

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008

**BERKELEY COUNTY SCHOOL DISTRICT
MONCKS CORNER, SOUTH CAROLINA**

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**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

PRINCIPAL OFFICIALS

FOR THE YEAR ENDED JUNE 30, 2008

Established in 1948

Board of Trustees

**Doug Cooper, Chairperson
Frank Wright, Vice-Chairperson
James Hinson, Secretary
Jerry Prosser
James Royce
Carolyn Lewis
Terry Hardesty
Wilhelmina Moore
Donna Marino**

Superintendent

Dr. J. Chester Floyd

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Berkeley County School District
Moncks Corner, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Berkeley County School District, South Carolina (the "School District"), as of and for the year ended June 30, 2008, which collectively comprise the School District's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Berkeley County School District, South Carolina, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2008, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The accompanying management's discussion and analysis and budgetary comparison schedule for the General Fund, as listed in the table of contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 and combining and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the US Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statement of the School District. The combining and individual fund schedules and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial information taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.



Greene, Finney & Horton, LLP
December 1, 2008

**BERKELEY COUNTY SCHOOL DISTRICT
MONCKS CORNER, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2008

INTRODUCTION

The following management's discussion and analysis (MD&A) of Berkeley County School District offers a narrative overview and analysis of the District's financial position and results of operations for the fiscal year ended June 30, 2008. Its design and purpose is to (a) focus on significant financial issues, (b) provide an overview of the District's financial activity, (c) identify changes in the District's financial position, (d) identify any material deviations from the approved budget, and (e) identify individual fund issues or concerns. Readers should also review the District's financial statements and the notes to the financial statements to enhance their understanding of the District's financial performance as a whole.

FINANCIAL HIGHLIGHTS

Act 388 – Property Tax Relief Legislation. Effective July 1, 2007, all owner-occupied residential property became exempt from ad valorem taxes for school district operations and, instead, school districts' are now funded by an additional one-cent statewide sales tax. Legislation limits growth in these state revenues; and, in addition, increases in operating millage for non-exempt properties are limited to the increase in CPI and population growth. As this legislation does not offer provisions for those school districts with rapid expansion, it was necessary for the district to provide start-up costs with a shortage of available funds for new schools opened in the 2008 school year. However, the district's conservative practices held expenditures to amounts that we did not have to draw on the district's reserves for fiscal 2007-2008.

Student Enrollment and New School Construction. Average daily membership for the 135th day of the 2008 school year increased district-wide by 114 students, a .4% increase from the prior year, and a 3.5% cumulative increase over the past five years.

A new high school under construction is on schedule to open in the 2008-2009 school year and a new elementary school is slated for opening in the 2009-2010 school years along with several other renovations to existing facilities. All construction projects were within budget at June 30. The funds for the projects were provided by installment purchase revenue bonds issued by SAFE, a non-profit corporation. SAFE is presented in the financial statements as a blended component unit of Berkeley County School District.

Net Assets. Net assets for governmental activities for June 30, 2008 totaled \$129,628,401. The net assets for the business-type activities of the District totaled \$555,322.

Capital Assets. The net increase in the District's general capital assets for governmental activities was \$27,687,189 (7%) for total capital assets of \$439,996,604. Included in this total are additions to construction in progress of \$36,154,558, bringing the total construction in progress for governmental activities on June 30 to \$85,830,641. This amount includes \$50,168,256 in construction costs for Cane Bay High School, the new high school that will be placed in service in the 2009 school year.

Governmental Funds – Fund Balance. The District's combined fund balance for all Governmental Funds at the fund level report an ending balance of \$131,210,472, a decrease of \$32,426,458 (20%). This is primarily attributable to the change in the SAFE capital projects fund. SAFE is a blended component unit in the District's financial statements. The reserved fund balance reported for SAFE capital projects is \$53,906,366, a decrease of \$33,847,005 (39%), due to ongoing construction projects.

General Fund – Fund Balance. The District's principal operating fund, the General Fund, showed an increase in its fund balance of \$12,214,614 (89%) that provided a balance at year-end of \$25,871,884. This includes amounts reserved for the prepaid items of \$613,015, for inventories of \$248,962, and amounts designated for future year's expenditures of \$6,015,000. The undesignated fund balance is \$18,994,907 (10.6% of operating expenditures).

Revenues and Expenditures. Expenditures and other financing uses exceeded revenues and other financing sources for all governmental funds by \$30,919,926. Of this amount \$33,847,005 is the decrease in the reserved fund balance for the SAFE capital projects fund. SAFE capital projects fund provided \$36,132,661 for the District's construction in progress.

**BERKELEY COUNTY SCHOOL DISTRICT
MONCKS CORNER, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2008

Debt – District. The District retired \$4,960,000 in long-term debt for general obligation bonds through principal payments and another \$23,240,000 through an advance refunding. It borrowed \$15,475,000 in short-term general obligation bonds and issued a \$19,257,000 Tax Anticipation Note (“TAN”), which were both fully paid by the close of the fiscal year. It also issued a \$20,740,000 Certificates of Participation Refunding which matures in February, 2016.

OVERVIEW OF THE FINANCIAL STATEMENTS

This document consists of three parts: management’s discussion and analysis (this section), the basic financial statements and required supplementary information. The discussion and analysis serves as an introduction to the District’s basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District’s overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District’s operations in *more detail* than the district-wide statements.
- The *governmental funds statements* tell how basic services were financed in the *short term* as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates *like businesses* (food services and extended day programs).
- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statement with a comparison of the District’s budget for the year.

Figure A-1 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2008

Figure A-1: Major Features of the District-Wide and Fund Financial Statements

	Fund Financial Statements			
	District-wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary	Activities the district operates similar to private businesses: food service and extended day programs	Instances in which the 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 assets • 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 assets • Statement of revenues, expenses and changes in net assets • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term.	Only assets expected to be used and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
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 the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**BERKELEY COUNTY SCHOOL DISTRICT
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MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2008

District-wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies.

- The *statement of net assets* includes all of the District's assets and liabilities, current and noncurrent.
- The *statement of activities* presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

The two district-wide statements report the District's *net assets* and how they have changed. Net assets—the difference between the District's assets and liabilities—are one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or diminishing, respectively.
- To assess the District's overall health, the reader also needs to consider additional non-financial factors such as changes in the District's property tax base, current property tax laws, the condition of school buildings and other facilities, and required educational programs and standards.

In the district-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities:* Most of the District's basic services are included here, such as instruction, including both regular and special education; support services, including administration, operation and maintenance of plant, and pupil transportation; community services and intergovernmental expenditures. These functions are principally supported by taxes and intergovernmental revenues.
- *Business type activities:* These services are provided on a charge for goods and services basis to recover all of the expenses of the goods or services provided. The District's childcare programs are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds—not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is in compliance with certain programs or sources of revenues (such as federal grants).

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2008

The District has three kinds of funds:

- **Governmental funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's education programs. Because this information does not encompass the additional long-term focus of the district-wide statements, both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to explain the relationship (or differences) between governmental funds and governmental activities.

The District maintains its accounting records in conformity with the South Carolina Department of Education's Financial Accounting Handbook. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General, Special Revenue, EIA, Debt Service (District and Berkeley Facilities Group and SAFE) and Capital Projects Funds (District and SAFE), all of which are considered to be major funds.

