auditee Response: Management agrees with the auditor’s recommendation. The Interim Finance Director will review payroll liabilities periodically for accuracy and reconcile to payroll system reports. Internal controls will be implemented to allow for detection of such errors.

B-8 South Carolina Retirement System quarterly reports

Condition: A SC Retirement System quarterly report was incorrectly filled out for the quarter ended March 31, 2017. Total liabilities for the quarter were understated. Electronic drafts after year end for retirement accounts were not recorded, so liability accounts at June 30th were never cleared out.

Criteria: Quarterly retirement forms are to be reviewed and filled out correctly.

Effect of Condition: The District had underpaid its quarterly liability for March 2017.

Cause: The quarterly retirement form was filled out incorrectly and internal control safeguards were ignored.

Recommendation: Quarterly forms are to be filled out properly and any variances listed on the form should be examined. Electronic drafts need to be recorded monthly.

Auditee Response: Management agrees with the auditor’s recommendation. The Interim Finance Director will fill out quarterly forms properly and any variances listed on the form will be examined. Electronic drafts will be recorded monthly.

B-9 General ledger out of balance

Condition: We found that the general ledger did not balance. Six different funds were out of balance and contributed to the overall general fund being out of balance.

Criteria: Proper accounting requires funds to be in balance with total debits equaling total credits.

Effect of Condition: Financial statements are out of balance. Amounts that may be claimed could go missing.

Cause: Transactions were being posted to new funds before the fund was set up with proper due to/due from accounts resulting in “one-sided” entries being made and resulting in an out of balance entry.

Recommendation: General ledger needs to be reviewed overall. Individual funds need to be reviewed for proper accounting.

Auditee Response: Management agrees with the auditor’s recommendation. The Interim Finance Director will review the general ledger periodically. Also, individual funds will be reviewed for proper accounting.

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (continued)

MATERIAL WEAKNESSES (continued)

B-10 Beginning balance sheet accounts not in agreement with prior year audited balances

Condition: We found that the balance sheet accounts that rolled forward from prior year did not agree to the prior year's audited balances.

Criteria: Once a fiscal year has been closed and audited, no actions should be taken that would affect that year's balances. Balance sheet accounts should roll forward to the next fiscal year and agree to the prior year's audited balances.

Effect of Condition: Beginning balances are wrong which affects year-end balances.

Cause: Journal entries were posted to the prior year and transactions were voided that affected the prior year.

Recommendation: Finance personnel should be sure that beginning balance sheet accounts agree to prior year audited balances. Finance personnel should under no circumstances make any adjustments to a prior period after it has been closed and audited.

Auditee Response: Management agrees with the auditor's recommendation. Finance personnel will make sure that beginning balance sheet accounts agree to prior year audited balances. Finance personnel will not make any adjustment to a prior year period after it has been closed and audited.

B-11 Debt Service Fund

Condition: No transactions were recorded in the Debt Service Fund after September 2016.

Criteria: All transactions should be recorded in the general ledger.

Effect of Condition: No revenues for taxes received by the Treasurer's office and no note payments (principal and interest) paid by the Treasurer are reflected in the general ledger. District is not providing proper stewardship over its funds.

Cause: Unknown

Recommendation: All transactions for the Debt Service Fund should be recorded on a monthly basis.

Auditee Response: Management agrees with the auditor's recommendation. All transactions for the Debt Service Fund will be recorded on a monthly basis.

B-12 Claims Submission

Condition: Certain expenditures were overclaimed for certain funds.

Criteria: For an expenditure to be claimed for reimbursement under a federal award, it must be expended during the award period and the expenditures must meet the conditions of the award. Claims for reimbursement of expenditures should correspond to those expenditures recorded in the general ledger.

Effect of Condition: Funds received for overclaimed expenditures are required to be returned. Multiple reimbursements were received for the same expenditures, therefore those funds are owed back.

Cause: The District did not reconcile previous claims to amounts in the general ledger before submitting the final claims.

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (continued)

SIGNIFICANT DEFICIENCIES

B-12 Claims Submission (continued)

Recommendation: The District should take care to only claim those expenditures recorded in the general ledger and ensure that expenditures are not included on more than one claim for reimbursement.

Auditee Response: Management agrees with the auditor’s recommendations. The Interim Finance Director will claim only those expenditures recorded in the general ledger for the appropriate months or quarters. Monthly reconciliations of federal claims revenue and expenditures will eliminate any future errors.

B-13 Segregation of duties

Condition: The District does not have adequate segregation of duties in the payroll and accounts payable departments and for pupil activity funds.

Criteria: Well designed internal controls allow for proper segregation of duties so that no one individual is responsible for authorizing, processing, recording and reporting financial transactions.

