

**ANDERSON COUNTY SCHOOL DISTRICT  
NUMBER THREE**

**IVA, SOUTH CAROLINA**

**ANNUAL FINANCIAL REPORT  
June 30, 2012**

**(With Independent Auditors' Report Thereon)**

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IVA, SOUTH CAROLINA  
Annual Financial Report  
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# MARTIN SMITH & COMPANY

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CERTIFIED PUBLIC ACCOUNTANTS, PA

INDEPENDENT AUDITORS' REPORT  
ON FINANCIAL STATEMENTS

The Board of Trustees  
Anderson County School District Number Three  
Iva, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Anderson County School District Number Three as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements, as listed in the accompanying table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 Anderson County School District Number Three as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is supplementary information 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 the appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual non-major fund financial statements and the Schedule of Expenditures of Federal Awards, as required by U. S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations", are presented for purposes of additional analysis and are not a required part of the basic financial statements of Anderson County School District Number Three. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated October 5, 2012, on our consideration of Anderson County School District Number Three's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Greenville, South Carolina  
October 5, 2012

*Martin Smith & Company CPA PA*

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED June 30, 2012**

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

**FINANCIAL HIGHLIGHTS**

Key financial highlights for 2012 are as follows:

- In the Statement of Net Assets, the assets of the District exceeded its liabilities at the close of the 2012 fiscal year by \$9,620,448. Of this amount, \$3,717,639 may be used to meet the District's ongoing obligations to citizens and creditors.
- In the Statement of Activities, the District's total net assets decreased by \$1,148,712 for the 2012 fiscal year, compared to an increase of \$374,885 in the prior year. This decrease in net assets results from the combination of recognizing depreciation expense in excess of capital outlays and issuing debt in excess of debt repayments. The District's net asset level (assets less liabilities) remains strong with a balance of \$9,620,448 at the close of the 2012 fiscal year.
- The District had \$21,602,864 in expenses related to governmental activities in the 2012 fiscal year; of these expenses \$11,749,708 was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$8,650,238 provided the remaining funding for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$3,789,293, an increase of \$192,879. \$2,817,224 is unassigned and available for spending at the government's discretion, \$267,901 is nonspendable, and \$704,168 is restricted. No fund balances are committed or assigned
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,817,224, which is 18 percent of total general fund expenditures.
- The District's total net fixed assets decreased by \$986,358 during the current fiscal year, as depreciation expense exceeded capital acquisitions of \$251,392.
- The District's long-term debt increased by \$359,623 during the current fiscal year, as the amount of borrowings under bond agreements exceeded bond repayments.
- During the 2012 fiscal year, the District's governmental fund type revenues were \$21,013,625 compared to \$20,629,282 in the prior year. The increase was due to increased state funding under the Education Finance Act and special revenue programs.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts – the basic financial statements, required supplementary information (which includes this management's discussion and analysis section), an optional section that presents combining and individual fund statements and schedules for major governmental funds, and the compliance section.

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

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

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE FISCAL YEAR ENDED June 30, 2012**

The statement of activities presents information showing how the government's net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, for some items, revenues and expenses are reported in this statement that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include instruction, supporting services, community services and intergovernmental. The business type activities of the District include a food service operation.

**Fund financial statements.** The remaining basic financial statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of the District can be divided into three categories; governmental funds, proprietary funds, and fiduciary 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 uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide 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 government'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 the comparison between governmental funds and governmental activities.

The District maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special projects fund, EIA fund, debt service fund and the capital projects fund, all of which are considered major funds.

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

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The District is the trustee, or fiduciary, for the pupil activity of the schools and accounts for this activity in an agency fund.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** The District adopts an annual appropriated budget for its general fund, special projects fund and EIA fund. A budgetary comparison statement has been provided in the basic financial section of these funds to demonstrate compliance with their budgets.



**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE FISCAL YEAR ENDED June 30, 2012**

Major Features of the District's Government-wide and Fund Financial Statements

<b>Fund Financial Statements</b>				
	<b>Government-wide Statements</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
<b>Scope</b>	Entire District government (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary	Activities the District operates similar to private businesses	Instances in which the District is the trustee or agent for someone else's resources, such as the Pupil Activity Fund
<b>Required financial statements</b>	Statement of net assets Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of net assets, Statement of revenues, expenses, and changes in net assets, Statement of cash flows	Statement of fiduciary net assets Statement of changes in fiduciary net assets
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<b>Type of asset/liability information</b>	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the District's funds do not currently contain capital assets, although they can
<b>Type of inflow/outflow information</b>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods/services have been received and payment is due during the year or soon after	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE FISCAL YEAR ENDED June 30, 2012**

**Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$9,620,448 at the close of the most recent fiscal year.

The following table provides a summary of the School District's net assets for 2011 compared to 2012:

<b>Net Assets</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>Assets</b>						
Current and Other Assets	\$ 4,869,646	\$ 5,034,744	\$ 643,349	\$ 637,719	\$ 5,512,995	\$ 5,672,463
Capital Assets	<u>22,986,586</u>	<u>24,022,260</u>	<u>179,783</u>	<u>130,467</u>	<u>23,166,369</u>	<u>24,152,727</u>
Total Assets	<u>27,856,232</u>	<u>29,057,004</u>	<u>823,132</u>	<u>768,186</u>	<u>28,679,364</u>	<u>29,825,190</u>
<b>Liabilities</b>						
Long-term Liabilities	17,967,728	17,608,105	-	-	17,967,728	17,608,105
Other Liabilities	<u>1,080,353</u>	<u>1,438,330</u>	<u>10,835</u>	<u>9,595</u>	<u>1,091,188</u>	<u>1,447,925</u>
Total Liabilities	<u>19,048,081</u>	<u>19,046,435</u>	<u>10,835</u>	<u>9,595</u>	<u>19,058,916</u>	<u>19,056,030</u>
<b>Net Assets</b>						
Invested in Capital Assets, Net of Debt	5,018,858	6,414,155	179,783	130,467	5,198,641	6,544,622
Restricted	704,168	558,775	-	-	704,168	558,775
Unrestricted	<u>3,085,125</u>	<u>3,037,639</u>	<u>632,514</u>	<u>628,124</u>	<u>3,717,639</u>	<u>3,665,763</u>
Total Net Assets	<u>\$ 8,808,151</u>	<u>\$ 10,010,569</u>	<u>\$ 812,297</u>	<u>\$ 758,591</u>	<u>\$ 9,620,448</u>	<u>\$ 10,769,160</u>

Net assets of the District's governmental activities decreased (\$8,808,151 compared to \$10,010,569). Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements increased from \$3,037,639 at June 2011 to \$3,085,125 at June 2012.

This decrease in unrestricted governmental net assets in fiscal year 2012 compared to an increase in fiscal year 2011.

The net assets of business-type activities increased (\$812,297 compared to \$758,591) for fiscal year 2012.

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE FISCAL YEAR ENDED June 30, 2012**

The following table shows the changes in net assets for fiscal year 2012 compared to 2011.

**Changes in Net Assets**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 500	\$ 2,354	\$ 372,394	\$ 365,730	\$ 372,894	\$ 368,084
Operating Grants	11,749,708	12,219,693	1,220,633	1,130,092	12,970,341	13,349,785
Capital Grants	-	-	-	-	-	-
General Revenue:						
Property Taxes	8,575,720	8,230,582	-	-	8,575,720	8,230,582
Other	21,518	178,886	44,906	4,687	66,424	183,573
<b>Total Revenues</b>	<b>20,347,446</b>	<b>20,631,515</b>	<b>1,637,933</b>	<b>1,500,509</b>	<b>21,985,379</b>	<b>22,132,024</b>
<b>Program Expenses</b>						
Instruction	12,696,436	12,052,776	-	-	12,696,436	12,052,776
Support Services	8,196,734	7,594,930	-	-	8,196,734	7,594,930
Community Services	20,800	27,842	-	-	20,800	27,842
Intergovernmental	-	18,420	-	-	-	18,420
Interest and Fiscal Charges	688,894	701,132	-	-	688,894	701,132
Food Service	-	-	1,531,227	1,362,039	1,531,227	1,362,039
<b>Total Expenses</b>	<b>21,602,864</b>	<b>20,395,100</b>	<b>1,531,227</b>	<b>1,362,039</b>	<b>23,134,091</b>	<b>21,757,139</b>
Excess (Deficiency) Before Transfer	(1,255,418)	236,415	106,706	138,470	(1,148,712)	374,885
Transfer (Food Service)	53,000	53,000	(53,000)	(53,000)	-	-
Increase (Decrease) in Net Assets	<u>\$ (1,202,418)</u>	<u>\$ 289,415</u>	<u>\$ 53,706</u>	<u>\$ 85,470</u>	<u>\$ (1,148,712)</u>	<u>\$ 374,885</u>

**Governmental Activities.** Governmental activities decreased the District's net assets in 2012 by \$1,202,418. Key elements of this change are as follows:

Decreased revenues from operating grants of approximately \$500,000.  
Increased revenues from property taxes of approximately \$340,000.  
Increased instruction and support services expenses of approximately \$1,240,000.  
Decreased interest expense of approximately \$13,000.

**Business Type Activities.** Business-type activities increased the District's net assets by \$53,706. This change was a result, in part, of an increase in proceeds from meal sales, coupled with staff salary increases and other expense increases.

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE FISCAL YEAR ENDED June 30, 2012**

**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.

**Governmental Funds**

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

For the year ended June 30, 2012, the District's governmental funds reported a combined fund balance of \$3,789,293, as compared to \$3,596,414 for the prior year. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At June 30, 2012, the District's unassigned fund balance for all governmental funds was \$2,817,224. The remainder was nonspendable in the amount of \$267,901 and restricted for debt service and school building, with balances of \$499,919 and \$204,249, respectively.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$2,817,470. The nonspendable fund balance in the general fund was \$267,901.

The District's General Fund balance increased by \$47,486 during the current fiscal year.

The District's Major Funds include the General Fund, as described above, Special Revenue-Special Projects, Special Revenue-EIA, Debt Service, and Capital Projects Funds.

The District's Special Revenue Funds, Special Projects and EIA, are used to account for revenues derived from local sources, the State of South Carolina, and the Federal Government. Special Revenue Funds do not have fund balances as revenues should be expended, deferred, or returned to the grantor.

The District's Debt Service Fund is shown in the accompanying financial statements of the District. The Debt Service Fund balance has remained relatively stable, decreasing by \$99,007 from fiscal year ended 2011. The fiscal year ended 2012 fund balance is \$499,919, all of which is reserved for the payment of debt service. The District's debt millage rate continues to be static, although it will increase to accommodate the increased bond levels.

The District's Capital Projects Fund is used to account for most of the District's capital improvement expenditures. The Capital Project Fund balance increased by \$244,400 from fiscal year ended 2011 to 2012. The District borrowed under two bond agreements during the year for capital expenditures, and had not expended all these funds as of year-end.

**Proprietary Funds**

The District's only Proprietary Fund is the Food Service Fund. This program had a net increase of \$53,706 for the fiscal year ended June 30, 2012. This increase was primarily a function of higher meal sales revenue and increased salary and other expenses.

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE FISCAL YEAR ENDED June 30, 2012**

**General Fund Budgetary Highlights**

The School District's budget is prepared according to South Carolina law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. During the course of the fiscal year 2012, substantial amendments to the District's general fund revenue budget were made. However, net differences between the original budget and the final amended budget for revenues were relatively minor.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2012, the District had \$23,166,369 invested in capital assets, net of depreciation.

The total increase in the District's investment in capital assets, not considering depreciation, was \$251,392. The major capital asset events during the current fiscal year included the purchase of certain equipment.

The following table shows fiscal 2012 balances compared to 2011.

**Capital Assets at June 30  
(Net of Depreciation)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Land	\$ 1,043,161	\$ 1,043,161	\$ -	\$ -	\$ 1,043,161	\$ 1,043,161
Buildings	20,802,708	21,873,629	-	-	20,802,708	21,873,629
Improvements	646,598	673,373	-	-	646,598	673,373
Equipment	494,119	432,097	179,783	130,467	673,902	562,564
Totals	<u>\$ 22,986,586</u>	<u>\$ 24,022,260</u>	<u>\$ 179,783</u>	<u>\$ 130,467</u>	<u>\$ 23,166,369</u>	<u>\$ 24,152,727</u>

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE FISCAL YEAR ENDED June 30, 2012**

**Long-term Debt**

At fiscal year-end, the District had \$17,962,186 in bonds and related bond premiums outstanding versus \$17,608,105 in the prior year, an increase of 2.1 % as shown in the following table. During the 2012 fiscal year the District issued \$250,000 in General Obligation Bonds and \$1,000,000 in Equipment Acquisition Bonds, which were used to fund capital acquisitions. All of the District's debt is backed by the full faith and credit of the District as is typical with General Obligation Bonded Indebtedness.

**Outstanding Debt, at Year End**

	<u>Governmental Activities</u>	<u>Governmental Activities</u>
	<u>2012</u>	<u>2011</u>
General Obligation Bonds:		
2011 Series	\$ 248,000	\$ -
2010 Series	-	250,000
2009 Series	6,440,000	7,035,000
2006 Series	9,945,000	9,970,000
Equipment Acquisition Bonds:		
2012 Series	<u>1,000,000</u>	<u>-</u>
Total bonds	17,633,000	17,255,000
Premium	<u>329,186</u>	<u>353,105</u>
Total long-term obligations	<u>\$ 17,962,186</u>	<u>\$ 17,608,105</u>

Section 15 of Article X of the South Carolina state constitution allows school districts to incur a legal debt limit not to exceed 8% of the assessed value of all property within the school district (as of the date of debt issuance), unless approved by a majority vote in a referendum authorized by law. The District's computed debt limitation as of June 30, 2012, is \$2,750,278. The bond issues in 2000 and 2006 were approved by majority vote in authorized referenda.

**Economic Factors**

The District is located in the southern part of Anderson County, South Carolina and contains the small towns of Iva and Starr. The District has a population of approximately 15,700 and operates one high school, one middle school and three elementary schools.

Manufacturing is the largest employment sector in the District, followed by wholesale and retail. Wholesale and retail trade and services represent the fastest growing sectors of the District.

The District's tax base has shown slight growth over the past five years. The assessed value of taxable property within the District has increased 1% during that period, with manufacturing property showing a decline and real estate property increasing. Total property tax collections have historically been strong and increasing. Difficulties with manufacturing industries and textiles specifically, have been a drag on continued growth within the District.

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued  
FOR THE FISCAL YEAR ENDED June 30, 2012**

In 2007, South Carolina enacted Act 388, which was effective for the District beginning July 1, 2007. Act 388 provides an exemption for one hundred percent of the fair market value of owner occupied residential property, to the extent it is not already covered by other property tax relief exemptions, for all property taxes imposed for school operating purposes, but not including millage imposed for the repayment of general obligation debt for property tax years beginning after January 1, 2007. Act 388 also created a new Homestead Exemption fund (Homestead Exemption Fund) which is funded from an additional 1 cent sales tax imposed by Act 388.