- **Proprietary funds:** Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's *enterprise fund* (child care fund) is the same as its business-type activities but provides more detail and additional information, such as cash flows.
- **Fiduciary funds:** The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds or student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations. The District's pupil activity fund is the only fiduciary 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 Supplemental Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information that further supports the financial statements with a comparison of the District's general fund budget for the fiscal year. Supplementary information schedules required by the South Carolina Department of Education are also included.

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2008

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Figure A-2 provides a summary of the District's net assets for fiscal year 2008 compared to 2007.

	Governmental Activities		Business - Type Activities		Total School District	
	2007	2008	2007	2008	2007	2008
Current and other assets	\$ 200,610,980	169,243,641	654,846	555,322	201,265,826	\$ 169,798,963
Capital assets	412,309,415	439,996,604	-	-	412,309,415	439,996,604
Total assets	612,920,395	609,240,245	654,846	555,322	613,575,241	609,795,567
Long-term debt outstanding	461,564,000	445,538,848	-	-	461,564,000	445,538,848
Other liabilities*	33,659,846	34,072,996	-	-	33,659,846	34,072,996
Total Liabilities	495,223,846	479,611,844	-	-	495,223,846	479,611,844
Net assets:						
Invested in capital assets, net of related debt	83,086,605	93,903,618	-	-	83,086,605	93,903,618
Restricted	27,994,410	14,150,294	-	-	27,994,410	14,150,294
Unrestricted*	6,615,534	21,574,489	654,846	555,322	7,270,380	22,129,811
Net Assets, end of year	\$ 117,696,549	129,628,401	654,846	555,322	118,351,395	\$ 130,183,723

**Other liabilities and unrestricted net assets for 2007 Governmental Activities have been adjusted on this table for accrued interest payable that was incorrectly reported in the June 30, 2007 financial statements (see Notes to Financial Statements – Prior Period Restatements).*

Net Assets

The District's combined net assets totaled \$130,183,723 on June 30, 2008, an increase of 10%. The governmental activities ended the year with an increase of 10%. The business-type activities ended the year showing a decrease of 15%.

The District's construction activities had the most significant impact on the change in the District's financial position for the governmental activities.

- Although the net decrease in total assets was less than 1%, cash, cash equivalents and investments held by the District decreased by approximately \$39 million (22%) and net capital assets increased approximately \$28 million (7%) as construction projects were completed.
- Other non-current assets increased by approximately 8%. This includes an increase in the amount due from the Federal Government of over \$3,000,000 and from the State Department of Education of over \$7,000,000 for the balance of state allocations due to the District.
- The decrease in total liabilities for the District was approximately 3%.
- The reduction in long-term debt through principal payments on outstanding bonds was approximately \$5 million).
- An increase in unearned revenues of approximately \$817,742 (26%) is primarily from deferred state revenues that will be included in the District's fiscal year 2009 programs.

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2008

The changes in net assets for fiscal year 2008 compared to 2007 are shown in Figure A-3 below.

Figure A-3: Changes in Net Assets from Operating Results

	Governmental Activities		Business-type Activities		Total School District	
	2007	2008	2007	2008	2007	2008
Revenues						
<u>Program revenues</u>						
Charges for services	\$ 4,904,547	5,204,975	2,424,119	2,467,410	7,328,666	\$ 7,672,385
Operating grants and contributions	134,278,059	144,159,623	-	-	134,278,059	144,159,623
Capital grants and contributions	1,831,686	956,478	-	-	1,831,686	956,478
<u>General revenues</u>						
Property taxes for General Purposes	71,199,380	59,313,522	-	-	71,199,380	59,313,522
Property taxes for Debt Service	20,263,236	26,805,265	-	-	20,263,236	26,805,265
Other Taxes	12,124,592	30,886,571	-	-	12,124,592	30,886,571
Interest and investment earnings	9,822,109	7,305,091	-	-	9,822,109	7,305,091
Gain on sale of capital assets	50,509	-	-	-	50,509	-
Other	2,079,876	1,541,972	-	-	2,079,876	1,541,972
Total revenues	256,553,994	276,173,497	2,424,119	2,467,410	258,978,113	278,640,907
Expenses						
Instruction	133,024,840	138,457,128	-	-	133,024,840	138,457,128
Support services	85,601,170	93,869,531	-	-	85,601,170	93,869,531
Community services	844	2,746	-	-	844	2,746
Food service	10,922,007	11,782,090	-	-	10,922,007	11,782,090
Intergovernmental	933,138	887,755	-	-	933,138	887,755
Interest and other charges*	20,374,997	22,439,004	-	-	20,374,997	22,439,004
Child Care	-	-	2,210,119	2,566,934	2,210,119	2,566,934
Total expenses	250,856,996	267,438,254	2,210,119	2,566,934	253,067,115	270,005,188
Excess (deficiency) before transfers	5,696,998	8,735,243	214,000	(99,524)	5,910,998	8,635,719
Transfers	-	-	-	-	-	-
Changes in net assets	5,696,998	8,735,243	214,000	(99,524)	5,910,998	8,635,719
Net Assets, beginning of year	111,999,551	117,696,549	440,846	654,846	112,440,397	118,351,395
Prior Period Adjustments	-	3,196,609	-	-	-	3,196,609
Net Assets, beginning of year, Restated	111,999,551	120,893,158	440,846	654,846	112,440,397	121,548,004
Net Assets, end of year *	\$ 117,696,549	129,628,401	654,846	555,322	118,351,395	\$ 130,183,723

Changes in Net Assets

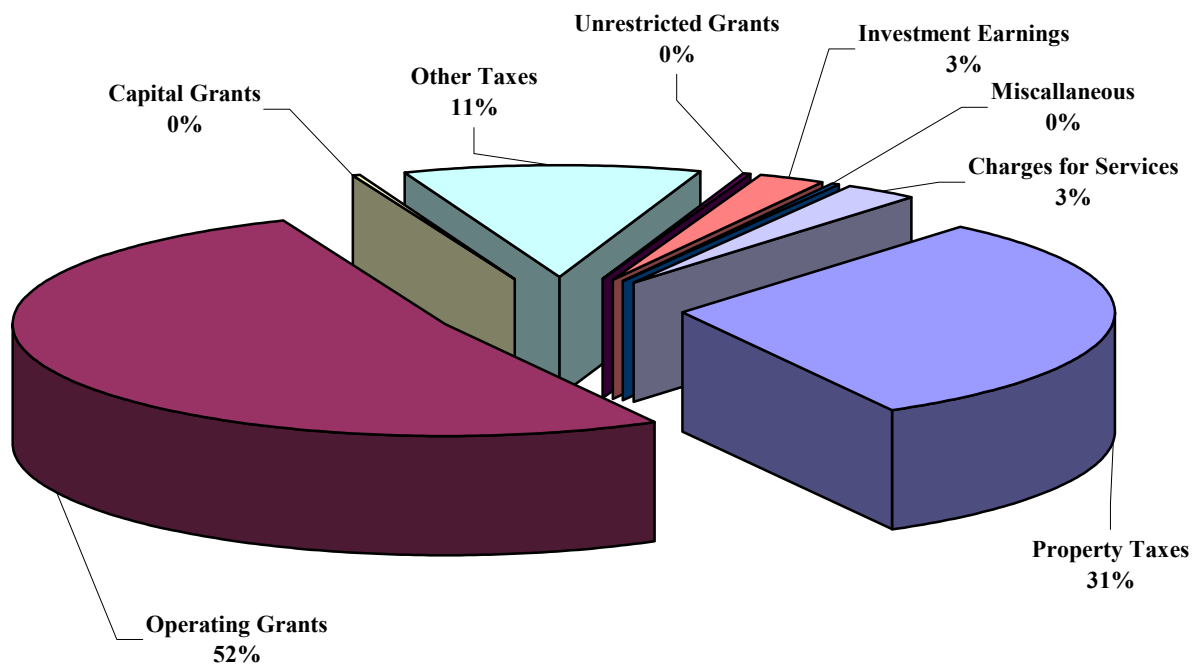
Revenues. Property taxes and operating grants and contributions account for most of the District's revenue, with property taxes contributing 31% and operating grants contributing 52% for every dollar raised. (See Table A-4). The remaining 17% of revenues comes from fees charged for services, other taxes, interest on investments and other miscellaneous sources. Total revenues increased by 8% in fiscal year 2008.