Effect of Condition: There is a potential for misappropriation and/or misstatements in the financial statements due to the lack of segregation of duties.

Cause: This is an inherent internal control weakness in a school district the size of Barnwell School District #19.

Auditee Response: Management has determined that the costs to implement the controls and hire additional staff do not justify the benefits to the District.

B-14 Accounting Structure

Condition: The finance department set up many new accounts that were incorrect in their accounting number and/or incorrect in the classification of the type of account it is. Incorrect accounts were set up that used account numbers that are not in the State Department of Education (SCDE) Financial Accounting Manual. Accounts were set up that were coded as assets when they were expenditures; liabilities when they were revenues or vice versa. Debit balances were listed in accounts that should have credit balances; credit balances in accounts that should have debit balances. We found federal revenues coded with state revenue code numbers and also vice versa (state revenues with federal code numbers). Accounts were set up in federal projects for “Due from State” when the proper account is “Due from Federal” and had been properly used in prior years.

Criteria: Fund accounting structure and accounts used should be set up per the SCDE Financial Accounting Manual and the SCDE Audit Guide.

Effect of Condition: Numerous bookkeeping and accounting entries had to be made to put accounting records in compliance with the SCDE.

Cause: District personnel were unaware, did not use or did not follow accounting guides or manuals provided by the SCDE.

Recommendation: The District Finance Department needs to be familiar with and trained in the use of accounting resources provided by the SCDE.

Auditee Response: Management agrees with the auditor’s recommendation. The District Finance Department will be familiar with and trained in the use of the accounting resources provided by the SCDE.

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (continued)

NONCOMPLIANCE

B-15 CDL Drug and Alcohol Testing Program

Condition: The District is not in compliance with the Commercial Driver’s License Drug and Alcohol Testing Program.

Criteria: Per the South Carolina Department of Education Single Audit Guide, all school districts are required to administer a drug and alcohol testing program for school bus drivers.

Effect of Condition: District is not in compliance with state compliance requirements.

Cause: The District did not perform pre-employment testing on new bus drivers. No proof of any alcohol testing was found. For one driver, no proof of SDL license or medical exam was found.

Recommendation: The District should have all bus drivers tested before driving. A sample of drivers needs to be tested for alcohol. Complete documentation for all drivers is needed.

Auditee Response: Management agrees with the auditor’s recommendation. The District will have all bus drivers tested before driving. A sample will be tested for alcohol. The District will have complete documentation for all drivers.

B-16 Fiscal Practices and Budgetary Conditions

Condition: The District failed to meet the criteria set forth in Act 23 of 2017, to be codified at S.C. Code of Laws Section 59-20-90(A)(1)(2017), for maintain a general reserve fund (unrestricted general fund balance) of at least one month of general operating expenditures of the previous two completed fiscal years.

Criteria: The District should maintain a general reserve fund (unrestricted general fund balance) of at least one month of general operating expenditures of the previous two completed fiscal years.

Cause: Unrestricted general fund balance is too low to meet the requirements.

Effect of Condition: The State Superintendent of Education may declare a state of “fiscal watch” for the District and require the District Board to submit a financial recovery plan within sixty days after the declaration.

Recommendation: The District should be proactive in developing a plan to increase the general reserve fund to a level of at least one month of general operating expenditures.

Auditee Response: Management agrees with the auditor’s recommendation. The District will be proactive in developing a plan to increase the general reserve fund to a level of at least one month of general operating expenditures.

B-17 21st Century 2016 Grant, CFDA No. 84.287, U.S. Department of Education, Passed Through S.C Department of Education, Pass-Through Grantor’s identifying number H63010006915.

Compliance Requirement: Cash Management

Condition: The District claimed reimbursement for federal funds under 21st Century for which program costs were not expended prior to the reimbursement request.

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (continued)

NONCOMPLIANCE (continued)

B-17 21st Century 2016 Grant, CFDA No. 84.287, U.S. Department of Education, Passed Through S.C Department of Education, Pass-Through Grantor’s identifying number H63010006915. (continued)

Criteria: When entities are funded on a reimbursement basis, program costs must be paid for with District funds before reimbursement is requested from the Federal Government.

Effect of Condition: The District was not in compliance with the cash management requirement as set forth in 2 CFR Part 200, Appendix XI, Compliance Supplement.

Cause: The District filed claims for certain expenditures that had been previously reimbursed.

Recommendation: The District should implement procedures to ensure that program costs have been paid for with District funds before reimbursement is requested, including verifying that costs have not already been claimed.