Act 388 created three tiers of distribution to school districts. Tier one distributions equal the amounts that were received by the school districts for the fiscal year ended June 30, 2007, relating to an earlier property tax relief provision for owner occupied residential property. In the case of the District, that amount was \$539,881.

Tier two distributions equal the amounts received by school districts for the school operating portion of the homestead exemption for the elderly, disabled, and blind. In the case of the District, that amount was \$302,684. Tier one and two distributions are fixed and do not change.

Tier three distributions are state funded payments to school districts to replace revenues formerly derived from taxation by school districts of owner occupied residential property. For the fiscal year ended June 30, 2008, those distributions were expected to equal, dollar for dollar, the revenue that would have been collected by the school districts from property taxes for school operating purposes imposed by the school districts on owner occupied residential property for that fiscal year as if no reimbursed exemptions applied. Beginning with the 2008-2009 fiscal year, the tier three distributions will be the sum of the amount of the fiscal year 2007-2008 tier three distributions plus the tier three reimbursement increases. Act 388 requires the tier three reimbursements to be increased annually by (i) an inflation factor equal to the percentage increase in the previous year Consumer Price Index, Southeast Region, as published by the United States Department of Labor, Bureau of Labor Statistics, plus (ii) the percentage increase in the previous year in the population of the State as determined by the Office of Research and Statistics of the State Budget and Control Board. The tier three increases are aggregated for the entire state and the amount going to any particular school district is equal to an amount that is the district's proportionate share of the aggregated funds based on the school district's weighted pupil units as a percentage of the statewide weighted pupil units as determined annually pursuant to the EFA, with an adjustment for certain poverty factors to provide programs for the affected students. There are provisions in the tier three reimbursement that could, in any given year, result in a minimum increase of four percent to the extent funds are available in the Homestead Exemption Fund. There are also provisions that require the total tier three reimbursements to the school districts in a county to be not less than \$2,500,000. If the amount of tier three distributions other than those dependent upon balances in the Homestead Exemption Fund exceed amounts in the Homestead Exemption Fund, the excess is required to be paid from the general fund of the State. The District's reimbursement for fiscal 2012 for tier three was \$832,157.

Act 388 requires that, to the extent revenues in the Homestead Exemption Fund are insufficient to pay all required reimbursements to a school district, the State will pay the difference from its general fund. However, there can be no assurances that such funds will be appropriated in the event there is such an insufficiency or that the change in funding sources resulting from Act 388 will not have an adverse effect on the District's operations. The District recognizes that Act 388 places increased reliance on state funds to fund the general fund. This increased reliance at the state level is being funded by the additional one penny sales tax, which in the District's opinion is not as stable as property tax revenue which the sales tax replaced.

In addition, Act 388 removes the authority of governing bodies of school districts to increase operating millage in any year to meet the required local EFA inflation factor and the per pupil maintenance of effort requirement.

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE**  
**IVA, SOUTH CAROLINA**  
**Statement of Net Assets**  
**June 30, 2012**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 2,793,571	\$ 496,972	\$ 3,290,543
Investments	9,236	-	9,236
Accounts receivable	58,530	150,250	208,780
Property taxes receivable, net	249,131	-	249,131
Due from other governmental units	1,251,753	-	1,251,753
Other receivables	159,484	7,155	166,639
Internal balances	80,040	(80,040)	-
Inventories and prepaid expenses	267,901	69,012	336,913
Capital assets			
Land	1,043,161	-	1,043,161
Buildings	32,127,604	-	32,127,604
Improvements other than buildings	1,324,838	-	1,324,838
Equipment	2,431,788	430,705	2,862,493
Less accumulated depreciation	(13,940,805)	(250,922)	(14,191,727)
Total capital assets, net of depreciation	<u>22,986,586</u>	<u>179,783</u>	<u>23,166,369</u>
Total assets	<u>27,856,232</u>	<u>823,132</u>	<u>28,679,364</u>
<b><u>LIABILITIES</u></b>			
Accounts payable and other current liabilities	513,019	-	513,019
Deferred revenue	548,248	10,835	559,083
Other liabilities	19,086	-	19,086
Long-term liabilities:			
Due within one year:			
Bonds, capital leases, and contracts	1,048,600	-	1,048,600
Due in more than one year:			
Bonds, capital leases, and contracts	<u>16,919,128</u>	<u>-</u>	<u>16,919,128</u>
Total liabilities	<u>19,048,081</u>	<u>10,835</u>	<u>19,058,916</u>
<b><u>NET ASSETS</u></b>			
Invested in capital assets, net of related debt	5,018,858	179,783	5,198,641
Restricted for:			
Capital projects	204,249	-	204,249
Debt service	499,919	-	499,919
Unrestricted	<u>3,085,125</u>	<u>632,514</u>	<u>3,717,639</u>
Total net assets	<u>\$ 8,808,151</u>	<u>\$ 812,297</u>	<u>\$ 9,620,448</u>



**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE**  
**IVA, SOUTH CAROLINA**  
**Statement of Activities**  
**For the Year Ended June 30, 2012**

Functions / Programs	Expenses	Program Revenues			Net Revenue (Expense) and Change in Net Assets		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contribution	Governmental Activities	Business - Type Activities	Total
Governmental activities:							
Instruction	\$ 12,696,436	\$ 500	\$ 9,125,441	\$ -	\$ (3,570,495)		\$ (3,570,495)
Support services	8,196,734	-	2,604,147	-	(5,592,587)		(5,592,587)
Community services	20,800	-	20,120	-	(680)		(680)
Intergovernmental	-	-	-	-	-		-
Interest and other charges	688,894	-	-	-	(688,894)		(688,894)
Total governmental activities	21,602,864	500	11,749,708	-	(9,852,656)		(9,852,656)
Business-type activities:							
Food service	1,531,227	372,394	1,220,633	-	-	\$ 61,800	61,800
Total business-type activities	1,531,227	372,394	1,220,633	-	-	61,800	61,800
Total	\$ 23,134,091	\$ 372,894	\$ 12,970,341	\$ -0-	(9,852,656)	61,800	(9,790,856)
General revenues:							
Property taxes levied for:							
General purposes					7,118,580	-	7,118,580
Debt service					1,457,140	-	1,457,140
Miscellaneous					8,991	42,467	51,458
Unrestricted investment earnings					12,527	2,439	14,966
Transfers - food service					53,000	(53,000)	-
Total general revenues, special items, and extraordinary items					8,650,238	(8,094)	8,642,144
Change in net assets					(1,202,418)	53,706	(1,148,712)
Net assets, beginning of year					10,010,569	758,591	10,769,160
Net assets, end of year					\$ 8,808,151	\$ 812,297	\$ 9,620,448

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE**  
**IVA, SOUTH CAROLINA**  
**Balance Sheet - Governmental Funds**  
**June 30, 2012**

	<u>General</u>	<u>Special Revenue</u>	<u>EIA</u>	<u>Debt Service</u>	<u>School Building</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>						
Cash and cash equivalents	\$ 1,795,327	\$ 19,086	\$ -	\$ -	\$ 979,158	\$ 2,793,571
Investments	9,236	-	-	-	-	9,236
Accounts receivable	58,530	-	-	-	-	58,530
Property taxes receivable, net	249,131	-	-	-	-	249,131
Due from governmental agencies	-	514,813	99,036	499,919	137,985	1,251,753
Due from other funds	1,215,398	-	13,529	-	-	1,228,927
Prepaid expenses	267,901	-	-	-	-	267,901
Total assets	<u>\$ 3,595,523</u>	<u>\$ 533,899</u>	<u>\$ 112,565</u>	<u>\$ 499,919</u>	<u>\$ 1,117,143</u>	<u>\$ 5,859,049</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>						
Liabilities						
Accounts payable	\$ 510,398	\$ 2,621	\$ -	\$ -	\$ -	\$ 513,019
Due to other funds	-	76,509	-	-	912,894	989,403
Other liabilities	-	19,086	-	-	-	19,086
Deferred revenues	-	435,683	112,565	-	-	548,248
Total liabilities	<u>510,398</u>	<u>533,899</u>	<u>112,565</u>	<u>-</u>	<u>912,894</u>	<u>2,069,756</u>
Fund balances						
Nonspendable	267,901	-	-	-	-	267,901
Restricted	-	-	-	499,919	204,249	704,168
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	2,817,224	-	-	-	-	2,817,224
Total fund balances	<u>3,085,125</u>	<u>-</u>	<u>-</u>	<u>499,919</u>	<u>204,249</u>	<u>3,789,293</u>
Total liabilities and fund balances	<u>\$ 3,595,523</u>	<u>\$ 533,899</u>	<u>\$ 112,565</u>	<u>\$ 499,919</u>	<u>\$ 1,117,143</u>	<u>\$ 5,859,049</u>

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA  
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets  
June 30, 2012**

Total fund balances - governmental funds	\$ 3,789,293
Amounts reported for governmental activities in the statement of net assets are different because of the following:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. The cost of assets is \$36,927,391 and the accumulated depreciation is \$13,940,805.	22,986,586
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(17,967,728)</u>
Net assets of governmental activities	\$ <u><u>8,808,151</u></u>

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE**  
**IVA, SOUTH CAROLINA**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2012**

	<u>General</u>	<u>Special Revenue</u>	<u>EIA</u>	<u>Debt Service</u>	<u>School Building</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>						
Local property taxes	\$ 5,207,977	\$ -	\$ -	\$ 1,313,170	\$ -	\$ 6,521,147
Other local	16,745	254,119	-	2,307	704	273,875
Total local	<u>5,224,722</u>	<u>254,119</u>	<u>-</u>	<u>1,315,477</u>	<u>704</u>	<u>6,795,022</u>
State	10,049,900	496,092	2,059,422	143,970	-	12,749,384
Federal	-	1,469,219	-	-	-	1,469,219
Intergovernmental	-	-	-	-	-	-
Total revenues all sources	<u>15,274,622</u>	<u>2,219,430</u>	<u>2,059,422</u>	<u>1,459,447</u>	<u>704</u>	<u>21,013,625</u>
<b>EXPENDITURES</b>						
Current						
Instruction	9,423,135	1,305,516	1,021,757	-	-	11,750,408
Support services	6,419,061	866,171	476,494	-	-	7,761,726
Community services	680	20,120	-	-	-	20,800
Intergovernmental	-	-	-	-	-	-
Debt service						
Principal	-	-	-	872,000	-	872,000
Interest	2,440	-	-	686,454	-	688,894
Capital outlay	-	-	-	-	1,006,304	1,006,304
Total expenditures	<u>15,845,316</u>	<u>2,191,807</u>	<u>1,498,251</u>	<u>1,558,454</u>	<u>1,006,304</u>	<u>22,100,132</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(570,694)</u>	<u>27,623</u>	<u>561,171</u>	<u>(99,007)</u>	<u>(1,005,600)</u>	<u>(1,086,507)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of fixed assets	1,947	-	-	-	-	1,947
Operating transfers in	641,794	-	25,515	-	-	667,309
Operating transfers out	(25,561)	-	(586,686)	-	-	(612,247)
Proceeds of general obligation bond	-	-	-	-	250,000	250,000
Proceeds of long-term notes	-	-	-	-	1,000,000	1,000,000
Transfer of indirect costs	-	(27,623)	-	-	-	(27,623)
Total other financing sources (uses)	<u>618,180</u>	<u>(27,623)</u>	<u>(561,171)</u>	<u>-</u>	<u>1,250,000</u>	<u>1,279,386</u>
Net change in fund balances	47,486	-0-	-0-	(99,007)	244,400	192,879
FUND BALANCE, July 1, 2011	<u>3,037,639</u>	<u>-0-</u>	<u>-0-</u>	<u>598,926</u>	<u>(40,151)</u>	<u>3,596,414</u>
FUND BALANCE, June 30, 2012	<u>\$ 3,085,125</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 499,919</u>	<u>\$ 204,249</u>	<u>\$ 3,789,293</u>

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

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA**

**Reconciliation of Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2012**

Total net change in fund balance -- governmental funds	\$ 192,879
Amounts reported for governmental activities in the statement of activities are different because of the following:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense (\$1,208,355) is more than capital outlays (\$172,681) in the period.	(1,035,674)
Bond premiums are revenues the year they are received in governmental funds, but are amortized over the lives of the bonds in the statement of activities	18,377
Bond and bond premium proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets	(1,250,000)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	<u>872,000</u>
Change in net assets of governmental activities	<u>\$ (1,202,418)</u>

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE**  
**IVA, SOUTH CAROLINA**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2012**

	<u>Original</u>	<u>Final</u>	<u>Actual</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>REVENUES</b>				
Local	\$ 5,084,128	\$ 5,084,128	\$ 5,224,722	\$ 140,594
State	9,784,883	9,784,883	10,049,900	265,017
Federal	-	-	-	-
Intergovernmental	-	-	-	-
Total revenues	<u>14,869,011</u>	<u>14,869,011</u>	<u>15,274,622</u>	<u>405,611</u>
<b>EXPENDITURES</b>				
Current				
Instruction	9,476,582	9,476,582	9,423,135	53,447
Support services	6,358,350	6,358,350	6,419,061	(60,711)
Community services	708	708	680	28
Intergovernmental	-	-	-	-
Debt service	-	-	2,440	(2,440)
Total expenditures	<u>15,835,640</u>	<u>15,835,640</u>	<u>15,845,316</u>	<u>(9,676)</u>
Excess (deficiency) of revenues over expenditures	(966,629)	(966,629)	(570,694)	395,935
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of fixed assets	-	-	1,947	1,947
Transfer from food service fund (excludes indirect cost)	95,255	95,255	-	(95,255)
Transfers of indirect costs	74,396	74,396	80,623	6,227
Transfer from EIA fund	597,156	597,156	561,171	(35,985)
Transfer to pupil activity fund	<u>(25,561)</u>	<u>(25,561)</u>	<u>(25,561)</u>	<u>-</u>
Net change in fund balance	\$ <u>(225,383)</u>	\$ <u>(225,383)</u>	47,486	\$ <u>272,869</u>
Fund balance, July 1, 2011			<u>3,037,639</u>	
Fund balance, June 30, 2012			\$ <u><u>3,085,125</u></u>	

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

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA**

**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual  
Special Revenue Funds - Special Projects Fund  
For the Fiscal Year Ended June 30, 2012**

	<u>Original</u>	<u>Final</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget - Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Local	\$ 505,550	\$ 505,550	\$ 254,119	\$ (251,431)
State	646,696	646,696	496,092	(150,604)
Federal	2,099,388	2,099,388	1,469,219	(630,169)
Intergovernmental	-	-	-	-
Total revenues	<u>3,251,634</u>	<u>3,251,634</u>	<u>2,219,430</u>	<u>(1,032,204)</u>
<b>EXPENDITURES</b>				
Current				
Instruction	1,416,143	1,415,286	1,305,516	109,770
Support services	920,233	920,233	866,171	54,062
Community services	6,000	6,000	20,120	(14,120)
Intergovernmental	-	-	-	-
Total expenditures	<u>2,342,376</u>	<u>2,341,519</u>	<u>2,191,807</u>	<u>149,712</u>
Excess (deficiency) of revenues over expenditures	<u>909,258</u>	<u>910,115</u>	<u>27,623</u>	<u>(882,492)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Special revenue fund indirect costs	<u>(42,667)</u>	<u>(42,667)</u>	<u>(27,623)</u>	<u>15,044</u>
Total other financing sources (uses)	<u>(42,667)</u>	<u>(42,667)</u>	<u>(27,623)</u>	<u>15,044</u>
Net change in fund balance	<u>\$ 866,591</u>	<u>\$ 867,448</u>	<u>-0-</u>	<u>\$ (867,448)</u>
Fund balance, July 1, 2011			<u>-0-</u>	
Fund balance, June 30, 2012			<u>\$ -0-</u>	

