

The School District of Greenville County Comprehensive Annual Financial Report 2014

Greenville, South Carolina

www.greenville.k12.sc.us

For the
Year Ended
June 30, 2014



GREENVILLE COUNTY
SCHOOLS
Where Enlightening Strikes!

The School District of Greenville County

Greenville, South Carolina



Where enlightening strikes

Comprehensive Annual Financial Report

For the Year Ended June 30, 2014

Prepared By:

The Office of the Executive Director of Finance

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

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GREENVILLE, SOUTH CAROLINA**

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**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**



THE SCHOOL

DISTRICT OF GREENVILLE COUNTY

BOARD OF TRUSTEES JUNE 30, 2014



Seated, left to right:

Glenda Morrison-Fair, Danna Rohleder, Lisa H. Wells, Joy Grayson,
Lynda Leventis-Wells, Megan E. Hickerson.

Standing, left to right:

Patrick L. Sudduth, Dr. Crystal Ball O'Connor, Kenneth E. Baxter,
Roger Meek, Debi C. Bush, Charles J. (Chuck) Saylors.



THE SCHOOL DISTRICT OF GREENVILLE COUNTY

ADMINISTRATIVE STAFF

Superintendent

Mr. W. Burke Royster

Deputy Superintendent (Interim)

Mr. Leroy Hamilton

Assistant Superintendent for:

School Leadership – Elementary

Mrs. Brenda Byrd

School Leadership – Elementary

Dr. Michelle Meekins

School Leadership – Middle

Mr. Phillip Davie

School Leadership – High

Dr. Ken Peake

Associate Superintendent for Academics

Dr. DeeDee Washington

Assistant Superintendent for Special Education

Mrs. Susan Griffin

Executive Director of:

Career and Technology Education

Mr. Brooks Smith

Construction

Mr. Terry Mills

Education Technology Services

Mr. Bill Brown

Finance

Mr. Jeff Knotts

Human Resources

Mrs. Lynn Gibbs

Innovation and Technology

Mr. Jeff McCoy

Planning, Demographics & Transportation

Mrs. Betty Farley

Student Personnel Services

Mr. Kent Owens

General Counsel

Mr. Doug Webb

Director of Communications

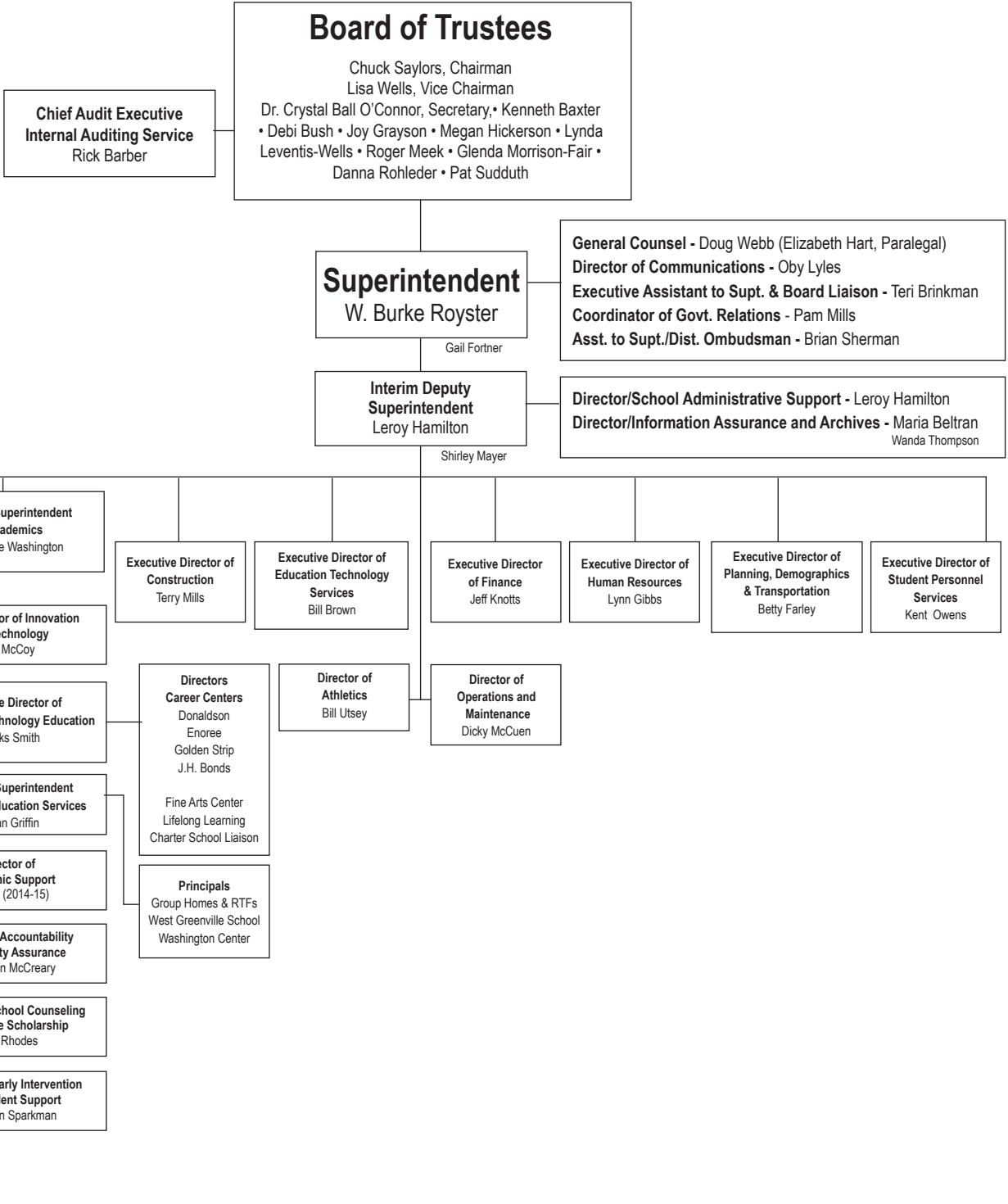
Mr. Oby Lyles

Coordinator of Government Relations

Mrs. Pam Mills

Executive Assistant to Superintendent and Board Liaison

Mrs. Teri Brinkman



**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**



October 28, 2014

To the Citizens of The School District of Greenville County

We are pleased to submit to you the comprehensive annual financial report (“CAFR”) of The School District of Greenville County (“School District”) for the fiscal year ended June 30, 2014. State law requires that all school districts publish within five months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (“GAAP”) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This report consists of management’s representations concerning the finances of the School District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of The School District of Greenville County has established a comprehensive internal control framework that is designed both to protect the School District’s assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of The School District of Greenville County’s financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the School District’s comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The School District of Greenville County’s financial statements have been audited by Greene, Finney & Horton, LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of The School District of Greenville County for the fiscal year ended June 30, 2014 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that The School District of Greenville County’s financial statements for the fiscal year ended June 30, 2014 are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of The School District of Greenville County was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the compliance section of this comprehensive annual financial report.

The accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the financial statements in the form of management's discussion and analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The School District of Greenville County's MD&A can be found immediately following the report of the independent auditors.

Profile of The School District of Greenville County

Long recognized as a leader in public education, The School District of Greenville County is the largest school district in South Carolina and the 45th largest district in the nation, with approximately 71,100 students. It is a consolidated, unified system formed in 1951 when 82 local school districts merged. Comprised of virtually all of Greenville County and a small portion of Laurens and Spartanburg counties, the School District of Greenville County spans 789 square miles and consists of more than 100 schools and facilities that offer a large variety of excellent educational programs. The School District of Greenville County has received international recognition as a high quality school district by receiving National Accreditation from AdvancED, which provides a distinguished mark of quality for the school district, and its schools, students, teachers, and the community.

A 12-member Board of Trustees governs the School District of Greenville County. Programs and policies are established by this publicly elected Board that serves 4-year terms and meets the fourth Tuesday of each month except July. The day-to-day administration of the School District is the responsibility of the Superintendent, who is appointed by the School Board.

Each day, the School District challenges and inspires young people in grades Pre K-12 to meet the demands of the future. In addition to the 84 elementary, middle, and high schools, and four career centers, the School District has several special centers. These include a Fine Arts Center, Child Development Centers, Roper Mountain Science Center, and Washington Center for the Handicapped. A comprehensive K-12 International Baccalaureate (IB) education is offered to students in the four geographic areas of the county. The IB curriculum focuses on high academic standards, international understanding, citizenship, and second language proficiency. The School District is the State leader in school choice, featuring schools of various sizes in urban, suburban and rural settings, and magnet academies offering specialized studies in areas such as communications arts, global studies, engineering, languages, the arts, and science and mathematics. About 15% of our students take advantage of school choice to match their needs and interests.

In addition, Brashier Middle College Charter High School, Greenville Technical Charter High School, Greer Middle College Charter School, Langston Charter Middle School, LEAD Academy Charter School, Legacy Charter School and Meyer Center for Special Children are charter schools under legislation enacted on June 18, 1996. A charter school is considered a public school and these schools are a part of The School District of Greenville County for purposes of state law and state constitution. Because the charter schools are fiscally dependent on the School District, their exclusion would cause the School District's financial statements to be incomplete. Therefore, the financial statements of the charter schools are included in those of the School District as discretely presented component units. In addition, Building Equity Sooner for Tomorrow, Inc. ("BEST"), a not-for-profit 501 (c)(3) corporation, is also a component unit of the District; this entity is treated as a "blended component unit" for financial statement purposes. Detailed information about BEST is described in the School District's MD&A.

Budgetary Control

The School District's annual budget process is developed using, as a foundation, the School District's Mission Statement and The Education Plan as developed by the citizens and personnel of The School District of Greenville County.

School District Mission Statement

We provide educational experiences, in cooperation with the home and community that prepare students for lifelong learning and for ethical, productive participation in a democratic society and the global community.

Education Plan Priorities for Performance

- ✓ Goal One: Raise the Academic Challenge and Performance of Each Student
 - ✓ Goal Two: Ensure Quality Personnel in All Positions
 - ✓ Goal Three: Provide a School Environment Supportive of Learning
 - ✓ Goal Four: Effectively Manage and Further Develop Necessary Financial Resources
 - ✓ Goal Five: Improve Public Understanding and Support of Public Schools
-

In the fall of each year, the School District begins its budget process for the fiscal year beginning the following July 1. After the School District's budget committee reviews all requests and allocation requirements and related revenue, it presents a tentative proposed budget to the Superintendent for review and adjustment. The Superintendent presents the resulting proposed budget to the Board of Trustees, which reviews it in a series of workshops and makes any additions or deletions it deems necessary. The final budget is adopted by the Board of Trustees for all funds except certain special revenue and fiduciary funds, prior to July 1 of each year.

The School District of Greenville County maintains budgetary control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Trustees. Activities of the general fund, capital projects funds, and debt service fund are included in the annual appropriated budget. The legal level of control is at the fund level. To ensure compliance, budgetary controls are established by function and activity within each individual fund. Budgeted dollars cannot be transferred between funds without Board approval. The budgets of the School District may be amended during the year by preparing an update and submitting to the Board of Trustees for approval. The School District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which The School District of Greenville County operates.

Local Economy

Greenville County is one of the premiere centers for business in the Southeast region. It serves as the service, manufacturing, and R&D center for upstate South Carolina. Greenville County cultivates a pro-business environment with a low cost of doing business, low cost of living, skilled worker availability, exceptional quality of life and top notch educational institutions. Over 50 Fortune 500 Companies have a presence in Greenville County. The County has long been recognized as a prime location for international investment and was rated #1 in the nation for both new and expanding international firms by Site Selection Magazine. As a result of a strong business climate and a high quality of life, over 150 international firms are located in Greenville County. In the past 11 years, more than 60 international companies have either opened new or expanded current offices in the county representing over \$1 billion in investments and 3,700 new jobs. Greenville County is the location of many major companies, foreign and domestic. Some of the major companies located in Greenville County include Bosh Rexroth, CSX, Fluor Corporation, General Electric, Hubbell Lighting, Michelin North America, Proterra, Rockwell Automation, TD Bank and W.W. Grainger.

During the past 15 years, strong county economic planning efforts have enabled the manufacturing sector to diversify away from historically concentrated textile employment toward high technology. During the same period, the service and trade sectors have continued to expand. The economic downturn is nothing to underestimate, but Greenville's economic success story continues to be strong with announcements of capital investment. Over the past five years, 2009 – 2013, announced capital investment totaled \$1.24 billion and includes the addition of 8,539 planned new jobs.

Capital investment in Greenville County includes the International Center for Automotive Research (“ICAR”) which serves the state’s existing automotive industries and helps attract new ones by bringing together a graduate program specializing in systems integration with commercially viable automotive and motor sports R&D, testing laboratories and other support facilities.

The local economy is showing signs of improvement as the unemployment rate dropped to 4.8% in June 2014 from 7.1% in June 2013. Greenville was named one of the “Best Cities for Jobs” in the fall 2013 Manpower Survey reported in Forbes Magazine. Since 2011, the housing market is also showing signs of improvement with over a 60% increase in residential building permit activity. The Greenville retail market continues to improve and change, attracting new retailers to the state and motivating redevelopment in the region. The recent development of Magnolia Park has proven very successful and attracted major retailers such as Cabela’s and Dave & Busters, as well as providing a new home to existing retailers such as Toys R Us.

Greenville County’s location, access to the interstate system, diverse employment base, and educational institutions, favor a continuation of this growth trend toward more economic development and new jobs.

Long-Term Financial Planning

As evidenced by the financial statements contained in this report, Capital Projects are one of the main focus areas of the School District’s financial planning. Prior to the adoption of the Long Range Facilities Plan, the School District sold general obligation bonds annually with eight-plus year repayment schedules. The School District restructured its debt and shortened the repayment schedule of bonds; thereby reducing interest cost and freeing up additional capacity within the constitutional 8% debt limit.

In March 2001, the School District entered into a contract with Institutional Resources, LLC to address pressing facility needs. The contract included a financing component that established a non-profit foundation, referred to as BEST. As of June 2006, the non-profit had issued four series of bonds for a total of \$1.03 billion in Installment Purchase Revenue Bonds to fund the BEST construction program. These bonds will be matured for the most part with annual general obligation debt issued by the School District, within its 8% debt limitation, and future earnings on investments. These bonds are scheduled to be paid off in the year 2028.

The District has also planned various capital improvements over the next five years. These capital improvements will be paid for with the proceeds of general obligation bonds issued by the District. Greenville County Schools has maintained the highest credit ratings for South Carolina school districts based on statements recently released by Standard and Poor's and Moody's rating agencies. A higher credit rating for the school district results in lower interest costs when borrowing money.

As the largest school district in the State of South Carolina, the District must plan ahead for future school years. Increase in student enrollment, effect of the economy, and change in instruction delivery, i.e. technology, are all items with both current and long range impact. Planning is embedded in the budget process each year. Even though the District presents an official budget to the Board on an annual basis, the administration reviews projected revenue and expenditure projections for the next several years. When the economic downturn began in fiscal year 2008, the District put in place a plan to increase fund balance in order to ease the effect of the funding cliff created by the end of the government stimulus funding. By utilizing State Fiscal Stabilization funds and instituting procedures to generate additional savings within the general fund budget, the General Fund – Fund Balance increased from \$48,340,093 as of June 30, 2009 to \$80,095,291 as of June 30, 2012. Beginning in FY13, the District included a portion of fund balance in the General Fund budget and thus began the planned usage of fund balance over the course of several years until revenues increase to a level that sustains the instructional process without budget cuts. From FY14 to FY15, the amount of fund balance assigned to fund the General Fund decreased from \$11,248,000 to \$7,057,000 with the goal of not assigning any in the FY16 budget.

Financial Policies and Practices

The Board of Trustees policy includes a fund balance policy that requires the District to maintain a minimum fund balance of 8.33% of total general fund expenditures. The administration utilizes this policy to assist with cash flow during the fall of the year before tax revenues are received. One half of the funds, set aside by this policy, are available to meet short term needs. Additional usage may only be made available by majority vote of the full board, and if so used, must be replaced through budgeting revenues to exceed expenditures by at least 1% until the fund is restored to the 8.33% level. Planning when large expenditures are made keeps cash needs manageable during the fall months without the expense of borrowing.

Major Initiatives

School safety is a priority of the District and currently the District is modifying the main entrance to all schools to include a monitored and contained visitor entry. This adjustment will require all school visitors to enter the school in this manner before accessing the school's main hallway. Also, the school district was awarded an almost \$500,000 national grant to purchase safety equipment, to provide training, and to develop a comprehensive emergency preparedness plan that has served as a model for other districts.

As security concerns continue to grow across the nation, the School District and the Greenville County Sheriff's Office are partnering in a program that significantly enhance security across the School District by utilizing off-duty deputies to patrol of our schools and centers, that do not have a School Resource Office ("SRO"), on a random schedule, multiple times each school day. In addition, Law enforcement and administrative staff members spent time developing recommendations to enhance security across the District, particularly at school entries.

Another priority of the District is to fully involve technology in the learning process. The District is in the process of upgrading the infrastructure at all schools to support a heavy wireless overlay. This will allow schools to implement a Bring Your Own Device initiative or One to One technology initiative.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to The School District of Greenville County for its CAFR for the fiscal year ended June 30, 2013. This was the twenty eighth consecutive year that the School District has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

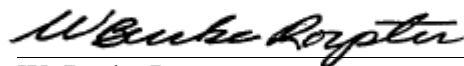
In addition, the School District was also awarded The Association of School Business Officials International Certificate of Excellence in Financial Reporting for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This award is the highest form of recognition in school financial reporting issued by the Association of School Business Officials International. The School District is pleased to receive this award and we believe our current report continues to conform to the Program requirements as a Certificate of Excellence is valid for one year only.

When a project of this magnitude is undertaken, many people are deserving of thanks. Even so, sincere appreciation is expressed to the entire staff in the Finance Department who's dedicated and efficient services have made the timely preparation of this report possible. Thanks also to The School District of Greenville County's Board of Trustees for your support of excellence in financial reporting and fiscal integrity.

Respectfully submitted,



Jeffrey S. Knotts
Executive Director of Finance



W. Burke Royster
Superintendent



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**The School District
of Greenville County
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

The School District of Greenville County

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2013*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, reading 'Terrie S. Simmons', written over a horizontal line.

Terrie S. Simmons, RSBA, CSBO
President

A handwritten signature in black ink, reading 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The School District of Greenville County, South Carolina ("School District"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units, which statements reflected \$10,583,739, \$7,227,911, and \$28,867,369, respectively, in assets, net position, and revenues. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The School District of Greenville County, South Carolina, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Adjustment

As described in Note IV.F to the financial statements, the School District recorded a prior period adjustment to increase beginning fund balance and decrease unearned revenues in the Special Revenue Fund by approximately \$11,323,000. Our opinion is not modified with respect to this matter.

Pending Implementation of Governmental Accounting Standards Board Statement on Pensions

As discussed in Note IV.G, the Governmental Accounting Standards Board recently issued Statement No. 68, “*Accounting and Financial Reporting for Pensions*”. This new statement, which will be adopted by the School District for the fiscal year ended June 30, 2015, will require the School District to report a net pension liability on its applicable financial statements for its participation in the in the South Carolina Retirement System. Based on recent information provided by the South Carolina Public Employee Benefit Authority, it is anticipated that the School District’s share of the net pension liability associated with this plan will decrease the School District’s beginning net position by approximately \$705,000,000. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District’s basic financial statements. The introductory section, supplementary information, statistical section, and the schedule of expenditures of federal awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, all of which can be located in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and 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 by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2014 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.



Greene, Finney & Horton, LLP
Mauldin, South Carolina
October 28, 2014

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2014

This discussion and analysis of The School District of Greenville County's ("School District") financial performance provides an overview of the School District's financial activities for the fiscal year ended June 30, 2014 ("2014") as compared to fiscal year ended June 30, 2013 ("2013"). The intent of this discussion and analysis is to look at the financial performance of the School District as a whole, with an emphasis on the primary government (which excludes the School District's discretely presented charter schools); readers should also review the transmittal letter, the financial statements, the notes to the financial statements, required supplementary information, and other information to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2014 are as follows:

- In the statement of net position, the School District's assets and deferred outflows of resources exceeded its liabilities at the close of the most recent fiscal year by approximately \$579.2 million. Of this amount, approximately \$559.1 million and \$20.1 million were related to the School District's governmental and business-type activities, respectively. In addition, the School District's unrestricted net position was approximately \$116.7 million (\$100.8 million for governmental activities and \$15.9 million for business-type activities) which may be used to meet the School District's ongoing obligations to citizens and creditors.
- The School District's total capital assets decreased in the current fiscal year by approximately \$9.5 million to \$1.28 billion, as depreciation expense of approximately \$45.6 million and disposals of approximately \$0.2 million exceeded capital asset additions of approximately \$36.3 million.
- The School District's total long term debt decreased approximately \$27.4 million during 2014 to \$924.4 million primarily due to scheduled principal payments. Of the outstanding balance at June 30, 2014, approximately \$881.3 million is comprised of the outstanding Building Equity Sooner for Tomorrow, Inc. ("BEST") Installment Purchase Revenue Bonds ("IPRB"). BEST is a nonprofit corporation for which the School District is financially accountable. The key factor in this amount was the School District's aggressive building fund program via the IPRB sold by BEST, to fund the BEST construction program. BEST, although a legally separate entity, is a blended component unit of the School District, and its activities and balances are included in the financial information of the School District.
- The School District's total net position increased by approximately \$9.2 million which consisted of an increase of approximately \$9.0 million for governmental activities and an increase of approximately \$0.2 million in business-type activities. Total revenues were approximately \$711.8 million for 2014 and \$680.2 million for 2013.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of approximately \$207.8 million, a decrease of approximately \$9.8 million in comparison with the prior year restated fund balance. This is attributable to activity in several funds. The fund balance for the General Fund increased by approximately \$10.1 million, which reflects the School District's continued effort to control expenditures and increase revenue where possible. The fund balance for the Special Revenue funds decreased approximately \$4.1 million due to capital related expenditures for local programs. The fund balance for the Debt Service – District Fund increased by approximately \$3.3 million primarily due to higher tax revenues. The fund balance in the Capital Projects – District Fund decreased by approximately \$18.7 million due to construction activity. These funds are used over a multi-year period as the funding source for the School District's Long Range Facilities Plan and Capital Improvement Program. The fund balance of the Capital Projects – BEST Fund decreased by approximately \$0.3 million, as this program is winding down.
- At the end of the current fiscal year, the total fund balance for the General Fund was approximately \$93.0 million. The General Fund's unassigned fund balance was approximately \$82.1 million, which represented approximately 17.1% of total General Fund expenditures for 2014.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2014

FINANCIAL HIGHLIGHTS (CONTINUED)

- The School District implemented GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities*" ("GASB #65") in 2014. GASB #65 establishes accounting and financial reporting standards that require reclassification of certain items that, in prior years, were properly reported as assets and liabilities. GASB #65 supplements and extends the reach of GASB Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*", which was adopted by the District in 2013. The School District's deferred revenue liability (for unavailable property taxes) in its governmental funds balance sheet was affected by the implementation of GASB #65, as deferred items that are not available are no longer shown as a liability but are now reclassified and shown as a component of deferred inflows of resources. In addition, the School District reclassified approximately \$43.3 million in deferred refunding charges from long-term obligations to a deferred outflow of resources. Also under GASB #65, all bond issuance costs, excluding those related to prepaid insurance costs, are to be expensed in the period incurred rather than capitalized. Any such unamortized bond issuance costs that were incurred and capitalized in a previous year should be written off by a cumulative adjustment to beginning net position. Accordingly, for its government-wide statements, the School District wrote off approximately \$6.9 million in previously capitalized and unamortized bond issuance costs as of July 1, 2013; the School District's amortization expense decreased by approximately \$0.8 million from the amount originally reported for the year ended June 30, 2013.

OVERVIEW OF THE FINANCIAL STATEMENTS

The School District has prepared its comprehensive annual financial report using the reporting model that is a combination of both government-wide financial statements and fund financial statements.

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

The *statement of net position* presents information on all of the School District's assets and deferred outflows of resources (if any) and liabilities and deferred inflows of resources (if any), with the difference between these items reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

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

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

The government-wide financial statements include not only the School District itself (known as the primary government), but also component units. The component units include several legally separate charter schools and BEST. Financial information for the charter schools is reported separately from the financial information presented for the primary government itself; this information is not significant or material to the School District as a whole. BEST is a "blended" component unit, and as such, is included in the governmental activities of the School District. Complete separately issued financial statements for the charter schools may be obtained from the administrative office of each school. See Note I.A. for details about how to obtain a copy of their financial statements. Separate financial statements for BEST are not issued.

Fund financial statements. The remaining financial statements focus on *individual parts* of the School District, reporting its operations in *more detail* than the government-wide financial statements.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2014

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund financial statements (Continued)

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of the School District can be divided into three categories: governmental 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 expendable resources, as well as on balances of expendable 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 School District maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Revenue Fund, Special Revenue – Education Improvement Act ("EIA") Fund, Debt Service Fund and Capital Projects Fund, all of which are considered to be major funds. The individual fund data for the permanent fund, a non-major fund, is provided in a separate column since it is the only non-major fund. The BEST Capital Projects Fund and the BEST Debt Service Fund are also major funds and therefore shown in separate columns.

Proprietary Fund. The School 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 School 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 School 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 School District's own programs. The School District is the trustee, or fiduciary, for the pupil activity funds 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 combining and individual fund financial schedules are included in the supplementary section. The School District has legally adopted budgets for its General Fund, Capital Projects funds, and Debt Service funds. Budgets for the Special Revenue Fund and Special Revenue – EIA Fund are not legally adopted. Budgetary comparison schedules have been provided in the required supplementary and supplementary information sections for these funds (as appropriate), to demonstrate compliance with their budgets.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

MANAGEMENT’S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2014

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Major Features of the School District’s Government-Wide and Fund Financial Statements				
	Fund Financial Statements			
	Government-Wide Financial Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire School District (except fiduciary funds) along with the School District’s discretely presented component units.	Activities of the School District that are not proprietary or fiduciary in nature.	Activities the School District operates similar to private businesses, in the School District’s case, the food service operations.	Instances in which the School District is the trustee or agent for someone else’s resources, such as the Pupil Activity Fund.
Required financial statements	<ul style="list-style-type: none"> ▪ Statement of net position. ▪ Statement of activities. 	<ul style="list-style-type: none"> ▪ Balance sheet. ▪ Statement of revenues, expenditures, and changes in fund balances. 	<ul style="list-style-type: none"> ▪ Statement of net position. ▪ Statement of revenues, expenses, and changes in net position. ▪ Statement of cash flows. 	<ul style="list-style-type: none"> ▪ Statement of assets and liabilities.
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus.
Type of balance sheet information	All balance sheet types – both financial and capital, and short-term and long-term.	All balance sheet types that come due during the year or shortly thereafter. No capital assets or long-term obligations are included.	All balance sheet types – both financial and capital, and short-term and long-term.	All balance sheet types – short-term and long-term.
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after year end; expenditures when goods or services have been received and payment is due during or soon after year end.	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.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the School District's primary government (which excludes discretely presented component units – charter schools), net position was approximately \$579.2 million and \$570.0 million at the close of the most recent two fiscal years. A summary of the School District's net position for the primary government for June 30, 2014 and June 30, 2013 is presented below:

	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2014	2013 *	2014	2013	2014	2013 *
Assets						
Current and Other Assets	\$ 343,440,685	353,188,671	16,635,041	16,170,468	360,075,726	\$ 369,359,139
Capital Assets	1,274,883,533	1,283,926,906	4,188,513	4,642,260	1,279,072,046	1,288,569,166
Total Assets	<u>1,618,324,218</u>	<u>1,637,115,577</u>	<u>20,823,554</u>	<u>20,812,728</u>	<u>1,639,147,772</u>	<u>1,657,928,305</u>
Deferred Outflows of Resources						
Deferred Refunding Charges	39,964,481	43,343,318	-	-	39,964,481	43,343,318
Total Deferred Outflows of Resources	<u>39,964,481</u>	<u>43,343,318</u>	<u>-</u>	<u>-</u>	<u>39,964,481</u>	<u>43,343,318</u>
Liabilities						
Other Liabilities	135,088,272	135,787,105	723,270	913,744	135,811,542	136,700,849
Non-Current Liabilities	964,095,415	994,559,209	-	-	964,095,415	994,559,209
Total Liabilities	<u>1,099,183,687</u>	<u>1,130,346,314</u>	<u>723,270</u>	<u>913,744</u>	<u>1,099,906,957</u>	<u>1,131,260,058</u>
Net Position						
Net Investment in Capital Assets	450,253,532	450,411,797	4,188,513	4,642,260	454,442,045	455,054,057
Restricted	8,022,401	4,546,417	-	-	8,022,401	4,546,417
Unrestricted	100,829,079	95,154,367	15,911,771	15,256,724	116,740,850	110,411,091
Total Net Position	<u>\$ 559,105,012</u>	<u>550,112,581</u>	<u>20,100,284</u>	<u>19,898,984</u>	<u>579,205,296</u>	<u>\$ 570,011,565</u>

* Certain amounts have been restated due to the implementation of GASB #65 for (\$6,944,591) and due to a prior period adjustment of \$11,322,757. See Note I.B and Note IV.F in the notes to the financial statements for more details.

Governmental Activities. Current and Other Assets decreased by approximately \$9.7 million primarily due to the use of cash for capital outlay. Capital Assets decreased by approximately \$9.0 million as depreciation expense exceeded additions. Deferred refunding charges decreased by approximately \$3.4 million due to current year amortization. Non-Current Liabilities decreased by approximately \$30.5 million primarily due to current year scheduled principal payments of approximately \$27.4 million on outstanding indebtedness, combined with approximately \$3.1 million in amortization of premiums. The Net Position of the School District's governmental activities increased to approximately \$559.1 million from approximately \$550.1 million in the prior year (an increase of approximately \$9.0 million or 2.0%), as current year revenues exceeded expenses. (See Changes in Net Position section for more details). Unrestricted Net Position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, increased by approximately \$5.7 million from approximately \$95.1 million at June 30, 2013 to approximately \$100.8 million at June 30, 2014.

Business-Type Activities. The Net Position of business-type activities increased approximately \$0.2 million (1%) from approximately \$19.9 million at June 30, 2013 to approximately \$20.1 million at June 30, 2014, as revenues (primarily higher food sales) exceeded expenses.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The following table shows the changes in net position for the primary government for 2014 compared to 2013:

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues:						
Charges for Services	\$ 1,026,383	2,043,447	13,199,498	12,824,199	14,225,881	\$ 14,867,646
Operating Grants	316,577,895	298,904,917	21,545,646	21,427,270	338,123,541	320,332,187
General Revenue:						
Property Taxes	259,667,344	237,266,503	-	-	259,667,344	237,266,503
State Revenue in Lieu of Taxes	95,647,170	92,818,040	-	-	95,647,170	92,818,040
Grants and Entitlements	5,268	5,027	-	-	5,268	5,027
Other	4,116,459	14,834,708	12,360	27,469	4,128,819	14,862,177
Total Revenues	677,040,519	645,872,642	34,757,504	34,278,938	711,798,023	680,151,580
Program Expenses						
Instruction	377,482,314	363,473,044	-	-	377,482,314	363,473,044
Support Services	245,266,793	241,550,077	-	-	245,266,793	241,550,077
Community Services	1,505,987	1,263,039	-	-	1,505,987	1,263,039
Interest and Other Charges	45,553,994	51,044,131	-	-	45,553,994	51,044,131
Food Service	-	-	32,795,204	32,174,242	32,795,204	32,174,242
Total Expenses	669,809,088	657,330,291	32,795,204	32,174,242	702,604,292	689,504,533
Income (Loss) Before Transfers	7,231,431	(11,457,649)	1,962,300	2,104,696	9,193,731	(9,352,953)
Transfers	1,761,000	1,640,902	(1,761,000)	(1,640,902)	-	-
Change in Net Position	8,992,431	(9,816,747)	201,300	463,794	9,193,731	(9,352,953)
Net Position, Beginning of Year, As Previously Reported	545,734,415	555,551,162	19,898,984	19,435,190	565,633,399	574,986,352
Change in Accounting Principle - GASB #65	(6,944,591)	-	-	-	(6,944,591)	-
Prior Period Adjustment	11,322,757	-	-	-	11,322,757	-
Net Position, Beginning of Year, As Adjusted	550,112,581	555,551,162	19,898,984	19,435,190	570,011,565	574,986,352
Net Position, End of Year	\$559,105,012	545,734,415	20,100,284	19,898,984	579,205,296	\$565,633,399

* See Note I.B and Note IV.F in the notes to the financial statements for more details on the change in accounting principle and the prior period adjustment, respectively, that impacted beginning net position for 2014.

Changes in Net Position. Overall, the School District's net position increased in 2014, as revenues exceeded expenses (including depreciation of approximately \$45.6 million) by approximately \$9.2 million. Total revenue increased by approximately \$31.6 million. When comparing 2014 to 2013, Program Revenues, which includes Federal and State revenue, increased by approximately \$17.1 million due to higher allocations from the State of South Carolina in the Education Finance Act area, which reflects an increase in the State's per student allocation of \$89 and a 1,175 increase in the School District's weighted student count. The State's allocation for Employer Fringe Benefits increased due to the number of teachers in the School District and the State's Property Tax Relief allocation, which is formula driven and takes into consideration inflation and local population growth, also increased. In addition, property taxes increased by approximately \$22.4 million due to increases in millage for both general operations and debt service combined with an increase in assessed value. These increases were partially offset by a much lower arbitrage refund in the current year of approximately \$0.1 million, compared to approximately \$4.6 million in the prior year, combined with much lower interest earnings (lower cash balances due to capital outlay expenditures).

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Instruction expenses increased approximately \$14.0 million to approximately \$377.5 million and support services expenses increased approximately \$3.7 million to approximately \$245.3 million. The increase in instruction expenses reflected a "step" raise (additional year of experience) for teachers; teacher certificate upgrades; the teacher portion of State health insurance premium increase which ranged from 6.37% (for the July 1, 2013 to December 31, 2013 period) to 6.8% (for the January 1, 2014 to June 30, 2014 period); approximately \$3.8 million in additional school personnel due to the increased student population; and increased instructional supplies expense also due to more students. The net increase in support services expenses reflected a 2% cost of living increase for non-teachers; the non-teacher portion of State health insurance premiums increases; an approximately \$1.68 million increase in utility costs, which reflects the harsh winter of 2014; the support cost incurred in the year prior to opening Fisher Middle School in FY 15; and the hiring of additional technology support technicians for the schools. Interest and other charges decreased approximately \$5.5 million to approximately \$45.6 million due to lower rates on BEST indebtedness as a result of the debt refinancing in the prior fiscal year, combined with lower outstanding principal balances due to scheduled debt payments.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

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

Governmental Funds

The analysis of governmental funds 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, 2014, the School District's governmental funds reported a *combined* fund balance of approximately \$207.8 million, as compared to a restated prior year fund balance of approximately \$217.6 million. This decrease of approximately \$9.8 million in fund balance is primarily attributable to an increase in the General Fund of approximately \$10.1 million and an increase in the Debt Service – District Fund of approximately \$3.3 million offset by an approximately \$18.7 million decrease in the Capital Projects - District Fund and an approximately \$4.1 million decrease in the Special Revenue Fund. The School District issued a short-term bond in March 2014 for approximately \$20.9 million and it is recorded as a fund liability in the Debt Service – District Fund as it matures in March 2015.

At June 30, 2014, the School District's nonspendable fund balance was approximately \$2.6 million which was primarily related to endowments, prepaids, and inventories. Restricted fund balance for all governmental funds was approximately \$115.6 million, consisting of capital projects of approximately \$59.5 million and debt service of approximately \$56.1 million. The assigned portion of fund balance was approximately \$19.3 million, consisting of approximately \$7.0 million that was appropriated in the 2015 Budget, approximately \$1.4 million for new schools, and approximately \$10.9 million for special projects. The portion of fund balance that is unassigned may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The unassigned fund balance was approximately \$70.3 million at June 30, 2014. This includes approximately \$42.2 million which, per Board Policy, requires the School District to have a minimum unassigned fund balance equaling 8.33% of the next year (FY 15) General Fund expenditures budget.