Auditee Response: Management agrees with the auditor’s recommendations. The Interim Finance Director and Consultant could not appropriately identify from the former Finance Director’s records previous claims submitted versus general ledger expenditures. The Interim Finance Director is currently working to create monthly reconciliations to reconcile the pass-through entity’s grant accounting program to its general ledger. The Interim Finance Director will implement budgets for the 21st Century program to ensure revenue and expenditures are recorded properly. The District will ensure that program costs have been paid for with District funds before reimbursement is requested.

B-18 School Improvement Grant 2016 and 2017 Grants, CFDA No. 84.377, U.S. Department of Education, Passed Through S.C Department of Education, Pass-Through Grantor’s identifying number H63010010414.

Compliance Requirement: Reporting

Condition: The District’s claims for reimbursement of federal funds under the School Improvement Grant as reported in the pass-through entity’s grants accounting program do not agree to the general ledger for the School Improvement Grant by function and object within the pass-through entity’s allowed margin of error.

Criteria: The District’s underlying records, including the general ledger, should agree with amounts reported in the pass-through entity’s grants accounting program within the pass-through entity’s allowed margin of error.

Effect of Condition: The District was not in compliance with the reporting requirements of the pass-through entity.

Cause: The District did not reconcile the pass-through entity’s grants accounting program to its general ledger.

Recommendation: The District should implement procedures to reconcile the pass-through entity’s grants accounting program to its general ledger.

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (continued)

NONCOMPLIANCE (continued)

B-18 School Improvement Grant 2016 and 2017 Grants, CFDA No. 84.377, U.S. Department of Education, Passed Through S.C Department of Education, Pass-Through Grantor’s identifying number H63010010414. (continued)

Auditee Response: Management agrees with the auditor’s recommendations. The Interim Finance Director and Consultant could not appropriately identify from the former Finance Director’s records previous claims submitted versus general ledger expenditures. The Interim Finance Director is currently working to create monthly reconciliations to reconcile the pass-through entity’s grant accounting program to its general ledger. The Interim Finance Director will implement budgets for the School Improvement Grant program to ensure revenue and expenditures are recorded properly. The District will ensure that program costs have been paid for by entity funds before reimbursement is requested.

B-19 Teacher Incentive Program 2017 Grant, CFDA No. 84.374, U.S. Department of Education, Passed Through S.C Department of Education, Pass-Through Grantor’s identifying number H63010013813.

Compliance Requirement: Reporting

Condition: The District’s claims for reimbursement of federal funds under the Teacher Incentive Program as reported in the pass-through entity’s grants accounting program do not agree to the general ledger for the Teacher Incentive Program. by function and object within the pass-through entity’s allowed margin of error.

Criteria: The District’s underlying records, including the general ledger, should agree with amounts reported in the pass-through entity’s grants accounting program within the pass-through entity’s allowed margin of error.

Effect of Condition: The District was not in compliance with the reporting requirements of the pass-through entity.

Cause: The District did not reconcile the pass-through entity’s grants accounting program to its general ledger.

Recommendation: The District should implement procedures to reconcile the pass-through entity’s grants accounting program to its general ledger.

Auditee Response: Management agrees with the auditor’s recommendations. The Interim Finance Director and Consultant could not appropriately identify from the former Finance Director’s records previous claims submitted versus general ledger expenditures. The Interim Finance Director is currently working to create monthly reconciliations to reconcile the pass-through entity’s grant accounting program to its general ledger. The Interim Finance Director will implement budgets for the Teacher Incentive Program to ensure revenue and expenditures are recorded properly. The District will ensure that program costs have been paid for by entity funds before reimbursement is requested.

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

MATERIAL NONCOMPLIANCE

Compliance

C-1 Title I Regular 2017 Grant, CFDA No. 84.010, U.S. Department of Education, Passed Through S.C. Department of Education, Pass-Through Grantor’s identifying number H63010100117.

Compliance Requirement: Cash Management

Condition: The District claimed reimbursement for federal funds under Title I for which program costs were not expended prior to the reimbursement request.

Criteria: When entities are funded on a reimbursement basis, program costs must be paid for with District funds before reimbursement is requested from the Federal Government.

Effect of Condition: The District was not in compliance with the cash management requirement as set forth in 2 CFR Part 200, Appendix XI, Compliance Supplement.

Cause: The District filed claims for certain expenditures that had been previously reimbursed.

Recommendation: The District should implement procedures to ensure that program costs have been paid for with District funds before reimbursement is requested, including verifying that costs have not already been claimed.