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE**  
**IVA, SOUTH CAROLINA**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual**  
**Special Revenue Funds - Education Improvement Act**  
**For the Fiscal Year Ended June 30, 2012**

	<u>Original</u>	<u>Final</u>	<u>Actual</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>REVENUES</b>				
Local	\$ -	\$ -	\$ -	\$ -
State	2,191,734	2,191,734	2,059,422	(132,312)
Federal	-	-	-	-
Intergovernmental	-	-	-	-
Total revenues	<u>2,191,734</u>	<u>2,191,734</u>	<u>2,059,422</u>	<u>(132,312)</u>
<b>EXPENDITURES</b>				
Current				
Instruction	1,114,787	1,114,787	1,021,757	93,030
Support services	448,858	448,858	476,494	(27,636)
Community services	-	-	-	-
Intergovernmental	-	-	-	-
Total expenditures	<u>1,563,645</u>	<u>1,563,645</u>	<u>1,498,251</u>	<u>65,394</u>
Excess (deficiency) of revenues over expenditures	628,089	628,089	561,171	(66,918)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from special revenue EIA fund	25,515	25,515	25,515	-
Transfer to general fund	(564,739)	(564,739)	(561,171)	3,568
Transfer to special revenue fund	<u>(19,423)</u>	<u>(19,423)</u>	<u>(25,515)</u>	<u>(6,092)</u>
Net change in fund balance	<u>\$ 69,442</u>	<u>\$ 69,442</u>	-0-	<u>\$ (69,442)</u>
Fund balance, July 1, 2011			<u>-0-</u>	
Fund balance, June 30, 2012			<u>\$ -0-</u>	



**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE**  
**IVA, SOUTH CAROLINA**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2012**

	<b>Enterprise Fund</b>
	<b><u>Food Services</u></b>
<b>ASSETS</b>	
Current assets	
Cash and cash equivalents	\$ 496,972
USDA receivables	150,250
Other receivables	7,155
Inventories - supplies and materials	69,012
Total current assets	<u>723,389</u>
Noncurrent assets	
Furniture and equipment	430,705
Less accumulated depreciation	<u>(250,922)</u>
Total noncurrent assets	<u>179,783</u>
Total assets	<u>903,172</u>
<b>LIABILITIES</b>	
Current liabilities	
Deferred revenue	10,835
Due to other funds	80,040
Total current liabilities	<u>90,875</u>
Total liabilities	<u>90,875</u>
<b>NET ASSETS</b>	
Invested in capital assets	179,783
Unrestricted	632,514
Total net assets	<u>\$ 812,297</u>

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA**

**Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2012**

	<b>Enterprise Fund Food Services</b>
<b>OPERATING REVENUES</b>	
Proceeds from sale of meals	\$ 372,394
Total operating revenues	<u>372,394</u>
<b>OPERATING EXPENSES</b>	
Food costs	774,511
Salaries and wages	529,077
Supplies and materials	92,503
Depreciation	29,395
Other operating costs	105,741
Total operating expenses	<u>1,531,227</u>
Operating income (loss)	<u>(1,158,833)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest income	2,439
USDA reimbursements	1,220,633
Other income	42,467
Total nonoperating revenues (expenses)	<u>1,265,539</u>
Income (loss) before operating transfers	106,706
Transfers in (out)	<u>(53,000)</u>
Change in net assets	53,706
Total net assets - July 1, 2011	<u>758,591</u>
Total net assets - June 30, 2012	<u>\$ 812,297</u>

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE**  
**IVA, SOUTH CAROLINA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2012**

	<b>Enterprise Fund</b> <b><u>Food Services</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Received from patrons	\$ 366,835
Payments to employees for services	(529,077)
Operating transfer to other fund	(53,000)
Payments to suppliers for goods and services	(888,978)
Net cash received from (used by) operating activities	<u>(1,104,220)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Cash received from USDA reimbursements	1,086,307
Cash received from miscellaneous sources	42,467
Net cash received from (used for) noncapital financing activities	<u>1,128,774</u>
<b>CASH FLOWS FROM CAPITAL RELATED FINANCING ACTIVITIES</b>	
Acquisition of capital assets	(78,711)
Net cash received from (used for) capital and related financing activities	<u>(78,711)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest on investments	2,439
Net cash received from (used by) investing activities	<u>2,439</u>
Net increase (decrease) in cash and cash equivalents	(51,718)
Cash and cash equivalents - July 1, 2011	<u>548,690</u>
Cash and cash equivalents - June 30, 2012	<u>\$ 496,972</u>
<b>Reconciliation of operating income (loss) to net cash received from (used by) operating activities:</b>	
Operating income (loss) - Exhibit K	\$ (1,158,833)
Adjustments to reconcile operating income (loss) to net cash received from (used by) operating activities:	
Depreciation	29,395
Operating transfers out	(53,000)
Change in assets and liabilities:	
(Increase) decrease in other receivables	(6,799)
(Increase) decrease in inventories	(11,128)
Increase (decrease) in due to other funds	94,905
Increase (decrease) in deferred revenues	1,240
Net cash received from (used by) operating activities	<u>\$ (1,104,220)</u>

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

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE**  
**IVA, SOUTH CAROLINA**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Fund**  
**June 30, 2012**

	<b>Agency Fund Pupil Activity</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 155,686
Investments	<u>131,749</u>
Total assets	<u>287,435</u>
<b>LIABILITIES</b>	
Due to student organizations	127,951
Due to other funds	<u>159,484</u>
Total liabilities	<u>287,435</u>
<b>NET ASSETS</b>	
Unreserved - undesignated	<u>-0-</u>
Total net assets	<u><u>\$ -0-</u></u>

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE**  
**IVA, SOUTH CAROLINA**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Fund**  
**For the Fiscal Year Ended June 30, 2012**

	<b><u>Agency Fund</u></b> <b><u>Pupil Activity</u></b>
<b>ADDITIONS</b>	
Receipts	
Admissions	\$ 73,226
Bookstore sales	31,026
Student fees	50,741
Other	536,463
Transfer from other funds	<u>25,561</u>
Total receipts	<u>717,017</u>
Investment earnings	
Interest	<u>1,583</u>
Total additions	<u>718,600</u>
<b>DEDUCTIONS</b>	
Pupil activity programs	744,572
Increase (decrease) in due to student organizations	<u>(25,972)</u>
Total deductions	<u>718,600</u>
<b>CHANGE IN NET ASSETS</b>	-0-
Net assets, beginning of year	<u>-0-</u>
Net assets, end of year	<u><u>\$ -0-</u></u>

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA  
Notes to Financial Statements  
Year Ended June 30, 2012**

Anderson County School District Number Three, South Carolina (the District) is a school district created by the South Carolina Legislature to provide public education services to students of a specified geographical district of Anderson County, South Carolina. The District receives funding from local, state and federal sources and must comply with any requirements of the funding source entities.

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Reporting Entity**

The Board of Trustees (the Board) of the District controls the District and has oversight responsibility over all activities related to public school education in the District.

The District's financial statements include the operations of all organizations for which the District Board exercises oversight responsibility. Oversight responsibility is demonstrated by financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. The District does not exercise oversight responsibility over any additional organizations.

**b) Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

**c) Measurement Focus, Basis of Accounting and Basis of Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Governmental 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. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA  
Notes to Financial Statements  
Year Ended June 30, 2012

1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

c) **Measurement Focus, Basis of Accounting and Basis of Presentation, Continued**

well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

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

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

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

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

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The District has two Special Revenue Funds:

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

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

The Capital Projects Fund, a major fund, is used to account for financial resources to be used for site acquisitions, construction, equipment, and renovation of all major capital facilities except for those financed in the enterprise fund.

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA  
Notes to Financial Statements  
Year Ended June 30, 2012

1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

c) **Measurement Focus, Basis of Accounting and Basis of Presentation, Continued**

Proprietary Fund types are accounted for based on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The District applies all applicable Governmental Accounting Standards Board (GASB) pronouncements, as well as the requirements for Financial Accounting Standards Board (FASB) Statements and Interpretations. In addition, the School District applies all FASB Statements and Interpretations issued after November 30, 1989 except for those that conflict with or contradict GASB pronouncements in accounting and reporting for its operations. Proprietary fund types include the following fund:

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

Fiduciary Fund types are used to account for expendable assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds and include Trust Funds and Agency Funds. Fiduciary fund types include:

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

d) **Cash, Cash Equivalents and Investments**

Custodial credit risk for cash deposits and investments is the risk that, in the event of a bank failure, the District's deposits or investments might not be recovered. The District does not have a formal deposit policy for credit risk, but follows the investment policy statutes of the state of South Carolina.

The District's bank cash, cash equivalents and investments balance (which was different from the District's book balances of \$2,973,571 because of outstanding checks, deposits in transit, and other reconciling items) of \$3,473,968 at June 30, 2012, was insured or fully collateralized. Cash and savings accounts and certificates of deposit are placed with a banking institution and are protected by federal depository insurance up to \$250,000 and collateral pledged by the bank for 100% of the amount in excess of \$250,000. The collateral generally consists of obligations of the United States and its agencies or general obligations of the State of South Carolina or any of its political units. The collateral consists of investments that are insured or registered in the District's name or held by the District or its agents in the District's name.

Insured and collateralized amounts at June 30, 2012 are as follows:

Insured	\$ 250,000
Collateralized	3,223,968
Uncollateralized	<u>-</u>
Total bank balance	<u>\$ 3,473,968</u>



ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA  
Notes to Financial Statements  
Year Ended June 30, 2012

1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

d) **Cash, Cash Equivalents and Investments, continued**

The District's cash investment objectives are preservation of capital, liquidity and yield. The District reports its cash and investments at fair value, which is normally determined by quoted market prices.

The District is authorized to invest in securities as allowed by South Carolina statute. Those investments are restricted to:

- 1) Obligations of the United States and agencies thereof;
- 2) General obligations of the State of South Carolina or any of its political units;
- 3) Savings and loan associations to the extent that the same are secured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation,
- 4) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest. Investments, which consist of certificates of deposit, are stated at cost which approximates market. During the year, investments made but not held as of the balance sheet date consisted of certificates of deposit.

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

The District places no limit on the amount the District may invest in any one issuer. Investments issued by or explicitly guaranteed by the U.S. government and investments in mutual funds are exempt from concentration of credit risk disclosures.

For purposes of the statement of cash flows, the District's Proprietary fund type considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

e) **Receivables and Payables**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due from other funds" or "due to other funds". These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as "internal balances".

f) **Inventories**

With the exception of the Proprietary fund, the District has elected to account for disbursements for inventory items as expenditures at the time of purchase. Accordingly, no inventories have been recorded in the financial statements of these funds. The Proprietary fund inventories are recorded at cost using the first-in, first-out method as of June 30, 2012.

g) **Capital Assets**

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

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA  
Notes to Financial Statements  
Year Ended June 30, 2012

1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

g) **Capital Assets, continued**

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

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

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

Description	Governmental Activities	Business-Type Activities
	Estimated Lives	Estimated Lives
Buildings	30 years	N/A
Buildings/ Improvements	10-30 years	N/A
Furniture and Equipment	5-10 years	7 years
Vehicles	10 years	N/A

h) **Accrued Liabilities and Long-Term Obligations**

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

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

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

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

i) **Vacation and Sick Leave**

There is no vested or accumulated vacation or sick pay that is expected to be paid after year end.

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA  
Notes to Financial Statements  
Year Ended June 30, 2012

1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

j) **Fund Equity**

In the fund financial statements, fund balance classifications depict the nature of the net resources reported in the governmental funds. Individual governmental funds may include nonspendable resources and amounts that are restricted, committed, or assigned, or any combination of these classifications. The general fund also includes unassigned amounts. The District considers that committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used. The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries. First, nonspendable fund balances are determined. Then restricted fund balances for specific purposes, if any, are determined. Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. Committed fund balance amounts are established by the District board through motions passed at District School Board meetings. The District has no committed fund balance amounts. Assigned fund balance amounts are established by the District administration. The District has no assigned fund balance amounts.

Nonspendable fund balance includes amounts which cannot be spent. This includes items that may not be in spendable form or that may be legally or contractually required to be maintained intact. The District's nonspendable fund balance represents amounts not in spendable form.

Restricted fund balance includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

Committed fund balance includes amounts that can only be used for the specific purposes pursuant to constraints imposed by a formal action of the District School Board.

Assigned fund balance includes amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted nor committed. Assignments of fund balance are established by the District administration.

Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it may be necessary to report a negative unassigned fund balance.

k) **Net Assets**

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

l) **Use of Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles as applicable to governmental units requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue, expenditures or expenses during the reporting period. Actual results could differ from those estimates.

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA  
Notes to Financial Statements  
Year Ended June 30, 2012

2) **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Practices** – Formal budgetary accounting is employed as a management tool for the District. Budgets are presented in the basic financial statements section for the general fund and all major special revenue funds.

Each budget is presented on the modified accrual basis of accounting which is consistent with accounting principles generally accepted in the United States of America. The budget includes proposed expenditures and the means of financing the expenditures. The following procedures are followed in establishing the budgetary data as reflected in the financial statements:

- 1) In the fall of the preceding year, the District begins its budget process for the next succeeding fiscal year beginning on July 1.
- 2) After the District's budget committee reviews all requests and allocation requirements and related revenue, it presents a tentative proposed budget to the Superintendent for his review and adjustment.
- 3) The Superintendent then presents a proposed budget to the Board of Trustees which reviews it in a series of workshops and makes any additions or deletions it deems necessary.
- 4) Prior to July 1, the budget is legally enacted through passage of a resolution by the Board.
- 5) The Board of Trustees recommends the budget to the Anderson County Board of Education.

Each budget is prepared by function and object as dictated by the State of South Carolina adopted Program Oriented Budgeting and Accounting System and for management control purposes. This District's policies allow funds to be transferred between functions. However, the total budget cannot be increased beyond that level without approval of the Board in supplementary action. The legal level of control is at the fund level. During the year, the Board revised the budget.

3) **DUE FROM/DUE TO OTHER FUNDS**

Interfund balances at June 30, 2012, consist of the following individual fund receivables and payables:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General fund	\$ 1,200,644	\$ -
Special revenue funds:		
Special projects fund	-	61,755
Education Improvement Act	13,529	-
School building fund	-	912,894
Proprietary fund	-	80,040
Pupil activity fund	-	159,484
	<u>\$ 1,214,173</u>	<u>\$ 1,214,173</u>

The general fund receivable is a result of special revenue owing the general fund for claims that were filed but not yet received, the general fund owing the EIA fund for amounts received for state claims on behalf of the EIA fund, the school building fund owing the general fund for payments made on its behalf, and the general fund paying payroll costs for the food service fund.