The General Fund is the chief operating fund of the School District. At the end of the current fiscal year, unassigned fund balance of the General Fund was approximately \$82.1 million while the total fund balance for the General Fund was approximately \$93.0 million. The total fund balance increased approximately \$10.1 million, as revenues and other financing sources of approximately \$488.8 million exceeded expenditures of approximately \$478.7 million.

Revenues increased by approximately \$26.9 million due to higher property taxes of approximately \$11.2 million (increase in millage of 3.9 mills or 3.1% to 130.0 mills, combined with an increase in assessed value of 2.3% and higher collections); in addition, state sources increased by approximately \$15.4 million due to an approximately \$8.7 million increase in the Education Finance Act allocation, which reflected an increase in the State's per student allocation of \$89 and a 1,175 increase in the District's weighted student count; an approximately \$4.6 million increase in the State's allocation for Employer Fringe Benefits due to the number of teachers in the District; and an approximately \$2.1 million increase in the State's Property Tax Relief allocation, which is formula driven and takes into consideration inflation and local population growth.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2014

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

Governmental Funds (Continued)

Expenditures increased by approximately \$18.7 million due to a “step” raise (additional year of experience) for teachers; teacher certificate upgrades; a 2% Cost of Living raise for non-teachers; an increase in the State health insurance premium ranging from 6.37% (for the July 1, 2013 to December 31, 2013 period) to 6.8% (for the January 1, 2014 to June 30, 2014 period); additional school personnel and instructional supplies due to the increased student population. The overall increase also reflected an approximately \$1.68 million increase in utility costs, due to the harsh winter of 2014; the support cost incurred in the year prior to opening Fisher Middle School in FY 15; the hiring of additional technology support technicians for the schools; and enhanced security features and services at all schools.

The School District’s Special Revenue Fund and Special Revenue – EIA Fund are used to account for revenues derived from the state of South Carolina and the federal government. The Special Revenue Fund had an assigned fund balance of approximately \$10.9 million at the end of the current year, which was a decrease of approximately \$4.1 million due to expenditures and transfers out exceeding revenues. Capital outlay increased by approximately \$3.2 million due to the use of special revenue funds to assist in the funding of a technology infrastructure program that is installing wireless technology in all schools. Also, transfers out increased by approximately \$3.5 million due to excess funds transferred to the Capital Projects fund to provide funds for the same technology infrastructure program that is installing wireless technology in all schools. The Special Revenue – EIA Fund does not have a fund balance as revenues should be expended, deferred (unearned), or returned to the grantor.

Two debt service funds are shown in the accompanying financial statements of the School District, the Debt Service – District Fund and the Debt Service – BEST Fund. Both debt service funds are used to account for the accumulation of funds for debt retirement. The fund balance of the Debt Service – District Fund at the end of the current fiscal year was a deficit of approximately (\$10.6) million. The deficit fund balance for the Debt Service – District Fund decreased by approximately \$3.3 million due to higher property tax revenue of approximately \$11.3 million (increase in millage of 5.0 mills or 11.8% to 47.5 mills, combined with an increase in assessed values) and a decrease in debt service expenditures of approximately \$3.9 million (lower required principal payments in the current year as the final payment on the 2008 GO Bonds was made last year). These increases were partially offset by an approximately \$13.3 million increase in transfers out for BEST debt service and capital outlays. Total transfers out were approximately \$63.6 million to the Debt Service - BEST Fund and approximately \$27.2 million to the Capital Projects – District Fund. The fund balance of the Debt Service – BEST Fund at the end of the current fiscal year was approximately \$55.0 million and accounts for accumulated resources for payment on the BEST Installment Purchase Revenue Bonds sold by the non-profit organization. The fund balance decreased by approximately \$0.1 million or less than 1% during 2014.

Two capital projects funds are shown in the accompanying financial statements of the School District to segregate BEST expenditures from School District capital project expenditures. The fund balance for the Capital Projects – District Fund decreased by approximately \$18.7 million during 2014 to approximately \$55.0 million at June 30, 2014. This decrease was due primarily to construction-related expenditures, partially offset by transfers from debt service funds (representing proceeds from short-term borrowings). The Capital Projects – BEST Fund decreased by approximately \$0.3 million during 2014 to approximately \$4.4 million at June 30, 2014 due to construction-related expenditures. The ending fund balance is restricted for future capital expenditures on the school building program.

Proprietary Funds

The School District’s only Proprietary Fund (Enterprise Fund) is the Food Service Fund. This program had an increase in net position of approximately \$0.2 million during 2014, compared to an increase of approximately \$0.5 million in the prior year. Total revenues were approximately \$34.8 million for the current year, which was an increase of approximately \$0.5 million or 1% primarily due to an increase in meal sales. Total expenses and transfers out, including indirect costs charged by the General Fund, were approximately \$34.6 million for the current year, which was an increase of approximately \$0.5 million or 2% primarily due to higher food costs of approximately \$0.6 million, offset by a net decrease in all other expenses of approximately \$0.1 million. In addition, this fund recognized a capital contribution from governmental activities of approximately \$0.2 million in the prior year; there were no capital contributions made in the current year.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2014

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

General Fund Budgetary Highlights

The School District's budget is prepared according to South Carolina law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The School District has a legally adopted budget for the General Fund. The key highlights for 2014 are as follows:

The General Fund expenditures budget for the fiscal year ended June 30, 2014 was approved by the Board of Trustees on May 30, 2013 in the amount of \$485,523,000 which represented a \$17,292,000 increase when compared to the revised General Fund budget for the fiscal year ended June 30, 2013 of \$468,231,000. There were no significant revisions to the FY 14 General Fund budget during the year ended June 30, 2014.

The General Fund revenue budget for the fiscal year ended June 30, 2014 of \$474,275,000 (including net transfers in of \$15,524,000) included a 3.9 mill increase in the operational millage and an Education Finance Act Base Student Cost ("EFA BSC") allocation of \$2,101, as funded by the final State FY 14 General Fund Budget. The EFA BSC for the fiscal year ended June 30, 2014 was an increase of \$89 when compared to the EFA BSC for the fiscal year ended June 30, 2013 of \$2,012, and resulted in a projected EFA allocation of \$140,365,000 for the fiscal year ended June 30, 2014. This was an increase of \$9,192,840 when compared to the actual EFA allocation of \$131,172,160 for the fiscal year ended June 30, 2013 and also reflected the impact of approximately 1,175 additional weighted students. The projected State allocation for employer fringe benefits of \$71,372,000 was an increase of \$4,567,618 when compared to the actual allocation of approximately \$70,624,015 for fiscal year ended June 30, 2013. The increase in payments from the State as tier three payments under Act 388 equaled \$2,097,252. The revenue budget was used to fund State mandated and locally required costs.

For fiscal year ended June 30, 2014, Federal and State mandated expenditures required an additional \$8,004,000 to cover the Federal Affordable Health Care Act and included, the "step" salary increase for teachers; teacher certificate upgrades; State health insurance premium increases ranging from 6.37% (for the July 1, 2013 to December 31, 2013 period) to 6.8% (for the January 1, 2014 to June 30, 2014 period). The local required cost showed an increase of approximately \$9,955,000 of which \$3,850,000 was to fund additional school personnel due to a projected increase in student numbers; \$382,000 for copier usage in schools and departments; \$3,615,000 which represented a 2% cost of living raise for non-teaching personnel and the local portion of the State required "step" for teachers; \$945,000 for additional Guidance Counselor positions; \$291,000 for the support cost incurred in the year prior to opening Fisher Middle School in FY 15; \$122,000 for the hiring of additional technology support technicians for the schools; and \$750,000 for enhanced security features and services at all schools.

The District was also able to reduce the budget for Workers Compensation and Property / Liability Insurance by a combined \$667,000.

In order to balance the fiscal year ending June 30, 2014 General Fund Budget and fund the Federal, State and local required cost, the School District included the use of approximately \$11,248,000 from the General Fund – Fund Balance. The Board of Trustees' policy requires the fund balance for the General Fund to equal 8.33% of the current year General Fund Expenditure Budget. The fund balance for the School District's General Fund met the Board of Trustees' requirement and funded the \$11,248,000 noted above.

The actual FY 14 General Fund revenue of \$474,067,866 exceeded the revenue budget by \$15,316,866 or 3.33%. The three major areas in which actual revenue exceeded the budget was "Ad Valorem Taxes", "Revenue in Lieu of Taxes" and "State Sources". Ad Valorem Tax collections exceeded the budget by approximately \$8.3 million or 5.9%. The operational mill levy for FY 14 was 130.0 mills, which was a 3.9 (3.1%) mill increase. The largest single increase in tax collections pertain to vehicles which experienced an approximately \$3.8 million (15.8%) increase. The "Delinquent Tax" category saw a net approximately \$1.2 million (18.8%) increase over budget due to a single payment of approximately \$1.5 million from one company. The "Revenue in Lieu of Taxes (FILOT)" category increased approximately \$2.4 million (17.02%) over its budget of \$14,540,000 due to 14 companies receiving new FILOT certifications and 4 companies materially increasing their current fees. For the past three fiscal years, FILOT revenue was in the \$14.8 to \$15.2 million range. This broad based increase in tax collections appears to be the result of the continued improvement in the local and state economy.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2014

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

General Fund Budgetary Highlights (Continued)

The majority of the approximately \$3.8 million (1.24%) in State revenue over budget is due to receiving approximately \$3.2 million in additional State funds from the Employer Fringe Benefit allocation.

The actual FY 14 General Fund Expenditures of \$478,720,473 were under budget by approximately \$6.8 million (1.4%). The personnel and fringe expenditures were approximately \$419.18 million (87.6%) of the total General Fund expenditures and were under budget by approximately \$6.3 million (1.49%). The non-personnel budgets were underspent by approximately \$482,000 (.81%). This category represents supplies for all locations, purchased services, contracts, travel, copiers and utilities.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2014, the School District had approximately \$1.28 billion in net capital assets. The School District's capital assets include land, construction in progress, buildings, improvements, and equipment. The School District's capital assets as of June 30, 2014 and 2013 are as follows:

Capital Assets at June 30
(Net of Depreciation)

	<u>Government Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land	\$ 48,143,518	48,143,518	-	-	48,143,518	\$ 48,143,518
Construction in Progress	39,387,132	16,382,269	-	-	39,387,132	16,382,269
Building, Improvements and Equipment	1,187,352,883	1,219,401,119	4,188,513	4,642,260	1,191,541,396	1,224,043,379
Totals	\$ 1,274,883,533	1,283,926,906	4,188,513	4,642,260	1,279,072,046	\$ 1,288,569,166

Major capital asset events during the current fiscal year included additions of approximately \$36.3 million, offset by depreciation expense of approximately \$45.6 million and net book value of disposals of approximately \$0.2 million. Facility construction is a major component of capital asset additions; following are significant highlights from 2014:

- The continued construction of various projects (i.e. Dr. Phinnize J. Fisher Middle School, HVAC Renovations, etc.) of approximately \$31.7 million.
- Technology, communication, and food services equipment of approximately \$4.6 million.

Total outstanding commitments at June 30, 2014 were approximately \$12.0 million, including BEST construction projects.

More detailed information about the School District's capital assets is presented in Note III.D in the notes to the financial statements.

Debt Administration

As of June 30, 2014, the School District (including its blended component unit BEST) had total outstanding long-term debt of approximately \$924.4 million. Of this total, approximately \$29.3 million was general obligation debt backed by the full faith and credit of the School District.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2014

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Debt Administration (Continued)

The School District's total long-term debt as of June 30, 2014 and 2013 is as follows:

Long-Term Debt at June 30

	Government Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
IPRB - BEST	\$ 881,290,000	902,880,000	-	-	881,290,000	\$ 902,880,000
GOB - School District	29,260,000	34,930,000	-	-	29,260,000	34,930,000
QZAB - School District	13,888,652	13,888,652	-	-	13,888,652	13,888,652
Energy Grant - School District	-	164,945	-	-	-	164,945
Totals	\$ 924,438,652	951,863,597	-	-	924,438,652	\$ 951,863,597

At fiscal year-end, the School District had approximately \$29.3 million and \$20.9 million of long-term and short-term general obligation bonds outstanding, respectively. The State limits the amount of general obligation debt that school districts can issue to 8% of the assessed value of all taxable property within the School District's corporate limits. The School District is authorized by state statute to exceed the legal debt margin of 8%, if citizens of the School District approve such additional debt through a district-wide referendum. As of June 30, 2014, the School District does not exceed the 8% limit.

BEST (Building Equity Sooner for Tomorrow). Pursuant to a Development, Program Management, and Construction Management Agreement dated as of March 15, 2001, by and between the School District, Institutional Resources, LLC, BEST, and the Program Manager, a plan was developed to finance capital projects of the School District through proceeds of BEST Installment Purchase Revenue Bonds ("IPRB"). On March 25, 2002, BEST, a 501(c) (3) non-profit corporation, sold \$800 million of IPRB. An additional \$100.8 million was issued in September 2003; \$68.0 million was issued in September 2004 and \$61.6 million was issued in May 2006. The proceeds were used to acquire, construct and equip new school facilities, additions to, renovations of, repairs of, improvements to, and equipment for the School District's existing facilities. The purpose of the BEST capital projects was to relieve the overcrowding of the School District's schools, update many of the School District's existing school facilities, reduce the need for portable classrooms and accelerate the School District's 10-year capital improvement plans, formerly known as the Long Range Facilities Plan.

Key uses of the funding included the following:

- Approximately \$232 million was used to make major additions or renovate 26 existing schools. When completed, these renovations yielded approximately 312 new classrooms.
- Approximately \$734 million of the money was spent to construct 23 new elementary schools, 6 new middle schools, 9 new high schools, a new fine arts center, a new bus center, a new special education center, and 4 new child development centers. When completed, these renovations yielded approximately 1,736 new classrooms.
- Approximately \$7 million was expended to acquire and install instructional and administrative technology improvements.
- The last major BEST construction project was A. J. Whittenberg Elementary School which opened in August 2010.

The total outstanding bonded indebtedness for BEST is approximately \$881.3 million at June 30, 2014. The School District will annually sell general obligation bonds to make the installment payments on the BEST debt. Subsequent to June 30, 2014, the School District issued approximately \$79.4 million in GO bonds. The School District will use the proceeds from the GO bonds to make the BEST IPRB payments due in FY 2015, to provide additional funding for capital projects, and to fund required payments on the QZAB sinking funds.

Other long-term obligations include an accrual for vacation pay and sick leave of approximately \$6.0 million. More detailed information about the School District's debt and other long-term obligations is presented in Note III.H and Note III.J in the notes to the financial statements.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2014

ECONOMIC FACTORS AND FY 2015 BUDGETS

Economic Factors

Greenville County has transformed over the past two decades into a center of diversified business activity. By providing a pro-business environment and all the amenities necessary for business growth, the county has grown into a large and diverse metropolitan area and one of the southeast region's premier areas for business. Greenville is known for its high level of technological sophistication and expertise with high-technology manufacturing and engineering industries having a major presence in the area. Since Greenville is situated in a strategic location, along the "I-85 Corridor" between Charlotte and Atlanta, it is an extremely attractive environment for business headquarters. There are over 180 companies that base a divisional, regional, national, international or other type of headquarters in Greenville County.

Between 2009 and 2013, Greenville County's population increased by an estimated 5.05%. Total property tax collections have historically been strong with tax collection pertaining to vehicles experiencing strong growth for FY 14. The county's largest taxpayers are diverse, accounting for 4.6% of total taxable assessed value. Because of favorable tax rates, market accessibility and the quality and availability of the workforce, companies are drawn to Greenville. The County has been recognized in many publications for the quality of life experience. The downtown revitalization was featured in Southern Living magazine. Kiplinger's "Personal Finance" magazine ranked Greenville 34th in lowest cost of living. In August 2013, Global Trade Magazine named Greenville as one of its top 25 cities for global trade.

In 2007, South Carolina enacted Act 388, which was effective for the School 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 not already covered by the other property tax relief exemptions, from 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 creates a new Homestead Exemption fund (the "Homestead Exemption Fund") which will be 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 are equal to the amounts that were received by 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 School District, that amount is approximately \$23,410,000. Tier two distributions are equal to the amounts that were received by school districts for the school operating portion of the homestead exemption for the elderly, disabled and blind. In the case of the School District, that amount is approximately \$5,948,000. Tier one and tier two distributions are fixed amounts 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 tax 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 distribution 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 of the 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 school district's proportionate share of the aggregate of such 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 reimbursements 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 SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

MANAGEMENT’S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2014

ECONOMIC FACTORS AND FY 2015 BUDGETS (CONTINUED)

Economic Factors (Continued)

The School District’s reimbursement for fiscal 2014 under Act 388 was approximately \$56,382,000. 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 the State’s general fund. However, there can be no assurances that such funds will be appropriated in the event that there is such an insufficiency or that the change in funding sources resulting from Act 388 will not have an adverse effect on the School District’s operations. The School 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 penny sales tax, which in the School District’s opinion is not as stable as property tax revenue which the penny sales tax replaced.

FY 2015 Budgets

The General Fund expenditure budget for the fiscal year ending June 30, 2015 (the “Fiscal Year 2015 General Fund Budget”) was approved by the Board of Trustees on June 3, 2014 in the amount of \$506,869,000. The Fiscal Year 2015 General Fund Budget represents a \$21,346,000 increase when compared to the General Fund budget for the fiscal year ended June 30, 2014 (the “Fiscal Year 2014 General Fund Budget”) of \$485,523,000.

The Fiscal Year 2015 General Fund Budget of \$506,869,000 includes an increase in the operational millage of 4.9 mills and is based on an Education Finance Act Base Student Cost (“EFA BSC”) allocation of \$2,120, as approved when the State approved its budget for the fiscal year ending June 30, 2015. The EFA BSC of \$2,120 for the fiscal year ending June 30, 2015 is an increase of \$20 when compared to the EFA BSC of \$2,100 for the fiscal year ending June 30, 2014, and results in a projected EFA allocation of \$150,857,000 for the fiscal year ending June 30, 2015. This is an increase of \$10,492,000 when compared to the projected EFA allocation of \$140,365,000 for the fiscal year ended June 30, 2014. This reflects the impact of a projected 700 additional “weighted” students and the changes to the EFA funding program described below.

The State made material changes to the EFA funding program effective for the fiscal year ending June 30, 2015 by changing the EFA pupil weighting factors for the following four student classifications:

<u>Student Classification</u>	<u>Previous EFA Weight</u>	<u>New EFA Weight</u>
Kindergarten	1.30	1.0
Primary	1.24	1.0
High School	1.25	1.0
Home Bound	2.10	1.0

The State also added the following four student classifications as add-on weights:

<u>Student Classification</u>	<u>EFA Weight</u>
Gifted & Talented	0.15
Academic Assistance	0.15
Limited English Proficiency	0.20
Pupil in Poverty	0.20

The projected State allocation for employer fringe benefits of \$76,490,000 is an increase of \$5,118,000 when compared to the allocation for the fiscal year ended June 30, 2014. The projected increase in payments from the State as tier three payments under Act 388 equals \$1,806,000. The revenue budget will be used to fund State mandated and locally-required costs.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2014

ECONOMIC FACTORS AND FY 2015 BUDGETS (CONTINUED)

FY 2015 Budgets (Continued)

For the fiscal year ending June 30, 2015, Federal and State mandated expenditures will cost an additional \$15,006,000. This reflects the additional cost of the Affordable Care Act; cost of the teacher certificate upgrades; a salary "step" for teachers to reflect an additional year in experience; State health insurance premium increase of 6.8% effective from July 1, 2014 through December 31, 2014; another 3.9% increase in State health insurance premium effective January 1, 2015; and an increase in the State Retirement Employer Rate effective July 1, 2014. This increase also includes, per the direction of the State, the movement of two State funded special revenue programs, "High Achieving Students" and "Students at Risk of School Failure," to the General Fund. The State was funding these programs through its Education Improvement Act (EIA) program. The State created the new EFA student classifications of Gifted & Talented and Academic Assistance to provide funding for the School District's General Fund.

The local required cost shows an increase of \$7,517,000. This represent the cost of a 2% pay raise for non-teachers; increases in the local portion of the State Teacher Salary Schedule; modification to the Bus Driver Salary Schedule to help attract and retain bus drivers; and additional personnel cost related to the opening of the new Dr. Fisher Middle School. The School District moved the funding responsibility for teacher professional development from the General Fund to a special revenue fund. The Food Service fund will also fund a larger portion of its fringe benefits cost. These two actions will save the General Fund an estimated \$1,177,000.

In order to balance the General Fund Budget for the fiscal year ending June 30, 2015 and fund the State and local required cost, the School District included the planned use of \$7,057,000 from the General Fund – Fund Balance. The FY 14 General Fund Budget included, as a funding source to balance the budget, the planned use of \$11,248,000 from the General Fund – Fund Balance. However, because of the continued use of cost savings procedures, none of the \$11,248,000 was used.

The Board of Trustees' policy requires that the General Fund – Fund Balance equal 8.33% of the current year General Fund Expenditure Budget. For the fiscal year ending June 30, 2015, 8.33% equals \$42,222,187. With a June 30, 2014 Fund Balance of approximately \$93.0 million, assigned fund balance of approximately \$8.4 million, non-spendable fund balance of approximately \$2.5 million, and approximately \$42.2 million "set aside" per Board of Trustees policy, the School District is projected to have a remaining unassigned General Fund – Fund Balance of approximately \$39.9 million.

Pending Implementation of GASB Statement on Pensions

GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*" ("GASB #68"), was issued by the GASB in June 2012 and is required to be implemented by the School District in its fiscal year ending June 30, 2015. The primary objective of GASB #68 is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that are provided by other entities. In addition, state and local governments who participate in a cost-sharing multiple employer plan will now be required to recognize a liability for its proportionate share of the net pension liability of that plan. It is GASB's intention that GASB #68 will provide citizens and other users of the financial statements with a clearer picture of the size and nature of the School District's financial obligations to current and former employees for past services rendered.

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

The School District has been in communications with the PEBA on the effect of implementing GASB #68 as it relates to the SCRS. Based on recent information provided by PEBA, it is estimated that the School District's proportionate share of the net pension liability associated with the SCRS will decrease the School District's beginning unrestricted net position for the year ended June 30, 2015 by approximately \$705,000,000

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2014

REQUESTS FOR INFORMATION

This financial report is designed to provide those interested with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Office of the Executive Director of Finance, at The School District of Greenville County, 301 Camperdown Way, Greenville, South Carolina, 29601. In addition, this Comprehensive Annual Financial Report may be found on the School District's website at <http://www.greenville.k12.sc.us>.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

BASIC FINANCIAL STATEMENTS

THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2014

	PRIMARY GOVERNMENT			COMPONENT
	Governmental Activities	Business-Type Activities	Totals	Units Charter Schools
ASSETS				
Cash and Cash Equivalents	\$ 180,204,016	14,637,474	194,841,490	\$ 3,567,580
Cash and Cash Equivalents, Restricted	124,144,744	-	124,144,744	-
Cash and Investments Held by County Treasurer	8,437,443	-	8,437,443	-
Investments	-	-	-	1,013,751
Investments, Restricted	138,523	-	138,523	-
Property Taxes Receivable, Net	6,586,693	-	6,586,693	-
Accounts Receivable, Net	1,069,328	-	1,069,328	810,764
Due from Other Governments	19,080,034	2,851,975	21,932,009	-
Internal Balances	1,219,495	(1,219,495)	-	-
Inventories and Prepaid Items	2,560,409	365,087	2,925,496	-
Other Assets	-	-	-	150,687
Capital Assets:				
Non-Depreciable	87,530,650	-	87,530,650	-
Depreciable, Net	1,187,352,883	4,188,513	1,191,541,396	5,040,957
TOTAL ASSETS	1,618,324,218	20,823,554	1,639,147,772	10,583,739
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Refunding Charges	39,964,481	-	39,964,481	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	39,964,481	-	39,964,481	-
LIABILITIES				
Accounts Payable and Accrued Expenses	87,414,715	316,393	87,731,108	1,747,546
Accrued Interest Payable	3,596,563	-	3,596,563	-
Due to Other Governments	89,032	-	89,032	-
Unearned Revenue	23,066,962	406,877	23,473,839	110,704
Short-Term Bond Payable	20,921,000	-	20,921,000	-
Non-Current Liabilities:				
Due Within One Year	30,825,559	-	30,825,559	214,601
Due in More than One Year	933,269,856	-	933,269,856	1,282,977
TOTAL LIABILITIES	1,099,183,687	723,270	1,099,906,957	3,355,828
NET POSITION				
Net Investment in Capital Assets	450,253,532	4,188,513	454,442,045	4,473,748
Restricted For:				
Debt Service	7,879,941	-	7,879,941	-
Permanent Fund - Nonexpendable	136,261	-	136,261	-
Permanent Fund - Expendable	6,199	-	6,199	-
Other	-	-	-	482,730
Unrestricted	100,829,079	15,911,771	116,740,850	2,271,433
TOTAL NET POSITION	\$ 559,105,012	20,100,284	579,205,296	\$ 7,227,911

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

THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2014

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION			Component Units Charter Schools
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
PRIMARY GOVERNMENT								
Governmental Activities:								
Instruction	\$ 377,482,314	1,026,383	223,703,799	-	(152,752,132)	(152,752,132)		
Support Services	245,266,793	-	92,874,096	-	(152,392,697)	(152,392,697)		
Community Services	1,505,987	-	-	-	(1,505,987)	(1,505,987)		
Interest and Other Charges	45,553,994	-	-	-	(45,553,994)	(45,553,994)		
Total Governmental Activities	<u>669,809,088</u>	<u>1,026,383</u>	<u>316,577,895</u>	<u>-</u>	<u>(352,204,810)</u>	<u>(352,204,810)</u>		
Business-Type Activities:								
Food Services	32,795,204	13,199,498	21,545,646	-	-	1,949,940	1,949,940	
Total Business-Type Activities	<u>32,795,204</u>	<u>13,199,498</u>	<u>21,545,646</u>	<u>-</u>	<u>-</u>	<u>1,949,940</u>	<u>1,949,940</u>	
TOTAL PRIMARY GOVERNMENT	<u>\$ 702,604,292</u>	<u>14,225,881</u>	<u>338,123,541</u>	<u>-</u>	<u>(352,204,810)</u>	<u>1,949,940</u>	<u>(350,254,870)</u>	
COMPONENT UNITS								
Charter Schools	\$ 27,736,994	1,140,145	15,968,662	-			\$ (10,628,187)	
TOTAL COMPONENT UNITS	<u>\$ 27,736,994</u>	<u>1,140,145</u>	<u>15,968,662</u>	<u>-</u>			<u>(10,628,187)</u>	
GENERAL REVENUES, CONTRIBUTIONS, AND TRANSFERS								
General Revenues:								
Property Taxes Levied for General Purposes					164,072,921	-	164,072,921	-
Property Taxes Levied for Debt Service					95,594,423	-	95,594,423	-
State Revenue in Lieu of Taxes					95,647,170	-	95,647,170	-
Receipt of Legal Settlement					54	-	54	-
Unrestricted Intergovernmental Revenue					1,278,005	-	1,278,005	8,176,307
Grants and Contributions Not Restricted to Specific Programs					5,268	-	5,268	3,158,854
Unrestricted Investment Earnings					2,124,717	12,360	2,137,077	17,194
Miscellaneous					713,683	-	713,683	406,207
Transfers In (Out)					1,761,000	(1,761,000)	-	-
Total General Revenues, Contributions, and Transfers					<u>361,197,241</u>	<u>(1,748,640)</u>	<u>359,448,601</u>	<u>11,758,562</u>
CHANGE IN NET POSITION					<u>8,992,431</u>	<u>201,300</u>	<u>9,193,731</u>	<u>1,130,375</u>
NET POSITION, Beginning of Year, As Previously Reported					545,734,415	19,898,984	565,633,399	5,609,981
Prior Period Adjustment					11,322,757	-	11,322,757	487,555
Cumulative Change in Accounting Principle - GASB #65					(6,944,591)	-	(6,944,591)	-
NET POSITION, Beginning of Year, As Adjusted					<u>550,112,581</u>	<u>19,898,984</u>	<u>570,011,565</u>	<u>6,097,536</u>
NET POSITION, End of Year					<u>559,105,012</u>	<u>20,100,284</u>	<u>579,205,296</u>	<u>\$ 7,227,911</u>

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

THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2014

	GENERAL	SPECIAL REVENUE	SPECIAL REVENUE - EIA
ASSETS			
Cash and Cash Equivalents	\$ 180,204,016	-	-
Cash and Cash Equivalents, Restricted	-	-	-
Cash and Investments Held by County Treasurer	-	-	-
Investments, Restricted	-	-	-
Receivables, Net:			
Taxes	4,648,134	-	-
Accounts	958,951	99,887	10,110
Due From:			
State Agencies	14,755,752	-	4,065,927
Federal Agencies	-	100,608	-
Other Funds	-	15,352,779	14,336,654
Other Governments	-	157,747	-
Prepaid Items	1,621,005	17,689	29,075
Inventories	892,640	-	-
TOTAL ASSETS	\$ 203,080,498	15,728,710	18,441,766
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES:			
Accounts Payable	\$ 21,749,609	356,436	-
Accrued Salaries, Fringe & Benefits	63,019,401	874	-
Accrued Expenditures	-	206	3,245
Due To:			
State Agencies	36,439	-	52,593
Other Funds	22,168,430	-	-
Unearned Revenue	171,146	4,509,888	18,385,928
Short-Term Bonds Payable	-	-	-
TOTAL LIABILITIES	107,145,025	4,867,404	18,441,766
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	2,949,351	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	2,949,351	-	-
FUND BALANCES:			
Fund Balances			
Nonspendable:			
Endowment	-	-	-
Prepaid Items	1,621,005	-	-
Inventories	892,640	-	-
Restricted For:			
Debt Service	-	-	-
Construction Projects for School Facilities	-	-	-
Assigned For:			
Appropriated for 2015 Budget	7,057,000	-	-
New Schools	1,350,000	-	-
Endowment	-	-	-
Special Projects	-	10,861,306	-
Unassigned	82,065,477	-	-
TOTAL FUND BALANCES	92,986,122	10,861,306	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 203,080,498	15,728,710	18,441,766

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

DEBT SERVICE - DISTRICT	DEBT SERVICE - BEST	CAPITAL PROJECTS - DISTRICT	CAPITAL PROJECTS - BEST	NON-MAJOR PERMANENT FUND	TOTAL GOVERNMENTAL FUNDS
-	-	-	-	-	\$ 180,204,016
1,100,502	54,904,091	63,603,984	4,536,167	-	124,144,744
8,437,443	-	-	-	-	8,437,443
-	-	-	-	138,523	138,523
1,938,559	-	-	-	-	6,586,693
-	-	-	-	380	1,069,328
-	-	-	-	-	18,821,679
-	-	-	-	-	100,608
-	92,230	-	-	3,622	29,785,285
-	-	-	-	-	157,747
-	-	-	-	-	1,667,769
-	-	-	-	-	892,640
11,476,504	54,996,321	63,603,984	4,536,167	142,525	\$ 372,006,475
-	-	120,258	97,138	65	\$ 22,323,506
-	-	-	-	-	63,020,275
-	-	2,067,483	-	-	2,070,934
-	-	-	-	-	89,032
-	-	6,397,360	-	-	28,565,790
-	-	-	-	-	23,066,962
20,921,000	-	-	-	-	20,921,000
20,921,000	-	8,585,101	97,138	65	160,057,499
1,195,066	-	-	-	-	4,144,417
1,195,066	-	-	-	-	4,144,417
-	-	-	-	136,261	136,261
-	-	-	-	-	1,621,005
-	-	-	-	-	892,640
1,100,502	54,996,321	-	-	-	56,096,823
-	-	55,018,883	4,439,029	-	59,457,912
-	-	-	-	-	7,057,000
-	-	-	-	-	1,350,000
-	-	-	-	6,199	6,199
-	-	-	-	-	10,861,306
(11,740,064)	-	-	-	-	70,325,413
(10,639,562)	54,996,321	55,018,883	4,439,029	142,460	207,804,559
11,476,504	54,996,321	63,603,984	4,536,167	142,525	\$ 372,006,475

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

JUNE 30, 2014

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS **\$ 207,804,559**

Amounts reported for the governmental activities in the Statement of Net Position are different because:

Property taxes receivable will be collected this year but are not available soon enough to pay for the current period's expenditures and therefore are reflected as unavailable in the funds.	4,144,417
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets was \$1,726,796,271 and the accumulated depreciation was \$451,912,738.	1,274,883,533
Deferred refunding charges are amortized over the lives of the refunding bonds in the Statement of Net Position; however, the costs are recognized in the year incurred in the governmental funds.	39,964,481
Accrued interest on outstanding bonds in governmental accounting is not due and payable in the current period and therefore has not been reported as a liability in the funds.	(3,596,563)
Long-term obligations, including deferred items, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term obligations consisted of:	
Long-Term Debt	(924,438,652)
Long-Term Debt Premium, net of accumulated amortization of \$20,986,804	(33,689,063)
Compensated Absences	(5,967,700)
	<u>(964,095,415)</u>

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES **\$ 559,105,012**

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

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2014

	GENERAL	SPECIAL REVENUE	SPECIAL REVENUE - EIA
REVENUES			
Local Sources:			
Taxes	\$ 163,526,270	-	-
Investment Earnings	244,014	-	-
Other Local Sources	1,645,177	6,347,006	-
State Sources	308,643,061	7,852,651	42,368,332
Federal Sources	-	42,355,510	-
Intergovernmental Sources	9,344	-	-
TOTAL REVENUES	474,067,866	56,555,167	42,368,332
EXPENDITURES			
Current:			
Instruction	278,482,939	25,970,857	21,345,481
Support Services	178,796,571	20,842,983	8,360,059
Community Services	65,869	1,438,893	-
Intergovernmental	18,923,613	2,931,428	1,970,979
Capital Outlay	2,451,281	4,019,938	122,431
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Other Expenditures	-	-	-
TOTAL EXPENDITURES	478,720,273	55,204,099	31,798,950
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,652,407)	1,351,068	10,569,382
OTHER FINANCING SOURCES (USES)			
Sale of Capital Assets	23,088	-	-
Arbitrage Refund	-	-	-
Transfers In	14,730,062	200	1,040,235
Transfers Out	(200)	(5,437,384)	(11,609,617)
TOTAL OTHER FINANCING SOURCES (USES)	14,752,950	(5,437,184)	(10,569,382)
NET CHANGES IN FUND BALANCES	10,100,543	(4,086,116)	-
FUND BALANCES, Beginning of Year, as Previously Reported	82,885,579	3,624,665	-
Prior Period Adjustment	-	11,322,757	-
FUND BALANCES, Beginning of Year, Restated	82,885,579	14,947,422	-
FUND BALANCES, End of Year	\$ 92,986,122	10,861,306	-

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

DEBT SERVICE - DISTRICT	DEBT SERVICE - BEST	CAPITAL PROJECTS - DISTRICT	CAPITAL PROJECTS - BEST	NON-MAJOR PERMANENT FUND	TOTAL GOVERNMENTAL FUNDS
95,594,424	-	-	-	-	\$ 259,120,694
197,672	1,556,179	125,942	461	449	2,124,717
-	-	35,446	54	175	8,027,858
4,658,507	-	-	-	-	363,522,551
1,268,661	-	-	-	-	43,624,171
-	-	-	-	-	9,344
101,719,264	1,556,179	161,388	515	624	676,429,335
-	-	-	-	282	325,799,559
-	-	4,329,829	26,281	66	212,355,789
-	-	-	-	-	1,504,762
-	-	-	-	-	23,826,020
-	-	44,696,668	273,818	-	51,564,136
5,670,000	21,590,000	164,945	-	-	27,424,945
1,895,944	43,676,972	-	-	-	45,572,916
5,086	-	-	-	-	5,086
7,571,030	65,266,972	49,191,442	300,099	348	688,053,213
94,148,234	(63,710,793)	(49,030,054)	(299,584)	276	(11,623,878)
-	-	1,500	-	-	24,588
-	-	-	64,533	-	64,533
-	63,631,870	30,297,169	-	-	109,699,536
(90,826,802)	-	-	(64,533)	-	(107,938,536)
(90,826,802)	63,631,870	30,298,669	-	-	1,850,121
3,321,432	(78,923)	(18,731,385)	(299,584)	276	(9,773,757)
(13,960,994)	55,075,244	73,750,268	4,738,613	142,184	206,255,559
-	-	-	-	-	11,322,757
(13,960,994)	55,075,244	73,750,268	4,738,613	142,184	217,578,316
(10,639,562)	54,996,321	55,018,883	4,439,029	142,460	\$ 207,804,559