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2008

Table A-4: Sources of Revenues for Fiscal Year 2008



Expenses. Instruction expenses include a) salaries for teachers, teaching assistants and substitutes, b) pupil-use technology and software and c) classroom materials and supplies. Instruction expenses accounted for 51% district expenses. Salaries and fringe benefits of instructional staff constitute the largest cost area.

Support services include support services, operations and school leadership. These categories include a) guidance and counseling, b) library and media, c) student health and psychological services, d) curriculum and staff development, e) pupil transportation, f) school security, g) building upkeep, utilities and maintenance, h) technology support, and i) business operations and administration. Support services accounted for 35% of the total school district expenses.

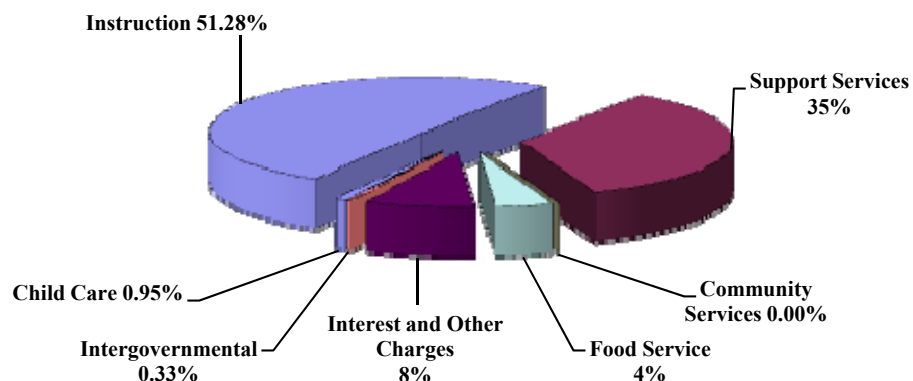
Total expenses (Table A-5) for all programs and services increased by 7%. Instruction expenses increased by 4% while support services increased by 10%. Interest and other charges decreased by 10%. Intergovernmental expenses increased by 5%. Expenses for the child care program increased 16%.

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2008

Table A-5: Expenses for Fiscal Year 2008



GOVERNMENTAL ACTIVITIES

Figure A-6 presents the cost of the District's governmental activities. The table also shows each activity's net cost (total cost less fees generated by activities and operating grants and contributions provided for specific programs). The net cost is the cost of the activities that were funded by general revenues, i.e., property taxes and federal and state formula aid.

Figure A-6: Net Cost of Governmental Activities

	Total Cost of Services		Percent Change 2007-2008	Net Cost of Services		Percent Change 2007-2008
	2007	2008		2007	2008	
Instruction	\$ 133,024,840	138,457,128	4.08%	40,622,344	\$ 31,461,459	-22.55%
Support services	85,601,170	93,869,531	9.66%	47,900,668	62,930,836	31.38%
Community services	844	2,746	225.36%	844	2,746	225.36%
Food Service	10,922,007	11,782,090	7.87%	10,713	(604,622)	-5743.82%
Intergovernmental	933,138	887,755	-4.86%	933,138	887,755	-4.86%
Interest and other charges*	20,374,997	22,439,004	10.13%	20,374,997	22,439,004	10.13%
Total governmental activities	<u>\$ 250,856,996</u>	<u>267,438,254</u>	<u>7%</u>	<u>109,842,704</u>	<u>\$ 117,117,178</u>	<u>7%</u>

- The cost of all governmental activities was \$267,438,254, an increase of 7%.
- Charges for services, Operating grants and contributions, and Capital Grants and Contributions subsidized 57% of governmental activities.
- General revenues provided \$125,852,421 towards the cost of governmental activities, an increase of 9%.

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2008

BUSINESS TYPE ACTIVITIES

The District's business-type activities is its child care programs for the elementary school students. Fees charged for services support these operations.

- Child Care revenues expenses exceeded revenues for a net loss of \$99,524.
- Child Care expenses rose 16%.
- Salaries and fringe benefits for the extended day programs (\$1,794,900) amounted to 70% of total expenses for the program.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial stability of the District as a whole is reflected in its governmental funds as well. On June 30, 2008 the District's governmental funds reported combined fund balance of \$131,210,472.

- The most sizeable change was in the capital project fund for SAFE, a blended component unit of the District. SAFE's capital projects fund balance was \$53,906,366. SAFE provided \$36,132,661 for the District's new schools construction projects.
- The General Fund balance had an 89% increase from the prior year. General fund revenues increased by 10%, which includes an 8% decrease in property tax revenues, as a result of Act 388. State revenues increased 22%. Expenditures for instruction increased by 7% and support services by 7%. Overall general fund expenditures increased 9%.
- The District has designated \$6,015,000 of its general fund balance for future expenditures. The undesignated fund balance (\$18,994,907) is 10.6% of operating expenditures.
- The District has always maintained a lower than average (state-wide) per pupil cost for its operating expenditures without sacrificing the quality of its instructional programs. Figure A-7 represents the per pupil expenditures for all governmental funds based on the 135th day average daily membership (27,245) for fiscal year 2008.

Figure A-7 Per Pupil Expenditures for Governmental Funds

	Total Expenditures 2008	Expenditures Per Pupil 2008	Daily Per Pupil * 2008
Instruction	\$ 130,946,647	4,806.26	\$ 26.70
Support services	138,264,895	5,074.87	28.19
Community services	2,746	0.10	0.00
Intergovernmental	887,755	32.58	0.18
Sub-total operating expenditures	270,102,043	9,913.82	55.08
Debt service	36,285,837	1,331.83	7.40
Total governmental funds	\$ 306,387,880	11,245.66	\$ 58.50

* Based on 180 days of instruction per year.

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2008

General Fund Budgetary Highlights

The District general fund budget was approved for \$185,532,267. We implemented several new instructional initiatives like school technologist, a district wide communications system, additional social workers, and attendance clerks, and start up cost for a new high school to be opened in 2008-2009.