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA  
Notes to Financial Statements  
Year Ended June 30, 2012

4) CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2012, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 1,043,161	\$ -	\$ -	\$ 1,043,161
Capital assets, being depreciated				
Buildings	32,127,604	-	-	32,127,604
Improvements other than buildings	1,310,523	14,315	-	1,324,838
Equipment	2,273,422	158,366	-	2,431,788
	<u>35,711,549</u>	<u>172,681</u>	<u>-</u>	<u>35,884,230</u>
Less accumulated depreciation for:				
Buildings	10,253,975	1,070,921	-	11,324,896
Improvements other than buildings	637,150	41,090	-	678,240
Equipment	1,841,325	96,344	-	1,937,669
	<u>12,732,450</u>	<u>1,208,355</u>	<u>-</u>	<u>13,940,805</u>
Total capital assets being depreciated, net	<u>22,979,099</u>	<u>(1,035,674)</u>	<u>-</u>	<u>21,943,425</u>
Governmental activities capital assets, net	<u>\$ 24,022,260</u>	<u>\$ (1,035,674)</u>	<u>\$ -</u>	<u>\$ 22,986,586</u>
Business-type activities:				
Furniture and equipment	\$ 351,994	\$ 78,711	\$ -	\$ 430,705
Accumulated depreciation	<u>221,527</u>	<u>29,395</u>	<u>-</u>	<u>250,922</u>
Business-type activities capital assets, net	<u>\$ 130,467</u>	<u>\$ (29,395)</u>	<u>\$ -</u>	<u>\$ 179,783</u>

Depreciation was charged to functions/programs as follows:

Governmental activities:	
Instruction	\$ 773,347
Support	<u>435,008</u>
Total depreciation expense - governmental activities	<u>\$ 1,208,355</u>
Business-type activities:	
Food service fund	<u>\$ 29,395</u>
Total depreciation expense - business-type activities	<u>\$ 29,395</u>

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA  
Notes to Financial Statements  
Year Ended June 30, 2012**

**5) LONG-TERM DEBT**

The following is a summary of long-term debt transactions of the District for the year ended June 30, 2012:

General obligation bonds payable at beginning of year	\$ 17,255,000
Borrowings	250,000
Principal payments	<u>(872,000)</u>
General obligation bonds payable at end of year	<u>16,633,000</u>
Equipment acquisition bonds payable at beginning of year	-
Borrowings	1,000,000
Principal payments	<u>-</u>
Equipment acquisition bonds payable at end of year	<u>1,000,000</u>
Premium on bonds issued	459,427
Amortization of premium	<u>(130,241)</u>
Total long-term obligations at end of year	<u><u>\$ 17,962,186</u></u>

General obligation bonds payable are comprised of the following issues:

\$10,000,000 General Obligation Bonds, issued 2006, due in annual installments of \$30,000 to \$1,180,000 beginning 2011 and continuing through 2031, interest payable semi-annually at rates from 4.00% to 5.00%	\$ 9,945,000
\$7,675,000 General Obligation Bonds, issued 2009, due in annual installments of \$65,000 to \$750,000 beginning 2010 and continuing through 2025, interest payable semi-annually at rates from 2.00% to 4.25%	6,440,000
\$250,000 General Obligation Bonds, issued 2011, due in annual installments of \$2,000 to \$164,000 beginning 2012 and continuing through 2014, interest payable semi-annually at 1.00%	<u>248,000</u>
	<u><u>\$ 16,633,000</u></u>

Equipment acquisition bonds payable are comprised of the following issue:

\$1,000,000 Equipment Acquisition Bonds, issued 2012, due in annual installments of \$246,700 to \$253,600 beginning 2013 and continuing through 2016, interest payable semi-annually at 1.39%	<u><u>\$ 1,000,000</u></u>
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ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA  
Notes to Financial Statements  
Year Ended June 30, 2012

5) **LONG-TERM DEBT, CONTINUED**

The annual requirements to amortize all debt outstanding as of June 30, 2012, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 1,048,600	\$ 673,853	\$ 1,722,453
2014	980,700	660,753	1,641,453
2015	915,100	641,451	1,556,551
2016	938,600	620,056	1,558,656
Thereafter	<u>13,750,000</u>	<u>5,125,084</u>	<u>18,875,084</u>
	<u>\$ 17,633,000</u>	<u>\$ 7,721,197</u>	<u>\$ 25,354,197</u>

Section 15 of Article X of the South Carolina state constitution allows school districts to incur a legal debt limit not to exceed 8% of the assessed value of all property within the school district (as of the date of debt issuance), unless approved by a majority vote in a referendum authorized by law. The District's computed debt limitation as of June 30, 2012, is \$2,953,483. The bond issues in 2000 and 2006 were approved by majority vote in authorized referenda. During the fiscal year ended June 30, 2012, the District issued \$250,000 general obligation bonds, Series 2011 and \$1,000,000 equipment acquisition bonds. These bonds were issued to purchase certain capital items.

For the payment of principal and interest on the bonds as they mature, the full faith, credit and taxing power of the District is irrevocably pledged.

The various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of moneys through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverage. The District is in compliance with all such significant limitations and restrictions at June 30, 2012.

6) **CHANGE IN GENERAL LONG-TERM DEBT**

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

	<u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2012</u>
Amount available in debt service fund	\$ 598,927	\$ -	\$ (99,008)	\$ 499,919
Amount to be provided for retirement of long-term obligations	<u>16,656,073</u>	<u>477,008</u>	<u>-</u>	<u>17,133,081</u>
Total available and to be provided	<u>\$ 17,255,000</u>	<u>\$ 477,008</u>	<u>\$ (99,008)</u>	<u>\$ 17,633,000</u>
Total long-term obligations	<u>\$ 17,255,000</u>	<u>\$ 477,008</u>	<u>\$ (99,008)</u>	<u>\$ 17,633,000</u>

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA  
Notes to Financial Statements  
Year Ended June 30, 2012**

**7) RETIREMENT PLAN**

Substantially all District employees participate in the South Carolina Retirement System (the Plan), a cost-sharing multi-employer defined benefit pension plan administered by the Retirement Division of the State Budget and Control Board. The Plan offers retirement and disability benefits, cost of living adjustments on an ad-hoc basis, and life and survivor benefits. The Plan's provisions are established under Title 9 of the SC Code of Laws. Only the State Budget and Control Board has the authority to establish and amend benefits. The payroll for District employees covered by the Plan for the year ended June 30, 2012 was \$11,524,823; the District's total payroll was \$12,759,408.

All District full-time employees are required to participate in the Plan and make contributions as a condition of employment. A monthly pension benefit is payable to eligible employees at age 65 or upon attaining 30 years of credited service regardless of age, with reduced pension benefits payable as early as age 55 and 25 years of service. An employee is vested for a deferred annuity with 5 years service.

SCRS plan members are required to contribute 6.5% of their annual covered salary while the District is required to contribute an actuarially determined rate. The current rate for the SCRS is 13.685% of annual covered payroll. Additionally, the District must contribute .15% of covered payroll to a group life insurance benefit for SCRS participants.

Both employees and the District are required to contribute to the Plan at rates established under authority of Title 9 of the South Carolina Code of Laws. The contribution requirements for the current and two preceding years are as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Contribution Amount</u>		<u>Contribution Percentage</u>	
	<u>Employer</u>	<u>Employees</u>	<u>Employer</u>	<u>Employees</u>
2012	\$ 1,699,044	\$ 776,206	13.685%	6.50%
2011	1,579,031	750,903	13.140%	6.50%
2010	1,680,755	818,846	12.740%	6.50%

The state of South Carolina also provides an optional retirement plan (State ORP). It is a governmental plan administered as a qualified plan pursuant to Section 401(a) of the Internal Revenue Code. The State ORP is a defined contribution plan that provides retirement and survivor benefits as an alternative to the SCRS. Employees may choose between the State ORP and the SCRS plan.

A Comprehensive Annual Financial Report containing financial statements and required supplementary information for the South Carolina Retirement System is issued and publicly available by writing the South Carolina Retirement, P. O. Box 11960, Columbia, SC 29211-1960.

**8) DEFERRED COMPENSATION PLAN**

The District, through the South Carolina Deferred Compensation Commission, offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all District employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, disability, death or unforeseeable emergency. Investments are managed by the plan's program administrator under a variety of investment options or a combination thereof. The participants make the choice of investment(s) option(s). Investments are carried at their market value. The District's administrative involvement is limited to transmitting amounts withheld from payroll to the program administrator.



ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
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Year Ended June 30, 2012

9) **POSTRETIREMENT BENEFITS**

The District is a member of the South Carolina Retirement System which was established July 1, 1945. The system covers public school employees, public higher-education personnel, state employees, city, county and other local public employees. It provides a complete schedule of benefits for regular retirement. A member is eligible for a full service retirement at age 65 or upon completion of thirty years membership. On or after January 1, 2002, members are eligible after twenty-eight years membership. Reduced benefits are payable as early as age 55.

As described more fully in Note 6, funding of the plan is made from employee/employer contributions. Benefits vest after five years of service. Vested members who retire at age 65 or with twenty-eight years of service at any age receive an annual benefit payable monthly for life. The benefit is based on length of service and on average final compensation.

In addition to providing pension plan and supplemental benefits, the state currently provides its retired employees with health care benefits. All postretirement benefits paid to District retired members are made from the South Carolina Retirement Systems and from South Carolina's General Fund (Health Care).

10) **POSTEMPLOYMENT BENEFITS**

The District provides death benefits to employees through the group life insurance program for members of the South Carolina Retirement System ("System"), which is explained further in Note 6. The beneficiaries of those employees who die in active service after one year of credited service are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the budgeted salary of the deceased member. The District has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly covered payroll. The District does not determine the number of eligible participants. For the year ended June 30, 2012, the District made contributions to the State for death benefits representing 0.15 percent of covered payroll.

Upon death of a retiree, a benefit will be paid to the designated beneficiary of an amount based on years of credit services as follows:

10 to 19 years of service credits	\$2,000
20 to 27 years of service credits	4,000
28 or more years of service credits	6,000

The District also provides its retired employees health care benefits through the State health insurance program for members of the System. The District has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly covered payroll. The District does not determine the number of eligible participants. The District's contributions are financed on an advance funded actuarially-determined basis.

11) **RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees' and natural disasters. The District carries commercial insurance for such risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The District has elected to be self-insured for unemployment taxes, whereby it would reimburse the South Carolina Employment Security Commission for actual claims paid attributable to service in the employ of the District. No separate liability for unemployment claims has been established due to the insignificant amounts of the expenditures.

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA  
Notes to Financial Statements  
Year Ended June 30, 2012

12) COMMITMENTS AND CONTINGENCIES

The District participates in a number of federal and state assisted grant programs. Although the District has been audited in accordance with provisions of OMB Circular A-133, these programs are still subject to financial and compliance audits by the grantors or their representatives. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the District's management believes such disallowances, if any, would not be significant.

In 2007, South Carolina enacted Act 388, which was effective for the District beginning July 1, 2007. Act 388 provides an exemption for one hundred percent of the fair market value of owner occupied residential property, to the extent it is not already covered by other property tax relief exemptions, for all property taxes imposed for school operating purposes, but not including millage imposed for the repayment of general obligation debt for property tax years beginning after January 1, 2007. Act 388 also created a new Homestead Exemption fund (Homestead Exemption Fund) which is funded from an additional 1 cent sales tax imposed by Act 388.

Act 388 created three tiers of distribution to school districts. Tier one distributions equal the amounts that were received by the school districts for the fiscal year ended June 30, 2007, relating to an earlier property tax relief provision for owner occupied residential property. In the case of the District, that amount was \$539,881.

Tier two distributions equal the amounts received by school districts for the school operating portion of the homestead exemption for the elderly, disabled, and blind. In the case of the District, that amount was \$302,684. Tier one and two distributions are fixed and do not change.

Tier three distributions are state funded payments to school districts to replace revenues formerly derived from taxation by school districts of owner occupied residential property. For the fiscal year ended June 30, 2008, those distributions were expected to equal, dollar for dollar, the revenue that would have been collected by the school districts from property taxes for school operating purposes imposed by the school districts on owner occupied residential property for that fiscal year as if no reimbursed exemptions applied. Beginning with the 2008-2009 fiscal year, the tier three distributions will be the sum of the amount of the fiscal year 2007-2008 tier three distributions plus the tier three reimbursement increases. Act 388 requires the tier three reimbursements to be increased annually by (i) an inflation factor equal to the percentage increase in the previous year Consumer Price Index, Southeast Region, as published by the United States Department of Labor, Bureau of Labor Statistics, plus (ii) the percentage increase in the previous year in the population of the State as determined by the Office of Research and Statistics of the State Budget and Control Board. The tier three increases are aggregated for the entire state and the amount going to any particular school district is equal to an amount that is the district's proportionate share of the aggregated funds based on the school district's weighted pupil units as a percentage of the statewide weighted pupil units as determined annually pursuant to the EFA, with an adjustment for certain poverty factors to provide programs for the affected students. There are provisions in the tier three reimbursement that could, in any given year, result in a minimum increase of four percent to the extent funds are available in the Homestead Exemption Fund. There are also provisions that require the total tier three reimbursements to the school districts in a county to be not less than \$2,500,000. If the amount of tier three distributions other than those dependent upon balances in the Homestead Exemption Fund exceed amounts in the Homestead Exemption Fund, the excess is required to be paid from the general fund of the State. The District's reimbursement for fiscal 2012 for tier three was \$832,157.

Act 388 requires that, to the extent revenues in the Homestead Exemption Fund are insufficient to pay all required reimbursements to a school district, the State will pay the difference from its general fund. However, there can be no assurances that such funds will be appropriated in the event there is such an insufficiency or that the change in funding sources resulting from Act 388 will not have an adverse effect on the District's operations. The District recognizes that Act 388 places increased reliance on state funds to fund the general fund. This increased reliance at the state level is being funded by the additional one penny sales tax, which in the District's opinion is not as stable as property tax revenue which the sales tax replaced. In addition, Act 388 removes the authority of governing bodies of school districts to increase operating millage in any year to meet the required local EFA inflation factor and the per pupil maintenance of effort requirement.

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA  
Notes to Financial Statements  
Year Ended June 30, 2012

13) **PROPERTY TAXES**

Anderson County, South Carolina (the County) is responsible for levying and collecting sufficient property taxes to meet its funding obligation the District. This obligation is established each year by the Anderson County Board of Education and does not necessarily represent taxes levied or collected. Property taxes are levied and billed by the County on real and personal properties on October 1 based on assessed values at established millage rates. These taxes are due without penalty through January 15. Penalties are added to taxes based on the date paid as follows:

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

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

Taxes receivable includes an allowance for uncollectible taxes. An allowance for uncollectible amounts is not necessary for other receivable accounts.

14) **OPERATING LEASES**

The District has operating leases for copiers and printers used in its schools, with total lease expense under these agreements of \$80,311 for the year ended June 30, 2012. Future lease obligations under these operating lease agreements are \$66,926 for the next year.