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

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

YEAR ENDED JUNE 30, 2014

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ (9,773,757)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This amount represents the change in unavailable revenues - property taxes for the year.	546,651
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position	27,424,945
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This amount is the net change in accrued interest for the year.	177,953
Deferred refunding charges are expenditures the year they are incurred in governmental funds, but are amortized over the lives of the bonds in the Statement of Activities. This amount is the amortization for the current year.	(3,378,837)
Bond premiums are revenues in the year they are received in governmental funds but are amortized over the lives of the bonds in the Statement of Activities. This amount is the amortization for the current year.	3,224,892
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	(186,043)
In the Statement of Activities the loss on the sale of capital assets is reported, whereas in the governmental funds, proceeds from the disposal of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets disposed.	(148,424)
Governmental funds report asset additions as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense of \$44,748,435 exceeded capital asset additions of \$35,853,486 in the current year.	<u>(8,894,949)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 8,992,431</u>

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

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

STATEMENT OF NET POSITION

PROPRIETARY FUND

JUNE 30, 2014

	<u>ENTERPRISE FOOD SERVICE</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 14,637,474
Due from State Agencies	2,851,975
Inventories	365,087
Total Current Assets	<u>17,854,536</u>
Non-Current Assets:	
Depreciable Capital Assets	17,533,747
Less: Accumulated Depreciation	(13,345,234)
Total Non-Current Assets	<u>4,188,513</u>
TOTAL ASSETS	<u>22,043,049</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	286,431
Accrued Expenses	29,962
Due to Other Funds	1,219,495
Unearned Revenue	406,877
Total Current Liabilities	<u>1,942,765</u>
TOTAL LIABILITIES	<u>1,942,765</u>
NET POSITON	
Net Investment in Capital Assets	4,188,513
Unrestricted	15,911,771
TOTAL NET POSITION	<u>\$ 20,100,284</u>

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

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

PROPRIETARY FUND

YEAR ENDED JUNE 30, 2014

	<u>ENTERPRISE FOOD SERVICE</u>
OPERATING REVENUES	
Proceeds from Sale of Meals	\$ 12,527,748
Other Revenue	671,750
TOTAL OPERATING REVENUES	<u>13,199,498</u>
OPERATING EXPENSES	
Salaries	10,370,861
Purchased Services	1,189,651
Food Costs and Supplies	19,684,134
Equipment - Non-capitalizable Expenses	230,362
Depreciation	891,970
Other	428,226
TOTAL OPERATING EXPENSES	<u>32,795,204</u>
OPERATING LOSS	<u>(19,595,706)</u>
NON-OPERATING REVENUES	
Commodities Received from USDA	1,882,803
USDA Reimbursements	19,447,852
USDA Fresh Fruit and Vegetable Grant	213,019
Interest	12,360
Other Revenue	1,972
TOTAL NON-OPERATING REVENUE	<u>21,558,006</u>
INCOME BEFORE TRANSFERS	1,962,300
Transfers Out	<u>(1,761,000)</u>
CHANGE IN NET POSITION	201,300
TOTAL NET POSITION, Beginning of Year	<u>19,898,984</u>
TOTAL NET POSITION, End of Year	<u><u>\$ 20,100,284</u></u>

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

THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

YEAR ENDED JUNE 30, 2014

	<u>ENTERPRISE</u> <u>FOOD SERVICE</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Meal Sales	\$ 12,614,829
Receipts from Other Revenues	886,741
Payments to Employees for Services	(10,370,861)
Payments to Suppliers for Goods and Services	(19,624,540)
NET CASH USED IN OPERATING ACTIVITIES	<u><u>(16,493,831)</u></u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
USDA Reimbursement	18,740,598
Transfers to Other Funds	(1,487,902)
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	<u><u>17,252,696</u></u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of Capital Assets	(443,085)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	<u><u>(443,085)</u></u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Income	12,360
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u><u>12,360</u></u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	328,140
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>14,309,334</u>
CASH AND CASH EQUIVALENTS, End of Year	<u><u>\$ 14,637,474</u></u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:	
Operating Loss	\$ (19,595,706)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:	
Depreciation Expense	891,970
Non-Cash USDA Commodities Used	1,882,803
Loss on Disposal of Capital Assets	4,862
Other Non-Operating Revenues	214,991
Change In:	
Inventories	297,723
Accounts Payable	(69,953)
Accrued Expenses	(207,602)
Unearned Revenue	87,081
Net Cash Used in Operating Activities	<u><u>\$ (16,493,831)</u></u>

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

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

STATEMENT OF ASSETS AND LIABILITIES

FIDUCIARY FUND

JUNE 30, 2014

	<u>AGENCY</u>
ASSETS	
Cash and Cash Equivalents	\$ 2,421,884
Accounts Receivable	8,573,500
TOTAL ASSETS	<u>\$ 10,995,384</u>
 LIABILITIES	
Accounts Payable	\$ 1,170,325
Due to Student Organizations	9,825,059
TOTAL LIABILITIES	<u>\$ 10,995,384</u>

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

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

The School District of Greenville County (“School District”), established in 1951, is the government, which has responsibility for and control over all activities related to public school education in substantially all of Greenville County, as well as small portions of Spartanburg and Laurens Counties. The School District presently operates 50 elementary schools, 19 middle schools, 14 high schools, and 15 special program centers. The School District receives funding from local, state and federal government sources and must comply with the related requirements of these funding source entities. The School District is governed by a twelve member Board of Trustees (the “Board”).

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

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

As required by GAAP, the financial statements must present the School District’s financial information with any of its component units. The primary criterion for determining inclusion or exclusion of a legally separate entity (component unit) is financial accountability, which is presumed to exist if the School District both appoints a voting majority of the entity’s governing body, and either 1) the School District is able to impose its will on the entity or, 2) there is a potential for the entity to provide specific financial benefits to, or impose specific financial burdens on the School District. If either or both of the foregoing conditions are not met, the entity could still be considered a component unit if it is fiscally dependent on the School District and there is a potential that the entity could either provide specific financial benefits to, or to impose specific financial burdens on the School District.

In order to be considered fiscally independent, an entity must have the authority to do all of the following: (a) determine its budget without the School District having the authority to approve or modify that budget; (b) levy taxes or set rates or charges without approval by the School District; and (c) issue bonded debt without approval by the School District. An entity has a financial benefit or burden relationship with the School District if, for example, any one of the following conditions exists: (a) the School District is legally entitled to or can otherwise access the entity’s resources, (b) the School District is legally obligated or has otherwise assumed the obligation to finance the deficits or, or provide financial support to, the entity, or (c) the School District is obligated in some manner for the debt of the entity. Finally, an entity could be a component unit even if it met all the conditions described above for being fiscally independent if excluding it would cause the School District’s financial statements to be misleading.

Blended component units, although legally separate entities, are in substance, part of the government's operations and data from these units are combined with data of the primary government in the fund financial statements. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the School District. Based on the criteria above, the School District has one blended component unit and several discretely presented component units.

Blended Component Unit

Building Equity Sooner for Tomorrow, Inc. (“BEST”) is a not-for-profit 501(c) (3) organization incorporated for the specific charitable purpose of serving as a “support organization” for capital projects of the School District. BEST board members are appointed by the Board of the School District. Because BEST exclusively benefits the School District, the BEST financial information is blended with that of the School District in these financial statements. Separate BEST financial information is included in individual columns throughout the financial statements. Separate financial statements for BEST are not issued.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Reporting Entity (Continued)

Discretely Presented Component Units

Greenville Technical Charter High School (“GTCHS”), Meyer Center for Special Children (“MCSC”), Langston Charter Middle School (“Langston”), Legacy Charter School (“Legacy”), Brashier Middle College Charter High School (“Brashier”), Greer Middle College Charter School (“GMCCS”), and LEAD Academy (“LEAD”) are charter schools under legislation enacted by the South Carolina state legislature on June 18, 1996. A charter school is considered a public school and these schools are a part of the School District for the purposes of state law and state constitution.

Because the charter schools are fiscally dependent on the School District and because the nature and significance of the relationship between the School District and the charter schools is such that exclusion of the charter schools would cause the School District’s financial statements to be misleading, the financial statements of the charter schools are included in those of the School District. Complete separately issued financial statements may be obtained from the administrative offices of each school as follows:

Brashier Middle College Charter High School, 1830 West Georgia Road, Simpsonville, SC 29680
Greenville Technical Charter High School, 506 South Pleasantburg Drive, Greenville, SC 29607
Greer Middle College Charter School, 138 West McElhaney Road, Taylors, SC 29687
Langston Charter Middle School, 288 Rocky Creek Road, Greenville, SC 29615
LEAD Academy, 80 Byrdland Drive, Greenville, SC 29607
Legacy Charter School, 901 Anderson Road, Greenville, SC 29601
Meyer Center for Special Children, 1132 Rutherford Road, Greenville, SC 29609

Combining schedules for the discretely presented component units have been provided as Schedule G series in the supplementary information to assist in providing information to the SDE. The information in these schedules was provided to the School District by the charter schools. The School District paid a total of approximately \$22,787,000 to the charter schools during fiscal 2014; these expenditures are included in the Intergovernmental function in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds. Effective July 1, 2014, LEAD Academy is no longer sponsored by the School District but is now sponsored by the South Carolina Department of Education.

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the School District (the primary government) and its component units. Interfund services provided and used are not eliminated in the process of consolidation.

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. Likewise, the *primary government* (the School District) is reported separately from certain legally separate *component units* (charter schools) for which the School District is financially accountable.

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

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The School District implemented GASB Statement No. 65, “*Items Previously Reported as Assets and Liabilities*” (“GASB #65”) in 2014. GASB #65 establishes accounting and financial reporting standards that require reclassification of certain items that, in prior years, were properly reported as assets and liabilities. GASB #65 supplements and extends the reach of GASB Statement No. 63, “*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*”, which was adopted by the School District in 2013. The School District’s deferred revenue liability (for unavailable property taxes) in its governmental funds balance sheet was affected by the implementation of GASB #65, as deferred items that are not available are no longer shown as a liability but are now reclassified and shown as a component of deferred inflows of resources. The School District’s long-term obligations in its government wide statements were also affected by the implementation of GASB #65, as deferred refunding charges are no longer included as a reduction in long-term obligations but are now reclassified and shown as a component of deferred outflows of resources.

Also under GASB #65, all bond issuance costs, excluding those related to prepaid insurance costs, are to be expensed in the period incurred rather than capitalized. Any such unamortized bond issuance costs that were incurred and capitalized in a previous year should be written off by a cumulative adjustment to beginning net position. Accordingly, for its government-wide statements, the School District wrote off approximately \$6,945,000 in previously capitalized and unamortized bond issuance costs as of July 1, 2013; the School District’s amortization expense decreased by approximately \$830,000 from the amount originally reported for the year ended June 30, 2013.

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

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

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

THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources (that are expected to continue to comprise a substantial portion of the inflows of the fund) that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The School District has the following major Special Revenue Funds:

- **The Special Revenue Fund, a major fund**, is used to account for and report financial resources provided by federal, state and local projects and grants that are restricted, committed or assigned for special programs. This fund has a management prepared budget but the budget is not legally adopted by the Board.
- **The Special Revenue - Education Improvement Act (“EIA”) Fund, a major fund** and a budgeted fund, is used to account for and report the restricted revenues 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) which are restricted for specific programs authorized or mandated by the EIA. This fund has a management prepared budget but the budget is not legally adopted by the Board.

The **Debt Service Fund - District, a major fund** and a budgeted fund, is used to account for and report the accumulation of financial resources that are restricted, committed, or assigned for the payment of all long-term debt principal, interest and related costs for the School District.

The **Debt Service Fund - BEST, a major fund** and a budgeted fund, is used to account for and report the accumulation of financial resources that are restricted, committed, or assigned for the payment of all long-term debt principal, interest and related costs for BEST.

The **Capital Projects Fund - District, a major fund** and a budgeted fund, is used to account for and report financial resources that are restricted, committed, or assigned for expenditures of capital outlay related to site acquisitions, construction, equipment, and renovation of all major capital facilities of the School District except for those financed in the Enterprise Fund and the BEST Capital Projects Fund.

The **Capital Projects Fund - BEST, a major fund** and a budgeted fund, is used to account for and report financial resources that are restricted, committed, or assigned for expenditures of capital outlay related to site acquisitions, construction, equipment, and renovation of all major capital facilities of BEST.

THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The *Permanent Fund, a nonmajor fund*, and an unbudgeted fund, is used to account for and report resources that are endowed to the School District in trust, for which only the interest earnings may be used by the School District for various restricted purposes as specified by the private donors. Since it is the only non-major governmental fund, it is shown in a separate column in the fund financial statements. The specific sub funds are as follows:

- The Neblett Library Fund was established in 1968. The expendable portion is used for library materials at Greenville High School.
- The three B. Calhoun Hipp Funds were established in 1977 and 1980. The expendable portions are to be used for elementary special education, middle and high school special education and for the education of severely handicapped school children, respectively.
- The Pat Pratt Fund was established in 1986. The expendable portion is used to purchase books for the Wade Hampton High School library.
- The Endel Fund was established in prior years. The expendable portion is used to provide awards to speech students at Greenville High School.

Proprietary fund types are accounted for based on the economic resources measurement focus and use of the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

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

Proprietary funds are made up of two classes: enterprise funds and internal service funds. The School District does not have any internal service funds and has one enterprise fund.

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

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

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

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity

1. Cash, Cash Equivalents, and Investments

Cash and Cash Equivalents

The School District considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased and investments in the South Carolina Pooled Investment Fund to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchased) that are not purchased from the South Carolina Pooled Investment Fund are reported as investments.

Investments

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

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

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

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

Investments (Continued)

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

- Cash and Investments held by the County Treasurer represent property taxes collected by the School District's fiscal agent that have not been remitted to the School District. The County Treasurer invests these funds in investments authorized by state statute as outlined above. All interest and other earnings gained are added back to the fund and are paid out by the County Treasurer to the respective governments on a periodic basis.
- Obligations of the United States Government.
- Repurchase agreements are a type of transaction in which a participant acquires immediately available funds by selling securities and simultaneously agreeing to repurchase the same or similar securities after a specified time at a given price, which typically includes interest at an agreed-upon rate.
- Open ended mutual funds, primarily invested in money market funds which invest in short term obligations of the United States and related agencies.
- South Carolina Pooled Investment Fund ("SC Pool" or "LGIP") investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. The Pool is a 2a 7-like pool which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but has a policy that it will operate in a manner consistent with the SEC's Rule 2a 7 of the Investment Company Act of 1940. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments are carried at fair value determined annually based upon quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. Financial statements for the Pool may be obtained by writing the Office of the State Treasurer, Local Government Investment Pool, P.O. Box 11778, Columbia, SC 29211-1960.

2. Receivables and Payables

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

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

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

3. Inventories and Prepaid Assets

Inventories, materials and supplies are carried in an inventory account at average cost, determined using the first-in, first-out method, and are subsequently charged to expenditures/expenses when consumed rather than when purchased. Inventories include plant maintenance and operating supplies as well as instructional supplies. The Enterprise Fund inventory includes an amount for commodities received from the USDA that are recorded at fair market value at the time of receipt but have not been consumed as of June 30, 2014.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

4. Restricted Assets

The School District established certain accounts for assets restricted for specific purposes, typically by outside parties or legal agreement. Certain bond indentures require the establishment of (i) maximum annual principal and interest payments, unless a surety bond was provided; (ii) the next succeeding principal and accrued interest payment; and (iii) bond proceeds to be used for construction purposes as required in the bond agreement. Also, the principal portion of assets of the Permanent fund is classified as restricted assets because their use is restricted by donors.

5. Capital Assets

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

All capital assets are recorded at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$5,000 for furniture and equipment and vehicles, and \$100,000 for land improvements and buildings and improvements. The School District's infrastructure assets are immaterial and have been reported with the buildings and improvements. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of capital assets is not 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 total cost of the project is transferred to the appropriate capital 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 Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	20 years	N/A
Buildings and Improvements	10-40 years	N/A
Furniture and Equipment	5-10 years	12 years
Vehicles	10 years	N/A

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

6. *Compensated Absences*

School District employees are granted vacation and sick leave in varying amounts. Upon termination of employment, an employee is reimbursed for accumulated vacation days. Sick leave is generally only reimbursed for valid illness, except that at retirement an employee may have any accumulated sick leave paid out at \$10 per day of accumulated sick leave.

The School District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Accumulated vacation days are accrued based on the each employees current pay rate. Sick leave is accrued based on the termination payment method which takes accumulated sick leave at year-end multiplied by \$10 per day with the product being multiplied by an estimated percentage of those who will eventually retire (which is currently estimated at 20%). The entire compensated absence liability and expense is reported in the government-wide financial statements. The portion applicable to the Proprietary Fund is also recorded in the Proprietary Fund financial statements, if material. The governmental funds will also recognize compensated absences for terminations and retirements (matured liabilities) that occurred prior to year end that are expected to be paid within a short time subsequent to year end, if material.

7. *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. However, claims and judgments (including estimated arbitrage liabilities), compensated absences, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources. Long-term 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 financial statements for the primary government, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. If material, bond premiums and discounts 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 discounts are included in interest expense. Bonds payable are reported net of the applicable bond premiums and discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses. If applicable, accrued arbitrage payable is also reflected in long-term obligations.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of long-term 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 are reported as expenditures.

THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

8. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net position (government-wide) and the balance sheet (governmental funds) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The School District currently has one type of deferred outflows of resources: deferred refunding charges, which is reported only in the government-wide Statement of Net Position. If material, deferred refunding charges, which is the difference between the reacquisition prices and the net carrying amount of the defeased debt, are deferred and amortized over the life of the refunding bonds, which has the same maturity as the bonds that were refunded. Amortization of deferred charges is included in interest expense.

In addition to liabilities, the statement of net position (government-wide) and the balance sheet (governmental funds) will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The School District currently has one type of deferred inflows of resources, which arises only under the modified accrual basis of accounting. This item, *unavailable revenue – property taxes*, is reported only in the governmental funds balance sheet; it is deferred and recognized as an inflow of resources (revenues) in the period the amounts become available.

9. *Fund Balance*

In accordance with GASB Statement No. 54, “*Fund Balance Reporting and Governmental Fund Type Definitions*” (“GASB #54”), the School District classifies its governmental fund balances as follows:

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

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

Committed – includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action made by the highest level of decision making authority (Board of Trustees) before the end of the reporting period. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed amounts for the School District would consist of amounts approved by resolution by the Board of Trustees of the School District.

Assigned – includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and that such assignments are made before the report issuance date. Assigned fund balance for the School District consists of (a) motions approved by the Board of Trustees before the report issuance date that are for a specific purposes or (b) appropriations of current fund balance (made in the annual budget process) for the succeeding budget year.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

9. Fund Balance (Continued)

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

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

The School District's Board of Trustees has formally adopted a minimum fund balance policy that requires 8.33% of the next year's General Fund appropriations be available as unassigned fund balance. The minimum fund balance amount was approximately \$42,222,000 as of June 30, 2014 which represents approximately 8.33% of the original budget for the General Fund for fiscal year 2015 that was approved Board of Trustees in June 2014.

10. Net Position

Net position represents the difference between assets and deferred outflows of resources (if any) and liabilities and deferred inflows of resources (if any) in the statement of net position. Net investment in capital assets 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 position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Both the expendable and nonexpendable portion of net position related to certain endowments are reflected as restricted net position.

11. Accounting Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the School District's management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

12. Comparative Data

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

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Practices

A budget for the General Fund is presented in the required supplementary information section as it is the only fund that has a legally adopted budget. Budgets for the Special Revenue Fund, Special Revenue – EIA Fund, Debt Service funds and the Capital Projects funds are presented in the supplementary information section (but are not legally adopted). Budgets are not presented for the Enterprise Fund, as allowed by GAAP. Each budget is presented on the modified accrual basis of accounting, which is consistent with GAAP.

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. The School 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.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

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

The administration has discretionary authority to make transfers between appropriation accounts. The revised budget amounts in the financial statements are as amended by the administration. All annual appropriations lapse at fiscal year-end.

Encumbrance accounting is utilized to assist in budgetary control through the use of purchase orders, which are recorded in order to reserve the portion of the applicable appropriation during the year. Encumbrances lapse at year-end; they are subject to reappropriation in the subsequent year and are not carried forward.

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A. Deposits and Investments

Deposits

Custodial Credit Risk for Deposits: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. The School District does not have a deposit policy for custodial credit risk but follows the investment policy statues of the State of South Carolina. As of June 30, 2014, approximately \$92,000 of the School District's bank balances of approximately \$49,527,000, which had a carrying value of approximately \$46,012,000, were exposed to custodial credit risk.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

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

A. Deposits and Investments (Continued)

Investments

As of June 30, 2014, the School District’s primary government had the following investments:

Investment Type	Credit Rating ^	Fair Value	Investment Maturities in Years			
			< 1 yr	1-3 yrs	3-5yrs	> 5 yrs
LGIP	NR	\$214,981,348	214,981,348	-	-	\$ -
Treasury Money	AAAm,					
Market Mutual Fund	Aaa-mf	30,008,523	30,008,523	-	-	-
Cash and Investments						
Held by County Treasurer	NR	8,437,443	8,437,443	-	-	-
U.S. Treasury Bills	*	30,533,695	30,533,695	-	-	-
Repurchase Agreement	*	11,172	11,172	-	-	-
Total		\$283,972,181	283,972,181	-	-	\$ -

* Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit disclosure of credit ratings.

^ If available, credit ratings are for Standard & Poor’s and Moody’s Investors Service.

MMMF - Money Market Mutual Fund.

NR – Not rated.

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

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

Custodial Credit Risk for Investments: Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2014, approximately \$30,534,000 of the School District’s investments are exposed to custodial credit risk because the securities are uninsured, unregistered and are being held by the counterparty’s trust department but not in the government’s name.

Concentration of Credit Risk for Investments: The School District places no limit on the amount it may invest in any one issuer. Investments issued or explicitly guaranteed by the U.S government and investments in mutual funds and external investment pools are excluded from this disclosure requirement. None of the School District’s other security investments exceeded 5% of the total amount invested.

The following table reconciles the carrying amount of deposits and investments to the amounts listed in the statement of net position for the primary government:

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

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

A. Deposits and Investments (Continued)

Investments (Continued)

Statement of Net Position		Notes	
Unrestricted Current Assets:			
Cash and Cash Equivalents on Deposit with Financial Institutions for Governmental Activities	\$ 180,204,016	Carrying Amount of Deposits	\$ 46,011,903
Cash and Cash Equivalents on Deposit with Financial Institutions for Business-Type Activities	14,637,474	Fair Value of Investments	283,972,181
Cash and Cash Equivalents on Deposit with Financial Institutions for Fiduciary Activities	2,421,884		
Cash and Investments Held by County Treasurer	8,437,443		
Restricted Current Assets:			
Cash and Cash Equivalents on Deposit with Financial Institutions for Governmental-Type Activities	124,144,744		
Investments Held by Financial Institutions for Governmental Activities	138,523		
	<u>\$ 329,984,084</u>		<u>\$ 329,984,084</u>

Due to higher cash flows at certain times during the year, the School District's deposits and investments were often significantly higher than at year end.

B. Property Taxes and Other Receivables

Greenville, Spartanburg, and Laurens Counties, South Carolina (the "Counties") are responsible for levying and collecting sufficient property taxes to meet funding obligations for the School District. The property taxes are considered both measurable and available for purposes of recognizing revenue and a receivable from the counties at the time they are collected by the Counties.

Property taxes are usually levied and billed by the Counties on real and personal properties (excluding vehicles) on or around October 1 based on an assessed value of approximately \$1,890,743,000 at rates of 130.0 mills and 47.5 mills for the General Fund and Debt Service Fund, respectively. These taxes are due without penalty through January 15.

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

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

Current year real and personal property taxes become delinquent on March 17. 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 of approximately \$6,587,000 include an allowance for uncollectible amounts of approximately \$13,779,000 at June 30, 2014. Allowances for uncollectible amounts for the other receivable accounts were not necessary.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

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

C. Unavailable and Unearned Revenues

Governmental funds report unavailable revenues (as a component of deferred inflows of resources) in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Also, both the government-wide financial statements and governmental funds do not recognize revenue in connection with resources that have been received, but not yet earned. At June 30, 2014, the various components of unavailable and unearned revenue were as follows:

Unavailable Revenues:

Delinquent Property Taxes Receivable (General Fund)	\$ 2,949,351
Delinquent Property Taxes Receivable (Debt Service - District Fund)	1,195,066
Total Unavailable Revenues for Governmental Funds	<u>\$ 4,144,417</u>

Unearned Revenues:

Revenue Collected, but Unearned (General Fund)	\$ 171,146
Revenue Collected, but Unearned (Special Revenue Fund)	4,509,888
Revenue Collected, but Unearned (Special Revenue - EIA Fund)	18,385,928
Total Unearned Revenues for both Government-wide Financial Statements and Governmental Funds	<u>\$ 23,066,962</u>

D. Capital Assets

Capital asset activity for the School District's primary government for the year ended June 30, 2014, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 48,143,518	-	-	-	\$ 48,143,518
Construction in Progress	16,382,269	31,669,012	(5,746)	(8,658,403)	39,387,132
Total Capital Assets, Not Being Depreciated	<u>64,525,787</u>	<u>31,669,012</u>	<u>(5,746)</u>	<u>(8,658,403)</u>	<u>87,530,650</u>
Capital Assets, Being Depreciated:					
Buildings and Improvements	1,575,713,238	-	(43,254)	8,658,403	1,584,328,387
Furniture and Equipment	51,380,913	4,184,474	(628,153)	-	54,937,234
Total Capital Assets Being Depreciated	<u>1,627,094,151</u>	<u>4,184,474</u>	<u>(671,407)</u>	<u>8,658,403</u>	<u>1,639,265,621</u>
Less: Accumulated Depreciation for:					
Buildings	375,916,976	40,945,733	(36,736)	-	416,825,973
Furniture and Equipment	31,776,056	3,802,702	(491,993)	-	35,086,765
Total Accumulated Depreciation	<u>407,693,032</u>	<u>44,748,435</u>	<u>(528,729)</u>	<u>-</u>	<u>451,912,738</u>
Total Capital Assets, Being Depreciated, Net	<u>1,219,401,119</u>	<u>(40,563,961)</u>	<u>(142,678)</u>	<u>8,658,403</u>	<u>1,187,352,883</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 1,283,926,906</u>	<u>(8,894,949)</u>	<u>(148,424)</u>	<u>-</u>	<u>\$ 1,274,883,533</u>
Business-Type Activities:					
Furniture and Equipment	\$ 17,102,536	443,085	(11,874)	-	\$ 17,533,747
Less: Accumulated Depreciation	12,460,276	891,970	(7,012)	-	13,345,234
Total Business-Type Activities Capital Assets, Net	<u>\$ 4,642,260</u>	<u>(448,885)</u>	<u>(4,862)</u>	<u>-</u>	<u>\$ 4,188,513</u>

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

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

D. Capital Assets (Continued)

Capital asset additions and depreciation expense were charged to functions/programs of the primary government as follows:

	Capital Asset Additions	Depreciation Expense
Governmental Activities:		
Instruction	\$ 1,038,997	\$ 27,072,803
Support Services	34,814,489	17,675,632
Total - Governmental Activities	<u>\$ 35,853,486</u>	<u>\$ 44,748,435</u>
Business-Type Activities		
Food Service	\$ 443,085	\$ 891,970
Total - Business-Type Activities	<u>\$ 443,085</u>	<u>\$ 891,970</u>

Commitments

The School District has several ongoing construction projects as of June 30, 2014. The capital projects include renovation of existing schools as well as construction of new facilities. Total outstanding commitments at June 30, 2014 were approximately \$12,008,000.

E. Interfund Receivables and Payables

Interfund balances at June 30, 2014 (all of which are expected to be paid or received within one year), consisted of the following individual fund receivables and payables for the primary government:

Fund	Interfund Receivables	Interfund Payables
General Fund	\$ -	\$ 22,168,430
Special Revenue Funds:		
Special Revenue	15,352,779	-
EIA	14,336,654	-
Debt Service Fund - BEST	92,230	
Capital Projects Fund - District	-	6,397,360
Permanent Fund (Non-Major)	3,622	-
Enterprise/Food Service Fund	-	1,219,495
Totals	<u>\$ 29,785,285</u>	<u>\$ 29,785,285</u>

The General Fund payable is a result of amounts due to the EIA Fund and Special Revenue Fund for salaries and other expenses. The Special Revenue Fund receivable is a result of revenues received and unearned, but recorded as cash in the General Fund. These funds are expected to be expended in the following fiscal year. The Capital Projects Fund - District payable is a result of amounts owed to the General Fund for invoices paid. The Enterprise/Food Service Fund payable is a result of amounts owed to the General Fund for payment of salaries.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

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

F. Transfers From and To Other Funds

Transfers from and to other funds for the year ended June 30, 2014, consisted of the following:

General Fund			
Transfers from	Amount	Transfers to	Amount
Special Revenue Fund	\$ 1,000	General Fund	\$ 200
Special Revenue - EIA Fund	11,609,617		-
Enterprise/Food Service Fund	1,761,000		-
Special Revenue Fund (Indirect Costs)	1,358,445		-
	<u>\$ 14,730,062</u>		<u>\$ 200</u>
Special Revenue Fund			
Transfers from	Amount	Transfers to	Amount
General Fund	\$ 200	General Fund	\$ 1,000
	-	General Fund (Indirect Costs)	1,358,445
	-	Special Revenue - EIA Fund	1,040,235
	-	Capital Projects Fund - District	3,037,704
	<u>\$ 200</u>		<u>\$ 5,437,384</u>
Special Revenue - EIA Fund			
Transfers from	Amount	Transfers to	Amount
Special Revenue Fund	\$ 1,040,235	General Fund	\$ 11,609,617
	<u>\$ 1,040,235</u>		<u>\$ 11,609,617</u>
Debt Service Fund - District			
Transfers from	Amount	Transfers to	Amount
	\$ -	Capital Projects Fund - District	\$ 27,194,932
	-	Debt Service Fund - BEST	63,631,870
	<u>\$ -</u>		<u>\$ 90,826,802</u>
Debt Service Fund - BEST			
Transfers from	Amount	Transfers to	Amount
Debt Service Fund - District	\$ 63,631,870		\$ -
	<u>\$ 63,631,870</u>		<u>\$ -</u>
Capital Projects Fund - District			
Transfers from	Amount	Transfers to	Amount
Debt Service Fund - District	\$ 27,194,932		\$ -
Special Revenue Fund	3,037,704		-
Capital Projects Funds - BEST	64,533		-
	<u>\$ 30,297,169</u>		<u>\$ -</u>
Capital Projects Fund - BEST			
Transfers from	Amount	Transfers to	Amount
	\$ -	Capital Projects Fund - District	\$ 64,533
	<u>\$ -</u>		<u>\$ 64,533</u>
Enterprise/Food Service Fund			
Transfers from	Amount	Transfers to	Amount
	\$ -	General Fund	\$ 1,761,000
	<u>\$ -</u>		<u>\$ 1,761,000</u>
Total	<u>\$ 109,699,536</u>		<u>\$ 109,699,536</u>

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

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

F. Transfers From and To Other Funds (Continued)

Interfund transfers include funding allowed for indirect costs, required matches, supplemental funding, state cuts, and accounting practice. Transfers for the year ended June 30, 2014 consisted of the following:

General Fund

Transfers from:

Funds were transferred from the Special Revenue Fund and other funds to the General Fund to cover EIA raise for teachers, the Medicaid match and indirect costs for federal programs and food services.

Special Revenue Fund and EIA Fund

Transfers from:

Funds were transferred from other Special Revenue and EIA Funds to cover various programs.

Transfers to:

Funds were transferred to the General Fund to cover indirect cost on federal programs and the EIA raise for teachers and the Medicaid match.

Debt Service Fund - District

Transfer to:

Funds were transferred to the Capital Projects Fund to fund the capital projects programs and funds were transferred to the BEST Debt Service Fund to make the BEST bond payments.

Debt Service Fund - BEST

Transfer from:

Funds were transferred from the School District's Debt Service Fund to fund BEST bond payments.

Capital Projects Fund - District

Transfer from:

Funds were transferred from the School District's Debt Service Fund and Special Revenue Fund to fund the Capital Projects program. Funds were transferred from BEST Capital Projects Fund due to the close out of BEST project funds.

Capital Projects Fund - BEST

Transfer to:

Funds were transferred to the Capital Projects Fund due to close out of BEST project funds.

Proprietary/Enterprise Fund

Transfers to:

Funds were transferred to the General Fund from the Food Service Fund for indirect costs.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

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

G. Accounts Payable and Accrued Expenses

The significant components of accounts payable and accrued expenses for governmental activities at June 30, 2014 consisted of the following:

Accounts Payable	\$ 22,323,506
Accrued Payroll, Fringe, Withholdings and Benefits	63,020,275
Accrued Expenditures	2,070,934
Total Accounts Payable and Accrued Expenses - Governmental Activities	<u>\$ 87,414,715</u>

H. Short-Term Obligations

Changes in the School District’s short-term obligations for governmental activities for the year ended June 30, 2014, were as follows:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance
Series 2013A General Obligation Bonds	\$ 21,645,000	-	21,645,000	\$ -
Series 2013B General Obligation Bonds	-	304,000	304,000	-
Series 2013C General Obligation Bonds	-	69,770,000	69,770,000	-
Series 2014A General Obligation Bonds	-	20,921,000	-	20,921,000
Total Short-Term Obligations	<u>\$ 21,645,000</u>	<u>90,995,000</u>	<u>91,719,000</u>	<u>\$ 20,921,000</u>

The School District issued three short-term general obligation bonds during 2014 totaling \$90,995,000 for the purpose of making payments to BEST for its required debt service, to fund the sinking fund requirements for the QZAB debt, and for additional capital improvements. The School District received gross premiums of approximately \$565,000 and incurred issuance costs of approximately \$272,000 related to these issuances. The Series 2013A, 2013B and 2013C bonds, including interest of approximately \$304,000, \$1,000, and \$481,000, respectively, were repaid in March and June 2014, utilizing debt service fund property tax revenues. The Series 2014A bonds of \$20,921,000 are not due until March 2, 2015 with interest of approximately \$195,000. Due to the timing of the issuance and the scheduled maturity of the Series 2014A bonds being less than one year from the date there were issued, the outstanding balance of \$20,921,000 is reflected as a fund liability on the School District’s balance sheet for its governmental funds at June 30, 2014. This resulted in the Debt Service Fund – District having a negative fund balance of approximately \$10,640,000 as of June 30, 2014.

The premiums related to these short-term bonds have been netted against interest expenditures in the financial statements.