- Budgeted revenues exceeded actual revenues at year-end by \$2,241,450. The state's final calculation of sales tax allocations for Act 388 resulted in a lower than the base-year estimated revenues.
- Actual expenditures were \$7,388,495 under budget. This due to carefully watching expenditures and through allocated positions that came in under budget due to the use of budgeting the state average and hiring at the beginning of the teacher scale. We were also able to maintain cost in the operations and maintenance department to better than expected utility costs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2008 the District had invested a net amount of \$439,996,604 in capital assets for its governmental activities. These assets include land, school buildings and improvements and equipment. The District maintains approximately 2.2 million building square feet.

Construction in progress at June 30 is for new school construction for Cane Bay High School, scheduled to open in the 2009 school year and a new cane bay elementary school in 2010 and renovations to various existing schools.

Total depreciation expense for the year was \$151,493,531. Figure A-8 presents capital asset balances, net of depreciation for the years ended June 30, 2007 and 2008.

Figure A-8 Capital Assets (net of depreciation)

	Governmental Activities		Percent Change
	2007	2008	2007-2008
Land	\$ 9,373,850	\$ 11,699,950	25%
Construction in progress	52,736,503	85,830,641	63%
Buildings & Improvements	346,601,136	339,801,505	-2%
Machinery & Equipment	(1,666,722)	917,926	-155%
Furniture & Office Supplies	725,105	549,461	-24%
Vehicles	1,025,393	1,049,595	2%
Food Service	3,514,150	147,526	-96%
Total	<u>\$ 412,309,415</u>	<u>\$ 439,996,604</u>	<u>7%</u>

Long-Term Debt

At year-end the District has \$129,385,000 in general obligation bonds and other long-term debt outstanding – a reduction of 4% from last year – as shown in Figure A-9. The Berkeley Facilities Group, a blended component unit, has \$20,740,000 outstanding, and SAFE, a blended component unit, has \$296,280,000 in installment purchase revenue bonds outstanding.

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2008

Figure A-9 Outstanding Long-Term Debt for Total School District

	Long-Term Debt		Percentage
	2007	2008	Change 2007-2008
District			
General obligation bonds	\$ 16,435,000	\$ 13,105,000	-20%
General obligation refunding bonds	117,910,000	116,280,000	-1%
Qualified Zone Academy Bond	2,817,647	-	-100%
Total District	<u>\$137,162,647</u>	<u>\$129,385,000</u>	<u>-6%</u>
Berkeley Facilities Group			
Certificates of Participation	23,240,000	-	-100%
Certificates of Participation Refunding	-	20,740,000	100%
Total Berkeley Facilities Group	<u>23,240,000</u>	<u>20,740,000</u>	<u>-11%</u>
SAFE			
Installment Purchase Revenue Bonds	296,280,000	296,280,000	0%
Total SAFE	<u>\$ 296,280,000</u>	<u>\$ 296,280,000</u>	<u>0%</u>

- The District retired \$4,960,000 in long-term debt on its general obligation bonds and general obligation refunding bonds through principal payments.
- The Berkeley Facilities Group, a blended component unit, issued a \$20,740,000 certificate of participation advanced refunding in order to refund the original certificate of participation of \$23,240,000.
- \$15,475,000 was borrowed in general obligation bonds and fully paid by June 30.
- \$19,257,000 was borrowed in a tax anticipation note and fully paid by June 30.

FACTORS BEARING ON THE DISTRICT'S FUTURE

Growth in student enrollment is expected to continue, although at a lesser rate. Despite current economic conditions nationally and a local temporary construction moratorium, there are a significant number of pre-approved construction projects that could have a sizeable impact on the district's attendance should economic conditions begin strengthening.

Economic conditions will also be a factor in the decisions to be made by the Board of Trustees concerning construction for additional schools. Current student populations and projected growth has created the need for additional school facilities that are being evaluated at this time. A bond referendum or other allowable financing means will be discussed. These will need to be approved by the Board.

State revenues have been reduced by an across-the-board 10% reduction for the fiscal year 2009 budget. Rather than jeopardize budgeted programs, the district has utilized its fund balance reserves to cover the funding shortfall. It is anticipated that increased student enrollment beyond the budgeted estimate will help in minimizing the drawdown against the reserves.

Another factor that will have a significant impact on the District's expenditures will be the opening of the new elementary school, Cane Bay Elementary, in the 2009 school year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, Berkeley County School District; 229 East Main Street, Moncks Corner, South Carolina, 29461 (Telephone: 843-899-8658).

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**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

STATEMENT OF NET ASSETS

JUNE 30, 2008

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and Cash Equivalents	\$ 12,911,785	-	\$ 12,911,785
Cash and Cash Equivalents, Restricted	6,046	-	6,046
Investments	27,947,630	-	27,947,630
Investments, Restricted	97,523,128	-	97,523,128
Cash and Investments Held by County Treasurer	9,091,872	-	9,091,872
Property Taxes Receivable, Net	1,663,115	-	1,663,115
Accounts Receivable, Net	1,055,982	-	1,055,982
Due from Other Governments	13,157,818	-	13,157,818
Internal Balances	(555,322)	555,322	-
Inventories and Prepaid Items	1,229,403	-	1,229,403
Bond Issuance Costs, Net	5,212,184	-	5,212,184
Capital Assets:			
Non-Depreciable	97,530,591	-	97,530,591
Depreciable, Net	342,466,013	-	342,466,013
TOTAL ASSETS	609,240,245	555,322	609,795,567
LIABILITIES			
Accounts Payable and Accrued Expenses	8,332,087	-	8,332,087
Accrued Salaries and Benefits	19,412,721	-	19,412,721
Accrued Interest Payable	2,400,554	-	2,400,554
Unearned Revenue	3,927,634	-	3,927,634
Non-Current Liabilities:			
Due Within One Year	9,187,655	-	9,187,655
Due in More than One Year	436,351,193	-	436,351,193
TOTAL LIABILITIES	479,611,844	-	479,611,844
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	93,903,618	-	93,903,618
Restricted For:			
Debt Service	13,097,802	-	13,097,802
Special Revenue - Food Service	1,052,492	-	1,052,492
Unrestricted	21,574,489	555,322	22,129,811
TOTAL NET ASSETS	\$ 129,628,401	555,322	\$ 130,183,723