15) **SUBSEQUENT EVENTS**

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through October 5, 2012, the date the financial statements were available to be issued.

In September 2012, the District issued its Series 2012 General Obligation Bonds with a par amount of \$1,165,000 at a coupon rate of 2.00% to 5.00% and received a premium of \$101,139. Interest payments are due semi-annually starting March 2013 with \$270,000 of principal due March 2013 and the remaining principal amounts due annually on March 2014 through March 2018. The bonds were issued to fund the first installment of the equipment acquisition bond payment and to provide funds for the purchase of computer equipment.

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE**  
**IVA, SOUTH CAROLINA**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**For the Fiscal Year Ended June 30, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
1000 Revenue from local sources			
1200 Revenue from local governmental units other than LEAs			
1210 Ad valorem taxes - including delinquent (dependent)	\$ 4,618,988	\$ 4,785,619	\$ 166,631
1280 Revenue in lieu of taxes (independent and dependent)	441,918	422,358	(19,560)
1300 Tuition			
1310 From patrons for regular day school	4,000	500	(3,500)
1500 Earnings on investments			
1510 Interest on investments	3,000	9,498	6,498
1900 Other revenue from local sources			
1990 Miscellaneous local revenue			
1999 Revenue from other local sources	16,222	6,747	(9,475)
Total local sources	<u>5,084,128</u>	<u>5,224,722</u>	<u>140,594</u>
3000 Revenue from state sources			
3100 Restricted state funding			
3130 Special programs			
3131 Handicapped transportation	750	652	(98)
3132 Home schooling (no carryover provision)	2,500	-	(2,500)
3160 School bus driver salary (includes hazardous condition transportation)	168,651	209,051	40,400
3162 Transportation workers' compensation	18,805	18,655	(150)
3180 Fringe benefits employer contributions (no carryover provision)	2,562,737	2,718,750	156,013
3300 Education Finance Act			
3310 Full-time programs			
3311 Kindergarten	331,526	364,824	33,298
3312 Primary	926,090	903,610	(22,480)
3313 Elementary	1,415,593	1,424,524	8,931

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA  
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual

For the Fiscal Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
3314 High school	\$ 206,619	\$ 210,635	\$ 4,016
3315 Trainable mentally handicapped	17,014	9,600	(7,414)
3316 Speech handicapped (part-time program)	483,835	445,826	(38,009)
3317 Homebound	16,333	9,948	(6,385)
3320 Part-time programs			
3321 Emotionally handicapped	16,161	21,821	5,660
3322 Educable mentally handicapped	31,428	24,704	(6,724)
3323 Learning disabilities	624,248	598,703	(25,545)
3324 Hearing handicapped	49,558	38,841	(10,717)
3325 Visually handicapped	16,519	19,689	3,170
3326 Orthopedically handicapped	-	11,467	11,467
3327 Vocational	984,291	1,026,026	41,735
3330 Other EFA programs			
3331 Autism	53,729	67,301	13,572
3800 State revenue in lieu of taxes			
3810 Reimbursement for local residential property tax relief (tier 1)	539,881	539,881	-
3820 Homestead exemption (tier 2)	303,162	302,684	(478)
3825 Reimbursement for property tax relief (tier 3)	838,045	832,157	(5,888)
3830 Merchant's inventory tax	7,508	7,510	2
3840 Manufacturers depreciation reimbursement	150,000	211,378	61,378
3890 Other state property tax revenues (includes motor carrier vehicle tax)	18,900	16,993	(1,907)
3900 Other state revenue			
3999 Revenue from other state sources	1,000	14,670	13,670
Total state sources	9,784,883	10,049,900	265,017
Total revenue all sources	14,869,011	15,274,622	405,611

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA  
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual  
For the Fiscal Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES			
100 Instruction			
110 General instruction			
111 Kindergarten programs			
100 Salaries	\$ 625,068	\$ 621,659	\$ 3,409
200 Employee benefits	216,843	223,943	(7,100)
300 Purchased services	10,201	9,694	507
400 Supplies and materials	3,331	3,136	195
500 Capital outlay	202	-	202
112 Primary programs			
100 Salaries	1,306,468	1,306,918	(450)
200 Employee benefits	440,824	431,418	9,406
300 Purchased services	23,311	21,685	1,626
400 Supplies and materials	15,591	15,307	284
500 Capital outlay	256	256	-
113 Elementary programs			
100 Salaries	2,215,912	2,278,531	(62,619)
200 Employee benefits	693,220	699,684	(6,464)
300 Purchased services	73,699	76,764	(3,065)
400 Supplies and materials	24,841	24,660	181
500 Capital outlay	263	80	183
114 High school programs			
100 Salaries	1,300,748	1,288,536	12,212
200 Employee benefits	436,948	432,171	4,777
300 Purchased services	66,679	63,489	3,190
400 Supplies and materials	12,419	11,701	718
600 Other objects	4,883	4,883	-
115 Career and technology education programs			
100 Salaries	383,585	393,269	(9,684)
200 Employee benefits	119,027	121,919	(2,892)
300 Purchased services - other than tuition	17,084	13,129	3,955
400 Supplies and materials	1,583	1,583	-
500 Capital outlay	1,542	1,531	11

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual  
For the Fiscal Year Ended June 30, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
116 Career and technology education (vocational) programs – middle school			
100 Salaries	\$ 131,421	\$ 115,292	\$ 16,129
200 Employee benefits	46,093	40,012	6,081
400 Supplies and materials	623	623	-
120 Exceptional programs			
121 Educable mentally handicapped			
100 Salaries	118,649	112,394	6,255
200 Employee benefits	41,120	41,624	(504)
122 Trainable mentally handicapped			
100 Salaries	76,632	75,114	1,518
200 Employee benefits	33,923	35,052	(1,129)
300 Purchased services	64	64	-
123 Orthopedically handicapped			
200 Employee benefits	508	-	508
124 Visually handicapped			
100 Salaries	9,377	9,389	(12)
200 Employee benefits	3,747	3,374	373
125 Hearing handicapped			
100 Salaries	46,892	46,651	241
200 Employee benefits	17,576	16,287	1,289
300 Purchased services	764	764	-
126 Speech handicapped			
100 Salaries	60,808	59,904	904
200 Employee benefits	20,710	13,302	7,408
300 Purchased services	1,204	447	757
400 Supplies and materials	1,140	-	1,140
127 Learning disabilities			
100 Salaries	287,151	274,095	13,056
200 Employee benefits	94,472	92,715	1,757
300 Purchased services	2,232	1,176	1,056

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE**  
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**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**For the Fiscal Year Ended June 30, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
128 Emotionally handicapped			
100 Salaries	\$ 42,823	\$ 42,244	\$ 579
200 Employee benefits	15,753	15,135	618
300 Purchased services	111	-	111
129 Coordinated early intervening services (CEIS)			
300 Purchased services	826	826	-
130 Pre-school programs			
137 Pre-school handicapped - self-contained (3 and 4 year olds)			
100 Salaries	9,186	127	9,059
200 Employee benefits	3,805	-	3,805
139 Early childhood programs			
100 Salaries	26,475	42,936	(16,461)
200 Employee benefits	10,857	10,010	847
300 Purchased services	-	117	(117)
140 Special programs			
141 Gifted and talented - academic			
100 Salaries	138,444	139,863	(1,419)
200 Employee benefits	46,619	46,903	(284)
300 Purchased services	2,636	2,442	194
400 Supplies and materials	757	792	(35)
145 Homebound			
100 Salaries	29,730	16,410	13,320
200 Employee benefits	5,761	3,562	2,199
300 Purchased services	-	800	(800)
149 Other special programs			
100 Salaries	31,192	2,625	28,567
200 Employee benefits	8,257	570	7,687
160 Other exceptional programs			
161 Autism			
100 Salaries	78,992	78,633	359
200 Employee benefits	34,724	34,620	104



ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
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General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual  
For the Fiscal Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
180 Adult/continuing educational programs			
188 Parenting/family literacy			
200 Employee benefits	\$ -	\$ 295	\$ (295)
Total instruction	<u>9,476,582</u>	<u>9,423,135</u>	<u>53,447</u>
200 Support services			
210 Pupil services			
212 Guidance services			
100 Salaries	323,554	322,907	647
200 Employee benefits	104,792	104,077	715
400 Supplies and materials	4,288	4,149	139
500 Capital outlay	737	448	289
213 Health services			
100 Salaries	74,348	71,771	2,577
200 Employee benefits	38,506	36,814	1,692
300 Purchased services	15,198	12,370	2,828
400 Supplies and materials	7,043	6,600	443
500 Capital outlay	250	250	-
214 Psychological services			
100 Salaries	7,519	8,083	(564)
200 Employee benefits	2,511	2,503	8
600 Other objects	175	-	175
220 Instructional staff services			
221 Improvement of instruction - curriculum development			
100 Salaries	203,517	222,705	(19,188)
200 Employee benefits	59,852	62,089	(2,237)
300 Purchased services	10,407	8,566	1,841
400 Supplies and materials	2,578	977	1,601
600 Other objects	500	-	500
222 Library and media services			
100 Salaries	279,717	279,829	(112)
200 Employee benefits	96,209	95,373	836
300 Purchased services	13,425	13,425	-
400 Supplies and materials	17,253	15,635	1,618
500 Capital outlay	2,395	2,395	-

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
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General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual

For the Fiscal Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
223 Supervision of special programs			
100 Salaries	\$ 22,750	\$ 22,680	\$ 70
200 Employee benefits	11,237	6,697	4,540
300 Purchased services	234	3,953	(3,719)
400 Supplies and materials	162	560	(398)
600 Other objects	6,556	466	6,090
224 Improvement of instruction - inservice and staff training			
100 Salaries	38,504	39,504	(1,000)
200 Employee benefits	10,410	10,436	(26)
300 Purchased services	5,853	3,216	2,637
400 Supplies and materials	1,760	1,616	144
230 General administration services			
231 Board of Education			
200 Employee benefits	25,002	25,185	(183)
300 Purchased services	10,909	7,593	3,316
318 Audit services	31,000	31,000	-
400 Supplies and materials	648	648	-
600 Other objects	48,534	50,954	(2,420)
232 Office of the superintendent			
100 Salaries	36,469	36,469	-
200 Employee benefits	11,841	11,505	336
300 Purchased services	4,476	2,082	2,394
400 Supplies and materials	2,199	2,199	-
500 Capital outlay	181	-	181
600 Other objects	2,155	4,400	(2,245)
233 School administration			
100 Salaries	847,530	848,552	(1,022)
200 Employee benefits	292,124	295,523	(3,399)
300 Purchased services	19,283	16,643	2,640
400 Supplies and materials	6,385	6,319	66
500 Capital outlay	1,872	1,404	468
600 Other objects	3,054	242	2,812
250 Finance and operations services			
251 Student transportation (federal/district mandated)			
100 Salaries	2,244	2,244	-
200 Employee benefits	497	492	5
600 Other objects	7,000	-	7,000

(continued)

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE**  
**IVA, SOUTH CAROLINA**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual**  
**For the Fiscal Year Ended June 30, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
252 Fiscal services			
100 Salaries	\$ 147,702	\$ 147,702	\$ -
200 Employee benefits	50,971	48,970	2,001
300 Purchased services	49,990	45,786	4,204
400 Supplies and materials	8,232	7,262	970
500 Capital outlay	1,197	474	723
600 Other objects	948	-	948
254 Operation and maintenance of plant			
100 Salaries	423,671	410,635	13,036
200 Employee benefits	180,611	170,424	10,187
300 Purchased services	349,666	333,066	16,600
321 Public utilities (excludes gas, oil, elec, other heating fuels)	47,137	43,892	3,245
400 Supplies and materials	245,075	231,566	13,509
470 Energy (includes gas, oil, elec, other heating fuels)	434,097	401,304	32,793
500 Capital outlay	57,104	209,201	(152,097)
255 Student transportation (state mandated)			
100 Salaries	457,553	492,215	(34,662)
200 Employee benefits	251,274	245,036	6,238
300 Purchased services	12,988	12,037	951
400 Supplies and materials	4,577	4,577	-
500 Capital outlay	505	1,094	(589)
256 Food service			
100 Salaries	43,681	97,563	(53,882)
200 Employee benefits	248,746	193,913	54,833
258 Security			
300 Purchased services	69,300	69,912	(612)
260 Central support services			
262 Planning, research, development and evaluation			
100 Salaries	38,504	38,504	-
200 Employee benefits	10,410	10,218	192
300 Purchased services	12,602	9,580	3,022

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA  
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual

For the Fiscal Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
263 Information services			
300 Purchased services	\$ 1,776	\$ 1,231	\$ 545
400 Supplies and materials	8,557	6,575	1,982
500 Capital outlay	50	-	50
264 Staff services			
300 Purchased services	284	30	254
400 Supplies and materials	2,800	2,800	-
266 Technology and data processing services			
100 Salaries	143,076	148,400	(5,324)
200 Employee benefits	47,949	45,841	2,108
300 Purchased services	69,879	68,790	1,089
400 Supplies and materials	7,844	7,422	422
500 Capital outlay	8,585	7,359	1,226
270 Support services pupil activity			
271 Pupil services activities			
100 Salaries	154,365	155,879	(1,514)
200 Employee benefits	34,548	32,972	1,576
600 Other objects	16,453	13,283	3,170
Total support services	<u>6,358,350</u>	<u>6,419,061</u>	<u>(60,711)</u>
300 Community services			
390 Other community services			
300 Purchased services	<u>708</u>	<u>680</u>	<u>28</u>
Total community services	<u>708</u>	<u>680</u>	<u>28</u>
400 Other charges			
410 Intergovernmental expenditures			
411 Payments to the South Carolina Department of Education			
720 Transits	-	-	-
412 Payments to other governmental units			
720 Transits	<u>-</u>	<u>-</u>	<u>-</u>
Total intergovernmental expenditures	<u>-</u>	<u>-</u>	<u>-</u>

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual  
For the Fiscal Year Ended June 30, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
500 Debt service			
620 Interest	\$ -	\$ 2,440	\$ (2,440)
Total debt service	-	2,440	(2,440)
Total expenditures	<u>15,835,640</u>	<u>15,845,316</u>	<u>(9,676)</u>
OTHER FINANCING SOURCES (USES)			
5300 Sale of fixed assets	-	1,947	1,947
Interfund transfers, from (to) other funds			
5230 Transfer from special revenue EIA Fund	597,156	561,171	(35,985)
5260 Transfer from food service fund (excludes indirect costs)	95,255	-	(95,255)
5280 Transfer from other funds indirect costs	74,396	80,623	6,227
426-710 Transfer to pupil activity fund	<u>(25,561)</u>	<u>(25,561)</u>	<u>-</u>
Total other financing sources (uses)	<u>741,246</u>	<u>618,180</u>	<u>(123,066)</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	\$ <u>(225,383)</u>	47,486	\$ <u>272,869</u>
FUND BALANCE, July 1, 2011		<u>3,037,639</u>	
FUND BALANCE, June 30, 2012		\$ <u>3,085,125</u>	

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE**  
**IVA, SOUTH CAROLINA**  
**SPECIAL REVENUE FUND**  
**Combining Balance Sheet**  
**June 30, 2012**