I. Food Service

Federal Guidelines

The School District's Food Service Fund administers the lunch programs in accordance with United States Department of Agriculture (“USDA”) guidelines. Revenues are provided from USDA reimbursements and cash collections. Within the Food Service Fund, meals served to pupils are classified as regular, reduced or free. The type of meal served determines the amount of reimbursement received from the USDA. Reimbursements may be in the form of cash or commodities. The Food Service expenses are inclusive of approximately \$1,883,000 of commodities consumed during the year ended June 30, 2014.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

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

J. Long-Term Obligations

The following is a summary of changes in the School District governmental activities long-term obligations for the year ended June 30, 2014:

<u>Long-Term Obligations</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Gross Debt:					
<u>BEST</u>					
2005 BEST Refunding Bond Issue	\$ 216,905,000	-	-	216,905,000	\$ -
2006 BEST Refunding Bond Issue	531,830,000	-	19,200,000	512,630,000	21,795,000
2006 BEST Issue	44,340,000	-	2,390,000	41,950,000	2,510,000
2012 BEST Refunding Bond Issue	49,805,000	-	-	49,805,000	2,820,000
2013 BEST Refunding Bond Issue	60,000,000	-	-	60,000,000	1,680,000
Sub-Total - BEST	<u>902,880,000</u>	<u>-</u>	<u>21,590,000</u>	<u>881,290,000</u>	<u>28,805,000</u>
<u>School District</u>					
2009C GO Bonds	5,670,000	-	5,670,000	-	-
2009E QSCB Bonds	15,060,000	-	-	15,060,000	-
2009 Energy Grant Obligation	164,945	-	164,945	-	-
2010 QSC Bonds	14,200,000	-	-	14,200,000	-
2011 QZAB	10,080,743	-	-	10,080,743	-
2012 QZAB	3,807,909	-	-	3,807,909	-
Sub-Total - School District	<u>48,983,597</u>	<u>-</u>	<u>5,834,945</u>	<u>43,148,652</u>	<u>-</u>
Total Gross Debt	951,863,597	-	27,424,945	924,438,652	28,805,000
Premiums					
BEST	36,721,006	-	3,126,069	33,594,937	-
School District	192,949	-	98,823	94,126	-
Total Premiums	<u>36,913,955</u>	<u>-</u>	<u>3,224,892</u>	<u>33,689,063</u>	<u>-</u>
Total Net Debt	988,777,552	-	30,649,837	958,127,715	28,805,000
Accrued Compensated Absences	5,781,657	2,179,352	1,993,309	5,967,700	2,020,559
Total Long-Term Obligations	<u>\$ 994,559,209</u>	<u>2,179,352</u>	<u>32,643,146</u>	<u>964,095,415</u>	<u>\$ 30,825,559</u>

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

Interest paid on the debt issued by the School District is exempt from federal income tax. The School District sometimes temporarily reinvests the proceeds of such tax-exempt debt in materially higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this practice as arbitrage. Excess earnings (the difference between the interest on the debt and the investment earnings received) resulting from arbitrage must be rebated to the federal government on the fifth anniversary of the issuance of the tax-exempt debt and every five years thereafter until the debt has been repaid, in accordance with the arbitrage regulations. The School District does not believe it has any significant positive arbitrage on any of its indebtedness as of June 30, 2014.

The BEST bonds are not an obligation or debt of the School District; however, as BEST is blended with the operations of the School District, the debt of BEST is included with the School District's other obligations as required by GAAP.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

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

J. Long-Term Obligations (Continued)

The BEST bonds were issued pursuant to a School Facilities Purchase and Occupancy Agreement (the “Facilities Agreement”) and evidence proportionate interests of the owners in certain rental payments to be made by the School District under the terms of a Base Lease Agreement between the School District and BEST dated March 15, 2002. The School District will purchase the Capital Projects from BEST pursuant to the Facilities Agreement, which will obligate the School District to make semiannual installment payments of purchase price to BEST in amounts calculated to be sufficient to enable BEST to pay the principal and interest on the outstanding bonds. The School District’s obligations under the Facilities Agreement are from year to year only and do not constitute a mandatory payment obligation of the School District in any fiscal year in which funds are not appropriated by the School District to pay the installment payments of purchase price due in such fiscal year. However, the School District would forfeit possession of the Facilities for the remainder of the term of the Lease.

Details for each outstanding debt issue (including those of its blended component unit – BEST) as of June 30, 2014 are as follows:

- \$216,905,000 BEST Installment Purchase Revenue Refunding Bond Series 2005 to advance refund \$192,250,000 of the BEST 2002 Series Bonds. The reacquisition price exceeded the net carrying amount of the old debt by \$19,788,749; this amount is being amortized over the life of the new debt, which is the same as the life of the old debt. Bonds are due in annual installments ranging from \$380,000 to \$46,635,000 beginning December 2015 through December 2021 with interest ranging from 4.5% to 5.5%. They are subject to redemption at BEST’s option beginning in 2015. In connection with the BEST 2005 Bond Issue, a premium of \$17,449,123 was recorded and is being amortized over the life of the bonds. The unamortized premium and deferred loss on refunding at June 30, 2014 were \$7,852,297 and \$8,905,155, respectively.
- \$574,790,000 BEST Installment Purchase Revenue Refunding Bond Series 2006 to advance refund \$501,370,000 of the BEST 2002 Series Bonds. The reacquisition price exceeded the net carrying amount of the old debt by \$40,136,937; this amount is being amortized over the life of the new debt, which is the same as the life of the old debt. Bonds are due in annual installments ranging from \$1,250,000 to \$71,005,000 beginning December 2010 through December 2028 with interest ranging from 4.25% to 5.0%. They are subject to redemption at BEST’s option beginning in 2016. In connection with the BEST 2007 Bond Issue, a premium of \$24,903,064 was recorded and is being amortized over the life of the bonds. The unamortized premium and deferred loss on refunding at June 30, 2014 were \$15,872,283 and \$25,581,784, respectively.
- \$61,615,000 BEST Installment Purchase Revenue Bond Series 2006 to finance the costs of acquiring, constructing, renovating and installing educational facilities to be sold by BEST to the School District pursuant to a School Facilities Purchase and Occupancy Agreement dated March 15, 2002, as subsequently supplemented and amended. Bonds are due in annual installments ranging from \$2,000,000 to \$5,515,000 beginning December 2007 through December 2028 with interest ranging from 4.0% to 5.0%. They are subject to redemption at BEST’s option beginning in 2016. In connection with the BEST 2007 Bond Issue, a premium of \$2,437,787 was recorded and is being amortized over the life of the bonds. The unamortized premium at June 30, 2014 was \$1,561,989.
- \$49,805,000 BEST Installment Purchase Revenue Refunding Bond Series 2012 to advance refund the outstanding balance of \$66,270,000 of the BEST 2003 Series Bonds. The reacquisition price exceeded the net carrying amount of the old debt by \$1,510,020; this amount is being amortized over the life of the new debt, which is shorter than the life of the old debt. Bonds are due in annual installments ranging from \$945,000 to \$9,460,000 beginning December 2014 through December 2023 with interest ranging from 20% to 5.0%. They are not subject to redemption at BEST’s option. In connection with the BEST 2012 Bond Issue, a premium of \$9,582,353 and bond issuance costs of \$493,739 were recorded and are being amortized over the life of the bonds. The unamortized premium and deferred loss on refunding at June 30, 2014 were \$8,141,398 and \$1,282,882, respectively.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

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

J. Long-Term Obligations (Continued)

- \$60,000,000 BEST Installment Purchase Revenue Refunding Bond Series 2013 to advance refund the outstanding balance of \$62,040,000 of the BEST 2004 Series Bonds. The District placed \$67,964,142 (which included existing debt service reserve funds of \$8,242,432) in an irrevocable trust for the purpose of generating resources for all future debt service payments related to these bonds. Accordingly, the BEST 2004 Series is considered to be defeased; it is expected to be redeemed on December 1, 2014. The reacquisition price exceeded the net carrying amount of the old debt by \$4,522,027; this amount is being amortized over the life of the new debt, which is the same as the life of the old debt. The District entered into this refunding to take advantage of lower interest rates, resulting in a reduction of total debt service payments of \$10,498,685 and an economic gain of \$8,182,029. Bonds are due in annual installments ranging from \$960,000 to \$36,480,000 beginning December 2014 through December 2028 with interest at 2.95%. They are not subject to redemption at BEST's option. In connection with the BEST 2013 Bond Issue, a premium of \$180,000 was recorded and is being amortized over the life of the bonds. The unamortized premium and deferred loss on refunding at June 30, 2014 were \$166,970 and \$4,194,660, respectively.
- \$15,060,000 Qualified School Construction General Obligation Bonds, Series 2009E to finance the costs of constructing educational facilities. Semi-annual interest only payments at a rate of 1.2% are due beginning December 2009 through December 2024, with the final payment of principal and interest due June 2025.
- \$14,302,000 Qualified School Construction General Obligation Bonds, Series 2010A to finance the costs of constructing educational facilities. The bonds are due in two installments of \$102,000 on June 1, 2011 and \$14,200,000 on June 1, 2026. Semi-annual interest only payments at a rate of 0.80% on the June 1, 2011 portion of the bonds and 4.87% on the June 1, 2026 portion of the bonds. The American Recovery and Reinvestment Act of 2009 allowed governments to issue taxable bonds to finance capital expenditures and to elect to receive a subsidy payment from the United States Treasury equal to 100% of the amount of each interest payment on such bonds. The available subsidy ("Interest Subsidy") received on these bonds is included as revenue of the Debt Service – District Fund. In connection with this issue, a premium of \$123,540 was recorded and is being amortized over the life of the bonds. The unamortized premium at June 30, 2014 was \$94,126.
- \$10,080,743 Qualified Zone Academy Bond ("QZAB"), Series 2011 provided funding for a computer refresh program. The principal on the bond is due at maturity on June 1, 2022. Semi-annual interest only payments on June 1st and December 1st are due through maturity at an interest rate of 5.17%. Interest on this bond is subject to a refundable interest credit payment from the United States Treasury equal to 100% of the amount of each interest payment on such bond. The available subsidy ("Interest Subsidy") received on this bond is included as revenue of the Debt Service – District Fund.
- \$3,807,909 Qualified Zone Academy Bond, Series 2012 to finance HVAC modifications. The principal on the bond is due at maturity on December 1, 2022. Semi-annual interest only payments on June 1st and December 1st are due through maturity at an interest rate of 4.16%. Interest on this bond is subject to a refundable interest credit payment from the United States Treasury equal to 100% of the amount of each interest payment on such bond. The available subsidy ("Interest Subsidy") received on this bond is included as revenue of the Debt Service – District Fund.

The School District is subject to a statutory millage limit on the amount of ad valorem taxes it may annually levy to fund operations and does not presently have sufficient unused capacity under its operating millage limit to levy additional ad valorem taxes to fund the installment payments of purchase price due under the Facilities Agreement. The School District is, however, authorized to levy an unlimited ad valorem tax to pay its general obligation debt and has covenanted and agreed in the Facilities Agreement to exercise its best efforts to issue its general obligation debt from time to time to provide funds to make installment payments of purchase price due under the Facilities Agreement as well as base payments.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

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

J. Long-Term Obligations (Continued)

The School District has continuous authority to issue general obligation bonds each calendar year, subject to a constitutional debt limit equal to 8% of the assessed valuation of property subject to levy by the School District, applicable to debt issued subsequent to November 30, 1982. As of November 30, 1982, the constitutional debt limit was decreased from 20% to 8% of the assessed valuation under the provisions of Section 15, Article X of the South Carolina Constitution. The School District had a total of \$50,181,000 (both long-term and short-term debt) in outstanding general obligation debt at June 30, 2014 that is subject to the 8% limitation.

Annual debt service requirements to maturity as of June 30, 2014 for BEST and the School District are as follows:

Year Ending June 30	BEST		School District		Totals
	Principal	Interest	Principal	Interest	
2015	\$ 28,805,000	42,379,582	-	1,547,811	\$ 72,732,393
2016	33,950,000	40,885,128	-	1,547,811	76,382,939
2017	35,600,000	39,156,261	-	1,547,811	76,304,072
2018	38,245,000	37,216,445	-	1,547,811	77,009,256
2019	40,560,000	35,115,998	-	1,547,811	77,223,809
2020-2024	309,190,000	134,466,341	13,888,652	5,950,016	463,495,009
2025-2029	394,940,000	49,385,052	29,260,000	1,563,801	475,148,853
Totals	\$ 881,290,000	378,604,807	43,148,652	15,252,872	\$ 1,318,296,331

IV. OTHER INFORMATION

A. Retirement and Postemployment Benefit Plans

South Carolina Retirement System

Plan Description – The District participates in retirement plans under authorization of Title 9 of the SC Code of Laws, State of South Carolina which covers a majority of the School District's full-time employees. The School District's participation in the South Carolina Police Officers' Retirement System is not significant (limited to a few employees) and thus no information on this plan has been included in this note disclosure. The South Carolina Retirement System ("SCRS") is a cost-sharing multi-employer defined benefit pension plan administered by the South Carolina Public Employee Benefit Authority ("PEBA"). The PEBA has the authority to establish and amend benefits and funding policy. The system offers retirement and disability benefits, cost of living adjustments on an ad-hoc basis, group life ("GL") insurance benefits and survivor benefits. 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 to the South Carolina Public Employee Benefit Authority, P.O. Box 11960, Columbia, SC 29211-1960.

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

For Class III members, benefits vest after eight years of service, and vested members who retire must be age sixty-five or meet the rule of 90 requirement (this means that the member's age plus the years of service must add up to a total of at least 90), receive an annual benefit, payable monthly for life. The benefit is based on the length of service and on average final compensation, an annualized average of the employee's highest twelve consecutive quarters' compensation. Reduced benefits are payable as early as age sixty.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

IV. OTHER INFORMATION (CONTINUED)

A. Retirement and Other Postemployment Benefit Plans (Continued)

South Carolina Retirement System (Continued)

Funding Policy – Both employees and employers are required to contribute to the Plan at rates established and as amended by the PEBA. The School District’s contributions are actuarially determined, but are communicated to and paid by the School District as a percentage of the employees’ annual earnings. In addition, participating employers of the South Carolina Retirement System contribute a certain percentage of payroll to provide a group life insurance benefit for their active participants. All employers contribute at the actuarially required contribution rates. The School District contributed amounts equal to the required contribution to the SCRS for all years presented.

Other Retirement Plan

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

Employee and employer required contribution rates are based on a percentage of covered salary of which 5.0% of the employer required contribution is remitted to the employees authorized investment providers (“AIP”) with the balance being remitted to the South Carolina Retirement System. Because the contribution rates to the ORP are required, they are also actual contributions as well. Thus, the actual contribution rate and amounts equal the required contribution rate and amounts for the ORP for all years presented.

Other Postemployment Benefits

In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State of South Carolina (“State”) provides health, dental, and long-term disability benefits (“OPEB Plan”) to retired State and school district employees and their covered dependents. The OPEB plans have been determined to be cost-sharing multiple-employer defined benefit plans and are administered by the Employee Insurance Program (“EIP”), a part of the State Budget and Control Board (“SBCB”).

Generally, retirees are eligible for the health and dental benefits if they have established 10 years of retirement service credit. For new hires on or after May 2, 2008, retirees are eligible for benefits if they have established 25 years of service for 100% employer funding and 15 – 24 years of service for 50% employer funding. Benefits become effective when the former employee retires under a state retirement system (i.e. SCRS, PORS, etc.).

Basic long-term disability (“BLTD”) benefits are provided to active state, school district and participating local government employees approved for disability. Complete financial statements for the OPEB plans may be obtained by writing to the PEBA Retirement Benefits and Insurance Benefits, 202 Arbor Lake Drive, Suite 360, Columbia, SC 29223.

The Code of Laws of the State, as amended, requires these post-employment healthcare and long-term disability benefits be funded through annual appropriation by the General Assembly for active employees to the EIP and participating retirees to the SBCB except for the portion funded through the pension surcharge (retiree surcharge – SCRS in the following chart) who are not funded by State General Fund appropriations. Employers participating in the healthcare plan are mandated by State statute to contribute at a rate assessed each year by the Office of the State Budget. The EIP sets the employer contribution rate based on a pay-as-you-go basis. The School District has no liability beyond the payment of monthly contributions. The actual contribution rate and amount is 100% of the required contribution rate and amount for the OPEB Plan for all years presented.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

IV. OTHER INFORMATION (CONTINUED)

A. Retirement and Other Postemployment Benefit Plans (Continued)

SCRS, ORP, and OPEB Contribution Summary

The School District's wages eligible, the contribution rates, and the required contribution amounts for the past three years were as follows:

	SCRS Rates			ORP Rates		
	2014	2013	2012	2014	2013	2012
Total Eligible Wages	\$312,979,826	307,063,476	296,454,833	48,725,021	45,158,068	\$41,966,677
<u>Employer Rate:</u>						
Retirement - SCRS	10.450%	10.450%	9.385%	5.450%	5.450%	4.385%
Retirement - AIP	0.000%	0.000%	0.000%	5.000%	5.000%	5.000%
Retiree Surcharge - SCRS	4.920%	4.550%	4.300%	4.920%	4.550%	4.300%
GL Ins. Benefit - SCRS	0.150%	0.150%	0.150%	0.150%	0.150%	0.150%
Total Employer Rate	15.520%	15.150%	13.835%	15.520%	15.150%	13.835%
Employee Rate	7.500%	7.000%	6.500%	7.500%	7.000%	6.500%
<u>Employer Contributions:</u>						
Retirement - SCRS	\$ 32,706,392	32,088,133	27,822,286	2,655,514	2,461,115	\$ 1,840,239
Retirement - AIP	-	-	-	2,436,251	2,257,903	2,098,334
Retiree Surcharge - SCRS	15,398,607	13,971,388	12,747,558	2,397,271	2,054,692	1,804,567
GL Ins. Benefit - SCRS	469,470	460,595	444,682	73,088	67,737	62,950
Total	\$ 48,574,469	46,520,116	41,014,526	7,562,124	6,841,447	\$ 5,806,090
Employee Contributions	\$ 23,333,477	21,360,132	19,269,569	3,654,377	3,161,065	\$ 2,727,834

B. Litigation

Various claims and lawsuits are pending against the School District. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the School District's management that resolution of these matters will not have a material adverse effect on the financial condition of the School District.

C. Grants

The School District participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount of program expenditures which may be disallowed by the granting agencies cannot be determined at this time although the School District expects such amounts, if any, to be immaterial.

D. Risk Management

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees' and natural disasters. The School District continues to carry commercial insurance for general liability, property and casualty, employee health and dental coverage and is partially self-insured for workers' compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years and there has been no significant reduction in insurance coverage.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

IV. OTHER INFORMATION (CONTINUED)

D. Risk Management (Continued)

As previously noted, the School District is partially self-insured related to risks associated with workers compensation. The School District has a \$600,000 per claim deductible with an insurance provider paying claims that are in excess of this amount per claim. The School District has recorded an estimated liability of \$6,533,289 for incurred but unpaid claims at June 30, 2014, which is based on GASB Statement No. 10 which requires that a liability for claims be recorded if information prior to the issuance of the financial statements indicate that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. This amount is included in Accounts Payable and Accrued Expenses in the statement of net position as the amount is generally expected to be paid within one year.

Changes in the workers compensation liability are as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Claims & Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2012	\$ 5,747,222	3,861,917	2,876,107	\$ 6,733,032
2013	6,733,032	3,658,632	3,286,532	7,105,132
2014	\$ 7,105,132	2,974,326	3,546,169	\$ 6,533,289

E. Contingencies

Impact of Act 388

In 2007, the South Carolina enacted Act 388, which is effective for the School 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 not already covered by the other property tax relief exemptions, from 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 (the "Homestead Exemption Fund") which will be 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 are equal to the amounts that were received by school districts for the year ended June 30, 2007, relating to an earlier property tax relief provision for owner occupied residential property. In the case of the School District, that amount is \$23,410,334. Tier two distributions are equal to the amounts that were received by school districts for the school operating portion of the homestead exemption for the elderly, disabled and blind. In the case of the School District, that amount is \$5,947,974. Tier one and Tier two distributions are fixed amounts 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 year ended June 30, 2008, those distributions were expected to equal the revenue that would have been collected by the school districts from property tax 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 in fiscal year 2009, the annual tier three distributions will equal the reimbursement from the previous fiscal year plus the tier three reimbursement increases.

Act 388 requires the annual tier three reimbursements to be increased annually by (i) an inflation factor equal to the percentage increase in the previous year of the 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 school district's proportionate share of the aggregate of such 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.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

IV. OTHER INFORMATION (CONTINUED)

E. Contingencies (Continued)

Impact of Act 388 (Continued)

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, exceeds amounts in the Homestead Exemption Fund, the excess is required to be paid from the general fund of the State.

The School District's tier three reimbursement for fiscal year 2014 under Act 388 is approximately \$56,382,415. 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 the State's general fund. However, there can be no assurances that such funds will be appropriated in the event that there is such an insufficiency or that the change in funding sources resulting from Act 388 will not have an adverse effect on the School District's operations. The School 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 penny sales tax, which in the School District's opinion is not as stable as property tax revenue which the penny sales tax replaced.

F. Prior Period Adjustment

During the year ended June 30, 2014, the School District determined that it had been inappropriately recognizing revenues received in excess of expenditures as unearned revenues for some programs in the Special Revenue Fund, without considering whether or not the revenues were earned at year end. Accordingly, the School District recorded a prior period adjustment to increase beginning fund balance and decrease unearned revenues in the Special Revenue Fund by approximately \$11,323,000, which was the balance in unearned revenues as originally reported for these programs. This adjustment also resulted in a corresponding increase in beginning net position for governmental activities. The School District's revenues increased by approximately \$1,826,000 from the amount originally reported for this fund for the year ended June 30, 2013 as a result of this adjustment.

G. Pending Implementation of GASB Statement on Pensions

GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*" ("GASB #68"), was issued by the GASB in June 2012; it is required to be implemented by the School District for the fiscal year ended June 30, 2015. The primary objective of GASB #68 is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that are provided by other entities. In addition, state and local governments who participate in a cost-sharing multiple employer plan will now be required to recognize a liability for its proportionate share of the net pension liability of that plan. It is GASB's intention that GASB #68 will provide citizens and other users of the financial statements with a clearer picture of the size and nature of the School District's financial obligations to current and former employees for past services rendered.

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

The School District has been in communications with the PEBA on the effect of implementing GASB #68 as it relates to the SCRS. Based on recent information provided by PEBA, it is estimated that the School District's proportionate share of the net pension liability associated with the SCRS will decrease the School District's beginning unrestricted net position for the year ended June 30, 2015 by approximately \$705,000,000

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

IV. OTHER INFORMATION (CONTINUED)

H. Subsequent Events

In September 2014, the School District issued its Series 2014B General Obligation Bonds through the South Carolina Association of Governmental Organizations in the amount of \$1,056,000. The bonds were issued to provide funds to pay the required sinking fund payments for the District's QZAB indebtedness. The bonds carry interest at 0.75% and are due in full in March 2015.

In September 2014, the School District issued its Series 2014C General Obligation Bonds in the amount of \$78,370,000. The bonds were issued for the purpose of providing funds to pay for a portion of the costs of certain capital improvements of the School District, to pay for a portion of the December 2014 BEST debt service payments, and to pay for the costs of issuing the bonds. The bonds carry interest at 1.0% and are due in full in June 2015.

REQUIRED SUPPLEMENTARY INFORMATION

THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE

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

YEAR ENDED JUNE 30, 2014

	BUDGETED AMOUNTS		ACTUAL (BUDGETARY BASIS)	VARIANCE WITH REVISED BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	REVISED		
REVENUES				
Local Sources:				
Taxes	\$ 152,780,000	152,780,000	163,526,270	\$ 10,746,270
Investment Earnings	315,000	315,000	244,014	(70,986)
Other Local Sources	795,000	795,000	1,645,177	850,177
State Sources	304,861,000	304,861,000	308,643,061	3,782,061
Intergovernmental Sources	-	-	9,344	9,344
TOTAL REVENUES	458,751,000	458,751,000	474,067,866	15,316,866
EXPENDITURES				
Current:				
Instruction	281,834,224	280,747,773	278,482,939	2,264,834
Support Services	184,882,097	183,044,386	178,796,571	4,247,815
Community Services	67,676	67,053	65,869	1,184
Intergovernmental	16,732,081	18,949,978	18,923,613	26,365
Capital Outlay	2,006,922	2,704,257	2,451,281	252,976
TOTAL EXPENDITURES	485,523,000	485,513,447	478,720,273	6,793,174
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(26,772,000)	(26,762,447)	(4,652,407)	22,110,040
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	23,088	23,088
Transfers In	15,524,000	15,524,000	14,730,062	(793,938)
Transfers Out	-	(9,553)	(200)	9,353
TOTAL OTHER FINANCING SOURCES (USES)	15,524,000	15,514,447	14,752,950	(761,497)
NET CHANGES IN FUND BALANCE	(11,248,000)	(11,248,000)	10,100,543	21,348,543
FUND BALANCE, Beginning of Year	82,885,579	82,885,579	82,885,579	-
FUND BALANCE, End of Year	\$ 71,637,579	71,637,579	92,986,122	\$ 21,348,543

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

Note: The School District's original budget and revised budget both reflected the use of appropriated fund balance of \$11,248,000.

SUPPLEMENTARY INFORMATION

GENERAL FUND

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

YEAR ENDED JUNE 30, 2014

	REVISED BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH REVISED BUDGET- POSITIVE (NEGATIVE)
REVENUES			
1000 Revenue from Local Sources:			
1100 Taxes:			
1110 Ad Valorem Taxes-Including Delinquent (Independent)	\$ 138,240,000	146,510,573	\$ 8,270,573
1200 Revenue from Local Governmental Units Other than LEAs:			
1280 Revenue in Lieu of Taxes (Independent and Dependent)	14,540,000	17,015,697	2,475,697
1300 Tuition:			
1310 From Patrons for Regular Day School	60,000	82,660	22,660
1320 From Other LEAs for Regular Day School	240,000	562,868	322,868
1340 From Other LEAs for Adult/Continuing Ed	-	1,200	1,200
1350 From Patrons for Summer School	130,000	171,453	41,453
1500 Earnings on Investments:			
1510 Interest on Investments	315,000	244,014	(70,986)
1700 Pupil Activities:			
1740 Student Fees	65,000	39,295	(25,705)
1900 Other Revenue from Local Sources:			
1910 Rentals	-	168,907	168,907
1920 Contributions & Donations Private Sources	250,000	5,093	(244,907)
1950 Refund of Prior Year's Expenditures	-	2,313	2,313
1990 Miscellaneous Local Revenue:			
1993 Receipt of Insurance Proceeds	-	46,726	46,726
1999 Revenue from Other Local Sources	50,000	564,662	514,662
Total Revenue from Local Sources	<u>153,890,000</u>	<u>165,415,461</u>	<u>11,525,461</u>
2000 Intergovernmental Revenue:			
2200 Payments from Public Charter School	-	9,344	9,344
Total Intergovernmental Revenue	<u>-</u>	<u>9,344</u>	<u>9,344</u>
3000 Revenue from State Sources:			
3100 Restricted State Funding:			
3130 Special Programs:			
3131 Handicapped Transportation	170,000	67,648	(102,352)
3132 Home Schooling (No Carryover Provision)	70,000	27,300	(42,700)
3160 School Bus Driver's Salary (Includes Hazardous Condition Transportation)	2,178,000	2,801,531	623,531
3162 Transportation Workers' Compensation	127,000	201,788	74,788
3180 Fringe Benefits Employer Contributions (No Carryover Provision)	-	61,322,327	61,322,327
3181 Retiree Insurance (No Carryover Provision)	71,372,000	13,301,688	(58,070,312)
3199 Other Restricted State Grants	\$ -	67,881	\$ 67,881

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2014

	REVISED BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH REVISED BUDGET- POSITIVE (NEGATIVE)
3300 Education Finance Act:			
3310 Full-Time Programs:			
3311 Kindergarten	\$ 11,090,734	10,967,769	\$ (122,965)
3312 Primary	29,008,883	29,259,411	250,528
3313 Elementary	37,619,118	37,137,464	(481,654)
3314 High School	21,126,526	19,766,246	(1,360,280)
3315 Trainable and Mentally Handicapped Services	659,660	667,014	7,354
3316 Speech Handicapped (Part-Time Program)	7,577,361	7,941,314	363,953
3317 Homebound	955,782	880,920	(74,862)
3320 Part-Time Programs:			
3321 Emotionally Handicapped	853,441	837,731	(15,710)
3322 Educable Mentally Handicapped	530,268	489,344	(40,924)
3323 Learning Disabilities	12,482,626	12,180,148	(302,478)
3324 Hearing Handicapped	230,651	218,471	(12,180)
3325 Visually Handicapped	126,742	104,331	(22,411)
3326 Orthopedically Handicapped	328,923	274,880	(54,043)
3327 Vocational	15,573,823	16,466,090	892,267
3330 Other EFA Programs:			
3331 Autism	2,200,462	2,633,124	432,662
3350 Residential Treatment Facility (RTF)	-	39,978	39,978
3800 State Revenue in Lieu of Taxes:			
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	23,410,000	23,410,334	334
3820 Homestead Exemption (Tier 2)	5,900,000	5,947,974	47,974
3825 Reimbursement for Property Tax Relief (Tier 3)	56,647,000	56,382,415	(264,585)
3830 Merchant's Inventory Tax	2,201,000	2,200,911	(89)
3840 Manufacturers Depreciation Reimbursement	2,100,000	2,740,089	640,089
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	321,000	306,940	(14,060)
Total Revenue from State Sources	<u>304,861,000</u>	<u>308,643,061</u>	<u>3,782,061</u>
TOTAL REVENUE ALL SOURCES	<u>458,751,000</u>	<u>474,067,866</u>	<u>15,316,866</u>

EXPENDITURES

100 Instruction:

 110 General Instruction:

 111 Kindergarten Programs:

100 Salaries	17,247,529	17,121,064	126,465
140 Terminal Leave	14,571	14,551	20
200 Employee Benefits	6,590,630	6,571,289	19,341
300 Purchased Services	251	250	1
400 Supplies and Materials	\$ 26,762	26,612	\$ 150

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2014

	REVISED BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH REVISED BUDGET- POSITIVE (NEGATIVE)
112 Primary Programs:			
100 Salaries	\$ 43,699,090	43,486,547	\$ 212,543
140 Terminal Leave	30,860	30,819	41
200 Employee Benefits	14,900,854	14,887,281	13,573
300 Purchased Services	475,834	460,218	15,616
400 Supplies and Materials	839,053	813,805	25,248
500 Capital Outlay	91,170	72,061	19,109
600 Other Objects	23,870	23,570	300
113 Elementary Programs:			
100 Salaries	60,120,843	59,932,508	188,335
140 Terminal Leave	41,249	40,691	558
200 Employee Benefits	20,998,150	20,974,520	23,630
300 Purchased Services	342,600	334,663	7,937
400 Supplies and Materials	1,025,381	962,518	62,863
500 Capital Outlay	23,551	19,363	4,188
600 Other Objects	4,068	3,968	100
114 High School Programs:			
100 Salaries	41,557,571	41,214,963	342,608
140 Terminal Leave	21,865	21,840	25
200 Employee Benefits	14,102,761	14,092,626	10,135
300 Purchased Services	453,475	442,497	10,978
400 Supplies and Materials	645,815	586,136	59,679
500 Capital Outlay	54,252	51,027	3,225
600 Other Objects	77,244	75,412	1,832
115 Career and Technology Education Program:			
100 Salaries	6,822,873	6,590,597	232,276
140 Terminal Leave	2,466	2,165	301
200 Employee Benefits	2,258,272	2,241,631	16,641
300 Purchased Services - Other than Tuition	18,910	18,842	68
400 Supplies and Materials	387,830	346,261	41,569
500 Capital Outlay	153,849	150,181	3,668
116 Career and Technology Education (Vocational) Programs- Middle School			
100 Salaries	1,426,552	1,321,829	104,723
101 Salaries	2,624	2,620	4
200 Employee Benefits	464,163	450,687	13,476
120 Exceptional Programs:			
121 Educable Mentally-Handicapped:			
100 Salaries	3,913,340	3,892,881	20,459
140 Terminal Leave	3,437	3,435	2
200 Employee Benefits	1,731,038	1,716,158	14,880
300 Purchased Services	4,266	106	4,160
400 Supplies and Materials	\$ 33,783	17,011	\$ 16,772

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2014

	REVISED BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH REVISED BUDGET- POSITIVE (NEGATIVE)
122 Trainable Mentally Handicapped:			
100 Salaries	\$ 3,368,437	3,367,383	\$ 1,054
140 Terminal Leave	3,225	-	3,225
200 Employee Benefits	1,488,830	1,488,407	423
300 Purchased Services	10,331	1,157	9,174
400 Supplies and Materials	7,990	5,038	2,952
123 Orthopedically Handicapped:			
100 Salaries	950,357	947,730	2,627
140 Terminal Leave	452	-	452
200 Employee Benefits	415,518	408,782	6,736
300 Purchased Services	938	853	85
400 Supplies and Materials	63	-	63
124 Visually Handicapped:			
100 Salaries	235,337	225,911	9,426
200 Employee Benefits	83,678	80,198	3,480
300 Purchased Services	6,289	6,289	-
400 Supplies and Materials	378	-	378
125 Hearing Handicapped:			
100 Salaries	759,639	725,659	33,980
140 Terminal Leave	500	500	-
200 Employee Benefits	267,355	264,941	2,414
300 Purchased Services	3,400	3,397	3
400 Supplies and Materials	416	-	416
126 Speech Handicapped:			
100 Salaries	3,851,878	3,849,636	2,242
140 Terminal Leave	2,665	2,665	-
200 Employee Benefits	1,283,033	1,282,985	48
300 Purchased Services	10,422	10,422	-
127 Learning Disabilities:			
100 Salaries	13,119,417	12,843,028	276,389
140 Terminal Leave	8,669	8,583	86
200 Employee Benefits	4,549,795	4,549,091	704
300 Purchased Services	1,190	1,185	5
400 Supplies and Materials	2,878	2,809	69
128 Emotionally Handicapped:			
100 Salaries	2,161,581	2,085,796	75,785
140 Terminal Leave	1,938	1,908	30
200 Employee Benefits	723,948	722,891	1,057
300 Purchased Services	927	926	1
400 Supplies and Materials	\$ 1,563	569	\$ 994

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2014

	REVISED BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH REVISED BUDGET- POSITIVE (NEGATIVE)
130 Pre-School Programs:			
137 Pre-School Handicapped Self-Contained (3 & 4-Yr. Olds):			
100 Salaries	\$ 2,302,915	2,275,287	\$ 27,628
140 Terminal Leave	3,616	3,598	18
200 Employee Benefits	811,695	810,375	1,320
400 Supplies and Materials	806	-	806
139 Early Childhood Programs:			
100 Salaries	263,804	252,724	11,080
200 Employee Benefits	129,531	129,370	161
400 Supplies and Materials	640	639	1
140 Special Programs:			
141 Gifted and Talented - Academic:			
100 Salaries	1,087,149	1,086,666	483
140 Terminal Leave	8,376	7,845	531
200 Employee Benefits	399,280	391,414	7,866
145 Homebound:			
100 Salaries	990,868	932,129	58,739
200 Employee Benefits	309,963	302,945	7,018
300 Purchased Services	58,253	23,447	34,806
400 Supplies and Materials	9,107	1,380	7,727
148 Gifted and Talented - Artistic:			
100 Salaries	14,463	14,386	77
200 Employee Benefits	4,550	4,498	52
149 Other Special Programs:			
100 Salaries	141,044	140,985	59
140 Terminal Leave	30	-	30
200 Employee Benefits	60,162	60,085	77
300 Purchased Services	2,339	892	1,447
400 Supplies and Materials	2,000	1,940	60
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	110,778	89,559	21,219
140 Terminal Leave	367	-	367
200 Employee Benefits	45,423	41,353	4,070
300 Purchased Services	9,000	-	9,000
170 Summer School Programs:			
172 Elementary Summer School:			
100 Salaries	60,282	60,280	2
200 Employee Benefits	16,881	13,377	3,504
300 Purchased Services	200	-	200
400 Supplies and Materials	\$ 100	83	\$ 17