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

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2008

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGE IN NET ASSETS		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
PRIMARY GOVERNMENT:							
Governmental Activities:							
Instruction	\$ 138,457,128	124,133	106,871,536	-	(31,461,459)	-	\$ (31,461,459)
Support Services	93,869,531	1,780,965	28,201,252	956,478	(62,930,836)	-	(62,930,836)
Community Services	2,746	-	-	-	(2,746)	-	(2,746)
Food Service	11,782,090	3,299,877	9,086,835	-	604,622	-	604,622
Intergovernmental	887,755	-	-	-	(887,755)	-	(887,755)
Interest and Other Charges	22,439,004	-	-	-	(22,439,004)	-	(22,439,004)
Total Governmental Activities	<u>267,438,254</u>	<u>5,204,975</u>	<u>144,159,623</u>	<u>956,478</u>	<u>(117,117,178)</u>	<u>-</u>	<u>(117,117,178)</u>
Business-Type Activities							
Child Care	2,566,934	2,467,410	-	-	-	(99,524)	(99,524)
Total Business-Type Activities	<u>2,566,934</u>	<u>2,467,410</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(99,524)</u>	<u>(99,524)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 270,005,188</u>	<u>7,672,385</u>	<u>144,159,623</u>	<u>956,478</u>	<u>(117,117,178)</u>	<u>(99,524)</u>	<u>(117,216,702)</u>
GENERAL REVENUES							
General Revenues:							
Property Taxes Levied for General Purposes					59,313,522	-	59,313,522
Property Taxes Levied for Debt Service					26,805,265	-	26,805,265
Other Taxes					30,886,571	-	30,886,571
Grants & Contributions Not Restricted to Specific Programs					1,023,760	-	1,023,760
Investment Earnings					7,305,091	-	7,305,091
Miscellaneous					518,212	-	518,212
Total General Revenue					<u>125,852,421</u>	<u>-</u>	<u>125,852,421</u>
CHANGE IN NET ASSETS					<u>8,735,243</u>	<u>(99,524)</u>	<u>8,635,719</u>
NET ASSETS - Beginning of Year					117,696,549	654,846	118,351,395
PRIOR PERIOD ADJUSTMENTS					3,196,609	-	3,196,609
NET ASSETS - Beginning of Year- Restated					<u>120,893,158</u>	<u>654,846</u>	<u>121,548,004</u>
NET ASSETS - Ending of Year					<u>129,628,401</u>	<u>555,322</u>	<u>\$ 130,183,723</u>

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

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2008

	GENERAL	SPECIAL REVENUE	SPECIAL REVENUE - EIA
ASSETS			
Cash and Cash Equivalents	\$ 12,189,276	-	-
Cash and Cash Equivalents, Restricted	-	-	-
Investments	27,947,630	-	-
Investments, Restricted	-	-	-
Cash and Investments Held by County Treasurer	2,632,996	-	-
Receivables, Net:			
Taxes	1,147,465	-	-
Accounts	1,055,952	30	-
Due From:			
State Agencies	5,236,448	127,385	1,980,397
Federal Agencies	110	5,350,473	-
Other Funds	24,978,131	2,591,552	635,325
Prepaid Items	613,015	-	-
Inventories	248,962	-	-
TOTAL ASSETS	76,049,985	8,069,440	2,615,722
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts Payable	8,259,475	68,813	3,799
Accrued Salaries & Benefits	19,412,721	-	-
Due To:			
Other Funds	21,704,033	5,456,357	1,228,559
Deferred Revenue	801,872	2,544,270	1,383,364
TOTAL LIABILITIES	50,178,101	8,069,440	2,615,722
FUND BALANCES:			
Fund Balances:			
Reserved for:			
Prepaid Items	613,015	-	-
Inventories	248,962	-	-
Debt Service	-	-	-
Capital Projects	-	-	-
Special Revenue - Food Service	-	-	-
Unreserved:			
Designated for Future Years' Expenditures	6,015,000	-	-
Undesignated	18,994,907	-	-
TOTAL FUND BALANCES	25,871,884	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 76,049,985	8,069,440	2,615,722

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

FOOD SERVICE	DEBT SERVICE- DISTRICT	DEBT SERVICE- BERKELEY FACILITIES GROUP	DEBT SERVICE- SAFE	CAPITAL PROJECTS- DISTRICT	CAPITAL PROJECTS- SAFE	TOTAL GOVERNMENTAL FUNDS
722,509	-	-	-	-	-	\$ 12,911,785
-	-	-	-	6,046	-	6,046
-	-	-	-	-	-	27,947,630
-	-	-	34,394,162	-	63,128,966	97,523,128
-	6,458,876	-	-	-	-	9,091,872
-	515,650	-	-	-	-	1,663,115
-	-	-	-	-	-	1,055,982
-	-	-	-	-	-	7,344,230
1,195,169	-	-	-	-	-	6,545,752
-	-	-	6,565,883	9,740,366	-	44,511,257
-	-	-	-	-	-	613,015
367,426	-	-	-	-	-	616,388
2,285,104	6,974,526	-	40,960,045	9,746,412	63,128,966	209,830,200
-	-	-	-	-	-	8,332,087
-	-	-	-	-	-	19,412,721
1,232,612	95,936	-	-	6,858,646	9,222,600	45,798,743
-	346,671	-	-	-	-	5,076,177
1,232,612	442,607	-	-	6,858,646	9,222,600	78,619,728
-	-	-	-	-	-	613,015
367,426	-	-	-	-	-	616,388
-	6,531,919	-	40,960,045	-	-	47,491,964
-	-	-	-	2,887,766	53,906,366	56,794,132
685,066	-	-	-	-	-	685,066
-	-	-	-	-	-	6,015,000
-	-	-	-	-	-	18,994,907
1,052,492	6,531,919	-	40,960,045	2,887,766	53,906,366	131,210,472
2,285,104	6,974,526	-	40,960,045	9,746,412	63,128,966	\$ 209,830,200

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

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

JUNE 30, 2008

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$	131,210,472
Amounts reported for the governmental activities in the Statement of Net Assets are different because:		
Property taxes in the funds include revenues that are not considered revenue in the Statement of Net Assets. In addition, 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 deferred in the funds.		1,148,543
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 is approximately \$591,490,135, and the accumulated depreciation is approximately \$151,493,531.		439,996,604
Bond issuance costs are amortized over the life of the debt; however, in governmental accounting, bond issuance costs are expenditures the year they are incurred. The bond issuance costs of approximately \$6,137,910 is shown net of accumulated amortization expense of approximately \$925,726.		5,212,184
Accrued interest on the bonds in governmental accounting is not due and payable in the current period and therefore is not reported as a liability in the funds.		(2,400,554)
Long-term liabilities, including compensated absences and bond premiums and discounts, are not due and payable in the period and, therefore, are not reported as liabilities in the funds. These liabilities are reported in the government-wide statement of net assets and consist of the following:		
Long-Term Debt	(446,405,000)	
Long-Term Debt - Deferred Loss on Refunding	9,503,926	
Long-Term Debt - Net Premium	(5,560,720)	
Long-Term Debt - Arbitrage Rebate Payable	(1,154,320)	
Compensated Absences	(1,922,734)	(445,538,848)
TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES	\$	129,628,401

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

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**BERKELEY COUNTY SCHOOL DISTRICT
MONCKS CORNER, SOUTH CAROLINA**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2008

	GENERAL	SPECIAL REVENUE	SPECIAL REVENUE - EIA
REVENUES			
Local Sources:			
Taxes	\$ 59,552,821	-	-
Investment Earnings	834,374	-	-
Other Local Sources	435,678	2,739,800	-
State Sources	120,084,998	8,480,325	17,805,073
Federal Sources	817,455	17,862,460	-
Intergovernmental Revenue	124,133	-	-
TOTAL REVENUE ALL SOURCES	181,849,459	29,082,585	17,805,073
EXPENDITURES			
Current:			
Instruction	104,431,385	16,828,392	9,453,737
Support Services	71,010,660	11,816,408	4,808,486
Community Services	-	647	2,099
Intergovernmental	259,032	628,723	-
Capital Outlay	571,493	353,222	-
Debt Service:			
Principal Retirement	1,880,000	-	-
Interest and Fiscal Charges	1,741,102	-	-
TOTAL EXPENDITURES	179,893,672	29,627,392	14,264,322
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,955,787	(544,807)	3,540,751
OTHER FINANCING SOURCES (USES)			
Proceeds of General Obligation Bonds	20,740,000	-	-
Payment to Refunding Debt Escrow Agent	(21,696,154)	-	-
Proceeds from Sale of Capital Assets	15,369	-	-
Premium on Bonds Sold	643,610	-	-
Transfers In	11,954,096	868,002	-
Transfers Out	(1,398,094)	(323,195)	(3,540,751)
TOTAL OTHER FINANCING SOURCES (USES)	10,258,827	544,807	(3,540,751)
NET CHANGES IN FUND BALANCES	12,214,614	-	-
FUND BALANCE, Beginning of Year	13,657,270	-	-
PRIOR PERIOD ADJUSTMENTS	-	-	-
FUND BALANCE, Beginning of Year- Restated	13,657,270	-	-
FUND BALANCE, End of Year	\$ 25,871,884	-	-

