

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED JUNE 30, 2014**

<b>LEA Subfund Code</b>	<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Grantor's Number</b>	<b>Federal Expenditures</b>
<b><u>US DEPARTMENT OF AGRICULTURE</u></b>				
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
<b>TOTAL US DEPARTMENT OF AGRICULTURE</b>				<b><u>21,543,674</u></b>
<b><u>US DEPARTMENT OF EDUCATION</u></b>				
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
<b>US DEPARTMENT OF EDUCATION (CONTINUED)</b>				
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>
<b>TOTAL US DEPARTMENT OF EDUCATION</b>				<b><u>41,485,244</u></b>
<b>US DEPARTMENT OF LABOR</b>				
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
<b>TOTAL US DEPARTMENT OF LABOR</b>				<b><u>\$ 88,520</u></b>

(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
<b>US DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
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>
<b>TOTAL US DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				<u><b>155,700</b></u>
<b>US DEPARTMENT OF DEFENSE</b>				
	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
<b>TOTAL US DEPARTMENT OF DEFENSE</b>				<u><b>626,046</b></u>
<b>TOTAL FEDERAL ASSISTANCE EXPENDED</b>				<u><b>\$ 63,899,184</b></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**

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**A – General**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) presents the activity of all federal award programs of 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**

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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**

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**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**

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**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**





301 E. Camperdown Way • P.O. Box 2848  
Greenville, South Carolina 29602  
864.355.3100 • [greenville.k12.sc.us](http://greenville.k12.sc.us)  
W.Burke Royster, Superintendent