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2014

	REVISED BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH REVISED BUDGET- POSITIVE (NEGATIVE)
173 High School Summer School:			
100 Salaries	\$ 63,450	63,450	\$ -
200 Employee Benefits	14,659	14,657	2
300 Purchased Services	100	-	100
400 Supplies and Materials	200	100	100
175 Instructional Programs Beyond Regular School Day:			
100 Salaries	163,050	119,646	43,404
200 Employee Benefits	25,458	25,058	400
400 Supplies and Materials	2,000	1,852	148
180 Adult/Continuing Educational Programs:			
182 Adult Secondary Education Programs:			
140 Terminal Leave	2,000	1,340	660
200 Employee Benefits	300	252	48
188 Parenting/Family Literacy:			
200 Employee Benefits	17	17	-
Total Instruction	<u>281,070,595</u>	<u>278,775,571</u>	<u>2,295,024</u>
200 Support Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	1,198,641	1,173,554	25,087
200 Employee Benefits	388,449	384,837	3,612
300 Purchased Services	49,656	49,630	26
400 Supplies and Materials	6,250	5,300	950
600 Other Objects	318	313	5
212 Guidance Services:			
100 Salaries	9,640,834	9,233,222	407,612
140 Terminal Leave	5,358	4,900	458
200 Employee Benefits	3,027,010	3,018,155	8,855
300 Purchased Services	24,825	1,163	23,662
400 Supplies and Materials	7,784	4,560	3,224
500 Capital Outlay	1,025	1,025	-
600 Other Objects	168	168	-
213 Health Services:			
100 Salaries	2,311,115	2,306,152	4,963
200 Employee Benefits	864,198	856,293	7,905
300 Purchased Services	67,100	38,542	28,558
400 Supplies and Materials	58,399	54,631	3,768
500 Capital Outlay	9,800	9,672	128
600 Other Objects	\$ 150	125	\$ 25

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2014

	REVISED BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH REVISED BUDGET- POSITIVE (NEGATIVE)
214 Psychological Services:			
100 Salaries	\$ 1,002,942	953,712	\$ 49,230
140 Terminal Leave	4,144	-	4,144
200 Employee Benefits	312,291	295,752	16,539
300 Purchased Services	23,177	22,153	1,024
400 Supplies and Materials	11,517	7,394	4,123
215 Exceptional Program Services:			
100 Salaries	500	368	132
200 Employee Benefits	100	74	26
217 Career Specialist Services:			
100 Salaries	58,311	58,115	196
200 Employee Benefits	17,624	17,537	87
220 Instructional Staff Services:			
221 Improvement of Instruction-Curriculum Development:			
100 Salaries	5,787,508	5,782,076	5,432
140 Terminal Leave	7,674	7,313	361
200 Employee Benefits	1,803,383	1,802,457	926
300 Purchased Services	86,874	37,662	49,212
400 Supplies and Materials	28,557	17,917	10,640
500 Capital Outlay	83,867	83,772	95
600 Other Objects	2,447	2,370	77
222 Library and Media Services:			
100 Salaries	6,865,184	6,778,407	86,777
140 Terminal Leave	13,594	13,538	56
200 Employee Benefits	2,348,572	2,337,195	11,377
300 Purchased Services	165,832	159,900	5,932
400 Supplies and Materials	814,403	653,620	160,783
500 Capital Outlay	10,000	-	10,000
223 Supervision of Special Programs:			
100 Salaries	1,583,732	1,576,242	7,490
140 Terminal Leave	9,917	9,713	204
200 Employee Benefits	501,076	500,480	596
300 Purchased Services	12,853	10,917	1,936
400 Supplies and Materials	1,697	1,493	204
500 Capital Outlay	3,821	3,820	1
600 Other Objects	3,022	867	2,155
224 Improvement of Instruction-Inservice and Staff Training:			
100 Salaries	128,327	92,636	35,691
200 Employee Benefits	31,472	21,121	10,351
300 Purchased Services	286,467	250,831	35,636
400 Supplies and Materials	23,544	16,379	7,165
600 Other Objects	\$ 7,790	7,790	\$ -

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2014

	REVISED BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH REVISED BUDGET- POSITIVE (NEGATIVE)
230 General Administrative Services:			
231 Board of Education:			
100 Salaries	\$ 123,610	123,609	\$ 1
200 Employee Benefits	28,640	22,308	6,332
300 Purchased Services	336,811	76,039	260,772
318 Audit Services (this account code must be reported separately here)	91,000	78,883	12,117
400 Supplies and Materials	8,841	8,696	145
600 Other Objects	41,000	40,662	338
232 Office of Superintendent:			
100 Salaries	1,090,595	1,090,245	350
140 Terminal Leave	551	-	551
200 Employee Benefits	326,807	325,025	1,782
300 Purchased Services	204,264	37,889	166,375
400 Supplies and Materials	28,884	28,345	539
600 Other Objects	10,663	10,627	36
233 School Administration:			
100 Salaries	27,259,733	27,202,760	56,973
140 Terminal Leave	159,563	109,762	49,801
200 Employee Benefits	8,842,339	8,834,976	7,363
300 Purchased Services	129,823	127,391	2,432
400 Supplies and Materials	319,118	309,190	9,928
500 Capital Outlay	45,126	45,122	4
600 Other Objects	82,436	81,347	1,089
250 Finance and Operations Services:			
251 Student Transportation (Federal/District Mandated):			
100 Salaries	540,955	361,140	179,815
200 Employee Benefits	128,222	122,786	5,436
300 Purchased Services	1,012	1,011	1
252 Fiscal Services:			
100 Salaries	2,315,371	2,314,167	1,204
140 Terminal Leave	8,527	545	7,982
200 Employee Benefits	426,959	424,773	2,186
300 Purchased Services	361,205	331,943	29,262
400 Supplies and Materials	19,640	19,058	582
500 Capital Outlay	2,080	1,379	701
600 Other Objects	\$ 497,024	496,922	\$ 102

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2014

	REVISED BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH REVISED BUDGET- POSITIVE (NEGATIVE)
254 Operation and Maintenance of Plant:			
100 Salaries	\$ 23,149,663	22,698,660	\$ 451,003
140 Terminal Leave	93,172	92,794	378
200 Employee Benefits	9,896,325	9,889,967	6,358
300 Purchased Services	3,730,944	3,722,188	8,756
321 Public Utilities (Excludes Gas, Oil, Elec. & Other Heating Fuels)	1,488,000	1,415,942	72,058
400 Supplies and Materials	4,785,821	4,759,381	26,440
470 Energy (Includes Gas, Oil, Elec. & Other Heating Fuels)	14,724,724	14,087,128	637,596
500 Capital Outlay	1,489,518	1,488,441	1,077
600 Other Objects	2,850	2,825	25
255 Student Transportation (State Mandated):			
100 Salaries	10,803,325	10,671,386	131,939
140 Terminal Leave	11,047	11,004	43
200 Employee Benefits	4,287,579	4,276,555	11,024
300 Purchased Services	857,322	853,208	4,114
400 Supplies and Materials	50,001	50,000	1
500 Capital Outlay	9,690	9,690	-
600 Other Objects	150	115	35
256 Food Service:			
200 Employee Benefits	4,822,193	4,816,557	5,636
257 Internal Services:			
100 Salaries	964,771	949,871	14,900
140 Terminal Leave	3,342	2,975	367
200 Employee Benefits	329,639	328,895	744
300 Purchased Services	43,511	41,022	2,489
400 Supplies and Materials	135,787	102,035	33,752
500 Capital Outlay	1,600	-	1,600
600 Other Objects	90	-	90
258 Security:			
100 Salaries	654,624	626,613	28,011
200 Employee Benefits	215,371	214,706	665
300 Purchased Services	2,855,539	2,578,468	277,071
400 Supplies and Materials	96,240	93,909	2,331
500 Capital Outlay	173,160	171,814	1,346
259 Internal Auditing Services:			
100 Salaries	282,596	260,836	21,760
140 Terminal Leave	339	336	3
200 Employee Benefits	91,896	85,234	6,662
300 Purchased Services	4,431	4,358	73
400 Supplies and Materials	2,090	1,594	496
500 Capital Outlay	1,080	1,035	45
600 Other Objects	\$ 1,340	1,096	\$ 244

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2014

	REVISED BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH REVISED BUDGET- POSITIVE (NEGATIVE)
260 Central Support Services:			
262 Planning, Research, Development and Evaluation:			
100 Salaries	\$ 1,008,977	991,834	\$ 17,143
200 Employee Benefits	304,403	295,988	8,415
300 Purchased Services	85,047	30,031	55,016
400 Supplies and Materials	23,896	23,852	44
500 Capital Outlay	12,665	12,001	664
600 Other Objects	1,536	1,351	185
263 Information Services:			
100 Salaries	554,560	549,897	4,663
140 Terminal Leave	906	-	906
200 Employee Benefits	192,018	187,872	4,146
300 Purchased Services	61,353	33,629	27,724
400 Supplies and Materials	17,400	17,244	156
500 Capital Outlay	11,681	8,255	3,426
600 Other Objects	650	630	20
264 Staff Services:			
100 Salaries	1,159,931	1,159,902	29
140 Terminal Leave	3,783	-	3,783
200 Employee Benefits	360,242	360,190	52
300 Purchased Services	282,789	229,710	53,079
400 Supplies and Materials	21,460	21,211	249
500 Capital Outlay	2,658	505	2,153
600 Other Objects	20,659	7,639	13,020
266 Technology and Data Processing Services:			
100 Salaries	3,574,334	3,519,344	54,990
140 Terminal Leave	1,499	1,133	366
200 Employee Benefits	1,143,694	1,139,003	4,691
300 Purchased Services	1,913,564	1,756,264	157,300
400 Supplies and Materials	288,500	200,754	87,746
500 Capital Outlay	523,664	322,118	201,546
270 Support Services Pupil Activity:			
271 Pupil Services Activities:			
100 Salaries (Optional)	2,920,760	2,908,764	11,996
200 Employee Benefits (Optional)	630,735	618,688	12,047
300 Purchased Services (Optional)	143,623	13,019	130,604
400 Supplies and Materials (Optional)	3,262	3,123	139
600 Other Objects (Optional)	569,383	567,884	1,499
Total Support Services	<u>\$ 185,033,500</u>	<u>180,584,936</u>	<u>\$ 4,448,564</u>

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2014

	REVISED BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH REVISED BUDGET- POSITIVE (NEGATIVE)
300 Community Services:			
330 Civic Services:			
100 Salaries	\$ 46,717	46,717	\$ -
200 Employee Benefits	14,248	14,119	129
300 Purchased Services	5,560	5,000	560
400 Supplies and Materials	528	33	495
Total Community Services	<u>67,053</u>	<u>65,869</u>	<u>1,184</u>
400 Other Charges:			
410 Intergovernmental Expenditures:			
411 Payments to the SDE			
720 Transits	905,978	905,978	-
412 Payments to Other Governmental Units			
720 Transits	150,000	133,318	16,682
416 Payments to Public Charter Schools			
720 Transits	17,894,000	17,884,317	9,683
Total Intergovernmental Expenditures	<u>18,949,978</u>	<u>18,923,613</u>	<u>26,365</u>
TOTAL EXPENDITURES	<u>485,121,126</u>	<u>478,349,989</u>	<u>6,771,137</u>
OTHER FINANCING SOURCES (USES)			
5300 Sale of Fixed Assets	-	23,088	23,088
Interfund Transfers, From (To) Other Funds:			
5220 Transfer from Special Revenue Fund (Excludes Indirect Cost)	-	1,000	1,000
5230 Transfer from Special Revenue EIA Fund	12,511,000	11,609,617	(901,383)
5260 Transfer from Food Service Fund	1,613,000	1,761,000	148,000
5280 Transfer from Other Funds Indirect Costs	1,400,000	1,358,445	(41,555)
421-710 Transfer to Special Revenue Fund	(9,553)	(200)	9,353
426-710 Transfer to Pupil Activity Fund	(392,321)	(370,284)	22,037
TOTAL OTHER FINANCING SOURCES (USES)	<u>15,122,126</u>	<u>14,382,666</u>	<u>(739,460)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(11,248,000)	10,100,543	21,348,543
FUND BALANCE, Beginning of Year	<u>82,885,579</u>	<u>82,885,579</u>	<u>-</u>
FUND BALANCE, End of Year	<u>\$ 71,637,579</u>	<u>92,986,122</u>	<u>\$ 21,348,543</u>

THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA

Schedule B-1

SPECIAL REVENUE FUND

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

YEAR ENDED JUNE 30, 2014

	REVISED BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH REVISED BUDGET- POSITIVE (NEGATIVE)
REVENUES			
Local Sources	\$ 18,297,829	6,347,006	\$ (11,950,823)
State Sources	15,631,739	7,852,651	(7,779,088)
Federal Sources	55,500,384	42,355,510	(13,144,874)
TOTAL REVENUE ALL SOURCES	89,429,952	56,555,167	(32,874,785)
EXPENDITURES			
Current:			
Instruction	37,556,397	25,970,857	11,585,540
Support Services	34,732,973	20,842,983	13,889,990
Community Services	1,679,001	1,438,893	240,108
Intergovernmental	3,081,019	2,931,428	149,591
Capital Outlay	6,531,358	4,019,938	2,511,420
TOTAL EXPENDITURES	83,580,748	55,204,099	28,376,649
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,849,204	1,351,068	(4,498,136)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	200	200
Transfers Out	(5,849,204)	(5,437,384)	411,820
TOTAL OTHER FINANCING SOURCES (USES)	(5,849,204)	(5,437,184)	412,020
NET CHANGES IN FUND BALANCE	-	(4,086,116)	(4,086,116)
FUND BALANCE, Beginning of Year, as Previously Reported	3,624,665	3,624,665	-
Prior Period Adjustment	-	11,322,757	11,322,757
FUND BALANCE, Beginning of Year, Restated	3,624,665	14,947,422	11,322,757
FUND BALANCE, End of Year	\$ 3,624,665	10,861,306	\$ 7,236,641

Note: The budget is not legally adopted by the Board of Trustees for this fund. The budget is presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2014

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203)
REVENUES		
1000 Revenue from Local Sources:		
1300 Tuition:		
1330 From Patrons for Adult/Continuing Education	\$ -	-
1900 Other Revenue from Local Sources:		
1930 Medicaid	-	-
1999 Revenue from Other Local Sources	-	-
Total Revenue from Local Sources	<u>-</u>	<u>-</u>
3000 Revenue from State Sources:		
3100 Restricted State Funding:		
3110 Occupational Education:		
3118 EEDA Career Specialist	-	-
3120 General Education:		
3125 Career and Technology Education Equipment (Carryover Only)	-	-
3127 Student Health and Fitness - PE Teachers	-	-
3130 Special Programs:		
3136 Student Health and Fitness - Nurses	-	-
3150 Adult Education:		
3177 Summer Reading Camp	-	-
3190 Miscellaneous Restricted State Grants:		
3193 Education License Plates	-	-
3199 Other Restricted State Grants	-	-
3600 Education Lottery Act Revenue:		
3607 6-8 Enhancement (Carryover Provision)	-	-
3610 K-5 Enhancement (Carryover Provision)	-	-
3620 Digital Instructional Materials	-	-
3900 Other State Revenue:		
3999 Revenue from Other State Sources	-	-
Total Revenue from State Sources	<u>-</u>	<u>-</u>
4000 Revenue from Federal Sources:		
4200 Occupational Education:		
4210 Perkins Aid, Title I	\$ -	-

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Adult Education* (243)	Other Designated Restricted State Grants* (800s/900s)	Other Special Revenue Programs* (200s/800s/900s)	Totals
-	-	-	-	23,852	\$ 23,852
-	-	-	-	3,524,896	3,524,896
-	-	-	-	2,798,258	2,798,258
-	-	-	-	6,347,006	6,347,006
-	-	-	1,940,622	-	1,940,622
-	-	-	322,797	-	322,797
-	-	-	566,356	-	566,356
-	-	-	1,633,435	-	1,633,435
-	-	-	4,841	-	4,841
-	-	-	26,144	-	26,144
-	-	-	376,969	4,000	380,969
-	-	-	176,971	-	176,971
-	-	-	2,368,330	-	2,368,330
-	-	-	404,151	-	404,151
-	-	-	-	28,035	28,035
-	-	-	7,820,616	32,035	7,852,651
-	1,019,089	-	-	-	\$ 1,019,089

(Continued)

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2014

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203)
4300 Elementary and Secondary Education Act of 1965 (ESEA):		
4310 Perkins, Title I, Basic State Grant Program (Carryover Provision)	\$ 19,373,029	-
4314 School Improvement Grant	-	-
4316 School Improvement Grant (ARRA)	-	-
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III (Carryover Provision)	-	-
4343 McKinney-Vento	-	-
4348 Teacher Incentive Fund	-	-
4351 Improving Teacher Quality (Carryover Provision)	-	-
4400 Adult Education:		
4410 Basic Adult Education	-	-
4430 State Literacy Resource	-	-
4500 Programs for Children with Disabilities:		
4510 Individuals with Disabilities Education Act (IDEA) (Carryover Provision)	-	15,913,521
4520 Preschool Grants (IDEA) (Carryover Provision)	-	-
4900 Other Federal Sources:		
4924 21st Century Community Learning Center Program (Title IV, 21st Century Schools)	-	-
4940 SC School Climate Initiative	-	-
4999 Revenue from Other Federal Sources	-	-
Total Revenue from Federal Sources	<u>19,373,029</u>	<u>15,913,521</u>
TOTAL REVENUE ALL SOURCES	<u>19,373,029</u>	<u>15,913,521</u>

EXPENDITURES

100 Instruction:		
110 General Instruction:		
111 Kindergarten Program:		
100 Salaries	104,251	-
200 Employee Benefits	36,010	-
112 Primary Programs:		
100 Salaries	2,660,938	-
200 Employee Benefits	916,619	-
300 Purchased Services	140,037	-
400 Supplies and Materials	449,999	-
500 Capital Outlay	\$ 499,311	-

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Adult Education* (243)	Other Designated Restricted State Grants* (800s/900s)	Other Special Revenue Programs* (200s/800s/900s)	Totals
-	-	-	-	383,322	\$ 19,756,351
-	-	-	-	35,889	35,889
-	-	-	-	270,016	270,016
-	-	-	-	584,217	584,217
-	-	-	-	1,002,094	1,002,094
-	-	-	-	1,793,765	1,793,765
-	-	316,689	-	-	316,689
-	-	15,416	-	-	15,416
-	-	-	-	-	15,913,521
584,037	-	-	-	-	584,037
-	-	-	-	134,564	134,564
-	-	-	-	56,082	56,082
-	-	-	-	873,780	873,780
584,037	1,019,089	332,105	-	5,133,729	42,355,510
584,037	1,019,089	332,105	7,820,616	11,512,770	56,555,167
-	-	-	-	-	104,251
-	-	-	-	-	36,010
-	-	-	-	1,025,470	3,686,408
-	-	-	-	356,694	1,273,313
-	-	-	-	1,982	142,019
-	-	-	340	32,577	482,916
-	-	-	-	-	\$ 499,311

(Continued)

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2014

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203)
113 Elementary Programs:		
100 Salaries	\$ 2,840,516	-
140 Terminal Leave	1,884	-
200 Employee Benefits	977,056	-
300 Purchased Services	306,737	-
400 Supplies and Materials	118,278	-
500 Capital Outlay	252,783	-
114 High School Programs:		
100 Salaries	14,426	-
200 Employee Benefits	4,644	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
500 Capital Outlay	-	-
115 Career and Technology Education Program:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services - Other Than Tuition	-	-
400 Supplies and Materials	-	-
500 Capital Outlay	-	-
116 Career and Technology Education Programs- Middle School:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
500 Capital Outlay	-	-
120 Exceptional Programs:		
121 Educable Mentally Handicapped:		
100 Salaries	-	287,346
200 Employee Benefits	-	108,951
300 Purchased Services	-	24,809
400 Supplies and Materials	-	319
500 Capital Outlay	-	2,581
122 Trainable Mentally Handicapped:		
100 Salaries	-	371,255
200 Employee Benefits	-	125,341
300 Purchased Services	-	20,515
400 Supplies and Materials	-	1,391
500 Capital Outlay	-	5,722
123 Orthopedically Handicapped:		
100 Salaries	-	77,978
200 Employee Benefits	-	30,856
400 Supplies and Materials	-	22,198
500 Capital Outlay	\$ -	11,030

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Adult Education* (243)	Other Designated Restricted State Grants* (800s/900s)	Other Special Revenue Programs* (200s/800s/900s)	Totals
-	-	-	-	295	\$ 2,840,811
-	-	-	-	-	1,884
-	-	-	-	49	977,105
-	-	-	-	74,184	380,921
-	-	-	34	31,169	149,481
-	-	-	-	112,868	365,651
-	-	-	104	655,721	670,251
-	-	-	-	625	5,269
-	-	-	-	2,910	2,910
-	-	-	34	288,601	288,635
-	-	-	-	8,088	8,088
-	17,576	-	104	71,976	89,656
-	7,410	-	-	16,438	23,848
-	24,411	-	-	-	24,411
-	159,426	-	-	-	159,426
-	97,538	-	-	-	97,538
-	-	-	-	5,565	5,565
-	-	-	-	1,269	1,269
-	500	-	-	-	500
-	25,266	-	-	-	25,266
-	60,000	-	-	-	60,000
-	-	-	-	-	287,346
-	-	-	-	-	108,951
-	-	-	-	-	24,809
-	-	-	-	-	319
-	-	-	-	-	2,581
-	-	-	-	-	371,255
-	-	-	-	-	125,341
-	-	-	-	-	20,515
-	-	-	1,463	-	2,854
-	-	-	4,280	-	10,002
-	-	-	-	-	77,978
-	-	-	-	-	30,856
-	-	-	-	-	22,198
-	-	-	-	-	\$ 11,030

(Continued)

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2014

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203)
124 Visually Handicapped:		
100 Salaries	\$ -	15,943
200 Employee Benefits	-	8,951
300 Purchased Services	-	4,895
400 Supplies and Materials	-	10,028
500 Capital Outlay	-	37,700
125 Hearing Handicapped:		
100 Salaries	-	173,033
200 Employee Benefits	-	49,233
300 Purchased Services	-	6,599
400 Supplies and Materials	-	6,682
500 Capital Outlay	-	19,108
126 Speech Handicapped:		
100 Salaries	-	852,663
200 Employee Benefits	-	233,663
300 Purchased Services	-	146,178
400 Supplies and Materials	-	54,031
500 Capital Outlay	-	47,266
600 Other Objects	-	-
127 Learning Disabilities:		
100 Salaries	-	1,648,711
200 Employee Benefits	-	534,462
300 Purchased Services	-	33,213
400 Supplies and Materials	-	22,072
500 Capital Outlay	-	8,445
600 Other Objects	-	2,261
128 Emotionally Handicapped:		
100 Salaries	-	84,589
200 Employee Benefits	-	35,467
400 Supplies and Materials	-	84
129 Coordinated Early Intervening Services (CEIS):		
300 Purchased Services	-	65,600
400 Supplies and Materials	-	95,432
130 Pre-School Programs:		
131 Pre-School Handicapped Speech (5-Yr. Olds):		
300 Purchased Services	-	12,043
135 Pre-School Handicapped Speech (3 & 4-Yr. Olds):		
100 Salaries	-	-
200 Employee Benefits	\$ -	-

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Adult Education* (243)	Other Designated Restricted State Grants* (800s/900s)	Other Special Revenue Programs* (200s/800s/900s)	Totals
-	-	-	-	-	\$ 15,943
-	-	-	-	-	8,951
-	-	-	-	-	4,895
-	-	-	-	-	10,028
-	-	-	-	-	37,700
-	-	-	-	-	173,033
-	-	-	-	-	49,233
-	-	-	-	-	6,599
-	-	-	-	-	6,682
-	-	-	-	-	19,108
-	-	-	-	419,793	1,272,456
-	-	-	-	98,879	332,542
-	-	-	-	-	146,178
-	-	-	-	-	54,031
-	-	-	-	-	47,266
-	-	-	-	14,914	14,914
-	-	-	-	36,530	1,685,241
-	-	-	-	15,293	549,755
-	-	-	-	-	33,213
-	-	-	32	-	22,104
-	-	-	-	-	8,445
-	-	-	-	-	2,261
-	-	-	104	52,082	136,775
-	-	-	-	26,686	62,153
-	-	-	-	-	84
-	-	-	-	-	65,600
-	-	-	-	-	95,432
-	-	-	-	-	12,043
51,386	-	-	-	-	51,386
16,321	-	-	-	-	\$ 16,321

(Continued)

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2014

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203)
137 Pre-School Handicapped Self-Contained (3 & 4-Yr. Olds):		
100 Salaries	\$ -	273,544
200 Employee Benefits	-	77,700
300 Purchased Services	-	10,161
400 Supplies and Materials	-	17,519
500 Capital Outlay	-	1,046
139 Early Childhood Programs:		
100 Salaries	2,609,092	-
200 Employee Benefits	960,923	-
140 Special Programs:		
141 Gifted and Talented - Academic:		
400 Supplies and Materials	-	-
149 Other Special Programs:		
100 Salaries	-	41,224
200 Employee Benefits	-	9,673
300 Purchased Services	-	11,424
400 Supplies and Materials	-	29,252
500 Capital Outlay	-	52
160 Other Exceptional Programs:		
161 Autism:		
100 Salaries	-	284,875
200 Employee Benefits	-	85,600
300 Purchased Services	-	1,780
400 Supplies and Materials	-	4,627
170 Summer School Programs:		
171 Primary Summer School:		
100 Salaries	-	11,325
200 Employee Benefits	-	3,044
400 Supplies and Materials	-	100
172 Elementary Summer School:		
100 Salaries	157,946	-
200 Employee Benefits	35,966	-
300 Purchased Services	97,409	-
400 Supplies and Materials	70,373	-
500 Capital Outlay	80,020	-
173 High School Summer School:		
100 Salaries	-	-
200 Employee Benefits	-	-
175 Instructional Programs Beyond Regular School Day:		
100 Salaries	134,671	-
200 Employee Benefits	31,491	-
300 Purchased Services	29,587	-
400 Supplies and Materials	\$ 12,564	-

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Adult Education* (243)	Other Designated Restricted State Grants* (800s/900s)	Other Special Revenue Programs* (200s/800s/900s)	Totals
143,166	-	-	-	-	\$ 416,710
51,220	-	-	-	-	128,920
-	-	-	-	-	10,161
-	-	-	-	-	17,519
-	-	-	-	-	1,046
-	-	-	-	-	2,609,092
-	-	-	-	-	960,923
-	-	-	-	812	812
-	-	-	1,357,531	-	1,398,755
-	-	-	464,994	-	474,667
-	-	-	-	182,827	194,251
-	-	-	-	126,115	155,367
-	-	-	-	-	52
-	-	-	-	-	284,875
-	-	-	-	-	85,600
-	-	-	-	-	1,780
-	-	-	-	-	4,627
-	-	-	-	-	11,325
-	-	-	-	-	3,044
-	-	-	-	-	100
-	-	-	-	34,466	192,412
-	-	-	-	8,074	44,040
-	-	-	-	3,198	100,607
-	-	-	-	33,935	104,308
-	-	-	-	-	80,020
-	1,904	-	-	-	1,904
-	418	-	-	-	418
-	-	-	-	152,265	286,936
-	-	-	-	33,208	64,699
-	-	-	-	8,257	37,844
-	-	-	-	33,615	\$ 46,179

(Continued)

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2014

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203)
180 Adult/Continuing Educational Programs:		
181 Adult Basic Education Programs:		
100 Salaries	\$ -	-
200 Employee Benefits	-	-
182 Adult Secondary Education Programs:		
100 Salaries	-	-
200 Employee Benefits	-	-
183 Adult English Literacy (ESL):		
100 Salaries	-	-
200 Employee Benefits	-	-
188 Parenting/Family Literacy:		
100 Salaries	356,385	-
200 Employee Benefits	134,144	-
300 Purchased Services	60,059	-
400 Supplies and Materials	156,767	-
500 Capital Outlay	18,042	-
Total Instruction	<u>14,268,928</u>	<u>6,161,590</u>
200 Support Services:		
210 Pupil Services:		
211 Attendance and Social Work Services:		
100 Salaries	555,452	146,630
200 Employee Benefits	182,710	49,787
300 Purchased Services	7,586	4,935
400 Supplies and Materials	7,036	-
212 Guidance Services:		
100 Salaries	-	130,691
200 Employee Benefits	-	40,573
300 Purchased Services	-	6,852
400 Supplies and Materials	-	973
213 Health Services:		
100 Salaries	123,031	1,411,782
200 Employee Benefits	41,531	480,123
300 Purchased Services	8,977	103,716
400 Supplies and Materials	1,957	11,920
500 Capital Outlay	-	17,584
600 Other Objects	-	-
214 Psychological Services:		
100 Salaries	-	1,095,562
200 Employee Benefits	-	328,459
300 Purchased Services	-	181,913
400 Supplies and Materials	-	134,571
500 Capital Outlay	-	1,225
600 Other Objects	\$ -	-

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Adult Education* (243)	Other Designated Restricted State Grants* (800s/900s)	Other Special Revenue Programs* (200s/800s/900s)	Totals
-	-	20,000	-	-	\$ 20,000
-	-	4,601	-	-	4,601
-	-	52,185	-	-	52,185
-	-	11,710	-	-	11,710
-	-	173,966	-	-	173,966
-	-	44,454	-	-	44,454
-	-	-	-	25,979	382,364
-	-	-	-	6,311	140,455
-	-	-	-	1,000	61,059
-	-	-	-	13,022	169,789
-	-	-	-	-	18,042
<u>262,093</u>	<u>394,449</u>	<u>306,916</u>	<u>1,829,020</u>	<u>4,013,742</u>	<u>27,236,738</u>
-	-	-	-	-	702,082
-	-	-	-	-	232,497
-	-	-	-	-	12,521
-	-	-	-	-	7,036
-	163,423	-	958,945	-	1,253,059
-	55,974	-	323,196	-	419,743
-	-	-	-	8,765	15,617
-	-	-	-	1,142	2,115
-	-	-	1,089,295	38,580	2,662,688
-	-	-	482,287	18,459	1,022,400
-	-	-	-	148,513	261,206
-	-	-	62	20,334	34,273
-	-	-	-	-	17,584
-	-	-	-	3,120	3,120
72,986	-	-	-	-	1,168,548
23,890	-	-	-	-	352,349
-	-	-	-	-	181,913
-	-	-	-	-	134,571
-	-	-	-	-	1,225
-	-	-	-	150	\$ 150

(Continued)

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2014

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203)
215 Exceptional Program Services:		
100 Salaries	\$ -	65,926
200 Employee Benefits	-	16,991
300 Purchased Services	-	77,663
400 Supplies and Materials	-	1,820
217 Career Specialists Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
220 Instructional Staff Services:		
221 Improvement of Instruction - Curriculum Development:		
100 Salaries	857,997	1,524,666
200 Employee Benefits	308,930	449,787
300 Purchased Services	933	26,298
400 Supplies and Materials	-	3,258
600 Other Objects	-	5,960
222 Library and Media:		
300 Purchased Services	-	-
400 Supplies and Materials	-	-
223 Supervision of Special Programs:		
100 Salaries	319,714	1,193,365
140 Terminal Leave	-	8,238
200 Employee Benefits	107,174	418,718
300 Purchased Services	13,678	291,885
400 Supplies and Materials	13,549	20,629
500 Capital Outlay	5,393	3,848
600 Other Objects	-	372
224 Improvement of Instruction - Inservice and Staff Training:		
100 Salaries	45,443	15,620
200 Employee Benefits	9,394	3,007
300 Purchased Services	101,364	136,312
400 Supplies and Materials	46,555	9,628
600 Other Objects	-	200
230 General Administration Services:		
232 Office of the Superintendent:		
300 Purchased Services	-	-
400 Supplies and Materials	-	-
600 Other Objects	-	-
233 School Administration:		
300 Purchased Services	\$ -	-

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Adult Education* (243)	Other Designated Restricted State Grants* (800s/900s)	Other Special Revenue Programs* (200s/800s/900s)	Totals
55,398	-	-	-	-	\$ 121,324
28,230	-	-	-	-	45,221
-	-	-	-	-	77,663
-	-	-	-	-	1,820
-	-	-	330,123	-	330,123
-	-	-	124,618	-	124,618
-	117,845	-	366,385	97,188	2,964,081
-	33,822	-	116,798	28,825	938,162
-	-	-	-	47,543	74,774
-	-	-	-	78,060	81,318
-	8,850	-	-	100	14,910
-	-	-	-	46,380	46,380
-	-	-	-	933,070	933,070
69,713	20,985	11,500	-	410,410	2,025,687
-	-	-	-	1,427	9,665
28,986	4,718	2,645	-	122,851	685,092
-	11,565	-	-	26,584	343,712
-	-	-	-	13,950	48,128
-	-	-	-	-	9,241
-	-	-	-	-	372
-	-	-	-	170,381	231,444
-	-	-	-	44,254	56,655
-	11,719	-	-	146,783	396,178
-	-	-	-	32,345	88,528
-	-	-	-	-	200
-	-	-	-	6,491	6,491
-	-	-	-	2,347	2,347
-	-	-	-	3,000	3,000
-	-	-	-	736	\$ 736

(Continued)

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2014

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203)
250 Finance and Operations Services:		
251 Student Transportation (Federal/District Mandated):		
100 Salaries	\$ 79,023	175,743
200 Employee Benefits	30,999	68,541
300 Purchased Services	180,037	102,593
400 Supplies and Materials	44,470	17,284
600 Other Objects	-	-
252 Fiscal Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
253 Facilities Acquisition and Construction:		
300 Purchased Services	-	8,011
400 Supplies and Materials	-	-
500 Capital Outlay:		
545 Technology, Equipment and Software	-	-
254 Operation and Maintenance of Plant:		
400 Supplies and Materials	-	-
500 Capital Outlay	-	9,100
260 Central Support Services:		
263 Information Services:		
300 Purchased Services	-	-
400 Supplies and Materials	-	-
264 Staff Services:		
400 Supplies and Materials	-	-
266 Technology and Data Processing Services:		
100 Salaries	269,702	-
140 Terminal Leave	4,089	-
200 Employee Benefits	93,589	-
400 Supplies and Materials	-	-
270 Support Services - Pupil Activity:		
271 Pupil Services Activities:		
300 Purchased Services	-	-
600 Other Objects	-	1,500
Total Support Services	<u>3,460,313</u>	<u>8,804,259</u>
300 Community Services:		
350 Custody and Care of Children:		
100 Salaries	998	-
200 Employee Benefits	\$ 233	-

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Adult Education* (243)	Other Designated Restricted State Grants* (800s/900s)	Other Special Revenue Programs* (200s/800s/900s)	Totals
-	-	-	-	750	\$ 255,516
-	-	-	-	171	99,711
-	-	-	-	38,095	320,725
-	-	-	-	-	61,754
-	-	-	-	7,074	7,074
-	-	-	-	123,009	123,009
-	-	-	-	39,762	39,762
-	-	-	-	157,152	157,152
-	-	-	-	4,706	4,706
-	-	-	-	779,101	787,112
-	-	-	-	133,772	133,772
-	-	-	-	2,711,792	2,711,792
-	-	-	-	122,307	122,307
-	-	-	-	3,890	12,990
-	-	-	-	8,876	8,876
-	-	-	-	22,020	22,020
-	-	-	-	5,382	5,382
-	-	-	-	-	269,702
-	-	-	-	-	4,089
-	-	-	-	-	93,589
-	-	-	25,668	1,533	27,201
-	3,625	-	-	-	3,625
-	111,292	-	-	12,262	125,054
279,203	543,818	14,145	3,817,377	6,623,442	23,542,557
-	-	-	-	-	998
-	-	-	-	-	\$ 233

(Continued)