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

FOOD SERVICE	DEBT SERVICE- DISTRICT	DEBT SERVICE- BERKELEY FACILITIES GROUP	DEBT SERVICE- SAFE	CAPITAL PROJECTS- DISTRICT	CAPITAL PROJECTS- SAFE	TOTAL GOVERNMENTAL FUNDS
-	26,715,962	-	-	-	-	\$ 86,268,783
-	56,899	-	1,824,521	243,340	4,345,958	7,305,092
3,333,613	1,022,764	-	-	-	-	7,531,855
13,009	-	-	-	956,478	-	147,339,883
9,073,826	-	-	-	-	-	27,753,741
-	-	-	-	-	-	124,133
12,420,448	27,795,625	-	1,824,521	1,199,818	4,345,958	276,323,487
-	-	-	-	-	-	130,713,514
11,732,493	-	-	-	1,546,798	6,041,876	106,956,721
-	-	-	-	-	-	2,746
-	-	-	-	-	-	887,755
-	-	-	-	525,803	30,090,785	31,541,303
-	4,960,000	-	-	-	-	6,840,000
-	12,652,535	-	15,052,200	-	-	29,445,837
11,732,493	17,612,535	-	15,052,200	2,072,601	36,132,661	306,387,876
687,955	10,183,090	-	(13,227,679)	(872,783)	(31,786,703)	(30,064,389)
-	-	-	-	-	-	20,740,000
-	-	-	-	-	-	(21,696,154)
-	-	-	-	-	-	15,369
-	-	-	-	-	-	643,610
-	6,219,313	-	14,606,952	2,887,751	-	36,536,114
(665,535)	(15,434,401)	(13,672,198)	-	-	(2,060,302)	(37,094,476)
(665,535)	(9,215,088)	(13,672,198)	14,606,952	2,887,751	(2,060,302)	(855,537)
22,420	968,002	(13,672,198)	1,379,273	2,014,968	(33,847,005)	(30,919,926)
1,030,072	7,070,449	13,672,198	39,580,772	872,798	87,753,371	163,636,930
-	(1,506,532)	-	-	-	-	(1,506,532)
1,030,072	5,563,917	13,672,198	39,580,772	872,798	87,753,371	162,130,398
1,052,492	6,531,919	-	40,960,045	2,887,766	53,906,366	\$ 131,210,472

**BERKELEY COUNTY SCHOOL DISTRICT
MONCKS CORNER, SOUTH CAROLINA**

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

YEAR ENDED JUNE 30, 2008

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS **\$ (30,919,926)**

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. They are considered revenue in the Statement of Activities. In addition, revenues in the funds that provide current financial resources are reported as revenues in the funds. They are not considered revenues in the Statement of Activities. (149,995)

Payment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 28,200,000

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. (20,740,000)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. 652,891

Accrued arbitrage is not payable from current financial resources and thus is not reported as a liability in the funds. This amount is the net change in arbitrage payable for the year. 5,694,948

Bond issuance costs are expenditures the year they are incurred in governmental funds, but are amortized over the lives of the associated debt in the Statement of Activities. 143,073

Bond premiums/discounts are recorded in the year the debt is issued in the governmental funds, but are amortized over the lives of the associated debt in the Statement of Activities. (171,235)

Deferred advance refunding charges are recorded in the year the debt is refunded in the governmental funds, but are amortized over the life of the refunding debt in the Statement of Activities. 379,700

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. (155,908)

In the Statement of Activities the loss on the disposal of fixed assets is reported, whereas in the governmental funds, proceeds from the disposal of capital assets increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the assets disposed. (29,370)

Governmental funds report capital outlays as expenditures (\$37,991,737). However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation (\$12,160,672). This is the amount by which capital outlay exceeded depreciation in the current period. 25,831,065

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES **\$ 8,735,243**

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

**BERKELEY COUNTY SCHOOL DISTRICT
MONCKS CORNER, SOUTH CAROLINA**

STATEMENT OF NET ASSETS

PROPRIETARY FUND

JUNE 30, 2008

	<u>ENTERPRISE</u>
ASSETS	
Current Assets:	
Due From:	
Other Funds	\$ 584,161
Total Current Assets	<u>584,161</u>
TOTAL ASSETS	<u>584,161</u>
LIABILITIES	
Current Liabilities:	
Due To:	
Other Funds	28,839
Total Current Liabilities	<u>28,839</u>
TOTAL LIABILITIES	<u>28,839</u>
NET ASSETS	
Unrestricted	555,322
TOTAL NET ASSETS	<u>\$ 555,322</u>

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

**BERKELEY COUNTY SCHOOL DISTRICT
MONCKS CORNER, SOUTH CAROLINA**

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

PROPRIETARY FUND

YEAR ENDED JUNE 30, 2008

	<u>ENTERPRISE</u>
OPERATING REVENUES	
Tuition from Patrons for Regular Day School	\$ 2,453,410
Contributions	<u>14,000</u>
	<u>2,467,410</u>
OPERATING EXPENSES	
Salaries	1,584,917
Employee Benefits	209,983
Purchased Services	92,352
Supplies and Materials	617,362
Other	62,320
	<u>2,566,934</u>
TOTAL OPERATING EXPENSES	<u>2,566,934</u>
OPERATING INCOME	<u>(99,524)</u>
CHANGE IN NET ASSETS	<u>(99,524)</u>
TOTAL NET ASSETS, Beginning of Year	<u>654,846</u>
TOTAL NET ASSETS, End of Year	<u>\$ 555,322</u>

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

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

YEAR ENDED JUNE 30, 2008

	<u>ENTERPRISE</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Patrons	\$ 2,467,410
Payments to Employees for Services	(1,794,900)
Payments to Suppliers for Goods and Services	(772,613)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>(100,103)</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 (100,103)
 CASH AND CASH EQUIVALENTS, Beginning of Year	 <u>654,846</u>
 *CASH AND CASH EQUIVALENTS, End of Year	 <u>\$ 554,743</u>
 Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$ (99,524)
Adjustments to Reconcile Operating Income to Net:	
Cash Used in Operating Activities:	
Decrease in Accounts Payable	(579)
Net Cash Provided by Operating Activities	<u>\$ (100,103)</u>

*Note: The cash and cash equivalents are held by the general fund.