	<u>Special Projects Fund</u>	<u>Education Improvement Act</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 19,086	\$ -	\$ 19,086
Due from governmental agencies	514,813	99,036	613,849
Due from other funds	<u>-</u>	<u>13,529</u>	<u>13,529</u>
Total assets	<u>\$ 533,899</u>	<u>\$ 112,565</u>	<u>\$ 646,464</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 2,621	\$ -	\$ 2,621
Accrued expenses and other liabilities	19,086	-	19,086
Deferred revenues	435,683	112,565	548,248
Due to other funds	<u>76,509</u>	<u>-</u>	<u>76,509</u>
Total liabilities	<u>533,899</u>	<u>112,565</u>	<u>646,464</u>
<b>FUND BALANCES</b>			
Unreserved - undesignated	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total liabilities and fund balances	<u>\$ 533,899</u>	<u>\$ 112,565</u>	<u>\$ 646,464</u>

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA  
SPECIAL REVENUE FUND  
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance  
For the Fiscal Year Ended June 30, 2012**

	<u>Special Projects Fund</u>	<u>Education Improvement Act</u>	<u>Total</u>
REVENUES			
Local sources	\$ 254,119	\$ -	\$ 254,119
State sources	496,092	2,059,422	2,555,514
Federal sources	1,469,219	-	1,469,219
Intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues all sources	<u>2,219,430</u>	<u>2,059,422</u>	<u>4,278,852</u>
EXPENDITURES			
Instruction	1,305,516	1,021,757	2,327,273
Supporting services	866,171	476,494	1,342,665
Community services	20,120	-	20,120
Intergovernmental expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>2,191,807</u>	<u>1,498,251</u>	<u>3,690,058</u>
OTHER FINANCING SOURCES (USES)	<u>(27,623)</u>	<u>(561,171)</u>	<u>(588,794)</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	-0-	-0-	-0-
FUND BALANCE, July 1, 2011	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
FUND BALANCE, June 30, 2012	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA**

**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Special Projects Fund  
For the Fiscal Year Ended June 30, 2012**

	<b>Title I (BA Projects) (201/202)</b>	<b>IDEA (CA Projects) (203/204)</b>	<b>Preschool Handicapped (CG Projects) (205/206)</b>	<b>CATE (VA Projects) (207/208)</b>	<b>Drug Free (FPP/FQ Projects) (209/210)</b>	<b>Adult Education* (EA Projects)</b>	<b>Other Designated Restricted State Grants* (900s)</b>	<b>Other Special Revenue Programs* (200s/800s)</b>	<b>Total</b>
<b>REVENUES</b>									
1000 Revenue from local sources									
1900 Other revenue from local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 164,299	\$ 164,299
1930 Medicaid	-	-	-	-	-	-	-	89,820	89,820
1999 Revenue from other local sources	-	-	-	-	-	-	-	-	-
<b>Total local sources</b>	-	-	-	-	-	-	-	254,119	254,119
<b>3000 Revenue from state sources</b>									
3100 Restricted state funding									
3110 Occupational education							14,313	-	14,313
3113 12-months (Ag.) program	-	-	-	-	-	-	3,942	-	3,942
3116 EEDA - miscellaneous	-	-	-	-	-	-	83,113	-	83,113
3118 EEDA career specialist	-	-	-	-	-	-	-	-	-
<b>3120 General education</b>									
3123 Formative assessment	-	-	-	-	-	-	13,927	-	13,927
3125 Career/technology education equipment	-	-	-	-	-	-	37,815	-	37,815
3127 Student health and fitness-PE teachers	-	-	-	-	-	-	28,668	-	28,668
<b>3130 Special programs</b>									
3136 Student health and fitness-nurses	-	-	-	-	-	-	95,105	-	95,105
<b>3190 Miscellaneous restricted state grants</b>									
3193 Education license plates	-	-	-	-	-	-	365	-	365
3199 Other restricted state grants	-	-	-	-	-	-	34,791	-	34,791

\* See Schedule 4A for a listing of LEA subfund codes for each program.



## ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE

## IVA, SOUTH CAROLINA

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Special Projects Fund  
For the Fiscal Year Ended June 30, 2012

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207/208)	Drug Free (FP/FQ Projects) (209/210)	Adult Education* (EA Projects)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Total
3600 Education Lottery Act revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,337	\$ -	7,337
3607 6-8 enhancement	-	-	-	-	-	-	113,795	-	113,795
3610 K-5 enhancement	-	-	-	-	-	-	-	-	-
3900 Other state revenue	-	-	-	-	-	-	2,812	-	2,812
3991 ADEPT	-	-	-	-	-	-	60,109	-	60,109
3999 Revenue from other state sources	-	-	-	-	-	-	-	-	-
Total state sources	-	-	-	-	-	-	496,092	-	496,092
4000 Revenue from federal sources	-	-	-	-	-	-	-	-	-
4200 Occupational education	-	-	-	42,859	-	-	-	-	42,859
4210 Perkins aid, Title I	-	-	-	-	-	-	-	-	-
4300 Elementary and Secondary Education Act of 1965 (ESEA)	810,605	-	-	-	-	-	-	-	810,605
4310 Title I, basic state grant programs	-	-	-	-	-	-	-	56,227	56,227
4312 Rural and low-income school program, Title VI	-	-	-	-	-	-	-	3,449	3,449
4341 Language instruction for limited english proficient and immigrant students, Title III	-	-	-	-	-	-	-	-	-
4350 State fiscal stabilization fund (ARRA)	-	-	-	-	-	-	-	45,163	45,163
4351 Improving teacher quality	-	-	-	-	-	-	-	106,766	106,766

\* See Schedule 4A for a listing of LEA subfund codes for each program.

(continued)

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Special Projects Fund  
For the Fiscal Year Ended June 30, 2012

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207/208)	Drug Free (FP/FQ Projects) (209/210)	Adult Education* (EA Projects)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Total
4500 Programs for children with disabilities									
4510 Individuals with Disabilities Education Act (IDEA)	\$ -	\$ 305,657	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 305,657
4520 Preschool grants (IDEA)	-	-	52,850	-	-	-	-	-	52,850
4540 IDEA (ARRA 611)	-	-	-	-	-	-	-	44,670	44,670
4550 IDEA preschool (ARRA 619)	-	-	-	-	-	-	-	973	973
Total federal sources	810,605	305,657	52,850	42,859	-	-	-	257,248	1,469,219
Total revenue all sources	810,605	305,657	52,850	42,859	-	-	496,092	511,367	2,219,430

\* See Schedule 4A for a listing of LEA subfund codes for each program.

(continued)

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA**

**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Special Projects Fund  
For the Fiscal Year Ended June 30, 2012**

	<b>Title I (BA Projects) (201/202)</b>	<b>IDEA (CA Projects) (203/204)</b>	<b>Preschool Handicapped (CG Projects) (205/206)</b>	<b>CATE (VA Projects) (207/208)</b>	<b>Drug Free (FP/FQ Projects) (209/210)</b>	<b>Adult Education (EA Projects)</b>	<b>Designated Restricted State Grants (900s)</b>	<b>Other Special Revenue Programs (200s/800s)</b>	<b>Total</b>
<b>EXPENDITURES</b>									
100 Instruction									
110 General instruction									
111 Kindergarten programs									
100 Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,315	\$ 50,100	\$ 69,415
200 Employee benefits	-	-	-	-	-	-	10,887	16,314	27,201
112 Primary programs									
100 Salaries	151,545	-	-	-	-	-	-	-	151,545
200 Employee benefits	52,701	-	-	-	-	-	-	554	53,255
300 Purchased services	-	59	-	-	-	-	-	664	723
400 Supplies and materials	94,356	-	-	-	-	-	-	1,375	95,731
113 Elementary programs									
100 Salaries	92,515	-	-	-	-	-	22,032	33,045	147,592
200 Employee benefits	29,145	-	-	-	-	-	6,636	7,381	43,162
300 Purchased services	-	-	-	-	-	-	-	268	268
400 Supplies and materials	-	-	-	-	-	-	365	56,058	56,423
114 High school programs									
300 Purchased services	-	-	-	-	-	-	2,950	-	2,950
400 Supplies and materials	-	-	-	-	-	-	992	395	1,387
115 Career and technology education programs									
100 Salaries	-	-	-	-	-	-	11,717	-	11,717
200 Employee benefits	-	-	-	-	-	-	2,596	-	2,596
500 Capital outlay	-	-	-	-	-	-	37,814	-	37,814

(continued)

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA**

**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Special Projects Fund  
For the Fiscal Year Ended June 30, 2012**

	<b>Title I (BA Projects) (201/202)</b>	<b>IDEA (CA Projects) (203/204)</b>	<b>Preschool Handicapped (CG Projects) (205/206)</b>	<b>CATE (VA Projects) (207/208)</b>	<b>Drug Free (FP/FQ Projects) (209/210)</b>	<b>Adult Education (EA Projects)</b>	<b>Other Designated Restricted State Grants (900s)</b>	<b>Other Special Revenue Programs (200s/800s)</b>	<b>Total</b>
117 Driver education program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 549	\$ 549
300 Purchased services									
120 Exceptional programs									
121 Educable mentally handicapped									
100 Salaries	-	6,861	-	-	-	-	-	-	6,861
200 Employee benefits	-	2,340	-	-	-	-	-	-	2,340
400 Supplies and materials	-	-	-	-	-	-	-	329	329
122 Trainable mentally handicapped									
100 Salaries	-	15,496	-	-	-	-	506	-	16,002
200 Employee benefits	-	8,154	-	-	-	-	-	-	8,154
300 Purchased services	-	294	-	-	-	-	-	-	294
400 Supplies and materials	-	2,069	-	-	-	-	-	927	2,996
124 Visually handicapped									
100 Salaries	-	1,937	-	-	-	-	-	-	1,937
200 Employee benefits	-	1,020	-	-	-	-	-	-	1,020
400 Supplies and materials	-	761	-	-	-	-	-	-	761
125 Hearing handicapped									
100 Salaries	-	21,103	-	-	-	-	-	739	21,842
200 Employee benefits	-	4,978	-	-	-	-	-	144	5,122
300 Purchased services	-	2,397	-	-	-	-	-	-	2,397
400 Supplies and materials	-	3,293	-	-	-	-	-	1,318	4,611

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA**

**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Special Projects Fund  
For the Fiscal Year Ended June 30, 2012**

	<b>Title I (BA Projects) (201/202)</b>	<b>IDEA (CA Projects) (203/204)</b>	<b>Preschool Handicapped (CG Projects) (205/206)</b>	<b>CATE (VA Projects) (207/208)</b>	<b>Drug Free (FP/FQ Projects) (209/210)</b>	<b>Adult Education (EA Projects)</b>	<b>Other Designated Restricted State Grants (900s)</b>	<b>Other Special Revenue Programs (200s/800s)</b>	<b>Total</b>
126 Speech handicapped									
100 Salaries	\$ -	\$ 4,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,332	\$ 41,082
200 Employee benefits	-	1,040	-	-	-	-	-	5,174	6,214
300 Purchased services	-	1,126	-	-	-	-	-	67,133	68,259
400 Supplies and materials	-	2,724	-	-	-	-	-	2,384	5,108
127 Learning disabilities									
100 Salaries	-	61,089	-	-	-	-	2,703	-	63,792
200 Employee benefits	-	22,350	-	-	-	-	-	1,922	24,272
300 Purchased services	-	449	-	-	-	-	-	-	449
400 Supplies and materials	-	14,637	-	-	-	-	-	41,378	56,015
128 Emotionally handicapped									
100 Salaries	-	4,036	-	-	-	-	-	-	4,036
200 Employee benefits	-	1,440	-	-	-	-	-	-	1,440
130 Preschool programs									
131 Preschool handicapped speech (5 year olds)									
100 Salaries	-	-	6,667	-	-	-	-	-	6,667
200 Employee benefits	-	-	1,483	-	-	-	-	-	1,483
135 Preschool handicapped speech (3 and 4 year olds)									
100 Salaries	-	-	6,667	-	-	-	-	-	6,667
200 Employee benefits	-	-	1,483	-	-	-	-	-	1,483
300 Purchased services	-	-	13,080	-	-	-	-	-	13,080
400 Supplies and materials	-	-	844	-	-	-	-	515	1,359

(continued)

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA**

**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Special Projects Fund  
For the Fiscal Year Ended June 30, 2012**

	Title I (BA Projects) (CA Projects)		IDEA (203/204)		Preschool Handicapped (CG Projects) (205/206)		CATE (VA Projects)(FP/FQ Projects) (207/208)		Drug Free (209/210)		Adult Education (EA Projects)		Other Designated Restricted State Grants (900s)		Other Special Revenue Programs (200s/800s)		Total
	(201/202)		(203/204)		(205/206)		(207/208)		(209/210)		(EA Projects)		(900s)		(200s/800s)		
137 Preschool handicapped self-contained (3 and 4 year olds)		\$				\$		\$		\$		\$		\$			
100 Salaries	-		-	\$	15,293	\$	-	-	-	-	-	-	-	-	-	-	15,293
200 Employee benefits	-		-	-	6,628		-	-	-	-	-	-	-	-	-	-	6,628
139 Early childhood programs																	
100 Salaries	-		-	-	-	-	-	-	-	-	-	-	44,349	-	-	-	44,349
200 Employee benefits	-		-	-	-	-	-	-	-	-	-	-	15,011	-	-	-	15,011
300 Purchased services	-		-	-	-	-	-	-	-	-	-	-	749	-	-	-	749
400 Supplies and materials	-		-	-	-	-	-	-	-	-	-	-	-	2,161	-	-	2,161
160 Other exceptional programs																	
161 Autism																	
100 Salaries	-		62,112	-	-	-	-	-	-	-	-	-	-	-	-	-	62,112
200 Employee benefits	-		32,511	-	-	-	-	-	-	-	-	-	-	-	-	-	32,511
300 Purchased services	-		3,693	-	-	-	-	-	-	-	-	-	-	-	-	-	3,693
400 Supplies and materials	-		208	-	-	-	-	-	-	-	-	-	-	-	-	-	208
170 Summer school programs																	
175 Instructional programs beyond regular school day																	
100 Salaries	5,570		-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,570
200 Employee benefits	1,203		-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,203

(continued)