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2014

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203)
390 Other Community Services:		
100 Salaries	\$ -	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
500 Capital Outlay	-	-
600 Other Objects	-	-
Total Community Services	<u>1,231</u>	<u>-</u>
410 Intergovernmental Expenditures:		
416 Payments to Public Charter Schools		
720 Transits	980,289	402,954
Total Intergovernmental Expenditures	<u>980,289</u>	<u>402,954</u>
TOTAL EXPENDITURES	<u>18,710,761</u>	<u>15,368,803</u>
OTHER FINANCING SOURCES (USES)		
Interfund Transfers, From (To) Other Funds:		
5210 Transfer from General Fund (Exclude Indirect Costs)	-	-
420-710 Transfer to General Fund (Exclude Indirect Costs)	-	-
422-710 Transfer to Special Revenue EIA Fund	-	-
424-710 Transfer to School Building Fund	-	-
426-710 Transfer to Pupil Activity Fund	-	-
431-791 Special Revenue Fund Indirect Costs (Use Only for Transfer of Indirect Costs to General Fund)	(662,268)	(544,718)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(662,268)</u>	<u>(544,718)</u>
EXCESS/DEFICIENCY OF REVENUES AND EXPENDITURES	<u>-</u>	<u>-</u>
FUND BALANCE, Beginning of Year, as Previously Reported	-	-
Prior Period Adjustment	-	-
FUND BALANCE, Beginning of Year, Restated	<u>-</u>	<u>-</u>
FUND BALANCE, End of Year	<u>\$ -</u>	<u>-</u>

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Adult Education* (243)	Other Designated Restricted State Grants* (800s/900s)	Other Special Revenue Programs* (200s/800s/900s)	Totals
-	-	-	61,435	45,491	\$ 106,926
-	-	-	21,288	19,147	40,435
-	-	-	59,709	959,794	1,019,503
-	-	-	226,937	16,942	243,879
-	-	-	1,225	-	1,225
-	-	-	-	26,919	26,919
-	-	-	370,594	1,068,293	1,440,118
22,789	55,661	-	375,428	1,094,307	2,931,428
22,789	55,661	-	375,428	1,094,307	2,931,428
564,085	993,928	321,061	6,392,419	12,799,784	55,150,841
-	-	-	-	200	200
-	-	-	-	(1,000)	(1,000)
-	-	-	(1,040,235)	-	(1,040,235)
-	-	-	(387,704)	(2,650,000)	(3,037,704)
-	-	-	(258)	(53,000)	(53,258)
(19,952)	(25,161)	(11,044)	-	(95,302)	(1,358,445)
(19,952)	(25,161)	(11,044)	(1,428,197)	(2,799,102)	(5,490,442)
-	-	-	-	(4,086,116)	(4,086,116)
-	-	-	-	3,624,665	3,624,665
-	-	-	-	11,322,757	11,322,757
-	-	-	-	14,947,422	14,947,422
-	-	-	-	10,861,306	\$ 10,861,306

SPECIAL REVENUE FUND

SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES

YEAR ENDED JUNE 30, 2014

OTHER DESIGNATED RESTRICTED STATE GRANTS

8920	State Miscellaneous Funds
9050	Career Technology Education Equipment
9190	Education License Plates
9260	Summer Reading Camp
9280	EEDA Career Specialists
9360	Student Health and Fitness - Nurses
9370	Student Health and Fitness - PE Teachers
9600	K-5 Enhancement
9650	Digital Instructional Materials
9670	6-8 Enhancement

OTHER SPECIAL REVENUE PROGRAMS

2210	Title I Neglected & Delinquent
2240	21st Century Comm Learning
2260	School Improvement Grant SIG (ARRA), Title I
2340	School Improvement Grant
2370	Title I School Improvement
2390	Federal Priority Schools
2400	SC School Climate Initiative
2640	Title III
2670	Title II Improving Teacher Quality
2680	Teacher Incentive Fund
2900	Naval JROTC
2900	Air Force JROTC
2900	Army JROTC
2920	Jobs for SC Graduates
2980	Community Transformation - PE
2990	Miscellaneous Federal
8010	Medicaid
8040	All County Band Reserve
8060	Communications - Marketing
8080	Parade - Communications
8090	SC Arts Residency
8100	Sprint Peer Mediation Grant
8120	Golf Tournament
8130	Agricultural Education
8150	Greenville Early College fund
8160	State Unrestricted
8170	Teacher of the Year Reserve
8200	AOCP Math and Science Regional Center (Anderson, Oconee, Pickens and Greenville)
8230	Lakeview Walking Track
8240	Information Assurance Reserve

(Continued)

SPECIAL REVENUE FUND

SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES

YEAR ENDED JUNE 30, 2014

OTHER SPECIAL REVENUE PROGRAMS (CONTINUED)

8250	Gifted and Talented - Publix Supermarket
8260	Sirrine Scholarship
8270	Summer Enrichment Program
8500	ETS E-rate Rebate
8520	National Council
8530	ETS Technology Conference
8630	SC Vocational Rehabilitation
8890	Workplace Resource Fees
8900	Local Miscellaneous Funds
8970	Human Resources
8990	Beverage Fund

SPECIAL REVENUE FUND

SUMMARY SCHEDULE FOR OTHER DESIGNATED RESTRICTED STATE GRANTS

YEAR ENDED JUNE 30, 2014

Subfund	Revenue	Programs	Revenues	Expenditures	Special Revenue		Special Revenue Fund Deferred
					Interfund Transfers In (Out)	Other Fund Transfers In (Out)	
8920	3199	State Miscellaneous	\$ 376,969	376,711	-	(258)	\$ 179,786
9050	3125	Career Technology Educational Equipment	322,797	-	-	(322,797)	-
9190	3193	Education License Plates	26,144	26,144	-	-	4,465
9260	3177	Summer Reading Camp	4,841	4,841	-	-	99,244
9280	3118	EEDA Career Specialists	1,940,622	1,940,622	-	-	1,231,068
9360	3136	Student Health and Fitness - Nurses	1,633,435	1,633,435	-	-	428,080
9370	3127	Student Health and Fitness - PE Teachers	566,356	10,795	-	(555,561)	-
9600	3610	K-5 Enhancement	2,368,330	2,368,330	-	-	2,243,814
9650	3620	Digital Instructional Materials	404,151	16,447	-	(387,704)	-
9670	3607	Middle School Initiative	176,971	15,094	-	(161,877)	-
Totals			\$ 7,820,616	6,392,419	-	(1,428,197)	\$ 4,186,457

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2014

	REVISED BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH REVISED BUDGET- POSITIVE (NEGATIVE)
REVENUES			
State Sources	\$ 60,861,273	42,368,332	\$ (18,492,941)
TOTAL REVENUE ALL SOURCES	60,861,273	42,368,332	(18,492,941)
EXPENDITURES			
Current:			
Instruction	38,187,561	21,345,481	16,842,080
Support Services	9,984,503	8,360,059	1,624,444
Intergovernmental	1,998,361	1,970,979	27,382
Capital Outlay	127,819	122,431	5,388
TOTAL EXPENDITURES	50,298,244	31,798,950	18,499,294
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	10,563,029	10,569,382	6,353
OTHER FINANCING SOURCES (USES)			
Transfers In	2,485,194	1,040,235	(1,444,959)
Transfers Out	(13,048,223)	(11,609,617)	1,438,606
TOTAL OTHER FINANCING SOURCES (USES)	(10,563,029)	(10,569,382)	(6,353)
NET CHANGES IN FUND BALANCE	-	-	-
FUND BALANCE, Beginning of Year	-	-	-
FUND BALANCE, End of Year	\$ -	-	\$ -

Note: The budget is not legally adopted by the Board of Trustees for this fund. The budget is presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

Schedule B-6

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2014

REVENUES	<u>ACTUAL</u>
3000 Revenue from State Sources:	
3500 Education Improvement Act:	
3502 ADEPT	\$ 106,051
3505 Technology Support	4,867
3509 Arts in Education	19,124
3511 Professional Development	494,291
3518 Formative Assessment	482,373
3525 Career and Technology Education Equipment	104,095
3526 Refurbishment of K-8 Science Kits	330,160
3532 National Board Certification (NBC) Salary Supplement (No Carryover Provision)	4,459,563
3533 Teacher of the Year Awards	1,077
3538 Student at Risk of School Failure	12,125,013
3540 Early Childhood Program (4K Programs Serving Four-Year-Old Children)	1,770,048
3544 High Achieving Students	3,466,141
3550 Teacher Salary Increase (No Carryover Provision)	10,676,140
3555 School Employer Contributions (No Carryover Provision)	1,419,518
3556 Adult Education	815,019
3558 Reading	626,108
3571 Palmetto Priority Schools	9,778
3572 Palmetto Priority Assistance	57,137
3577 Teacher Supplies (No Carryover Provision)	1,343,524
3578 High Schools That Work/Making Middle Grades Work	191,134
3585 Aid to Districts-Special Education	1,339,152
3592 Work-Based Learning	382,697
3594 EEDA At Risk Supplemental Programs	935,124
3597 Aid to Districts	1,205,498
3599 Other EIA	4,700
Total Revenue from State Sources	<u>42,368,332</u>
 TOTAL REVENUE ALL SOURCES	 <u>42,368,332</u>

EXPENDITURES

100 Instruction:	
110 General Instruction:	
111 Kindergarten Programs:	
100 Salaries	188,239
200 Employee Benefits	42,902
400 Supplies and Materials	\$ 95,975

(Continued)

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

Schedule B-6

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2014

	<u>ACTUAL</u>
112 Primary Programs:	
100 Salaries	\$ 2,738,342
200 Employee Benefits	852,668
300 Purchased Services	390,350
400 Supplies and Materials	243,558
113 Elementary Programs:	
100 Salaries	1,595,987
200 Employee Benefits	437,736
300 Purchased Services	231,450
400 Supplies and Materials	484,960
114 High School Programs:	
100 Salaries	1,932,369
200 Employee Benefits	579,106
300 Purchased Services	65,556
400 Supplies and Materials	481,499
500 Capital Outlay	59,042
115 Career and Technology Education Program:	
100 Salaries	64,125
200 Employee Benefits	14,624
400 Supplies and Materials	51,797
116 Career and Technology Education Programs Middle School:	
400 Supplies and Materials	24,200
120 Exceptional Programs:	
121 Educable Mentally Handicapped:	
100 Salaries	85,124
200 Employee Benefits	48,085
400 Supplies and Materials	53,998
122 Trainable Mentally Handicapped:	
100 Salaries	32,745
200 Employee Benefits	18,543
400 Supplies and Materials	31,035
123 Orthopedically Handicapped:	
100 Salaries	29,759
200 Employee Benefits	18,338
300 Purchased Services	244
400 Supplies and Materials	11,147
124 Visually Handicapped:	
100 Salaries	12,328
200 Employee Benefits	7,222
300 Purchased Services	2,274
400 Supplies and Materials	5,592
500 Capital Outlay	\$ 10,554

(Continued)

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

Schedule B-6

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2014

	<u>ACTUAL</u>
125 Hearing Handicapped:	
100 Salaries	\$ 66,563
200 Employee Benefits	33,094
300 Purchased Services	995
400 Supplies and Materials	4,722
500 Capital Outlay	3,645
126 Speech Handicapped:	
100 Salaries	69
200 Employee Benefits	16
300 Purchased Services	11,937
400 Supplies and Materials	13,200
500 Capital Outlay	2,957
127 Learning Disabilities:	
100 Salaries	403,910
200 Employee Benefits	185,848
300 Purchased Services	4,102
400 Supplies and Materials	100,769
128 Emotionally Handicapped:	
100 Salaries	38,169
200 Employee Benefits	24,017
400 Supplies and Materials	14,343
130 Pre-School Programs:	
131 Preschool Handicapped Speech (5-Yr. Olds):	
300 Purchased Services	4,393
135 Preschool Handicapped Speech (3-and 4-Yr. Olds):	
400 Supplies and Materials	13,475
137 Preschool Handicapped Self-Contained (3- and 4-Yr. Olds):	
100 Salaries	114,909
200 Employee Benefits	54,539
300 Purchased Services	115
400 Supplies and Materials	30,250
139 Early Childhood Programs:	
100 Salaries	2,626,016
140 Terminal Leave	3,965
200 Employee Benefits	982,994
300 Purchased Services	9,008
400 Supplies and Materials	78,519
500 Capital Outlay	\$ 2,175

(Continued)

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

Schedule B-6

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2014

	<u>ACTUAL</u>
140 Special Programs:	
141 Gifted and Talented - Academic:	
100 Salaries	\$ 2,080,755
200 Employee Benefits	673,234
400 Supplies and Materials	41,135
143 Advanced Placement:	
300 Purchased Services	296
400 Supplies and Materials	69,038
145 Homebound:	
400 Supplies and Materials	1,650
148 Gifted and Talented - Artistic:	
100 Salaries	285,118
200 Employee Benefits	94,809
400 Supplies and Materials	275
149 Other Special Programs:	
100 Salaries	1,346,655
140 Terminal Leave	3,028
200 Employee Benefits	439,016
300 Purchased Services	19,069
400 Supplies and Materials	60,225
160 Other Exceptional Programs:	
161 Autism:	
100 Salaries	90,468
200 Employee Benefits	54,604
300 Purchased Services	228
170 Summer School Programs:	
171 Primary Summer School:	
400 Supplies and Materials	243
172 Elementary Summer School:	
100 Salaries	7,298
200 Employee Benefits	1,670
175 Instructional Programs Beyond Regular School Day:	
100 Salaries	32,684
200 Employee Benefits	7,424
180 Adult/Continuing Educational Programs:	
181 Adult Basic Education Programs:	
100 Salaries	16,910
200 Employee Benefits	3,786
300 Purchased Services	\$ 2,200

(Continued)

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

Schedule B-6

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2014

	<u>ACTUAL</u>
182 Adult Secondary Education Programs:	
100 Salaries	\$ 229,295
200 Employee Benefits	55,251
400 Supplies and Materials	275
188 Parenting/Family Literacy:	
100 Salaries	21,609
200 Employee Benefits	4,999
300 Purchased Services	7,360
400 Supplies and Materials	3,061
Total Instruction	<u>21,423,855</u>
200 Support Services:	
210 Pupil Services:	
211 Attendance and Social Work Services:	
100 Salaries	324,888
200 Employee Benefits	101,849
300 Purchased Services	10,756
400 Supplies and Materials	3,533
212 Guidance Services:	
100 Salaries	471,166
200 Employee Benefits	129,128
300 Purchased Services	2,499
400 Supplies and Materials	103,125
213 Health Services:	
300 Purchased Services	16,084
400 Supplies and Materials	1,764
500 Capital Outlay	7,250
214 Psychological Services:	
100 Salaries	22,820
200 Employee Benefits	4,401
300 Purchased Services	26,248
400 Supplies and Materials	1,078
215 Exceptional Program Services:	
200 Employee Benefits	31
300 Purchased Services	18,057
400 Supplies and Materials	98
217 Career Specialist Services:	
100 Salaries	40,351
200 Employee Benefits	\$ 15,357

(Continued)

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

Schedule B-6

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2014

	<u>ACTUAL</u>
220 Instructional Staff Services:	
221 Improvement of Instruction-Curriculum Development:	
100 Salaries	\$ 2,900,982
200 Employee Benefits	907,451
300 Purchased Services	7,340
400 Supplies and Materials	616
600 Other Objects	750
222 Library and Media:	
100 Salaries	119,723
200 Employee Benefits	27,433
400 Supplies and Materials	117,975
223 Supervision of Special Programs:	
100 Salaries	637,170
200 Employee Benefits	186,664
300 Purchased Services	66,087
400 Supplies and Materials	30,940
500 Capital Outlay	2,423
224 Improvement of Instruction - Inservice and Staff Training:	
100 Salaries	362,771
200 Employee Benefits	74,054
300 Purchased Services	869,177
400 Supplies and Materials	50,811
500 Capital Outlay	24,505
600 Other Objects	27,200
230 General Administration Services:	
232 Office of the Superintendent:	
300 Purchased Services	9,527
233 School Administration:	
100 Salaries	357,140
200 Employee Benefits	105,896
300 Purchased Services	44
400 Supplies and Materials	57
250 Finance and Operations Services:	
251 Student Transportation (Federal/District Mandated):	
100 Salaries	3,000
200 Employee Benefits	683
300 Purchased Services	32,920
500 Capital Outlay	9,879
253 Facilities Acquisition and Construction:	
300 Purchased Services	1,960
400 Supplies and Materials	\$ 47

(Continued)

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

Schedule B-6

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2014

	<u>ACTUAL</u>
255 Student Transportation (State Mandated):	
300 Purchased Services	\$ 27
260 Central Support Services:	
263 Information Services:	
400 Supplies and Materials	722
264 Staff Services:	
100 Salaries	109,890
200 Employee Benefits	29,410
271 Pupil Services Activities:	
600 Other Objects (Optional)	26,301
Total Support Services	<u>8,404,116</u>
410 Intergovernmental Expenditures:	
416 Payments to Public Charter Schools	
720 Transits	1,970,979
Total Intergovernmental Expenditures	<u>1,970,979</u>
TOTAL EXPENDITURES	<u>31,798,950</u>
 OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
5220 Transfer from Special Revenue Fund (Excludes Indirect Costs)	1,040,235
5230 Transfer from Special Revenue EIA Fund	1,444,960
420-710 Transfer to General Fund (Exclude Indirect Costs)	(11,609,617)
422-710 Transfer to EIA Fund	(1,444,960)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(10,569,382)</u>
EXCESS/DEFICIENCY OF REVENUES AND EXPENDITURES	-
 FUND BALANCE, Beginning of Year	 <u>-</u>
FUND BALANCE, End of Year	<u>\$ -</u>

SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT

SUMMARY SCHEDULE BY PROGRAM

YEAR ENDED JUNE 30, 2014

Program	Revenues	Expenditures	EIA Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	EIA Fund Deferred Revenue
3500 Education Improvement Act:					
3502 ADEPT	\$ 106,051	106,051	-	-	\$ 97,427
3505 Technology Support	4,867	4,867	-	-	116,587
3509 Arts in Education	19,124	19,124	-	-	1,012
3511 Professional Development	494,291	494,291	-	-	320,327
3518 Formative Assessment	482,373	170,732	(311,641)	-	-
3525 Career and Technology Education Equipment	104,095	24,776	(79,319)	-	-
3526 Refurbishment of K-8 Sciences Kits	330,160	330,160	-	-	285,331
3532 National Board Certification (NBC) Salary Supplement (No Carryover Provision)	4,459,563	4,459,563	-	-	-
3533 Teacher of the Year Awards	1,077	1,077	-	-	-
3538 Student at Risk of School Failure	12,125,013	14,208,092	1,365,641	717,438	11,971,839
3540 Early Childhood Programs (4K Programs Serving Four-Year Old Children)	1,770,048	2,172,164	79,319	322,797	1,417,026
3544 High Achieving Students	3,466,141	3,151,141	(315,000)	-	155,329
3550 Teacher Salary Increase (No Carryover Provision)	10,676,140	394,611	-	(10,281,529)	-
3555 School Employer Contributions (No Carryover Provision)	1,419,518	91,430	-	(1,328,088)	-
3556 Adult Education	815,019	815,019	-	-	70,727
3558 Reading	626,108	626,108	-	-	20,032
3571 Palmetto Priority Schools	9,778	9,778	-	-	898
3572 Palmetto Priority Assistance	57,137	57,137	-	-	1,358
3577 Teacher Supplies (No Carryover Provision)	1,343,524	1,343,524	-	-	-
3578 High Schools That Work / Making Middle Grades Work	191,134	91,134	(100,000)	-	129,532
3585 Aid to Districts-Special Education	1,339,152	1,339,152	-	-	249,512
3592 Work- Based Learning	382,697	293,697	(89,000)	-	27,675
3594 EEDA At Risk Supplemental Programs	935,124	385,124	(550,000)	-	94,589
3597 Aid to Districts	1,205,498	1,205,498	-	-	3,411,642
3599 Other EIA	4,700	4,700	-	-	15,085
Totals	\$ 42,368,332	31,798,950	-	(10,569,382)	\$ 18,385,928

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

YEAR ENDED JUNE 30, 2014

<u>Program</u>	<u>Project/Grant Number</u>	<u>Revenue & Subfund Code</u>	<u>Description</u>	<u>Amount Due to State Department of Education or Federal Government</u>	<u>Status of Amount Due to Grantors</u>
National Board Certification	N/A	3532/3320	Unexpended Funds	\$ 48,067	Paid After Year-End
Teacher Supplies	N/A	3577/3770	Unexpended Funds	4,526	Paid After Year-End
			Total	<u>\$ 52,593</u>	

DEBT SERVICE FUND - DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2014

	REVISED BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH REVISED BUDGET- POSITIVE (NEGATIVE)
REVENUES			
1000 Revenue from Local Sources:			
1100 Taxes:			
1110 Ad Valorem Taxes-Including Delinquent (Fiscally Independent LEA)	\$ 87,225,628	89,876,450	\$ 2,650,822
1200 Revenue from Local Governmental Units Other than LEAs:			
1280 Revenue in Lieu of Taxes (Dependent and Independent)	4,942,000	5,717,974	775,974
1500 Earnings on Investments:			
1510 Interest on Investments	400,000	197,672	(202,328)
Total Revenue from Local Sources	<u>92,567,628</u>	<u>95,792,096</u>	<u>3,224,468</u>
3000 Revenue from State Sources:			
3800 State Revenue in Lieu of Taxes:			
3820 Homestead Exemption(Tier 2)	2,500,000	3,171,886	671,886
3830 Merchant's Inventory Tax	375,000	374,992	(8)
3840 Manufacturers Depreciation Reimbursement	800,000	1,004,582	204,582
3890 Other State Property Tax Revenues (Includes MC Vehicle Tax)	118,000	107,047	(10,953)
Total Revenue from State Sources	<u>3,793,000</u>	<u>4,658,507</u>	<u>865,507</u>
4000 Revenue from Federal Sources:			
4900 Other Federal Sources:			
4999 Revenue from Other Federal Sources	1,367,100	1,268,661	(98,439)
Total Revenue from Federal Sources	<u>1,367,100</u>	<u>1,268,661</u>	<u>(98,439)</u>
TOTAL REVENUE ALL SOURCES	<u>97,727,728</u>	<u>101,719,264</u>	<u>3,991,536</u>
EXPENDITURES			
500 Debt Service:			
610 Redemption of Principal	94,125,804	5,670,000	88,455,804
620 Interest	3,649,590	1,895,944	1,753,646
690 Other Objects (Includes Fees for Servicing Bonds)	45,000	5,086	39,914
Total Debt Service	<u>97,820,394</u>	<u>7,571,030</u>	<u>90,249,364</u>
TOTAL EXPENDITURES	<u>97,820,394</u>	<u>7,571,030</u>	<u>90,249,364</u>
OTHER FINANCING SOURCES (USES)			
5120 Proceeds of General Obligation Bonds	87,948,928	-	(87,948,928)
423-710 Transfer to Debt Service Fund - BEST	(63,873,027)	(63,631,870)	241,157
424-710 Transfer to Capital Projects Fund	(23,775,901)	(27,194,932)	(3,419,031)
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 300,000</u>	<u>(90,826,802)</u>	<u>\$ (91,126,802)</u>

(Continued)

DEBT SERVICE FUND - DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2014

	REVISED BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH REVISED BUDGET- POSITIVE (NEGATIVE)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 207,334	3,321,432	\$ 3,114,098
FUND BALANCE, Beginning of Year	(13,960,994)	(13,960,994)	-
FUND BALANCE, End of Year	\$ (13,753,660)	(10,639,562)	\$ 3,114,098

Note 1: The School District issued three short-term General Obligation Bonds ("Bonds"); two in September 2013 and one in March 2014 totaling \$90,995,000 primarily to fund the annual BEST debt service and for additional capital projects. As these bonds are short-term in nature, the proceeds received and the related principal payments are not reflected in the financial statements, in accordance with generally accepted accounting principles. The School District received premiums of \$564,705 and paid issuance costs of \$272,179 upon the issuance of these Bonds. The premiums received have been netted against the interest paid for financial statement presentation. The Bonds issued in September 2013, including interest of \$481,330, were repaid in March and June 2014 with the revenues received from property taxes. The Bonds issued in March of 2014 totaling \$20,921,000 are due in March 2015 and the outstanding balance is reflected as a fund liability on the School District's balance sheet.

THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA

Schedule C-2

DEBT SERVICE FUND - BEST

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2014

	REVISED BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH REVISED BUDGET- POSITIVE (NEGATIVE)
REVENUES			
1500 Earnings on Investments:			
1510 Interest on Investments	\$ 1,393,943	1,556,179	\$ 162,236
Total Revenue from Local Sources	<u>1,393,943</u>	<u>1,556,179</u>	<u>162,236</u>
TOTAL REVENUE ALL SOURCES	<u>1,393,943</u>	<u>1,556,179</u>	<u>162,236</u>
EXPENDITURES			
500 Debt Service:			
610 Redemption of Principal	21,590,000	21,590,000	-
620 Interest	43,676,970	43,676,972	(2)
Total Debt Service	<u>65,266,970</u>	<u>65,266,972</u>	<u>(2)</u>
TOTAL EXPENDITURES	<u>65,266,970</u>	<u>65,266,972</u>	<u>(2)</u>
OTHER FINANCING SOURCES (USES)			
Interfund Transfers, From (To) Other Funds:			
5240 Transfer from Debt Service Fund - District	63,873,027	63,631,870	(241,157)
TOTAL OTHER FINANCING SOURCES (USES)	<u>63,873,027</u>	<u>63,631,870</u>	<u>(241,157)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(78,923)	(78,923)
FUND BALANCE, Beginning of Year	<u>55,075,244</u>	<u>55,075,244</u>	-
FUND BALANCE, End of Year	<u>\$ 55,075,244</u>	<u>54,996,321</u>	<u>\$ (78,923)</u>

CAPITAL PROJECTS FUND - DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2014

	REVISED BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH REVISED BUDGET- POSITIVE (NEGATIVE)
REVENUES			
1000 Revenue from Local Sources:			
1500 Earnings on Investments:			
1510 Interest on Investments	\$ 250,000	125,942	\$ (124,058)
1900 Other Revenue from Local Sources:			
1999 Revenue from Other Local Sources	-	35,446	35,446
Total Revenue from Local Sources	<u>250,000</u>	<u>161,388</u>	<u>(88,612)</u>
TOTAL REVENUE ALL SOURCES	<u>250,000</u>	<u>161,388</u>	<u>(88,612)</u>
EXPENDITURES			
250 Finance and Operations:			
253 Facilities Acquisition & Construction:			
100 Salaries	1,097,060	1,156,304	(59,244)
200 Employee Benefits	333,940	365,001	(31,061)
300 Purchased Services	1,424,478	1,339,961	84,517
400 Supplies and Materials	1,228,935	1,389,560	(160,625)
500 Capital Outlay:			
510 Land	320,000	2,600	317,400
520 Construction Services	52,108,985	39,123,805	12,985,180
530 Improvements Other Than Buildings	80,649	69,797	10,852
540 Equipment	1,350,024	136,657	1,213,367
545 Technology, Equipment and Software	7,361,877	4,092,437	3,269,440
550 Vehicles	1,850,950	1,191,434	659,516
580 Mobile Classrooms	496,000	79,938	416,062
600 Other Objects:			
690 Other Objects	-	79,003	(79,003)
Total Support Services	<u>67,652,898</u>	<u>49,026,497</u>	<u>18,626,401</u>
500 Debt Service:			
610 Redemption of Principal	164,945	164,945	-
Total Debt Service	<u>164,945</u>	<u>164,945</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 67,817,843</u>	<u>49,191,442</u>	<u>\$ 18,626,401</u>

(Continued)

CAPITAL PROJECTS FUND - DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2014

	REVISED BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH REVISED BUDGET- POSITIVE (NEGATIVE)
OTHER FINANCING SOURCES (USES)			
5300 Sale of Capital Assets	\$ -	1,500	\$ 1,500
Interfund Transfers, From (To) Other Funds:			
5220 Transfer from Special Revenue Fund (Exclude Indirect Costs)	-	3,037,704	3,037,704
5240 Transfer from Debt Service Fund	23,775,901	27,194,932	3,419,031
5250 Transfer from Capital Projects Fund - BEST	-	64,533	64,533
TOTAL OTHER FINANCING SOURCES (USES)	<u>23,775,901</u>	<u>30,298,669</u>	<u>6,522,768</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(43,791,942)	(18,731,385)	25,060,557
FUND BALANCE, Beginning of Year	<u>73,750,268</u>	<u>73,750,268</u>	<u>-</u>
FUND BALANCE, End of Year	<u>\$ 29,958,326</u>	<u>55,018,883</u>	<u>\$ 25,060,557</u>

THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA

Schedule D-2

CAPITAL PROJECTS FUND - BEST

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2014

	REVISED BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH REVISED BUDGET- POSITIVE (NEGATIVE)
REVENUES			
1000 Revenue from Local Sources:			
1500 Earnings on Investments:			
1510 Interest on Investments	\$ -	461	\$ 461
1900 Other Revenue from Local Sources:			
1930 Receipt of Legal Settlement	-	54	54
Total Revenue from Local Sources	-	515	515
TOTAL REVENUE ALL SOURCES	-	515	515
EXPENDITURES			
250 Finance and Operations:			
253 Facilities Acquisition & Construction:			
300 Purchased Services	-	5,100	(5,100)
400 Supplies and Materials	15,329	21,181	(5,852)
500 Capital Outlay:			
520 Construction Services	-	6,474	(6,474)
545 Technology, Equipment and Software	215,271	267,344	(52,073)
Total Support Services	230,600	300,099	(69,499)
TOTAL EXPENDITURES	230,600	300,099	(69,499)
OTHER FINANCING SOURCES (USES)			
5999 Arbitrage Refund	-	64,533	64,533
Interfund Transfers, From (To) Other Funds:			
424-710 Transfer to Capital Projects Fund	-	(64,533)	(64,533)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(230,600)	(299,584)	(68,984)
FUND BALANCE, Beginning of Year	4,738,613	4,738,613	-
FUND BALANCE, End of Year	\$ 4,508,013	4,439,029	\$ (68,984)

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

Schedule E-1

FOOD SERVICE FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2014

	<u>ACTUAL</u>
REVENUES	
1000 Revenues from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 12,360
1600 Food Service:	
1610 Lunch Sales to Pupils	4,357,377
1620 Breakfast Sales to Pupils	219,458
1630 Special Sales to Pupils	7,152,608
1640 Lunch Sales to Adults	462,233
1650 Breakfast Sales to Adults	21,342
1660 Special Sales to Adults	314,730
1900 Other Revenue from Local Sources:	
1992 Canteen Operations	19,520
1999 Revenue from Other Local Sources	652,230
Total Revenue from Local Sources	<u>13,211,858</u>
3000 Revenue from State Sources:	
3100 Restricted State Funding:	
3140 School Lunch:	
3142 Program Aid	1,972
Total Revenue from State Sources	<u>1,972</u>
4000 Revenue from Federal Sources:	
4800 USDA Reimbursement:	
4810 School Lunch and After School Snacks Program	15,128,183
4830 School Breakfast Program	4,319,669
4860 Fresh Fruit and Vegetable Program (FFVP) (Carryover Provision)	213,019
4900 Other Federal Sources:	
4991 USDA Commodities (Food Distribution Program) (Carryover Provision)	1,882,803
Total Revenue from Federal Sources	<u>21,543,674</u>
TOTAL REVENUE ALL SOURCES	<u>\$ 34,757,504</u>

(Continued)

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

Schedule E-1

FOOD SERVICE FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2014

	<u>ACTUAL</u>
EXPENSES	
256 Food Service:	
100 Salaries	\$ 10,370,861
300 Purchased Services (Exclude Gas, Oil, Electricity and Other Heating Fuels)	1,189,651
400 Supplies and Materials (Include Gas, Oil, Electricity and Other Heating Fuels)	19,684,134
500 Capital Outlay	1,122,332
600 Other Objects	428,226
Total Food Services Expenses	<u>32,795,204</u>
TOTAL EXPENSES	<u>32,795,204</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
432-791 Food Service Fund Indirect Costs	(1,761,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,761,000)</u>
EXCESS/DEFICIENCY OF REVENUES AND EXPENDITURES	201,300
FUND NET POSITION, Beginning of Year	<u>19,898,984</u>
FUND NET POSITION, End of Year	<u>\$ 20,100,284</u>

PUPIL ACTIVITY FUND

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

YEAR ENDED JUNE 30, 2014

	<u>ACTUAL</u>
RECEIPTS	
1000 Receipts from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 22,384
1700 Pupil Activities:	
1710 Admissions	1,603,697
1720 Bookstore Sales	53,118
1730 Pupil Organization Membership Dues and Fees	260,023
1740 Student Fees	213,506
1790 Other	19,308,429
1900 Other Revenue from Local Sources	
1920 Contributions and Donations Private Sources	2,351,416
Total Receipts from Local Sources	<u>23,812,573</u>
TOTAL RECEIPTS ALL SOURCES	<u>23,812,573</u>
DISBURSEMENTS	
190 Instructional Pupil Activity:	
660 Pupil Activity	1,552,511
Total Instruction	<u>1,552,511</u>
270 Support Services Pupil Activity:	
271 Pupil Service Activities:	
660 Pupil Activity	8,221,189
272 Enterprise Activities:	
660 Pupil Activity	9,154,966
273 Trust and Agency Activities:	
660 Enterprise Activity	4,513,376
Total Pupil Activity Expenditures	<u>21,889,531</u>
TOTAL DISBURSEMENTS	<u>23,442,042</u>
EXCESS/DEFICIENCY OF REVENUES AND DISBURSEMENTS	370,531
STUDENT ORGANIZATIONS, Beginning of Year	<u>9,454,528</u>
STUDENT ORGANIZATIONS, End of Year	<u>\$ 9,825,059</u>

PUPIL ACTIVITY FUND

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED JUNE 30, 2014

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>ENDING BALANCE</u>
ASSETS				
Cash and Cash Equivalents	\$ 2,093,662	636,908	308,686	\$ 2,421,884
Accounts Receivable	8,521,500	52,000	-	8,573,500
TOTAL ASSETS	<u>\$ 10,615,162</u>	<u>688,908</u>	<u>308,686</u>	<u>\$ 10,995,384</u>
LIABILITIES				
Accounts Payable	\$ 1,160,634	1,170,325	1,160,634	\$ 1,170,325
Due to Student Organizations	9,454,528	370,531	-	9,825,059
TOTAL LIABILITIES	<u>\$ 10,615,162</u>	<u>1,540,856</u>	<u>1,160,634</u>	<u>\$ 10,995,384</u>

DISCRETELY PRESENTED COMPONENT UNITS - CHARTER SCHOOLS

COMBINING SCHEDULE OF NET POSITION

JUNE 30, 2014

	Greenville Technical Charter High School	Meyer Center For Special Children	Langston Charter Middle School	Brashier Middle College Charter High School	Legacy Charter School	Greer Middle College	Lead Academy Charter School	TOTALS
ASSETS								
Cash and Cash Equivalents	\$ 597,640	199,506	459,512	1,283,637	37,283	873,168	116,834	\$ 3,567,580
Investments	680,061	88,700	-	244,990	-	-	-	1,013,751
Accounts Receivable, Net	36,975	437,887	4,171	55,637	139,105	-	136,989	810,764
Other Assets	5,343	5,000	8,659	58,498	3,490	69,697	-	150,687
Depreciable Capital Assets, Net	184,181	3,201,066	141,576	109,359	556,700	813,095	34,980	5,040,957
TOTAL ASSETS	1,504,200	3,932,159	613,918	1,752,121	736,578	1,755,960	288,803	10,583,739
LIABILITIES								
Accounts Payable and Accrued Expenses	313,296	43,088	250,995	268,087	654,219	205,947	11,914	1,747,546
Unearned Revenue	6,754	-	64,787	4,324	34,839	-	-	110,704
Non-Current Liabilities - Due in One Year	5,465	-	-	-	209,136	-	-	214,601
Non-Current Liabilities - Due in More than One Year	18,624	543,120	-	394,134	-	327,099	-	1,282,977
TOTAL LIABILITIES	344,139	586,208	315,782	666,545	898,194	533,046	11,914	3,355,828
NET POSITION								
Net Investment in Capital Assets	160,092	2,657,946	141,576	109,359	556,700	813,095	34,980	4,473,748
Restricted - Other	279,026	146,091	-	-	-	57,613	-	482,730
Unrestricted	720,943	541,914	156,560	976,217	(718,316)	352,206	241,909	2,271,433
TOTAL NET POSITION	\$ 1,160,061	3,345,951	298,136	1,085,576	(161,616)	1,222,914	276,889	\$ 7,227,911