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

**BERKELEY COUNTY SCHOOL DISTRICT
MONCKS CORNER, SOUTH CAROLINA**

STATEMENT OF ASSETS AND LIABILITIES

FIDUCIARY FUND

JUNE 30, 2008

	AGENCY
ASSETS	
Investments	\$ 844,824
Due From Other Funds	1,614,187
Due From Other Governments	8,040
TOTAL ASSETS	<u>2,467,051</u>
LIABILITIES	
Accounts Payable	3,488
Due to Other Funds	882,023
Due to Student Organizations	1,581,540
TOTAL LIABILITIES	<u>\$ 2,467,051</u>

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

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

Berkeley County School District, South Carolina (the "School District"), established in 1948, is the government entity that has responsibility for and control over all activities related to public school education in all of Berkeley County. 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 an eight member Board of Trustees (the "Board").

As required by accounting principles generally accepted in the United States of America ("GAAP"), these basic financial statements present the School District and its component units. The primary criterion for determining inclusion or exclusion of a legally separate entity as a 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. In order to be considered fiscally independent, an entity must have the authority to do all three of the following:

- i) Determine its budget without the School District having the authority to approve or modify that budget;
- ii) Levy taxes or set rates or charges without approval by the School District; and
- iii) Issue bonded debt without approval by the School District.

Finally, an entity could be a component unit even if it met all the conditions described above if excluding it would cause the School District's financial statements to be misleading or incomplete. 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. Discretely presented component units, on the other hand, are reported in a separate column in the basic financial statements to emphasize they are legally separate from the School District. Based on the criteria above, the School District has two blended component units.

Blended Component Units:

Berkeley School Facilities Group, Inc.

Berkeley School Facilities Group, Inc. (the "Corporation") was incorporated as a nonprofit 501(c)(3) organization incorporated for the specific charitable purpose of serving as a support organization for capital projects of the School District. Corporation board members are appointed by the Board of the School District. Because the Corporation exclusively benefits the School District, the Corporation financial information is blended with that of the School District in these basic financial statements. Separate Corporation financial information is included in individual columns throughout the basic financial statements. Separate financial statements for the Corporation are not issued.

Securing Assets for Education

Securing Assets for Education ("SAFE") was incorporated as a nonprofit 501(c)(3) organization on October 15, 2003, for the educational and charitable purposes, specifically to (1) acquire, construct, finance, pledge, improve, maintain, operate, manage, lease, and dispose of school buildings and other public educational facilities for the use and benefit of the School District and to (2) encourage and promote public education through cooperative arrangements with governmental entities and organizations exempt under Section 501(c)(3) that provide public education in Berkeley County, South Carolina. SAFE's board members are appointed by the Board of the School District for terms of office of three years. Because SAFE exclusively benefits the School District, SAFE's financial information is blended with that of the School District in these basic financial statements. Separate financial information for SAFE is included in individual columns throughout the basic financial statements. Separate financial statements for SAFE are not issued.

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

Governmental **fund basic 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 and claims and judgments, are recorded only when payment is due.

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

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

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.

BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained which are 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 liabilities (except for those accounted for in the Proprietary and Expendable Trust Funds) are accounted for through governmental funds. Governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting.

The following are the School District's major and non-major governmental fund types:

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

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

- i) **The Special Revenue Fund, a major fund** and an unbudgeted fund, is used to account for financial resources provided by federal, state, and local projects and grants.
- ii) **The Special Revenue – Education Improvement Act (“EIA”) Fund, a major fund** and an unbudgeted fund, is used to account for the revenue from the South Carolina Education Improvement Act of 1984, which is legally required by the state to be accounted for as a specific revenue source.
- iii) **The Food Service Fund, a major fund** and an unbudgeted fund, is used to account for the United States Department of Agriculture's (“USDA”) approved school breakfast and lunch programs.

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

The **Debt Service Fund - Berkeley Facilities Group, a major fund** and an unbudgeted fund, is used to account for the accumulation of resources for, and payment of, all long-term debt principal, interest, and related costs for bonds that the Berkeley Facilities Group, Inc. (blended component unit) has issued for the School District.

The **Debt Service Fund - SAFE, a major fund** and an unbudgeted fund, is used to account for the accumulation of resources for, and payment of, all long-term debt principal, interest, and related costs for bonds that the Securing Assets for Education, Inc. (blended component unit) has issued for the School District.

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The *Capital Projects Fund, a major fund* and an unbudgeted fund, is used to account for financial resources to be used for site acquisitions, construction, equipment, and renovation of all major capital facilities for the School District.

The *Capital Projects Fund - SAFE, a major fund* and an unbudgeted fund, is used to account for the accumulation of and payment of financial resources to be used for site acquisitions, construction, equipment, and renovation of facilities (a blended component unit).

Proprietary Fund Types are accounted for based on the flow of 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. The School District applies all applicable Governmental Accounting Standards Board ("GASB") pronouncements, as well as the requirements of Financial Accounting Standards Board ("FASB") Statements and Interpretations, Accounting Principles Board ("APB") Opinions, and Accounting Research Bulletins ("ARBs"), issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The School District has elected not to apply the standards issued by those organizations after November 30, 1989, for the Proprietary Fund.

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 for providing child day care services to students after school hours. Operating expenses for the Enterprise Fund primarily include salaries and supplies. All revenues and expenses not meeting this definition are reported as non operating revenues and expenses.

Proprietary Fund types include the following fund:

The *Enterprise Fund, a major 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 Child Care Fund is the School District's only Enterprise Fund and is used to account for after school child day care operations provided by numerous schools within the School District.

Fiduciary Fund Types 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 Trust Funds and Agency Funds. Fiduciary Fund Types include:

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

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, 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 to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

Investments

The School District's 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 agencies thereof;
- (b) General obligations of the State of South Carolina or any of its political units;
- (c) Savings and loan associations to the extent that the same are insured by an agency of the federal government;
- (d) Certificates of deposit and funds in deposit accounts with banking institutions provided that such certificates and funds in deposit accounts 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 or funds in deposit accounts 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;
- (e) Collateralized repurchase agreements when collateralized by securities as set forth in (a) and (b) above and held by the governmental entity or a third party as escrow agent or custodian; and
- (f) 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), and (e) 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'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).

Restricted investments include amounts set aside for the final debt payment of Berkeley School Facilities Group, Inc. and SAFE debt issues.

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Equity (Continued)

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

Investments (Continued)

In the past year, the School District has purchased the following investments:

- Money Market Mutual Funds which invest in short term obligations of the United States and related agencies.
- Money Market Accounts.
- United States Treasury Obligations.
- Certificates of Deposit.
- Governmental Agency Obligations (Federal Farm Credit Bank Bonds, Federal Home Loan Mortgage Obligations, Federal National Mortgage Association Obligations).
- Repurchase Agreements.

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

All property taxes and other receivables are shown net of an allowance for uncollectibles.

3. Inventories and Other Assets

Inventories

Under the system of accounting for 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. General Fund inventories include plant maintenance and operating supplies. The Food Service Fund inventory includes an amount for supplies and for commodities received from the United States Department of Agriculture ("USDA"), recorded at fair market value at the time of receipt, that have not been consumed as of June 30, 2008, as well as, remaining purchased food and related supplies.