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA**

**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Special Projects Fund  
For the Fiscal Year Ended June 30, 2012**

	<b>Title I (BA Projects) (201/202)</b>	<b>IDEA (CA Projects) (203/204)</b>	<b>Preschool Handicapped (CCG Projects) (205/206)</b>	<b>CATE (VA Projects) (207/208)</b>	<b>Drug Free (FP/FQ Projects) (209/210)</b>	<b>Adult Education (EA Projects)</b>	<b>Designated Restricted State Grants (900s)</b>	<b>Other Special Revenue Programs (200s/800s)</b>	<b>Total</b>
180 Adult/continuing educational programs									
188 Parenting/family literacy									
100 Salaries	\$ 27,903	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,903
200 Employee benefits	7,879	-	-	-	-	-	-	-	7,879
400 Supplies and materials	1,846	-	-	-	-	-	-	-	1,846
Total instruction	464,663	282,927	52,145	-	-	-	178,622	327,159	1,305,516
200 Support services									
210 Pupil services									
212 Guidance services									
100 Salaries	-	-	-	-	-	-	61,862	-	61,862
200 Employee benefits	-	-	-	-	-	-	20,956	-	20,956
213 Health services									
100 Salaries	-	-	-	-	-	-	66,062	-	66,062
200 Employee benefits	-	-	-	-	-	-	29,043	-	29,043
300 Purchased services	-	-	-	-	-	-	1,380	19,916	21,296
400 Supplies and materials	-	-	-	-	-	-	-	97	97
214 Psychological services									
200 Employee benefits	-	714	-	-	-	-	-	-	714
300 Purchased services	-	3,360	133	-	-	-	-	983	4,476
400 Supplies and materials	-	6,392	-	-	-	-	-	-	6,392
217 Career specialist services									
200 Employee benefits	-	-	-	-	-	-	295	-	295

(continued)

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA**

**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Special Projects Fund  
For the Fiscal Year Ended June 30, 2012**

	<b>Title I (BA Projects) (201/202)</b>	<b>IDEA (CA Projects) (203/204)</b>	<b>Preschool Handicapped (CG Projects) (205/206)</b>	<b>CATE (VA Projects) (207/208)</b>	<b>Drug Free (FP/FQ Projects) (209/210)</b>	<b>Adult Education (EA Projects)</b>	<b>Designated Restricted State Grants (900s)</b>	<b>Other Special Revenue Programs (200s/800s)</b>	<b>Total</b>
220 Instructional staff services									
221 Improvement of instruction - curriculum development									
100 Salaries	\$ 143,349	\$ -	\$ -	\$ 20,068	\$ -	\$ -	\$ 86,164	\$ 7,201	\$ 256,782
200 Employee benefits	44,331	-	-	4,211	-	-	25,068	1,559	75,169
300 Purchased services	11,813	-	-	5,742	-	-	26,055	-	43,610
400 Supplies and materials	-	-	-	7,838	-	-	241	-	8,079
500 Capital outlay	-	-	-	5,000	-	-	344	-	5,344
223 Supervision of special programs									
100 Salaries	94,072	-	-	-	-	-	-	5,196	99,268
200 Employee benefits	25,265	120	-	-	-	-	-	1,435	26,820
300 Purchased services	2,239	3,016	-	-	-	-	-	6,215	11,470
400 Supplies and materials	3,488	1,347	-	-	-	-	-	1,863	6,698
250 Finance and operations services									
251 Student transportation (federal/district mandated)									
200 Employee benefits	-	1,221	-	-	-	-	-	-	1,221
300 Purchased services	-	124	-	-	-	-	-	213	337
400 Supplies and materials	-	-	-	-	-	-	-	71	71
254 Operation and maintenance of plant									
100 Salaries	-	-	-	-	-	-	-	14,104	14,104
200 Employee benefits	-	-	-	-	-	-	-	5,480	5,480
300 Purchased services	2,851	-	-	-	-	-	-	-	2,851

(continued)



**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA**

**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Special Projects Fund  
For the Fiscal Year Ended June 30, 2012**

	<b>Title I (BA Projects) (201/202)</b>	<b>IDEA (CA Projects) (203/204)</b>	<b>Preschool Handicapped (CG Projects) (205/206)</b>	<b>CATE (VA Projects) (207/208)</b>	<b>Drug Free (FP/FQ Projects) (209/210)</b>	<b>Adult Education (EA Projects)</b>	<b>Other Designated Restricted State Grants (900s)</b>	<b>Other Special Revenue Programs (200s/800s)</b>	<b>Total</b>
255 Student transportation (state mandated)									
100 Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2,462	\$ 2,462
200 Employee benefits	-	-	-	-	-	-	-	1,437	1,437
260 Central support services									
266 Technology and data processing services									
300 Purchased services	-	-	-	-	-	-	-	65,622	65,622
400 Supplies and materials	-	-	-	-	-	-	-	3,561	3,561
500 Capital outlay	-	-	-	-	-	-	-	24,592	24,592
Total support services	327,408	16,294	133	42,859	-	-	317,470	162,007	866,171
300 Community services									
360 Welfare services									
400 Supplies and materials	-	-	-	-	-	-	-	120	120
390 Other community services									
600 Other objects	-	-	-	-	-	-	-	20,000	20,000
Total community services	-	-	-	-	-	-	-	20,120	20,120
Total expenditures	792,071	299,221	52,278	42,859	-	-	496,092	509,286	2,191,807

(continued)

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Special Projects Fund  
For the Fiscal Year Ended June 30, 2012

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207/208)	Drug Free (FP/FQ Projects) (209/210)	Adult Education (EA Projects)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Total
OTHER FINANCING SOURCES (USES)									
Interfund transfers, from (to) other funds									
431-791 Special revenue fund indirect costs \$	(18,534)	\$ (6,436)	\$ (572)	\$ -	\$ -	\$ -	\$ -	(2,081)	\$ (27,623)
Total other financing sources (uses)	(18,534)	(6,436)	(572)	-	-	-	-	(2,081)	(27,623)
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
FUND BALANCE, July 1, 2011	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
FUND BALANCE, June 30, 2012	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA  
Schedule of Program Classifications - Special Projects Fund  
For the Fiscal Year Ended June 30, 2012**

<b>LEA Subfund</b>	<b>Program</b>	<b>Revenue</b>	<b>Revenue Code</b>
<b>Code</b>			
<b><u>OTHER RESTRICTED STATE GRANTS</u></b>			
898	12-months (Ag.) program	\$ 14,313	3113
926	EEDA - miscellaneous	3,942	3116
928	EEDA career specialist	83,113	3118
933	Formative assessment	13,927	3123
905	Career and technology education equipment	37,815	3125
937	Student health and fitness - PE teachers	28,668	3127
936	Student health and fitness - nurses	95,105	3136
919	Education license plates	365	3193
803	Extended school year	4,083	3199
804	TCT Medicaid	30,202	3199
835	Handicapped - PMD	506	3199
967	6-8 enhancement	7,337	3607
960	K-5 enhancement	113,795	3610
916	ADEPT	2,812	3991
982	School-based family services	60,109	3999
		<u>\$ 496,092</u>	
<b><u>OTHER SPECIAL REVENUE PROGRAMS</u></b>			
270	Medicaid	\$ 164,299	1930
876	Santee Cooper scholarship	20,000	1999
807	E-Rate	66,261	1999
877	Fine arts festival	632	1999
878	Drivers ed	548	1999
806	Homeless donations	121	1999
866	Foothills special needs	97	1999
874	Target grant	2,161	1999
251	Rural and low-income school program, Title VI	56,227	4312
264	Language instr for limited english proficient/immigrant students, Title III	3,449	4341
250	State fiscal stabilization fund (ARRA)	45,163	4350
267	Improving teacher quality	106,766	4351
215	IDEA (ARRA 611)	44,670	4540
216	IDEA preschool (ARRA 619)	973	4550
		<u>\$ 511,367</u>	

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA**

**Summary Schedule for Designated State Restricted Grants  
For the Fiscal Year Ended June 30, 2012**

Subfund	Revenue		Revenues	Expenditures	Special Revenue		Special Revenue Fund Deferred
	Code	Programs			Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	
898	3113	12-months (Ag.) program	\$ 14,313	\$ 14,313	\$ -	\$ -	\$ -
926	3116	EEDA - miscellaneous	3,942	3,942	-	-	-
928	3118	EEDA career specialist	83,113	83,113	-	-	-
933	3123	Formative assessment	13,927	13,927	-	-	537
905	3125	Career and technology education equipment	37,815	37,815	-	-	18,635
937	3127	Student health and fitness - PE teachers	28,668	28,668	-	-	17,730
936	3136	Student health and fitness - nurses	95,105	95,105	-	-	-
919	3193	Education license plates	365	365	-	-	392
803	3199	Extended school year	4,083	4,083	-	-	-
804	3199	TCT Medicaid	30,202	30,202	-	-	-
835	3199	Handicapped - PMD	506	506	-	-	-
967	3607	6-8 enhancement	7,337	7,337	-	-	-
960	3610	K-5 enhancement	113,795	113,795	-	-	122,368
916	3991	ADEPT	2,812	2,812	-	-	-
982	3999	School-based family services	60,109	60,109	-	-	-
			<u>\$ 496,092</u>	<u>\$ 496,092</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 159,662</u>

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA  
Education Improvement Act  
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance  
For the Fiscal Year Ended June 30, 2012**

REVENUES

3000 Revenue from state sources	
3500 Education Improvement Act	
3502 ADEPT	\$ 1,255
3511 Professional development	29,564
3526 Refurbishment of K-8 science kits	14,115
3530 Trainable and profoundly mentally disabled student services	6,092
3532 National board certification (NBC) salary supplement	173,116
3533 Teacher of the year award	1,077
3538 Students at risk of school failure	532,997
3540 Early childhood program (4k programs serving four-year-old children)	74,086
3542 Preschool programs for children with disabilities	9,753
3544 High achieving students	47,130
3550 Teacher salary increase	245,608
3555 School employer contributions	52,769
3558 Reading	17,485
3568 EAA technical assistance	53,984
3577 Teacher supplies	42,500
3585 Aid to districts - special education	217,513
3588 IDEA MOE special allocation	430,399
3592 Work-based learning	10,784
3597 Aid to districts	83,770
3598 Cost savings allocations	6,328
3599 Other EIA	9,097
	<hr/>
Total state sources	2,059,422
	<hr/>
Total revenue all sources	2,059,422
	<hr/>

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA  
Education Improvement Act  
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance  
For the Fiscal Year Ended June 30, 2012**

**EXPENDITURES**

100 Instruction		
110 General instruction		
111 Kindergarten programs		
100 Salaries	\$	7,500
200 Employee benefits		1,633
112 Primary programs		
100 Salaries		39,735
200 Employee benefits		16,085
113 Elementary programs		
100 Salaries		209,656
200 Employee benefits		115,257
300 Purchased services		1,500
400 Supplies and materials		14,115
600 Other objects		220
114 High school programs		
100 Salaries		128,053
200 Employee benefits		38,624
115 Career and technology education programs		
100 Salaries		11,742
200 Employee benefits		2,582
116 Career and technology education programs - middle school		
100 Salaries		3,975
200 Employee benefits		1,019
120 Exceptional programs		
121 Educable mentally handicapped		
100 Salaries		5,930
200 Employee benefits		1,552
124 Visually handicapped		
300 Purchased services		10,490
125 Hearing handicapped		
100 Salaries		5,930
200 Employee benefits		1,552
300 Purchased services		1,000
126 Speech handicapped		
300 Purchased services		12,825

(continued)

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA  
Education Improvement Act  
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance  
For the Fiscal Year Ended June 30, 2012**

127 Learning disabilities	
100 Salaries	\$ 155,736
200 Employee benefits	48,477
128 Emotionally handicapped	
100 Salaries	5,930
200 Employee benefits	1,552
130 Pre-school programs	
137 Preschool handicapped - self-contained (3 and 4 year olds)	
100 Salaries	6,426
200 Employee benefits	3,028
139 Early childhood programs	
100 Salaries	57,507
200 Employee benefits	23,969
140 Special programs	
141 Gifted and talented - academic	
100 Salaries	45,681
200 Employee benefits	13,693
149 Other special programs	
300 Purchased services	2,103
400 Supplies and materials	20,936
180 Adult/continuing educational programs	
188 Parenting/family literacy	
300 Purchased services	109
400 Supplies and materials	5,635
Total instruction	<u>1,021,757</u>
200 Support services	
210 Pupil services	
213 Health services	
300 Purchased services	89,170
214 Psychological services	
100 Salaries	5,639
200 Employee benefits	1,126
300 Purchased services	41,654

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA  
Education Improvement Act  
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance  
For the Fiscal Year Ended June 30, 2012**

220 Instructional staff services	
221 Improvement of instruction - curriculum development	
100 Salaries	\$ 10,195
200 Employee benefits	2,464
300 Purchased services	26,499
400 Supplies and materials	20,402
500 Capital outlay	7,882
600 Other objects	10
222 Library and media	
100 Salaries	1,712
223 Supervision of special programs	
100 Salaries	133,069
200 Employee benefits	38,647
300 Purchased services	9,011
224 Improvement of instruction - inservice and staff training	
300 Purchased services	905
250 Finance and operations services	
251 Student transportation (federal/district mandated)	
100 Salaries	59,581
200 Employee benefits	28,486
600 Other objects	42
	<hr/>
Total support services	476,494
	<hr/>
Total expenditures	1,498,251
	<hr/>
OTHER FINANCING SOURCES (USES)	
Interfund transfers, from (to) other funds	
5230 Transfer from special revenue EIA fund	25,515
420-710 Transfer to general fund (exclude indirect costs)	(561,171)
422-710 Transfer to EIA fund	(25,515)
	<hr/>
Total other financing sources (uses)	(561,171)
	<hr/>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-0-
	<hr/>
FUND BALANCE, July 1, 2011	-0-
	<hr/>
FUND BALANCE, June 30, 2012	\$ -0-
	<hr/>



**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE**  
**IVA, SOUTH CAROLINA**  
**Education Improvement Act**  
**Summary Schedule by Program**  
**For the Fiscal Year Ended June 30, 2012**

PROGRAM	<u>Revenues</u>	<u>Expenditures</u>	EIA Interfund		<u>Deferred Revenue</u>
			<u>Transfers In(Out)</u>	<u>Transfers In(Out)</u>	
3500 Education Improvement Act					
3502 ADEPT	\$ 1,501	\$ 1,255	\$ -	\$ -	\$ 246
3511 Professional development	17,858	29,564	-	11,706	-
3526 Refurbishment of K-8 science kits	14,952	14,115	-	3,106	3,943
3530 Trainable and profoundly mentally disabled student services	6,092	-	(6,092)	-	-
3532 National board certification (NBC) salary supplement	173,116	173,116	-	-	-
3533 Teacher of the year award	1,077	1,077	-	-	-
3538 Students at risk of school failure	707,845	531,059	(1,938)	(90,516)	84,332
3540 Early childhood program (4k programs serving four-year-old children)	74,025	87,261	13,175	61	-
3542 Preschool programs for children with disabilities	9,442	9,753		311	-
3544 High achieving students	61,027	59,470	12,340	1,909	15,806
3550 Teacher salary increase	245,608	245,608	-	-	-
3555 School employer contributions	52,769	52,769	-	-	-
3558 Reading	16,488	-	(17,485)	5,408	4,411
3568 EAA technical assistance	-	53,984	-	53,984	-
3577 Teacher supplies	42,500	42,500	-	-	-
3585 Aid to districts - special education	217,513	217,513	-	-	-
3588 IDEA MOE maintenance of effort	-	430,399	-	430,399	-
3592 Work-based learning	11,192	10,784	-	3,420	3,828
3597 Aid to districts	83,770	83,770	-	-	-
3598 Cost savings allocations	6,328	6,328	-	-	-
3599 Other EIA	8,192	9,097	-	905	-
<b>TOTALS</b>	<b>\$ 1,751,294</b>	<b>\$ 2,059,422</b>	<b>\$ -0-</b>	<b>\$ 420,693</b>	<b>\$ 112,565</b>