DISCRETELY PRESENTED COMPONENT UNITS - CHARTER SCHOOLS

COMBINING SCHEDULE OF ACTIVITIES

YEAR ENDED JUNE 30, 2014

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				Greenville Technical Charter High School	Meyer Center For Special Children	Langston Charter Middle School	Brashier Middle College Charter High School	Legacy Charter School	Greer Middle College	Lead Academy Charter School	Total Charter Schools
	Expenses	Charges for Services	Operating Grants and Contributions	Capital								
Governmental Activities:												
Greenville Technical Charter												
Instruction	\$ 2,260,066	-	3,611,191	-	1,351,125							\$ 1,351,125
Support Services	1,449,250	-	-	-	(1,449,250)							(1,449,250)
	<u>3,709,316</u>	<u>-</u>	<u>3,611,191</u>	<u>-</u>	<u>(98,125)</u>							
Meyer Center for Special Children												
Instruction	2,126,027	935,676	273,403	-		(916,948)						(916,948)
Support Services	993,082	-	-	-		(993,082)						(993,082)
Interest and Other Charges	32,735	-	-	-		(32,735)						(32,735)
Depreciation - Unallocated	171,680	-	-	-		(171,680)						(171,680)
	<u>3,323,524</u>	<u>935,676</u>	<u>273,403</u>	<u>-</u>		<u>(2,114,445)</u>						
Langston Charter Middle												
Instruction	1,745,674	126,076	-	-			(1,619,598)					(1,619,598)
Support Services	1,034,384	-	-	-			(1,034,384)					(1,034,384)
Community Services	54,487	-	-	-			(54,487)					(54,487)
Depreciation - Unallocated	43,774	-	-	-			(43,774)					(43,774)
	<u>2,878,319</u>	<u>126,076</u>	<u>-</u>	<u>-</u>			<u>(2,752,243)</u>					
Brashier Middle College												
Instruction	1,924,800	19,358	558,393	-				(1,347,049)				(1,347,049)
Support Services	1,104,284	-	21,156	-				(1,083,128)				(1,083,128)
	<u>3,029,084</u>	<u>19,358</u>	<u>579,549</u>	<u>-</u>				<u>(2,430,177)</u>				
Legacy Charter School												
Instruction	6,497,380	-	5,926,611	-					(570,769)			(570,769)
Support Services	3,568,049	-	3,254,609	-					(313,440)			(313,440)
	<u>10,065,429</u>	<u>-</u>	<u>9,181,220</u>	<u>-</u>					<u>(884,209)</u>			
Greer Middle College												
Instruction	1,783,228	14,397	489,355	-						(1,279,476)		(1,279,476)
Support Services	963,223	-	13,558	-						(949,665)		(949,665)
	<u>2,746,451</u>	<u>14,397</u>	<u>502,913</u>	<u>-</u>						<u>(2,229,141)</u>		
Lead Academy Charter School												
Instruction	746,645	-	662,498	-							(84,147)	(84,147)
Support Services	397,325	-	352,546	-							(44,779)	(44,779)
	<u>1,143,970</u>	<u>-</u>	<u>1,015,044</u>	<u>-</u>							<u>(128,926)</u>	
Total Governmental Activities	26,896,093	1,095,507	15,163,320	-	(98,125)	(2,114,445)	(2,752,243)	(2,430,177)	(884,209)	(2,229,141)	(128,926)	(10,637,266)
Business-Type Activities:												
Legacy Charter School												
Student Nutrition	783,236	37,103	747,676	-					1,543			1,543
Lead Academy Charter School												
Student Nutrition	57,665	7,535	57,666	-							7,536	7,536
Total Business-Type Activities	840,901	44,638	805,342	-	-	-	-	-	1,543	-	7,536	9,079
Total	\$ 27,736,994	1,140,145	15,968,662	-	(98,125)	(2,114,445)	(2,752,243)	(2,430,177)	(882,666)	(2,229,141)	(121,390)	(10,628,187)
GENERAL REVENUES												
General Revenues:												
Grants and Contributions Not Restricted to Specific Programs					173,079	2,028,015	31,614	-	926,146	-	-	3,158,854
Unrestricted Investment Earnings					3,457	5,571	419	6,273	-	1,474	-	17,194
Miscellaneous					71,999	118,815	1,845	36,609	-	83,144	93,795	406,207
Intergovernmental Revenue					-	185,426	2,736,616	2,689,302	-	2,564,963	-	8,176,307
Total General Revenues and Contributions to Permanent Endowment					<u>248,535</u>	<u>2,337,827</u>	<u>2,770,494</u>	<u>2,732,184</u>	<u>926,146</u>	<u>2,649,581</u>	<u>93,795</u>	<u>11,758,562</u>
CHANGE IN NET POSITION					150,410	223,382	18,251	302,007	43,480	420,440	(27,595)	1,130,375
NET POSITION, Beginning of Year, As Previously Reported					522,096	3,122,569	279,885	783,569	(205,096)	802,474	304,484	5,609,981
Prior Period Adjustment					487,555	-	-	-	-	-	-	487,555
NET POSITION, Beginning of Year, As Adjusted					<u>1,009,651</u>	<u>3,122,569</u>	<u>279,885</u>	<u>783,569</u>	<u>(205,096)</u>	<u>802,474</u>	<u>304,484</u>	<u>6,097,536</u>
NET POSITION, End of Year					1,160,061	3,345,951	298,136	1,085,576	(161,616)	1,222,914	276,889	\$ 7,227,911

LOCATION RECONCILIATION SCHEDULE

YEAR ENDED JUNE 30, 2014

LOCATION ID	LOCATION DESCRIPTION	EDUCATION LEVEL	COST TYPE	TOTAL EXPENDITURES
012	Alexander Elementary School	Elementary Schools	School	\$ 3,551,267
020	Rudolph Gordon Elementary School	Elementary Schools	School	4,158,930
031	Armstrong Elementary School	Elementary Schools	School	3,653,752
045	Augusta Circle Elementary School	Elementary Schools	School	3,467,215
050	Baker's Chapel Elementary School	Elementary Schools	School	2,916
052	Buena Vista Elementary School	Elementary Schools	School	5,012,276
054	Sterling School	Elementary Schools	School	5,379,609
056	Beck Academy	Middle Schools	School	7,900,557
058	Northwest Crescent CDC	Other Schools	School	1,375,667
061	Berea Elementary School	Elementary Schools	School	3,934,371
062	Berea Middle School	Middle Schools	School	5,937,727
066	Berea High School	High Schools	School	7,743,457
068	Bryson Elementary School	Elementary Schools	School	5,399,656
072	Bryson Middle School	Middle Schools	School	6,445,438
080	Blue Ridge High School	High Schools	School	8,300,809
082	Blue Ridge Middle School	Middle Schools	School	5,932,772
086	Blythe Academy	Elementary Schools	School	5,734,825
096	Brushy Creek Elementary School	Elementary Schools	School	5,185,612
107	Carolina Academy	High Schools	School	6,229,847
108	VHS Program	Non-Schools	Central	2,429,206
110	Audiology Services	Non-Schools	Central	235,098
115	Crestview Elementary School	Elementary Schools	School	5,189,408
121	Chandler Creek Elementary School	Elementary Schools	School	5,534,062
123	Greer Middle School	Middle Schools	School	5,873,509
126	Activity Bus Shop / Donaldson	Non-Schools	Central	224,049
128	Donaldson CAREER Center	Other Schools	School	1,875,148
129	Donaldson MSAP	Other Schools	School	297,373
132	Meyers Center Charter	Other Schools	School	225,303
133	Greenville Tech. Charter	Other Schools	School	668,351
135	Heritage Elementary School	Elementary Schools	School	5,972,234
141	Duncan Chapel Elementary School	Elementary Schools	School	4,763,227
150	East Gantt Elementary School	Elementary Schools	School	467
151	Robert E. Cashion Elementary School	Elementary Schools	School	4,474,463
153	Brook Glenn Elementary School	Elementary Schools	School	3,541,022
156	East North Street Academy	Elementary Schools	School	5,616,204
161	Eastside High School	High Schools	School	9,177,380
168	Ellen Woodside Elementary School	Elementary Schools	School	3,644,937
172	Enoree CAREER Center	Other Schools	School	2,220,738
174	Enoree Bus Center	Non-Schools	Central	1,089,047
178	Fine Arts Center	Other Schools	School	2,388,378
181	Fork Shoals Elementary School	Elementary Schools	School	4,355,874
186	Fountain Inn Elementary School	Elementary Schools	School	6,749,673
188	Gateway Elementary School	Elementary Schools	School	4,668,957
190	Golden Strip CAREER Center	Other Schools	School	2,088,684
200	Greenbrier Elementary School	Elementary Schools	School	4,818,344
202	Greenview CDC	Other Schools	School	2,448,399
203	Thomas E. Kerns Elementary School	Elementary Schools	School	\$ 4,732,700

(Continued)

LOCATION RECONCILIATION SCHEDULE

YEAR ENDED JUNE 30, 2014

LOCATION ID	LOCATION DESCRIPTION	EDUCATION LEVEL	COST TYPE	TOTAL EXPENDITURES
205	Greenville Middle School	Middle Schools	School	\$ 5,648,676
210	Greenville High School	High Schools	School	8,637,109
214	Greer High School	High Schools	School	7,934,692
218	J. Harley Bonds Resource Center	Other Schools	School	2,660,235
232	Hillcrest High School	High Schools	School	11,911,401
240	Hughes Academy	Middle Schools	School	6,032,268
251	Hollis Academy	Elementary Schools	School	4,634,435
254	Lake Forest Elementary School	Elementary Schools	School	5,263,688
263	League Academy	Middle Schools	School	5,237,685
269	J.L. Mann Academy	High Schools	School	11,489,003
271	Bonds MSAP	Other Schools	School	357,192
273	Mauldin High School	High Schools	School	12,857,653
274	Mauldin Middle School	Middle Schools	School	8,082,323
275	Dr. Phinnize J. Fisher Middle	Middle Schools	School	27,873,385
276	Bethel Elementary School	Elementary Schools	School	7,113,296
277	Hillcrest Middle School	Middle Schools	School	6,632,579
279	Mauldin Elementary School	Elementary Schools	School	5,785,736
280	Mitchell Road Elementary School	Elementary Schools	School	4,274,586
286	Monaview Elementary School	Elementary Schools	School	4,358,412
292	Simpsonville ES at Morton Place	Elementary Schools	School	5,144,938
296	Mountain View Elementary School	Elementary Schools	School	5,077,283
300	Overbrook CDC	Other Schools	School	1,130,300
303	Northwest Middle School	Middle Schools	School	5,684,918
308	Grove Elementary School	Elementary Schools	School	4,973,139
316	Paris Elementary School	Elementary Schools	School	4,298,985
333	Sara Collins Elementary School	Elementary Schools	School	6,174,244
336	Pelham Road Elementary School	Elementary Schools	School	4,690,513
338	Plain Elementary School	Elementary Schools	School	5,853,672
340	Marshall Pickens	Alternative Schools	School	137,712
342	Homebound	Alternative Schools	School	104,045
343	White Horse Academy	Alternative Schools	School	38,798
349	Riverside High School	High Schools	School	10,423,154
352	Riverside Middle School	Middle Schools	School	7,132,124
355	Roper Mountain Science Center	Other Schools	School	3,881,665
365	Oakview Elementary School	Elementary Schools	School	6,326,227
381	Cherrydale Elementary School	Elementary Schools	School	4,029,168
385	Lakeview Middle School	Middle Schools	School	4,665,165
386	Northwood Middle School	Middle Schools	School	5,576,321
389	Sevier Middle School	Middle Schools	School	4,828,389
396	Bell's Crossing Elementary School	Elementary Schools	School	5,964,384
401	Skyland Elementary School	Elementary Schools	School	4,592,663
402	Monarch Elementary School	Elementary Schools	School	4,590,142
403	Ralph Chandler Middle School	Middle Schools	School	4,329,415
405	New South High School	High Schools	School	871
406	Slater-Marietta Elementary School	Elementary Schools	School	4,122,551
414	Southside High School	High Schools	School	7,125,179
415	M.T. Anderson Support Center	Non-Schools	Central	\$ 2,290,137

(Continued)

LOCATION RECONCILIATION SCHEDULE

YEAR ENDED JUNE 30, 2014

LOCATION ID	LOCATION DESCRIPTION	EDUCATION LEVEL	COST TYPE	TOTAL EXPENDITURES
425	Stone Academy	Elementary Schools	School	\$ 4,314,684
431	Sue Cleveland Elementary School	Elementary Schools	School	4,186,864
436	Sullivan Center / Alternative Schools	Alternative Schools	School	1,404,560
441	Summit Drive Elementary School	Elementary Schools	School	3,632,518
444	Tanglewood Middle School	Middle Schools	School	5,094,314
446	Taylor's Bus Center	Non-Schools	Central	7,597,606
448	Golden Strip Bus Center	Non-Schools	Central	1,865,212
449	Taylor's Elementary School	Elementary Schools	School	4,643,477
451	Donaldson Bus Center	Non-Schools	Central	4,737,008
452	Transportation Special Ed	Non-Schools	Central	469,058
453	Donaldson Bus Office	Non-Schools	Central	19,453
456	Tigerville Elementary School	Elementary Schools	School	2,429,165
462	Riley Child Development Center	Other Schools	School	1,138,501
464	Paul Lawrence Dunbar CDC	Other Schools	School	1,352,002
466	Travelers Rest High School	High Schools	School	7,670,346
471	Waddell Road	Non-Schools	Central	46,481
475	Welcome Elementary School	Elementary Schools	School	5,093,701
476	Wade Hampton High School	High Schools	School	9,940,985
478	AJ Whittenberg Elementary School	Elementary Schools	School	3,910,447
479	Westcliffe Elementary School	Elementary Schools	School	3,164,109
501	Washington Center	Other Schools	School	4,084,770
502	Washington Center at Hollis	Other Schools	School	555,774
506	Woodland Elementary School	Elementary Schools	School	6,858,813
509	Woodmont High School	High Schools	School	11,279,041
510	Woodmont Middle School	Middle Schools	School	4,716,812
522	Legacy Charter School	Other Schools	School	2,694,008
523	Langston Charter	Other Schools	School	406,738
526	Brashier Middle Charter HS	Other Schools	School	566,867
527	Greer MS College Charter HS	Other Schools	School	500,719
529	LEAD Academy	Other Schools	School	241,368
599	All private schools	Other Schools	School	71,810
701	Superintendent	Non-Schools	Central	580,609
703	Depty Supt for Operations	Non-Schools	Central	270,364
705	Communications	Non-Schools	Central	984,223
706	Enforce & Investigation	Non-Schools	Central	452,235
708	Sirrine Scholarship	Non-Schools	Central	1,504,503
709	District Office Operations	Non-Schools	Central	313,170
711	General Counsel	Non-Schools	Central	269,337
712	Human Resources	Non-Schools	Central	2,021,658
714	School Facilities	Non-Schools	Central	1,669,053
715	Maintenance	Non-Schools	Central	9,792,165
716	Transportation	Non-Schools	Central	2,096,104
717	Building Security	Non-Schools	Central	1,476,763
718	Social Work	Non-Schools	Central	1,080,713
720	Student Personnel Services	Non-Schools	Central	997,842
721	Testing and Analysis	Non-Schools	Central	182,435
724	Attendance Office	Non-Schools	Central	\$ 515,667

(Continued)

LOCATION RECONCILIATION SCHEDULE

YEAR ENDED JUNE 30, 2014

LOCATION ID	LOCATION DESCRIPTION	EDUCATION LEVEL	COST TYPE	TOTAL EXPENDITURES
725	Intervention Specialist	Non-Schools	Central	\$ 235,951
728	Preschool Team	Non-Schools	Central	694,093
730	Operations	Non-Schools	Central	1,535,539
731	Warehouse	Non-Schools	Central	966,397
732	Energy Management	Non-Schools	Central	234,046
733	Board Liaison	Non-Schools	Central	197,662
734	Public Policy / Comm. Relations	Non-Schools	Central	135,295
735	Research, Development and Evaluation	Non-Schools	Central	650,898
736	Asst. Superintendent - Info Assurance	Non-Schools	Central	203,199
737	Planning	Non-Schools	Central	638,668
739	Building Services	Non-Schools	Central	1,367,679
741	Finance	Non-Schools	Central	3,333,310
746	Technology Support	Non-Schools	Central	1,566,714
747	User Support	Non-Schools	Central	1,084,912
748	Information Services	Non-Schools	Central	1,183,245
749	Food & Nutrition Services	Non-Schools	Central	5,811,631
753	Management Info Services	Non-Schools	Central	1,252,119
754	Systems Support	Non-Schools	Central	3,231,378
755	Internal Audit	Non-Schools	Central	354,490
757	Special Education Programs	Non-Schools	Central	404,539
758	Deputy Super. Of Schools	Non-Schools	Central	2,941,498
761	Federal Programs	Non-Schools	Central	1,529,695
763	CAREER Tech Education	Non-Schools	Central	804,054
768	Special Education Services	Non-Schools	Central	5,618,237
777	District Disbursements	Non-Schools	Central	1,598,871
778	Athletic Department	Non-Schools	Central	133,249
783	Early Childhood / ACT 135	Non-Schools	Central	289,757
784	Medical Health Services	Non-Schools	Central	862,051
785	Fine Arts	Non-Schools	Central	255,568
786	Psychological Services	Non-Schools	Central	2,801,876
787	Summer School	Non-Schools	Central	75,485
788	Speech	Non-Schools	Central	7,538,909
797	Virtual High School	Non-Schools	Central	796,315
798	Eval & Acct. - Elementary	Non-Schools	Central	178,602
799	Eval & Acct. - Elementary	Non-Schools	Central	186,306
800	Eval & Acct. - High	Non-Schools	Central	211,182
801	Professional Growth and Leadership	Non-Schools	Central	923,804
805	Gifted and Talented Programs	Non-Schools	Central	222,295
806	Health Education Programs	Non-Schools	Central	464,287
810	Science Programs	Non-Schools	Central	210,079
821	ESOL Programs	Non-Schools	Central	702,911
822	Golden Strip CDC	Other Schools	Central	1,360,076
827	Berea High School Twilight	Other Schools	Central	10,592
828	Hillcrest High School Twilight	Other Schools	Central	45,478
829	Bonds CC Twilight	Other Schools	Central	46,655
830	Enoree CC - Twilight School	Other Schools	Central	14,037
831	Greenville HS - Twilight School	Other Schools	Central	\$ 53,341

(Continued)

LOCATION RECONCILIATION SCHEDULE

YEAR ENDED JUNE 30, 2014

LOCATION ID	LOCATION DESCRIPTION	EDUCATION LEVEL	COST TYPE	TOTAL EXPENDITURES
834	Evaluation and Accountability - MS	Non-Schools	Central	\$ 195,082
836	Textbook Depository	Non-Schools	Central	138,492
838	Early College Program	Non-Schools	Central	739,176
900	J. Floyd Hall Admin Office	Non-Schools	Central	27,211,867
902	Northwest Area Office	Non-Schools	Central	47,200
903	District Office Annex	Non-Schools	Central	15,821
904	Golden Strip Support	Non-Schools	Central	6,872
909	Print Shop Enoree	Non-Schools	Central	58,169
910	Procurement Department	Non-Schools	Central	386,272
929	Venie Group Home (RTF)	Alternative Schools	Central	107,614
931	Avalonia Group Homes	Alternative Schools	Central	186,613
934	Crossroads Group Home	Alternative Schools	Central	115,006
935	Excalibur Youth Services	Alternative Schools	Central	115,219
936	Generations Group Home	Alternative Schools	Central	184,212
939	Generations PRTF	Alternative Schools	Central	120,347
940	Juvenile Detention Center	Alternative Schools	Central	28,982
949	Teen Parent Program	Other Schools	Central	273,459
950	West Greenville School	Other Schools	Central	1,436,708
951	West Greenville MSAP	Other Schools	Central	650,045
955	Boys Home of the South	Alternative Schools	Central	721
956	Pendleton Place / Smith House	Alternative Schools	Central	32,207
957	Miracle Hills Boys Shelter	Alternative Schools	Central	34,685
958	Greenville Group Home	Non-Schools	Central	715,242
970	Lifelong Learning	Other Schools	School	1,610,188
971	Work Place Resource Center	Other Schools	School	142,867
990	Building Equity Sooner for Tomorrow BEST	Other Schools	School	65,266,972
TOTAL EXPENDITURES / EXPENSES / DISBURSEMENTS FOR ALL FUNDS				\$ 744,290,459

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

General Fund	\$ 478,720,273
Special Revenue Fund	55,204,099
Special Revenue Fund - EIA Fund	31,798,950
Debt Service - District Fund	7,571,030
Debt Service - BEST Fund	65,266,972
Capital Projects - District Fund	49,191,442
Capital Projects - BEST Fund	300,099
Permanent Fund	348
Food Service Fund	32,795,204
Pupil Activity Fund	23,442,042
TOTAL EXPENDITURES / EXPENSES / DISBURSEMENTS FOR ALL FUNDS	\$ 744,290,459

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

STATISTICAL SECTION

This part of The School District of Greenville County’s (“School District”) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, supplementary information, and required supplementary information says about the School District’s overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends <i>These schedules contain trend information to help the reader understand how the School District’s financial performance and well-being have changed over time.</i>	141
Revenue Capacity <i>These schedules contain information to help the reader assess the School District’s most significant local revenue source, the property tax.</i>	147
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the School District’s current levels of outstanding debt and the School District’s ability to issue additional debt in the future.</i>	151
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within the School District’s financial activities take place.</i>	155
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the School District’s financial report related to the services the School District provides and the activities it performs.</i>	157

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA

Table 1

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(accrual basis of accounting)

UNAUDITED

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
Net Investment in Capital Assets	\$486,666,594	488,183,354	480,631,114	486,203,030	489,390,229	486,054,515	487,718,027	474,927,052	457,356,388	\$ 450,253,532
Restricted	8,885,616	8,141,112	6,810,678	4,027,946	7,611,863	9,096,510	3,288,234	3,570,138	4,546,417	8,022,401
Unrestricted	40,212,194	47,560,783	48,124,342	49,415,789	46,926,181	51,846,591	77,961,123	77,053,972	83,831,610	100,829,079
Total Governmental Activities Net Position	<u>\$535,764,404</u>	<u>543,885,249</u>	<u>543,885,249</u>	<u>539,646,765</u>	<u>543,928,273</u>	<u>546,997,616</u>	<u>568,967,384</u>	<u>555,551,162</u>	<u>545,734,415</u>	<u>\$ 559,105,012</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 6,209,817	6,066,076	6,413,141	6,847,163	6,258,168	5,345,741	5,274,884	4,913,335	4,642,260	\$ 4,188,513
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	6,814,674	8,349,274	9,386,896	8,193,585	8,328,797	10,622,352	12,945,034	14,521,855	15,256,724	15,911,771
Total Business-Type Activities Net Position	<u>\$ 13,024,491</u>	<u>14,415,350</u>	<u>14,415,350</u>	<u>15,040,748</u>	<u>14,586,965</u>	<u>15,968,093</u>	<u>18,219,918</u>	<u>19,435,190</u>	<u>19,898,984</u>	<u>\$ 20,100,284</u>
Primary Government										
Net Investment in Capital Assets	\$492,876,411	494,249,430	487,044,255	493,050,193	495,648,397	491,400,256	492,992,911	479,840,387	461,998,648	\$ 454,442,045
Restricted	8,885,616	8,141,112	6,810,678	4,027,946	7,611,863	9,096,510	3,288,234	3,570,138	4,546,417	8,022,401
Unrestricted	47,026,868	55,910,057	57,511,235	57,609,374	55,254,978	62,468,943	90,906,157	91,575,827	99,088,334	116,740,850
Total Primary Government Net Position	<u>\$548,788,895</u>	<u>558,300,599</u>	<u>558,300,599</u>	<u>554,687,513</u>	<u>558,515,238</u>	<u>562,965,709</u>	<u>587,187,302</u>	<u>574,986,352</u>	<u>565,633,399</u>	<u>\$ 579,205,296</u>

THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA

Table 2

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(accrual basis of accounting)

UNAUDITED

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental Activities:										
Instruction	\$ 266,621,447	287,062,759	317,433,608	338,942,590	348,968,064	345,293,018	334,767,109	348,550,613	363,473,044	\$ 377,482,314
Support Services	171,051,626	186,471,634	204,454,373	223,459,573	219,231,518	208,918,608	204,117,940	226,944,532	241,550,077	245,266,793
Community Services	809,914	865,928	653,033	765,487	615,256	1,427,135	1,322,110	1,272,166	1,263,039	1,505,987
Intergovernmental	3,112,120	5,084,855	-	-	-	-	-	-	-	-
Interest And Other Charges	54,296,376	54,958,718	61,697,569	58,400,669	57,539,897	56,531,888	56,195,999	54,227,239	51,044,131	45,553,994
Total Governmental Activities Expenses	<u>495,891,483</u>	<u>534,443,894</u>	<u>584,238,583</u>	<u>621,568,319</u>	<u>626,354,735</u>	<u>612,170,649</u>	<u>596,403,158</u>	<u>630,994,550</u>	<u>657,330,291</u>	<u>669,809,088</u>
Business-Type Activities:										
Food Services	21,460,105	23,016,625	25,510,774	29,157,884	29,467,981	28,732,833	28,976,881	30,748,202	32,174,242	32,795,204
Total Business-Type Activities Expenses	<u>21,460,105</u>	<u>23,016,625</u>	<u>25,510,774</u>	<u>29,157,884</u>	<u>29,467,981</u>	<u>28,732,833</u>	<u>28,976,881</u>	<u>30,748,202</u>	<u>32,174,242</u>	<u>32,795,204</u>
Total Primary Government Expenses	<u>\$ 517,351,588</u>	<u>557,460,519</u>	<u>609,749,357</u>	<u>650,726,203</u>	<u>655,822,716</u>	<u>640,903,482</u>	<u>625,380,039</u>	<u>661,742,752</u>	<u>689,504,533</u>	<u>\$ 702,604,292</u>
Program Revenues										
Governmental Activities:										
Charges For Services:										
Instruction	\$ 1,171,644	1,276,306	1,171,904	1,340,758	1,059,726	1,016,603	758,867	910,380	615,780	\$ 1,026,383
Support Services	697,465	2,239,862	3,044,863	2,680,945	2,394,302	1,175,328	1,462,915	1,523,076	1,427,667	-
Operating Grants And Contributions	237,240,184	264,290,110	279,953,292	315,883,558	300,199,015	290,153,113	287,176,789	280,964,485	298,904,917	316,577,895
Capital Grants And Contributions	3,634,162	983,925	1,097,947	1,330,064	-	791,146	1,318,436	22,807	-	-
Total Governmental Activities Program Revenues	<u>242,743,455</u>	<u>268,790,203</u>	<u>285,268,006</u>	<u>321,235,325</u>	<u>303,653,043</u>	<u>293,136,190</u>	<u>290,717,007</u>	<u>283,420,748</u>	<u>300,948,364</u>	<u>317,604,278</u>
Business-Type Activities:										
Charges For Services:										
Food Services	10,505,517	11,252,443	12,579,502	12,974,062	12,906,205	12,767,383	12,129,629	12,470,466	12,824,199	13,199,498
Operating Grants And Contributions	12,686,756	13,263,339	13,945,698	15,340,136	17,147,013	18,987,497	19,809,959	20,879,664	21,427,270	21,545,646
Capital Grants And Contributions	871,939	992,702	1,602,261	1,256,397	275,980	-	-	-	-	-
Total Business-Type Activities Program Revenues	<u>24,064,212</u>	<u>25,508,484</u>	<u>28,127,461</u>	<u>29,570,595</u>	<u>30,329,198</u>	<u>31,754,880</u>	<u>31,939,588</u>	<u>33,350,130</u>	<u>34,251,469</u>	<u>34,745,144</u>
Total Primary Government Program Revenues	<u>\$ 266,807,667</u>	<u>294,298,687</u>	<u>313,395,467</u>	<u>350,805,920</u>	<u>333,982,241</u>	<u>324,891,070</u>	<u>322,656,595</u>	<u>316,770,878</u>	<u>335,199,833</u>	<u>\$ 352,349,422</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (253,148,028)	(265,653,691)	(298,970,577)	(300,332,994)	(322,701,692)	(319,034,459)	(305,686,151)	(347,573,802)	(356,381,927)	\$(352,204,810)
Business-Type Activities	2,604,107	2,491,859	2,616,687	412,711	861,217	3,022,047	2,962,707	2,601,928	2,077,227	1,949,940
Total Primary Government Net (Expense)/Revenue	<u>\$(250,543,921)</u>	<u>(263,161,832)</u>	<u>(296,353,890)</u>	<u>(299,920,283)</u>	<u>(321,840,475)</u>	<u>(316,012,412)</u>	<u>(302,723,444)</u>	<u>(344,971,874)</u>	<u>(354,304,700)</u>	<u>\$(350,254,870)</u>

(Continued)

THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA

Table 2

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(accrual basis of accounting)

UNAUDITED

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Revenues And Other Changes In Net Position										
Governmental Activities:										
Property Taxes	\$ 239,127,675	242,607,812	242,607,812	261,802,159	197,467,739	208,100,759	219,430,314	222,109,881	237,266,503	\$ 259,667,344
State Revenue in Lieu of Taxes	-	-	-	-	80,486,671 C	84,052,934 C	87,833,137	89,801,146	92,818,040	95,647,170
Intergovernmental Revenue	-	-	-	-	-	-	521,190	1,175,710	1,322,053	1,278,005
Unrestricted Grants And Contributions	276,341	274,145	120,669	266,183	229,075	251,722	162,698	155,386	5,027	5,268
Unrestricted Investment Earnings	52,976,497 A	58,909,355	26,402,402	27,170,846	24,702,384	32,949,534	18,149,261	18,366,628	7,715,958	2,124,717
Miscellaneous	134,565	131,796	3,542,653 B	180,274	355,756	313,251	816,614	1,131,849	5,796,697 D	713,737
Gain On Disposal Of Capital Assets	1,320,275	-	-	-	-	-	-	-	-	-
Transfers	857,810	943,000	1,101,000	1,232,000	1,172,000	1,315,000	742,705	1,416,980	1,640,902	1,761,000
Total Governmental Activities	<u>294,693,163</u>	<u>302,866,108</u>	<u>273,774,536</u>	<u>290,651,462</u>	<u>304,413,625</u>	<u>326,983,200</u>	<u>327,655,919</u>	<u>334,157,580</u>	<u>346,565,180</u>	<u>361,197,241</u>
Business-Type Activities:										
Intergovernmental Revenue	-	-	-	-	-	-	-	-	-	-
Unrestricted Investment Earnings	-	-	-	-	-	-	31,823	30,324	27,469	12,360
Transfers	(1,008,749)	(943,000)	(1,101,000)	(1,232,000)	(1,172,000)	(1,315,000)	(742,705)	(1,416,980)	(1,640,902)	(1,761,000)
Total Business-Type Activities	<u>(1,008,749)</u>	<u>(943,000)</u>	<u>(1,101,000)</u>	<u>(1,232,000)</u>	<u>(1,172,000)</u>	<u>(1,315,000)</u>	<u>(710,882)</u>	<u>(1,386,656)</u>	<u>(1,613,433)</u>	<u>(1,748,640)</u>
Total Primary Government	<u>\$ 293,684,414</u>	<u>301,923,108</u>	<u>272,673,536</u>	<u>289,419,462</u>	<u>303,241,625</u>	<u>325,668,200</u>	<u>326,945,037</u>	<u>332,770,924</u>	<u>344,951,747</u>	<u>\$ 359,448,601</u>
Change In Net Position:										
Governmental Activities	\$ 41,545,135	37,212,417	(25,196,041)	(8,319,115)	(18,288,067)	7,948,741	21,969,768	(13,416,222)	(9,816,747)	\$ 8,992,431
Business-Type Activities	1,595,358	1,548,859	1,515,687	1,384,687	(310,783)	1,707,047	2,251,825	1,215,272	463,794	201,300
Total Primary Government	<u>\$ 43,140,493</u>	<u>38,761,276</u>	<u>(23,680,354)</u>	<u>(6,934,428)</u>	<u>(18,598,850)</u>	<u>9,655,788</u>	<u>24,221,593</u>	<u>(12,200,950)</u>	<u>(9,352,953)</u>	<u>\$ 9,193,731</u>

(A) The School District began a new investment program in order to recapture negative arbitrage.

(B) The School District settled a legal claim, receiving \$3,265,000.

(C) Owner occupied residential property exempt from property tax and replaced by state revenue from Homestead Exemption Fund.

(D) The School District settled a legal claim, receiving \$47,345.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

Table 3

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE

LAST TEN FISCAL YEARS

(accrual basis of accounting)

UNAUDITED

	Fiscal Year									
	2005	2006	2007	2008 (A)	2009	2010	2011	2012	2013	2014
Property Tax-General Operations	\$ 170,943,978	173,465,886	190,815,430	123,600,499	131,372,809	134,821,203	137,024,178	139,463,265	153,010,289	\$ 164,072,921
Property Tax-Debt Service	\$ 68,183,697	69,141,926	70,986,729	73,867,240	76,727,950	78,983,736	82,406,136	82,646,616	84,256,214	\$ 95,594,423

(A) Owner occupied residential property exempt from property tax and replaced by state revenue from Homestead Exemption Fund.

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

UNAUDITED

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011 (B)	2012	2013	2014
General Fund										
<u>Pre-GASB #54^B</u>										
Reserved	\$ 698,366	353,122	248,623	337,979	1,389,805	383,283	-	-	-	\$ -
Unreserved	40,469,946	48,390,733	49,319,741	50,053,111	46,950,288	51,605,098	-	-	-	-
<u>Post GASB #54^B</u>										
Nonspendable	-	-	-	-	-	-	1,749,933	741,374	2,283,822	2,513,645
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	17,828,606	16,175,000	12,598,000	8,407,000
Unassigned	-	-	-	-	-	-	59,761,467	63,178,917	68,003,757	82,065,477
Total General Fund	<u>\$ 41,168,312</u>	<u>48,743,855</u>	<u>49,568,364</u>	<u>50,391,090</u>	<u>48,340,093</u>	<u>51,988,381</u>	<u>79,340,006</u>	<u>80,095,291</u>	<u>82,885,579</u>	<u>\$ 92,986,122</u>
All Other Governmental Funds										
<u>Pre-GASB #54^B</u>										
Reserved	\$ 531,309,033	452,166,387	289,139,624	227,804,646	238,955,337	238,348,299	-	-	-	\$ -
Unreserved, Reported In:										
Permanent Fund	2,225	3,772	6,493	6,509	6,081	6,842	-	-	-	-
<u>Post GASB #54^B</u>										
Nonspendable	-	-	-	-	-	-	136,261	136,261	136,261	136,261
Restricted	-	-	-	-	-	-	231,630,917	228,515,027	133,564,125	115,554,735
Assigned	-	-	-	-	-	-	6,786	5,368	3,630,588	10,867,505
Unassigned ^C	-	-	-	-	-	-	-	(14,875,153)	(13,960,994)	(11,740,064)
Total All Other Governmental Funds	<u>\$ 531,311,258</u>	<u>452,170,159</u>	<u>289,146,117</u>	<u>227,811,155</u>	<u>238,961,418</u>	<u>238,355,141</u>	<u>231,773,964</u>	<u>213,781,503</u>	<u>123,369,980</u>	<u>\$ 114,818,437</u>

(A) Building Equity Sooner for Tomorrow (a blended component unit of the School District) issued \$800 million in installment purchase revenue bonds to begin a facility building and renovation program in 2002. There have been additional issuances totaling \$231 million. These funds were expended from 2003 through 2011.

(B) The School District implemented GASB #54 "Fund Balance Reporting and Governmental Fund Type Definitions" ("GASB #54") in 2011. GASB #54 established new fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. The School District has elected to apply GASB #54 prospectively - and thus has provided fund balance information before ("Pre") and after ("Post") its implementation.

(C) The negative unassigned fund balance was due to the School District issuing a short term general obligation bond that was required to be recorded as a fund liability as of the respective fiscal year-end.