Auditee Response: Management agrees with the auditor’s recommendations. The Interim Finance Director and Consultant could not appropriately identify from the former Finance Director’s records previous claims submitted versus general ledger expenditures. The Interim Finance Director is currently working to create monthly reconciliations to reconcile the pass-through entity’s grant accounting program to its general ledger. The Interim Finance Director will implement budgets for the Title I program to ensure revenue and expenditures are recorded properly. The District will ensure that program costs have been paid for with District funds before reimbursement is requested.

C-2 IDEA Regular 2017 Grant, CFDA No. 84.027, U.S. Department of Education, Passed Through S.C. Department of Education, Pass-Through Grantor’s identifying number H63010100917.

Compliance Requirement: Cash Management

Condition: The District claimed reimbursement for federal funds under IDEA for which program costs were not expended prior to the reimbursement request.

Criteria: When entities are funded on a reimbursement basis, program costs must be paid for with District funds before reimbursement is requested from the Federal Government.

Effect of Condition: The District was not in compliance with the cash management requirement as set forth in 2 CFR Part 200, Appendix XI, Compliance Supplement.

Cause: The District filed claims for certain expenditures that had been previously reimbursed.

Recommendation: The District should implement procedures to ensure that program costs have been paid for with District funds before reimbursement is requested, including verifying that costs have not already been claimed.

**BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

D. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT (continued)

MATERIAL NONCOMPLIANCE (continued)

Compliance (continued)

C-2 IDEA Regular 2017 Grant, CFDA No. 84.027, U.S. Department of Education, Passed Through S.C. Department of Education, Pass-Through Grantor's identifying number H63010100917. (continued)

Auditee Response: Management agrees with the auditor's recommendations. The Interim Finance Director and Consultant could not appropriately identify from the former Finance Director's records previous claims submitted versus general ledger expenditures. The Interim Finance Director is currently working to create monthly reconciliations to reconcile the pass-through entity's grant accounting program to its general ledger. The Interim Finance Director will implement budgets for IDEA program to ensure revenue and expenditures are recorded properly. The District will ensure that program costs have been paid for with District funds before reimbursement is requested.

C-3 IDEA Preschool 2016 and 2017 Grants, CFDA No. 84.173, U.S. Department of Education, Passed Through S.C. Department of Education, Pass-Through Grantor's identifying number H63010100816 and H63010100817, respectively.

Compliance Requirement: Reporting

Condition: The District's claims for reimbursement of federal funds under IDEA Preschool as reported in the pass-through entity's grants accounting program do not agree to the general ledger for IDEA Preschool by function and object within the pass-through entity's allowed margin of error.

Criteria: The District's underlying records, including the general ledger, should agree with amounts reported in the pass-through entity's grants accounting program within the pass-through entity's allowed margin of error.

Effect of Condition: The District was not in compliance with the reporting requirements of the pass-through entity.

Cause: The District did not reconcile the pass-through entity's grants accounting program to its general ledger.

Recommendation: The District should implement procedures to reconcile the pass-through entity's grants accounting program to its general ledger.

Auditee Response: Management agrees with the auditor's recommendations. The Interim Finance Director and Consultant could not appropriately identify from the former Finance Director's records previous claims submitted versus general ledger expenditures. The Interim Finance Director is currently working to create monthly reconciliations to reconcile the pass-through entity's grant accounting program to its general ledger. The Interim Finance Director will implement budgets for the IDEA Preschool program to ensure revenue and expenditures are recorded properly. The District will ensure that program costs have been paid for by entity funds before reimbursement is requested.

BARNWELL SCHOOL DISTRICT #19
BLACKVILLE, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2017

The material weakness relating to the reconciliation of bank accounts that was listed as B-1 in the previous year is being reported as audit finding B-2.

The material weakness relating to amounts due from County Treasurer that was listed as B-2 in the previous year is being reported as audit finding B-3.

The material weakness relating to the proper reporting of federal state revenues that was listed as B-3 in the previous year is being reported as a part of audit finding B-4.

The material weakness relating to claims submission that was listed as B-4 in the previous year is being reported as audit finding B-12.

The significant deficiency relating to the segregation of duties that was listed as B-5 in the previous year is being reported as audit finding B-13.

The significant deficiency relating to noncompliance with the insurance and collateralization of bank accounts that was listed as B-6 in the previous year has been resolved.

The material weakness relating to compliance with Title I (claiming reimbursement for costs not expended in proper period) that was listed as C-1 in the previous year is being reported as audit finding C-1.

The material weakness relating to compliance with IDEA (claiming reimbursement for costs not expended in proper period) that was listed as C-2 in the previous year is being reported as audit finding C-2.

The material weakness relating to compliance with IDEA (grant accounting program not in agreement with general ledger) that was listed as C-3 in the previous year has been resolved.