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA  
Debt Service Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
For the Fiscal Year Ended June 30, 2012**

**REVENUES**

1000 Revenue from local sources	
1200 Revenue from local governmental units other than LEAs	
1210 Ad valorem taxes - including delinquent (fiscally dependent LEA)	\$ 1,218,587
1280 Revenue in lieu of taxes (dependent and independent)	94,583
1500 Earnings on investments	
1510 Interest on investments	63
1900 Other revenue from local sources	
1999 Revenue from other local sources	<u>2,244</u>
Total local sources	<u>1,315,477</u>
3000 Revenue from state sources	
3800 State revenue in lieu of taxes	
3820 Homestead exemption (tier 2)	91,242
3830 Merchant's inventory tax	1,156
3840 Manufacturers depreciation reimbursement	47,828
3890 Other state property tax revenues (includes motor carrier vehicle tax)	<u>3,744</u>
Total state sources	<u>143,970</u>
Total revenue all sources	<u>1,459,447</u>

**EXPENDITURES**

500 Debt service	
610 Redemption of principal	872,000
620 Interest	684,454
690 Other objects (includes fees for servicing bonds)	<u>2,000</u>
Total expenditures	<u>1,558,454</u>

EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES (99,007)

FUND BALANCE, July 1, 2011 598,926

FUND BALANCE, June 30, 2012 \$ 499,919

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA  
School Building Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
For the Fiscal Year Ended June 30, 2012**

**REVENUES**

1000 Revenue from local sources	
1500 Earnings on investments	
1510 Interest on investments	\$ 704
	<hr/>
Total local sources	704
	<hr/>
Total revenue all sources	704
	<hr/>

**EXPENDITURES**

250 Finance and operations	
253 Facilities acquisition and construction	
300 Purchased services	31,523
400 Supplies and materials	7,254
500 Capital outlay	
530 Improvements other than buildings	455,751
540 Equipment	511,776
	<hr/>
Total expenditures	1,006,304
	<hr/>

**OTHER FINANCING SOURCES (USES)**

5120 Proceeds of general obligation bonds	250,000
5400 Proceeds of long-term notes	1,000,000
	<hr/>
Total other financing sources (uses)	1,250,000
	<hr/>

EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	244,400
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FUND BALANCE, July 1, 2011	(40,151)
	<hr/>

FUND BALANCE, June 30, 2012	\$ 204,249
	<hr/> <hr/>

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA  
Food Service Fund  
Schedule of Revenues, Expenses, and Changes in Retained Earnings  
For the Fiscal Year Ended June 30, 2012**

**REVENUES**

1000 Revenue from local sources	
1500 Earnings on investments	
1510 Interest on investments	\$ 2,439
1600 Food service	
1610 Lunch sales to pupils	214,723
1630 Special sales to pupils	94,080
1640 Lunch sales to adults	53,139
1660 Special sales to adults	10,452
1900 Other revenue from local sources	
1999 Revenue from other local sources	<u>8,619</u>
Total revenue from local sources	<u>383,452</u>
4000 Revenue from federal sources	
4800 USDA reimbursement	
4810 School lunch and after school snacks program	739,451
4830 School breakfast program	481,182
4900 Other federal sources	
4999 Revenue from other federal sources	<u>33,848</u>
Total revenue from federal sources	<u>1,254,481</u>
Total revenue all sources	<u>1,637,933</u>

**EXPENDITURES**

256 Food services	
100 Salaries	500,053
200 Employee benefits	29,024
300 Purchased services (excludes gas, oil, elec, other heating fuels)	41,742
400 Supplies and materials (includes gas, oil, elec, other heating fuels)	867,014
500 Capital outlay	89,530
600 Other objects	<u>3,864</u>
Total expenditures	<u>1,531,227</u>

**OTHER FINANCING SOURCES (USES)**

Interfund transfers, from (to) other funds	
432-791 Food service fund indirect costs	<u>(53,000)</u>

EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES 53,706

RETAINED EARNINGS, July 1, 2011 758,591

RETAINED EARNINGS, June 30, 2012 \$ 812,297

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
 IVA, SOUTH CAROLINA  
 Pupil Activity Fund  
 Balance Sheet  
 June 30, 2012

	<u>Student Activity Fund</u>
<b><u>ASSETS</u></b>	
Cash and cash equivalents	\$ 155,686
Investments	<u>131,749</u>
Total assets	<u>\$ 287,435</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>	
<b>LIABILITIES</b>	
Due to student organizations	\$ 127,951
Due to other funds	<u>159,484</u>
Total liabilities	<u>287,435</u>
<b>FUND BALANCES</b>	
	<u>-0-</u>
Total liabilities and fund balances	<u>\$ 287,435</u>

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA**

**Pupil Activity Fund**

**Schedule of Receipts, Disbursements, and Changes in Due to Student Organizations  
For the Fiscal Year Ended June 30, 2012**

**RECEIPTS**

1000 Receipts from local sources	
1500 Earnings on investments	-
1510 Interest on investments	\$ 1,583
1700 Pupil activities	
1710 Admissions	73,226
1720 Bookstore sales	31,026
1740 Student fees	50,741
1790 Other	<u>536,463</u>
Total receipts from local sources	<u>693,039</u>

**DISBURSEMENTS**

270 Support services pupil activity	
271 Pupil service activities	
660 Supporting services pupil activity	535,865
272 Enterprise activities	
660 Pupil activity	111,515
273 Trust and agency activities	
660 Enterprise activities	<u>97,192</u>
Total disbursements	<u>744,572</u>

**OTHER FINANCING SOURCES (USES)**

Interfund transfers, from (to) other funds	
5210 Transfer from general fund (excludes indirect costs)	<u>25,561</u>
Total other financing sources (uses)	<u>25,561</u>

**EXCESS/DEFICIENCY OF RECEIPTS OVER DISBURSEMENTS** (25,972)

**DUE TO STUDENT ORGANIZATIONS, July 1, 2011** 153,923

**DUE TO STUDENT ORGANIZATIONS, June 30, 2012** \$ 127,951

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA  
Schedule of Due to State Department of Education/Federal Government  
June 30, 2012**

<u>Program</u>	<u>Project Number</u>	<u>Revenue Code</u>	<u>Description</u>	<u>Amount Due to State Department of Education/ Federal Government</u>
None.				

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA**

**Schedule of Capital Assets Used in Governmental Operations by Function  
For the Fiscal Year Ended June 30, 2012**

<u>Function</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements</u>	<u>Equipment</u>	<u>Totals</u>
Crescent High School	\$ 537,710	\$ 7,589,037	\$ 621,718	\$ 791,428	\$ 9,539,893
Starr-Iva Middle School	23,477	4,225,615	169,724	398,755	4,817,571
Iva Elementary School	25,982	2,252,401	113,567	474,669	2,866,619
Starr Elementary School	224,746	3,705,149	250,104	275,331	4,455,330
Flat Rock Elementary School	225,915	14,118,682	-	100,682	14,445,279
Administration	5,331	236,720	169,725	390,923	802,699
Totals	<u>\$ 1,043,161</u>	<u>\$ 32,127,604</u>	<u>\$ 1,324,838</u>	<u>\$ 2,431,788</u>	<u>\$ 36,927,391</u>

<u>Function</u>	<u>Capital Assets July 1, 2011</u>	<u>Additions</u>	<u>Disposals</u>	<u>Capital Assets June 30, 2012</u>
Crescent High School	\$ 9,531,527	\$ 8,366	\$ -	\$ 9,539,893
Starr-Iva Middle School	4,817,571	-	-	4,817,571
Iva Elementary School	2,702,304	164,315	-	2,866,619
Starr Elementary School	4,455,330	-	-	4,455,330
Flat Rock Elementary School	14,445,279	-	-	14,445,279
Administration	802,699	-	-	802,699
Totals	<u>\$ 36,754,710</u>	<u>\$ 172,681</u>	<u>\$ -</u>	<u>\$ 36,927,391</u>



ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA  
Schedule of Findings and Questioned Costs  
For Fiscal Year Ended June 30, 2012

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Section I - Summary of Auditors' Results

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**Financial Statements**

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Deficiency(ies) identified? ☐ Yes ☒ No

Noncompliance material to financial statements noted?

☐ Yes ☒ No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Reportable condition(s) identified that are not considered to be material weakness(es)? ☐ Yes ☒ No

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

☐ Yes ☒ No

Identification of major programs:

**CFDA Numbers**

10.555  
10.553  
10.550

**Name of Federal Program or Cluster**

School Lunch Program  
School Breakfast Program  
Commodities/Food Distribution

Dollar threshold used to distinguish between type A and type B programs:  
Auditee qualified as low-risk auditee?

\$300,000  
☒ Yes ☐ No

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA  
Schedule of Findings and Questioned Costs  
For Fiscal Year Ended June 30, 2012

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Section II - Financial Statement Findings

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None.

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Section III - Federal Award Findings and Questioned Costs

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None.

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA**

**Highlights**

**For the Fiscal Year Ended June 30, 2012**

The table on this page presents pupil cost based on the average daily attendance of 2,531. This table may be compared with the District's objectives and with other state and national statistics on schools.

	<b>Per Pupil Cost</b> <b>(General Fund Expenditures)</b> <b>Based on 2011-2012</b> <b>Average Daily</b> <b><u>Attendance</u></b>
Instruction	\$ 3,723.09
Pupil services	225.20
Instructional staff services	312.18
Administration	529.72
Finance and operations	1,252.22
Central support	137.00
Pupil activities	79.86
Community service	0.27
Debt service	<u>0.96</u>
 Total	 \$ <u><u>6,260.50</u></u>

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2012**

<b>LEA Subfund Code</b>	<b>Federal Grantor/ Pass-Through Grantor Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Grantor's Number</b>	<b>Total Expenditures</b>
<u><b>U. S. DEPARTMENT OF EDUCATION</b></u>				
Passed through SDE:				
201	Title I grant to LEAs	84.010	12-BA006	\$ 810,605
207	CATE (Subprogram 02)	84.048	12-VA006	13,664
207	CATE (Subprogram 04)	84.048	12-VA006	1,365
207	CATE (Subprogram 05)	84.048	12-VA006	1,354
207	CATE (Subprogram 06)	84.048	12-VA006	6,630
207	CATE (Subprogram 08)	84.048	12-VA006	11,499
207	CATE (Subprogram 10)	84.048	12-VA006	2,500
207	CATE (Subprogram 11)	84.048	12-VA006	5,000
207	CATE (Subprogram 14)	84.048	12-VA006	847
	Total 84. 048			<u>42,859</u>
203	Individuals with disabilities education (IDEA)	84.027	12-CA006	305,657
251	Rural and low-income school program, Title VI	84.358	12-BS006	56,227
250	State fiscal stabilization fund (ARRA)	84.394	12-SF006	45,163
215	IDEA (ARRA 611)	84.391	12-SC006	44,670
216	IDEA preschool (ARRA 619)	84.392	12-CG006	973
205	Handicapped preschool grants	84.173	12-CG006	52,850
267	Improving teacher quality	84.367A	12-TQ006	106,766
Passed through Anderson County School District 5:				
264	Language instr for limited english proficient/immigrant students, Title III	84.340	12-BK006	<u>3,449</u>
	<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<u><b>1,469,219</b></u>
<u><b>U.S. DEPARTMENT OF AGRICULTURE</b></u>				
Passed through SDE:				
600's	School Lunch Program **	10.555		See
600's	School Breakfast Program **	10.553		disclosure
600's	Commodities/Food Distribution **	10.550		<u>below</u>
	<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u><b>1,531,227</b></u>
	<b>TOTAL FEDERAL ASSISTANCE EXPENDED</b>			<u><b>\$ 3,000,446</b></u>

\*\*Denotes Major Program

The accounting system used by South Carolina LEAs does not allow for the segregation of expenditures by fund source in the Food Service Fund. Thus the total amount, displayed under "Total USDA," includes \$370,417 of state and local revenue. The detailed schedule for the Food Service is on Schedule 10 of this audit report. See accompanying notes to Schedule of Expenditures of Federal Awards.

(continued)

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE  
IVA, SOUTH CAROLINA  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2012

(1) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of Anderson County School District Number Three, for the year ended June 30, 2012. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included on the schedule.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the District's general purpose financial statements.

(3) Relationship to Combined Financial Statements

Federal financial assistance revenues are reported in the District's general purpose financial statements as federal revenues in the Special Revenue Fund and operating and nonoperating revenues 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 revenues and expenditures received or made subsequent to the filing of federal financial reports.

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE**  
**IVA, SOUTH CAROLINA**  
**Location Reconciliation Schedule**  
**For the Fiscal Year Ended June 30, 2012**

<u>Location ID</u>	<u>Location Description</u>	<u>Education Level</u>	<u>Cost Type</u>	<u>Total Expenditures</u>
02	Iva Elementary	Elementary school	School	\$ 3,780,231
03	Starr Elementary	Elementary school	School	3,284,629
04	Starr-Iva Middle	Middle school	School	4,371,159
05	Crescent High	High school	School	5,674,546
06	District Office	Non-school	Central	1,699,365
08	Flat Rock Elementary	Elementary school	School	3,525,773
09	District Office	Non-school	Central	272,766
10	District Office	Non-school	Central	2,500
11	District Office	Non-school	Central	3,653
99	District Office	Non-school	Central	<u>1,761,309</u>

**TOTAL EXPENDITURES/DISBURSEMENTS FOR ALL FUNDS** **\$ 24,375,931**

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

General Fund	\$ 15,845,316
Special Revenue Fund (includes EIA)	3,690,059
Debt Service Fund	1,558,454
Capital Projects Fund	1,006,303
Proprietary Fund	1,531,227
Trust and Agency Fund	<u>744,572</u>

**TOTAL EXPENDITURES/DISBURSEMENTS FOR ALL FUNDS** **\$ 24,375,931**

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Trustees  
Anderson County School District Number Three  
Iva, South Carolina

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Anderson County School District Number Three as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 5, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

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

**Internal Control Over Financial Reporting**

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

Our consideration of the internal control over financial reporting was for the limited purpose described above and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses.

A deficiency in control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal controls, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected, on a timely basis. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

This report is intended for the information of the Board of Trustees, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Martin Smith & Company CPA, PA*

Greenville, South Carolina  
October 5, 2012

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

Board of Trustees  
Anderson County School District Number Three  
Iva, South Carolina

We have audited the compliance of Anderson County School District Number Three with the types of compliance requirements described in the United States Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. The District's major federal programs are identified in the accompanying Schedule of Expenditures of Federal Awards. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, Anderson County School District Number Three complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

**Internal Control Over Compliance**

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

A deficiency in an entity's internal control over compliance 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, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, by the District's internal controls on a timely basis. We noted no matters involving the internal control over compliance that we consider material weaknesses.

Our consideration of the internal control over compliance was for the limited purpose described above and was not designed to identify all deficiencies in the District's internal control that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance.

This report is intended for the information of the Board of Trustees, management, federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Greenville, South Carolina  
October 5, 2012

*Martin Smith & Company CPAs P.A.*