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

UNAUDITED

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes:										
General Operations	\$ 137,511,156	140,311,489	156,850,268	122,943,560	131,534,209	133,058,264	137,113,801	142,215,688	152,341,397	\$ 163,526,270
Debt Service	64,578,404	65,723,525	67,544,820	73,654,936	76,893,468	78,265,776	82,406,136	82,646,616	84,256,214	95,594,424
Investment Earnings	71,531,509	23,774,837 C	26,198,441	24,767,438	34,035,535	16,920,690	18,384,262	18,150,628	7,224,958	2,124,717
Other Local Sources	3,463,712	8,834,933	6,172,324	6,632,139	6,088,706	5,831,047	5,371,828	5,757,429	4,913,049	8,037,202
State Sources	237,891,798	263,409,277 D	278,425,406	354,717,760	334,118,108	304,131,954	311,444,558	321,760,408	349,472,230	363,522,551
Federal Sources	37,823,264	36,707,154	38,630,384	40,967,428	48,064,136	71,567,345	63,234,259	48,167,002	41,902,528	43,624,171
Total Revenues	<u>\$ 552,799,843</u>	<u>538,761,215</u>	<u>573,821,643</u>	<u>623,683,261</u>	<u>630,734,162</u>	<u>609,775,076</u>	<u>617,954,844</u>	<u>618,697,771</u>	<u>640,110,376</u>	<u>\$ 676,429,335</u>
Expenditures										
Current:										
Instruction	\$ 250,545,686	267,715,158	287,153,756	306,917,043	315,392,403	307,900,537	292,921,846	303,241,262	317,391,227	\$ 325,799,559
Support Services	155,147,961	166,272,431	191,020,215	208,426,118	202,123,261	195,471,586	185,163,964	199,003,535	206,532,696	212,355,789
Community Services	809,914	865,172	653,034	760,767	615,256	1,427,136	1,322,110	1,272,166	1,263,039	1,504,762
Intergovernmental	3,112,121	5,084,855	6,166,743	7,714,672	9,322,163	11,056,779	13,676,753	16,017,874	18,792,623	23,826,020
Capital Outlay	311,925,808	229,521,995	178,597,252	88,516,892	44,166,384	45,721,302	31,617,904	39,848,135	35,464,411	51,564,136
Debt Service:										
Principal	6,605,000	7,190,000	10,925,000	11,795,000	13,735,000	21,185,000	34,052,000	38,274,945	86,664,945	27,424,945
Interest And Fiscal Charges	53,829,573	55,924,188	56,339,680	57,365,584	56,694,768	55,607,931	55,441,511	53,608,995	49,003,190	45,572,916
Bond Issuance Costs	2,946,550	6,515,362	6,993,682 F	4,431,554 F	- F	418,510 F	-	-	-	5,086
Other Expenditures	-	-	-	-	-	-	-	-	20,320,451	-
Total Expenditures	<u>784,922,613</u>	<u>739,089,161</u>	<u>737,849,362</u>	<u>685,927,630</u>	<u>642,049,235</u>	<u>638,788,781</u>	<u>614,196,088</u>	<u>651,266,912</u>	<u>735,432,582</u>	<u>688,053,213</u>
Excess Of Revenues Over (Under)										
Expenditures	(232,122,770)	(200,327,946)	(164,027,719)	(62,244,369)	(11,315,073)	(29,013,705)	3,758,756	(32,569,141)	(95,322,206)	(11,623,878)
Other Financing Sources (Uses)										
Premium On Bonds Sold	18,037,521	27,340,851	-	-	853,927	431,861	123,540	-	9,762,353	-
Issuance Of General Obligation & Revenue										
Bonds/Anticipation Notes	68,000,000 E	61,615,000	-	-	15,795,000	27,860,000	14,302,000	13,888,652	-	-
Issuance Of Refunding Bonds	216,905,000	574,790,000	-	-	-	-	-	-	109,805,000	-
Payment To Refunded Debt Escrow Agent	(210,307,182)	(537,166,076)	-	-	-	-	-	-	(118,542,306)	-
Sale Of Capital Assets	1,397,395	1,081,615	596,186	560,133	2,450,412	2,089,286	973,152	26,333	225,373	24,588
Arbitrage Refund	-	-	-	-	-	-	-	-	4,602,374	64,533
Transfers In	104,805,986	99,318,224	96,908,692	140,214,120	110,937,363	117,553,385	118,104,014	117,173,170	100,538,840	109,699,536
Transfers Out	(103,862,986)	(98,217,224)	(95,676,692)	(139,042,120)	(109,622,363)	(115,878,816)	(116,491,014)	(115,756,190)	(98,690,663)	(107,938,536)
Total Other Financing Sources (Uses)	<u>94,975,734</u>	<u>128,762,390</u>	<u>1,828,186</u>	<u>1,732,133</u>	<u>20,414,339</u>	<u>32,055,716</u>	<u>17,011,692</u>	<u>15,331,965</u>	<u>7,700,971</u>	<u>1,850,121</u>
Net Change In Fund Balances	<u>\$ (137,147,036)</u>	<u>(71,565,556)</u>	<u>(162,199,533)</u>	<u>(60,512,236)</u>	<u>9,099,266</u>	<u>3,042,011</u>	<u>20,770,448</u>	<u>(17,237,176)</u>	<u>(87,621,235)</u>	<u>\$ (9,773,757)</u>
Debt Service As A Percentage Of										
Noncapital Expenditures	12%	12%	12%	11%	12%	13%	15%	15%	19%	11%

(A) The School District began a new investment program in order to recapture negative arbitrage.
 (B) The first full year of expenditures for the facility building and renovation program; this program has continued through 2006.
 (C) The School District significantly curtailed its investment program as it had recaptured all of its negative arbitrage.
 (D) The State of South Carolina significantly increased its funding under the Education Finance Act.
 (E) The School District began reporting GO Bonds as short term obligations when their maturities were less than one year.
 (F) The School District paid arbitrage rebate.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

Table 6

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30	Real Property		Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other					
2005	\$ 229,529,506	801,957,167	211,218,809	211,340,775	-	\$ 1,454,046,257	147.8	\$ 23,248,788,963	6%
2006	224,112,893	844,316,393	202,634,992	203,838,873	-	1,474,903,151	147.9	23,919,832,768	6%
2007	245,407,593	869,745,030	207,481,653	211,364,230	-	1,533,998,506	156.4	25,025,086,120	6%
2008	658,330,850	615,958,470	203,817,054	219,575,220	-	1,697,681,594	150.7	31,861,865,607	5%
2009	697,714,940	663,753,000	192,593,941	247,069,119	-	1,801,131,000	156.7	33,728,363,931	5%
2010	730,707,500	681,590,820	170,849,914	359,174,818	-	1,942,323,052	156.7	34,879,363,615	6%
2011	808,811,250	716,349,790	166,267,346	351,849,013	-	2,043,277,399	157.8	37,193,084,549	5%
2012	816,058,980	703,731,150	184,188,563	332,090,892	-	2,036,069,585	162.5	37,309,222,407	5%
2013	829,023,520	708,753,330	198,416,230	327,314,925	-	2,063,508,005	168.6	37,931,749,964	5%
2014	\$ 828,905,863	732,224,830	220,896,409	329,612,265	-	\$ 2,111,639,367	177.5	\$ 38,721,845,878	5%

Source: Greenville County Assessor and Auditor Departments

Note: Property in the county was last reassessed for fiscal year 2008. Tax rates are per \$1,000 of assessed value. Beginning in fiscal year 2003, the state legislature decreased the vehicle tax assessment rate by .75% per year until the rate is lowered to 6% in fiscal year 2008.

Note: Information for Laurens and Spartanburg Counties is not included as the related property taxes applicable to the School District represents 3% of the School District's total taxes.

THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA

Table 7

PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year	Greenville County School District			Overlapping Rates						
	Operating Millage	Debt Service Millage	Total School Millage	Municipalities						Total Municipalities
				Fountain Inn Overall Operating Millage	Greenville Overall Operating Millage	Greer Overall Operating Millage	Mauldin Overall Operating Millage	Simpsonville Overall Operating Millage	Travelers Rest Overall Operating Millage	Overall Operating Millage
2005	105.3	42.5	147.8	58.4	90.9	93.9	58.5	50.7	86.9	439.3
2006	105.4	42.5	147.9	58.4	90.9	93.9	58.5	50.7	86.9	439.3
2007	113.9	42.5	156.4	58.4	90.9	93.9	58.5	50.7	86.9	439.3
2008	108.2	42.5	150.7	52.9	89.9	93.1	51.7	48.6	86.9	423.1
2009	114.2	42.5	156.7	63.9	89.9	92.8	51.7	51.5	86.9	436.7
2010	114.2	42.5	156.7	63.9	89.9	92.8	51.7	64.3	86.9	449.5
2011	115.3	42.5	157.8	63.9	85.4	97.8	54.7	61.7	85.1	448.6
2012	120.0	42.5	162.5	63.6	85.4	97.8	56.3	61.7	85.1	449.9
2013	126.1	42.5	168.6	70.8	85.4	97.8	56.3	61.7	85.1	457.1
2014	130.0	47.5	177.5	72.6	85.4	97.8	56.3	61.7	85.1	458.9

Fiscal Year	Greenville County					Overlapping Rates					
	Operating Millage	Debt Service Millage	Other Millage	Total School Millage	Art Museum	Greenville Technical College	Greenville County Library System	Recreation	Fire District Rates	Special Purpose Districts	Sewer Rates
2005	40.8	3.8	5.3	49.9	1.2	5.6	7.4	4.7	10.0 - 57.0	.8 - 55.40	8.4 - 19.5
2006	40.8	3.8	5.3	49.9	1.2	5.6	7.4	4.7	10.0 - 59.4	.8 - 63.40	8.4 - 19.5
2007	40.8	3.8	5.3	49.9	1.2	5.6	7.4	4.7	11.0-70.4	.8-41.50	5.8-21.5
2008	39.5	3.5	4.6	47.6	1.1	5.3	7.0	4.4	9.5-73.0	.6-24.0	5.4-20.2
2009	39.5	3.5	4.6	47.6	1.2	5.3	7.4	4.5	12.5-77.1	.4-24.0	5.4-20.4
2010	40.5	2.5	4.6	47.6	1.2	5.3	7.4	4.7	11.1-77.1	.4-24.0	5.7-20.9
2011	40.3	2.5	4.5	47.3	1.2	5.3	7.4	4.7	10.5 - 77.1	.8 - 15.7	9.6-22.4
2012	40.3	2.5	4.5	47.3	1.2	5.3	7.4	4.7	10.5 - 77.1	.8 - 15.5	9.6-22.9
2013	40.3	2.5	4.5	47.3	1.2	5.3	7.4	4.7	10.5 - 77.1	.8 - 15.5	10.3-23.6
2014	45.1	2.6	4.2	51.9	1.2	5.3	7.4	0.0	10.5 - 77.1	.8 - 15.5	10.7-24.3

Note: Overlapping rates are those of local and county governments that apply to property owners within the School District of Greenville County. Not all overlapping rates apply to all School District of Greenville County property owners (i.e., the rates for special districts apply only to the proportion of the School District's property owners whose property is located within the geographic boundaries of the special district).

Source: Greenville County Finance Department

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

Table 8

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

UNAUDITED

Taxpayer	Fiscal Year 2014 (Tax Year 2013)			Fiscal Year 2005 (Tax Year 2004)		
	Taxable Assessed Value (in 000's)	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value (in 000's)	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Corporation	\$ 36,048	1	1.71%	\$ 31,057	1	2.00%
Bell South Telecommunications	12,013	2	0.57%	20,598	2	1.33%
Cellco Partnership/Verizon Wireless	11,484	3	0.54%	5,135	6	0.33%
Simon Haywood LLC & Bellwether	5,496	4	0.26%	4,814	7	0.31%
Laurens Electric Coop Inc	4,762	5	0.23%	3,986	8	0.26%
Verdae Properties	4,284	6	0.20%			
Piedmont Natural Gas	3,827	7	0.18%	7,121	4	0.46%
Michelin North America	3,783	8	0.18%	5,432	5	0.35%
Sealed Air Corporation	3,542	9	0.17%	8,273	3	0.53%
Flour Corporation	2,938	10	0.14%	2,729	10	0.18%
Liberty Property LTD				2,739	9	0.18%
Totals	\$ 88,177		4.18%	\$ 91,884		5.93%

Source: Greenville County Finance Department

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 214,908,037	\$ 185,030,933	86.1%	\$ 17,962,815	\$ 202,993,748	94.5%
2006	218,138,176	183,649,258	84.2%	21,780,725	205,429,983	94.2%
2007	239,917,366	205,369,305	85.6%	19,773,375	225,142,680	93.8%
2008	184,719,855	165,745,712	89.7%	10,393,878	176,139,590	95.4%
2009	213,688,515	192,772,050	90.2%	5,953,342	198,725,392	93.0%
2010	219,278,173	188,897,959	86.1%	11,943,321	200,841,280	91.6%
2011	228,913,325	196,911,494	86.0%	8,830,905	205,742,399	89.9%
2012	230,545,592	201,292,797	87.3%	7,368,246	208,661,043	90.5%
2013	246,002,684	212,090,144	86.2%	5,982,097	218,072,241	88.6%
2014	\$ 270,072,979	\$ 233,794,154	86.6%	\$ -	\$ 233,794,154	86.6%

Source: Greenville County Finance Department and Greenville County Auditor

Note: The tax levies and collections represent the total county levies and collections for the School District in Greenville County only as it represents approximately 97% of the total taxes collected.

Note: Fiscal Year 2008 reflects reassessment data and tax law changes due to Act 388.

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30	Governmental Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Installment Purchase Revenue Bonds	Other Debt			
2005	\$ -	988,103,994	-	\$ 986,815,000	7.33%	\$ 2,433
2006	-	1,103,893,180	-	1,114,660,000	7.55%	2,680
2007	-	1,102,707,006	-	1,102,707,006	6.93%	2,577
2008	-	1,082,157,849	-	1,082,157,849	6.51%	2,467
2009	16,502,186	1,068,920,646	-	1,085,422,832	6.77%	2,430
2010	39,124,310	1,053,658,443	-	1,092,782,753	6.59%	2,413
2011	48,529,190	1,024,851,240	494,835	1,073,875,265	6.10%	2,341
2012	66,917,569	990,974,036	14,218,542	1,072,110,147	5.86%	2,293
2013	56,767,949	939,601,006	14,053,597	1,010,422,552	5.46%	2,130
2014	\$ 50,275,126	914,884,937	13,888,652	\$ 979,048,715	5.23%	\$ 2,036

Note: Debt amounts included deferred items (i.e. premiums, discounts, etc.) as applicable.

Note: Details regarding the School District's outstanding debt can be found in the notes to the financial statements. See the Schedule of Demographic and Economic Statistics for population data.

Note: Fiscal years ended June 30, 2014, 2013, and 2012 include short-term general obligation bonds that were outstanding at year-end of \$20,921,000, \$21,645,000 and \$22,399,000, respectively.

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2005	\$ -	-	\$ -	-	\$ -
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
2009	15,795,000	10,640,449	5,154,551	0.02%	12
2010	38,230,000	11,260,598	26,969,402	0.08%	60
2011	48,529,190	5,652,106	42,877,084	0.12%	93
2012	66,917,569	6,880,849	60,036,720	0.16%	128
2013	56,767,949	7,133,646	49,634,303	0.13%	105
2014	\$ 50,275,126	9,537,945	\$ 40,737,181	0.11%	\$ 85

Note: Details regarding the School District's outstanding debt can be found in the notes to the financial statements. See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data. See the Schedule of Demographic and Economic Statistics for population data.

THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA

Table 12

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2014

UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
School District:			
Greenville County	\$ 979,048,715	100.00%	\$ 979,048,715
Cities:			
Fountain Inn	7,254,901	100.00%	7,254,901
Greenville	90,537,000	100.00%	90,537,000
Greer	6,298,681	100.00%	6,298,681
Mauldin	5,773,501	100.00%	5,773,501
Simpsonville	11,517,207	100.00%	11,517,207
Travelers Rest	6,020,149	100.00%	6,020,149
Total cities	<u>127,401,439</u>		<u>127,401,439</u>
Special purpose districts:			
Berea Public Service District	2,210,000	100.00%	2,210,000
Boiling Springs Fire District	2,226,384	100.00%	2,226,384
ClearSpring (East Simpsonville) Fire District	939,000	100.00%	939,000
Donaldson Fire Service Area	345,000	100.00%	345,000
Fountain Inn Fire Service Area	1,880,000	100.00%	1,880,000
Gantt Fire, Sewer & Police District	1,045,598	100.00%	1,045,598
Glassy Mountain Fire District	1,745,000	100.00%	1,745,000
Greenville Arena District	19,690,000	100.00%	19,690,000
Greenville Technical College	42,390,000	100.00%	42,390,000
Mauldin Fire Service Area	1,750,000	100.00%	1,750,000
North Greenville Fire District	1,580,000	100.00%	1,580,000
River Falls Fire District	427,542	100.00%	427,542
South Greenville Fire & Sewer District	719,000	100.00%	719,000
Tigerville Fire District	425,000	100.00%	425,000
Total special purpose districts	<u>77,372,524</u>		<u>77,372,524</u>
Greenville County	<u>166,060,779</u>	100.00%	<u>166,060,779</u>
Total overlapping debt	<u>370,834,742</u>		<u>370,834,742</u>
Total direct and overlapping debt	<u>\$ 1,349,883,457</u>		<u>\$ 1,349,883,457</u>

Source: Greenville County Treasurer, Greenville County Finance Dept. and surrounding Municipalities

Note: All governmental units listed above are included within Greenville County (the School District's geographic boundary).

Note: The gross School District debt includes BEST debt which is serviced by general obligation bonds issued by the School District on an annual basis and all premiums.

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

UNAUDITED

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt Limit	\$ 130,327,433	132,627,438	136,517,805	150,400,821	157,179,210	159,455,355	167,459,484	162,885,567	165,080,640	\$ 168,931,149
Total Net Debt Applicable To Limit	-	-	-	-	15,795,000	38,230,000	47,785,000	66,449,000	56,575,000	50,181,000
Legal Debt Margin	<u>\$ 130,327,433</u>	<u>132,627,438</u>	<u>136,517,805</u>	<u>150,400,821</u>	<u>141,384,210</u>	<u>121,225,355</u>	<u>119,674,484</u>	<u>96,436,567</u>	<u>108,505,640</u>	<u>\$ 118,750,149</u>
Total Net Debt Applicable To Limit As A Percentage Of Debt Limit	0.0%	0.0%	0.0%	0.0%	10.0%	24.0%	28.5%	40.79%	34.27%	29.71%

Legal Debt Margin Calculation For Fiscal Year 2014

Total Assessed Value	<u>\$ 2,111,639,367</u>
Debt Limit-8 Percent Of Total Assessed Value	168,931,149
Amount Of Debt Applicable To Debt Limit:	
Total Bonded Debt	50,181,000
Legal Debt Margin	<u>\$ 118,750,149</u>

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

Table 14

DEMOGRAPHIC AND ECONOMIC STATISTICS - LAST TEN FISCAL YEARS

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30	(1) Population	(2) Personal Income (in 000's)	(2) Personal Income by Population	(4) Median Age	(5) Education Attainment Bachelor Degree or Higher	(6) School Enrollment	(3) Unemployment Rate
2005	405,608	\$ 13,471,844	\$ 33,214	37.7	28.2%	63,240	5.4%
2006	415,957	14,771,634	35,512	36.9	29.2%	64,992	5.6%
2007	427,970	15,908,314	37,172	37.2	27.1%	66,682	4.8%
2008	438,742	16,613,027	37,865	37.4	29.3%	67,927	5.2%
2009	446,655	16,036,899	35,904	36.9	30.2%	68,453	10.4%
2010	452,851	16,590,486	36,636	37.2	30.1%	69,006	9.7%
2011	458,803	17,609,718	38,382	37.4	30.1%	69,141	10.5%
2012	467,605	18,297,465	39,130	37.5	30.0%	69,649	9.4%
2013	474,266	18,512,460	39,034	37.6	30.9%	70,607	7.1%
2014	480,906	\$ 18,729,982	\$ 38,947	37.6	30.9%	71,109	4.8%

Data Sources:

- (1) Population figures for 2005-2013 provided by Bureau of Economic Analysis and US Census Bureau. Remaining year is estimated.
- (2) Personal income for 2005-2012 provided by Bureau of Economic Analysis, US Department of Commerce. Remaining years are estimates.
- (3) Unemployment rates provided by the SC Department of Employment and Workforce.
- (4) Median age for 2005 through 2013 provided by Population Estimates Program, US Bureau of the Census. Remaining years are estimates.
- (5) Education attainment estimates for 2005-2013 provided by US Census Bureau for ages 25 years and above. Remaining year is estimated.
- (6) Based on 135-day enrollment without charter schools.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

Table 15

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

UNAUDITED

Employer	2014			2005		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Greenville Hospital System	10,925	1	4.9%	7,792	1	3.2%
The School District of Greenville County	9,580	2	4.3%	7,600	2	3.1%
Bon Secours St. Francis Health	5,047	3	2.3%	2,027	5	0.8%
Michelin North America	4,000	4	1.8%			
General Electric Co.	3,350	5	1.5%	3,600	3	1.5%
State of South Carolina	3,036	6	1.4%	2,524	4	1.0%
Fluor Corporation	2,260	7	1.0%	1,520	10	0.6%
Bi Lo Supermarkets	2,089	8	0.9%			
Greenville County	1,914	9	0.9%			
US Government	1,835	10	0.8%			
Bob Jones University				1,800	6	0.7%
Greenville County Government				1,627	8	0.7%
Sealed Air Corp/Cryovac				1,700	7	0.7%
Lockheed Martin Aircraft Logistics Center				1,531	9	0.6%
Totals	44,036		19.9%	31,721		13.1%
Estimated Total County Employment	221,770			242,610		

Source: Greenville Area Development Corporation

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

Table 16

FULL-TIME EQUIVALENT SCHOOL DISTRICT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

UNAUDITED

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Directors/Consultants/Coordinators/Administrators	220	330	289	323	304	296	291	277	272	248
Principals	92	82	84	87	85	85	86	88	89	88
Assistant Principals	106	105	116	122	107	109	109	162	164	164
Nurses/LPNs	80	84	90	109	120	112	96	140	125	142
Secretaries/Clerical	495	468	490	502	495	446	408	459	477	465
Teachers	4,005	3,945	4,359	4,418	4,405	4,395	4,364	4,289	4,328	4,398
Aides	629	758	801	779	760	755	722	755	807	781
Food Service	515	506	589	615	620	610	570	498	556	525
Custodians	490	523	577	596	630	631	635	632	644	683
Guidance Counselors	135	135	160	165	157	142	149	182	183	197
Media Specialists	93	88	102	98	99	101	104	103	103	99
Maintenance	103	125	122	122	118	145	70	125	144	138
School Bus Drivers	360	333	369	402	427	428	435	468	468	518
Others	90	156	147	149	144	161	300	188	196	185
Total Full-Time Equivalents	7,413	7,638	8,295	8,486	8,471	8,416	8,339	8,366	8,556	8,631

Source: School District of Greenville County - Human Resources

THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA

Table 17

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30	Pupil Enrollment ADM	Modified Accrual Basis of Accounting			Teaching Staff	Pupil/ Teacher Ratio	Percentage of Students Receiving Free or Reduced Meals	Statewide Minimum Teacher Salary (A)	Statewide Maximum Teacher Salary (A)	Statewide Average Salary	Greenville Average Salary
		Operating Expenditures	Cost per Pupil	Percentage Change							
2005	62,857	\$ 409,615,682	\$ 6,517	5.9%	4,233	14.8	35.2%	\$ 25,665	54,624	42,189	\$ 42,098
2006	64,289	439,937,616	6,843	5.0%	4,168	15.4	42.0%	26,289	55,951	43,011	42,866
2007	66,239	484,993,748	7,322	7.0%	4,621	14.3	41.0%	26,975	57,412	44,336	43,000
2008	67,588	523,818,600	7,750	5.8%	4,680	14.4	42.0%	27,869	59,312	45,728	44,593
2009	68,578	527,453,083	7,691	-0.8%	4,661	14.7	44.0%	28,943	61,599	47,421	46,310
2010	69,136	515,856,038	7,461	-3.0%	4,638	14.9	48.0%	28,943	61,599	47,508	46,700
2011	69,942	493,084,673	7,050	-5.5%	4,617	15.1	49.4%	28,943	61,599	47,050	46,695
2012	70,555	519,534,837	7,364	4.5%	4,574	15.4	49.1%	28,943	61,599	47,428	47,634
2013	71,782	543,979,585	7,578	2.9%	4,614	15.6	49.5%	29,523	62,834	48,375	47,417
2014	72,553	\$ 563,486,130	\$ 7,767	2.5%	4,694	15.5	50.2%	\$ 30,852	62,834	48,858	\$ 47,130

Sources: Greenville County Schools Attendance Reports
Greenville County Schools CAFRs

Note: Operating expenditures are total expenditures in the governmental funds less debt service and capital outlay.
Teaching staff includes media specialists and guidance counselors.

(A) Statewide minimum and maximum teacher salary based on EFA required minimum and EIA supplement published by the SC State Department of Education.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

Table 18

CAPITAL ASSETS INFORMATION

LAST TEN FISCAL YEARS

UNAUDITED

Schools	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Elementary										
Buildings	50	51	48	49	49	49	50	50	51	51
Square Feet	3,995,689	4,459,687	4,456,885	4,644,288	4,651,424	4,653,558	4,776,916	4,790,170	4,897,566	4,897,566
Capacity	35,884	37,842	37,930	40,130	40,480	40,530	41,505	41,505	42,505	42,505
Enrollment	30,835	31,925	33,023	33,902	34,050	34,271	34,541	34,871	35,535	36,064
Middle										
Buildings	16	17	17	18	18	18	18	18	18	18
Square Feet	1,915,389	1,974,019	2,093,668	2,292,264	2,292,888	2,292,888	2,282,715	2,287,687	2,287,687	2,287,687
Capacity	14,195	14,760	15,197	16,820	16,820	16,820	16,820	16,820	16,820	16,820
Enrollment	15,013	15,158	15,228	15,056	15,140	15,400	15,470	15,708	15,796	15,766
High										
Buildings	14	16	16	14	14	14	14	14	14	14
Square Feet	2,479,338	2,867,114	3,688,436	3,448,208	3,454,114	3,454,114	3,479,095	3,486,508	3,486,508	3,516,508
Capacity	17,113	21,394	24,348	22,064	22,064	22,064	22,064	22,064	22,064	22,064
Enrollment	17,392	17,909	18,431	18,969	19,263	19,335	19,130	19,070	19,276	19,279
Other										
Buildings	14	14	15	15	16	16	16	15	15	15
Square Feet	645,964	678,154	771,874	771,874	817,874	817,874	812,457	812,457	805,874	843,353

Sources: Various School District of Greenville County departments

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2014

LEA Subfund Code	Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass Through Grantor's Number	Federal Expenditures
<u>US DEPARTMENT OF AGRICULTURE</u>				
Pass-through State Department of Education:				
6000	National School Breakfast Program	10.553	N/A	\$ 4,319,669
6000	National School Lunch Program - Non-Cash Assistance	10.555	N/A	1,882,803
6000	National School Lunch Program - Cash Assistance	10.555	N/A	15,128,183
		Total 10.555		<u>17,010,986</u>
6000	Fresh Fruit and Veg Grant	10.582	N/A	213,019
TOTAL US DEPARTMENT OF AGRICULTURE				<u>21,543,674</u>
<u>US DEPARTMENT OF EDUCATION</u>				
Passed Through SC State Department of Education:				
<u>Title I:</u>				
2010	Title I - Low Income	84.010	14-BA-040	18,524,424
2020	Title I - Low Income	84.010	13-BA-040	848,605
2370.01	Title I - School Improvement	84.010	12-BJ-040	76,562
2370.06	Title I - State School Improvement	84.011	13-BM-040	53,645
2390	Federal Priority Schools	84.010	14-BL-040-01	40,079
		Total 84.010		<u>19,543,315</u>
2210.01	Title I - N&D	84.013	14-ND-040	60,428
2210.02	Title I - N&D Carryover	84.013	13-ND-040	152,608
		Total 84.013		<u>213,036</u>
	Total Title I			<u>19,756,351</u>
2260	ARRA - School Improvement	84.388	13-SH-040	270,016
2340	ARRA - State School Improvement	84.388	13-SH-040-01	35,889
		Total 84.388		<u>305,905</u>
<u>IDEA:</u>				
2030	Public Law 101-476 - The Individuals with Disabilities Act	84.027	14-CA-040-01	15,913,521
2050	Handicapped Preschool Grant	84.173	14-CG-040-01	584,037
2990	Federal Miscellaneous (Substitute Reimbursements)	84.027A	N/A	300
		Total 84.027, 84.027A and 84.173		<u>16,497,858</u>
	Total IDEA			<u>16,497,858</u>
<u>Title II:</u>				
2670.01/02	Title II - Improving Teacher Quality, Reduce Class Size	84.367	14-TQ-040-01	1,793,765
<u>Drug Free:</u>				
2400.02	SC School Climate Initiative	84.184	13-CP-040-01	9,843
2400.03	SC School Climate Initiative	84.184	14-CP-040-01	46,239
		Total 84.184		<u>\$ 56,082</u>

(Continued)

THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2014

LEA Subfund Code	Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass Through Grantor's Number	Federal Expenditures
US DEPARTMENT OF EDUCATION (CONTINUED)				
Passed Through SC State Department of Education: (Continued)				
<u>Adult Education:</u>				
2430.01	Adult Regular	84.002	14-EA-040	\$ 291,742
2430.02	English Literacy / Civics	84.002	14-ED-040	15,416
2430.03	Adult Regular (Carryover from 2011-2012)	84.002	13-EA-040-03	24,947
		Total 84.002		<u>332,105</u>
<u>Occupational Education:</u>				
2070.01	Intergration	84.048	14-VA-040	82,134
2070.02	WBL Activities	84.048	14-VA-040	111,257
2070.03	Technology Training	84.048	14-VA-040	13,095
2070.04	Professional Development	84.048	14-VA-040	11,719
2070.06	Initiate and Improve Program	84.048	14-VA-040	8,850
2070.08	Special Populations	84.048	14-VA-040	24,986
2070.09	Career Guidance	84.048	14-VA-040	219,398
2070.10	Student Organizations	84.048	14-VA-040	78,713
2070.11	Equipment	84.048	14-VA-040	422,802
2070.15	Local Administration	84.048	14-VA-040	41,909
2070.16	Automobile Technology	84.048	14-VA-040	4,226
		Total 84.048		<u>1,019,089</u>
<u>Other Special Programs:</u>				
2640.01	Title III - English Language Acquisition	84.365A	14-BP-040	571,683
2640.02	Title III - English Language Acquisition	84.365	14-BP-040-02	12,534
		Total 84.365 & 84.365A		<u>584,217</u>
2240	Title IV - 21st Century Community Learning Centers	84.287	14-CL-040-30	134,564
2680	Title V - Teacher Incentive Fund	84.374A&B	14-TT-040-01-05	1,002,094
2999	Federal Miscellaneous (IB Testing)	84.330B	N/A	3,214
	Total Passed Through SC State Department of Education			<u>41,485,244</u>
TOTAL US DEPARTMENT OF EDUCATION				<u>41,485,244</u>
<u>US DEPARTMENT OF LABOR</u>				
Passed Through SC State Department of Commerce or other agency:				
2920.01	Jobs for SC Graduate - Woodmont	17.259	13-JAG-114	30,501
2920.02	Jobs for SC Graduate - Carolina	17.259	13-JAG-121	30,307
2920.02	Jobs for SC Graduate - Carolina	23.002	13-JAG-121	27,712
TOTAL US DEPARTMENT OF LABOR				<u>\$ 88,520</u>

(Continued)

THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2014

LEA Subfund Code	Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass Through Grantor's Number	Federal Expenditures
US DEPARTMENT OF HEALTH AND HUMAN SERVICES				
2980	Passed Through YMCA /LiveWell Greenville: Community Transformation - PE	93.737	1H75DP004224-01	\$ 155,700
	Total Passed Through YMCA / LiveWell Greenville			<u>155,700</u>
TOTAL US DEPARTMENT OF HEALTH AND HUMAN SERVICES				<u>155,700</u>
US DEPARTMENT OF DEFENSE				
	Direct Programs:			
2900.01	Navy ROTC	12.000	N/A	78,949
2900.02	Air Force ROTC	12.000	N/A	366,602
2900.03	Army ROTC	12.000	N/A	180,495
TOTAL US DEPARTMENT OF DEFENSE				<u>626,046</u>
TOTAL FEDERAL ASSISTANCE EXPENDED				<u>\$ 63,899,184</u>

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

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2014

A – General

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) presents the activity of all federal award programs of the School District of Greenville County, South Carolina (the “School District”) for the year ended June 30, 2014. All federal awards received directly from the federal agencies, as well as those passed through other government agencies, are included on the Schedule.

B – Basis of Accounting

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

C – Relationship to Financial Statements

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

D – Relationship to Federal Financial Reports

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

E – Sub-recipients

Of the federal expenditures presented in the accompanying schedule, the School District provided federal awards of \$1,381,186 to the School District’s charter schools (sub-recipients) from the Title I cluster, \$1,002,094 from the Teacher Incentive Fund, \$425,744 from the IDEA cluster, \$69,612 from the Title II program, \$55,661 from the Occupational Education program, and \$22,602 from the Title III program.

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The School District of Greenville County, South Carolina ("School District"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 28, 2014. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component units, as described in our report on the School District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Langston Charter Middle School, Inc. and Meyer Center for Special Children were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2014-001 to be a material weakness

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters


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

School District's Response to the Finding

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

Purpose of this Report

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



Greene, Finney & Horton, LLP
Mauldin, South Carolina
October 28, 2014

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal Program

We have audited The School District of Greenville County, South Carolina's ("School District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2014. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

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

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

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

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



Greene, Finney & Horton, LLP
Mauldin, South Carolina
October 28, 2014

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2014

There were no audit findings in the prior year.

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2014

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

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

CFDA Numbers Name of Federal Program or Cluster

84.027; 84.027A; 84.173 IDEA Cluster, including Handicapped Preschool

Dollar threshold used to distinguish between type A and type B programs: \$ 1,916,976

Auditee qualified as low-risk auditee?	<u> X </u> Yes	<u> </u> No
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**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2014

Section II – Current Year Financial Statement Findings

2014-001: ACCOUNTING FOR REVENUE IN THE SPECIAL REVENUE FUND

- Condition:** During the year ended June 30, 2014, the School District determined that its past practice of generally deferring all revenue received in excess of expenditures (as was commonly done by a number of school districts within the State) in its Special Revenue Fund was no longer appropriate and that revenue should be recognized when earned in accordance with generally accepted accounting principles. Accordingly, the School District recorded a prior period adjustment to increase beginning fund balance and decrease unearned revenues in the Special Revenue Fund by approximately \$11,323,000, which was the balance in unearned revenues as originally reported for these programs.
- Criteria:** Revenues of the Special Revenue Fund should be recognized when they are earned and are both measureable and available regardless of the timing of related expenditures, in accordance with generally accepted accounting principles.
- Context and Effect:** As a result of this change in revenue recognition in the Special Revenue Fund, the School District’s fund balance was understated and unearned revenues were overstated by approximately \$11,323,000 as of June 30, 2013. A prior period adjustment to properly state beginning fund balance has been reported in the School District’s financial statements for the year ended June 30, 2014.
- Cause:** The School District misinterpreted the revenue recognition accounting rules in prior years.
- Recommendation:** We recommend that the School District carefully review all revenues and related balance sheet accounts to ensure they are reported in the proper reporting period in accordance with generally accepted accounting principles.
- Response:** The School District concurs. The School District will review and monitor all Special Revenue Funds to ensure that the revenue is appropriately reported.
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Section III – Current Year Federal Award Findings and Questioned Costs

None

**THE SCHOOL DISTRICT OF GREENVILLE COUNTY
GREENVILLE, SOUTH CAROLINA**



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W.Burke Royster, Superintendent