Unamortized Bond Issuance Costs

On the government-wide financial statements bond issuance costs are capitalized and amortized (these costs are recorded as expenditures in the fund financial statements). The unamortized portion of bond issuance costs from General Obligation bond issues represents the portion of the issuance costs remaining to be amortized. These costs are amortized on a straight-line basis over the term of the bonds which approximates the effective interest method.

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Equity (Continued)

4. Capital Assets

General capital assets are those assets not specifically related to activities reported in Proprietary Funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets, but are not reported in the fund financial statements.

All capital assets are capitalized 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, vehicles, 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 complete costs of the project are transferred to the appropriate fixed asset category. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Asset Type	Governmental Activities
	Estimated Lives
Land Improvements	10-20 years
Buildings and Improvements	15-50 years
Furniture and Equipment	3-15 years
Vehicles	5-15 years

5. Bond Premiums

On the government-wide financial statements bond premiums are capitalized and amortized (these premiums are recorded as other financing sources in the fund financial statements). The School District amortizes bond premiums from general obligation bond issues on a straight-line basis over the life of the bonds which approximates the effective interest method. The portion remaining to be amortized is shown as bond premium.

6. Compensated Absences

The School District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for 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 reimbursed upon termination at the rate of \$20 per day up to 90 days if employed for at least 5 years. The entire compensated absence liability and expense is reported on the government-wide basic financial statements.

**BERKELEY COUNTY SCHOOL DISTRICT
MONCKS CORNER, SOUTH CAROLINA**

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Equity (Continued)

7. *Accrued Liabilities and Long-Term Obligations*

All payables, accrued liabilities, and long-term obligations are reported in the governmental-wide basic financial statements, and all payables, accrued liabilities, and long-term obligations payable from Proprietary Funds are reported on the Proprietary Fund basic financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund basic financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, the noncurrent portion of capital leases, 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 basic 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. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund basic financial statements until due.

8. *Fund Balances*

In the fund basic financial statements, the School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for inventories of supplies and materials and prepaid items. Designations of fund equity represent tentative management plans that are subject to change.

9. *Net Assets*

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

10. *Accounting Estimates*

The preparation of basic 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.

11. *Comparative Data*

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

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Budgetary Practices – The General Fund budget is presented as required supplementary information. 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.

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 a supplementary action. The legal level of control is at the fund level.

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 his review and adjustment.
- (3) The Superintendent then presents a proposed budget to the Board of Trustees, which reviews it in a series of workshops and makes any additions or deletions deemed necessary.
- (4) Prior to July 1, the budget is legally enacted through passage of a resolution by the Board.

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. No budgets are prepared for the Debt Service Funds, Capital Projects Funds, or Agency Fund. All annual appropriations lapse at fiscal year end.

There were no significant amendments to the original budget.

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 statutes of the State of South Carolina. As of June 30, 2008, none of the School District's bank balances of \$12,502,001, with a carrying value of \$7,629,657, were exposed to custodial credit risk.

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

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

A. Deposits and Investments (Continued)

Investments

As of June 30, 2008, the School District had the following investments:

Investment Type	Fair Value	Maturity	Moody's	Credit Ratings		
				S&P	Fitch	
Repurchase Agreement - FNMA	\$ 5,533,000	< 1 year	AAA	Aaa	AAA	
Repurchase Agreement - Federal Home Loan Mortgage	600,000	< 1 year	AAA	Aaa	AAA	
Federal Home Loan Mortgage	1,445,837	5/1/2038	AAA	Aaa	AAA	
RMA Money Market	4,912,866	< 1 year	A-1 +	Unrated	Unrated	
UBS Select Prime Inst. Fund	2,128,290	< 1 year	AAAm	Aaa	Unrated	
Calamos Strategic Total Return Fund	269,390	< 1 year	AAA	Unrated	AAA	
DNP Select Income Fund - M7	1,469,400	< 1 year	AAA	Aaa	Unrated	
DNP Select Income Fund - H7	1,959,200	< 1 year	AAA	Aaa	Unrated	
Eaton Vance LTD Duration Income Fund - Series A	440,820	< 1 year	Unrated	Aaa	AAA	
Eaton Vance LTD Duration Income Fund - Series D	538,780	< 1 year	Unrated	Aaa	AAA	
Nicholas APP CVT Income Fund - Serial D	1,959,200	< 1 year	Unrated	Aaa	AAA	
Pimco High Income Fund	955,110	< 1 year	Unrated	Aaa	AAA	
Scudder Reef Real Estate Fund	1,934,710	< 1 year	Unrated	Aaa	AAA	
Institutional Liquidity Fund - MSILF Gov. Inst.	2,060,622	< 1 year	AAAm	Aaa	Unrated	
First American Treasury Obligation	638	< 1 year	AAAm	Aaa	Unrated	
Federal National Mortgage Assoc. Disc. Note - US Gov't Issue	2,101,318	< 1 year	N/A	N/A	N/A	
Open-End Mutual Fund - ML Government Fund	5,770,319	< 1 year	N/A	N/A	N/A	
Open-End Mutual Fund - WCMA Money Fund Class 3	1,131	< 1 year	N/A	N/A	N/A	
Federated Inst. Treas. Obligation	1,743,059	< 1 year	AAAm	Aaa	Unrated	
Federal Nat'l Mortgage Assoc.	20,679,785	< 1 year	AAA	Aaa	AAA	
Federated Inst. Treas. Obligation	941,095	< 1 year	AAAm	Aaa	Unrated	
US Treasury Note	8,967,324	< 1 year	N/A	N/A	N/A	
Federated Inst. Treas. Obligation	2,365	< 1 year	AAAm	Aaa	Unrated	
Federated Inst. Treas. Obligation	164	< 1 year	AAAm	Aaa	Unrated	
Sydney Cap Corp Disc Commercial Paper	63,234,724	< 1 year	A-1+	P-1	Unrated	
Sydney Cap Corp Disc Commercial Paper	1,954,611	< 1 year	A-1+	P-1	Unrated	
Total	\$ 131,603,757					

^ The underlying securities are FHLB, FFCB, and FNMA Bonds.

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.

**BERKELEY COUNTY SCHOOL DISTRICT
MONCKS CORNER, SOUTH CAROLINA**

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

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

A. Deposits and Investments (Continued)

Investments (Continued)

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, 2008, \$1,601,318 of the School District's \$103,070,762 security investments was exposed to custodial credit risk due to the securities being held by the counterparty's trust department, but not in the name of the District.

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. As of June 30, 2008, approximately 48% and 16% of the School District's investments were with the Sydney Capital Corporation's Commercial Paper & Federal National Mortgage Association, respectively.

The following table reconciles deposits and investments within the footnotes to the amounts in the Statement of Net Assets for the Primary Government:

<u>Statement of Net Assets</u>	
Unrestricted Current Assets:	
Cash and Cash Equivalents	\$ 12,911,786
Investments	27,947,630
Restricted Current Assets:	
Cash and Cash Equivalents, Restricted	6,046
Investments, Restricted	97,523,128
	<u>\$ 138,388,590</u>
 <u>Statement of Assets and Liabilities - Fiduciary Fund</u>	
Investments	\$ 844,824
	<u>\$ 139,233,414</u>
 <u>Footnotes</u>	
Deposits	\$ 7,629,657
Investments	131,603,757
	<u>\$ 139,233,414</u>

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

**BERKELEY COUNTY SCHOOL DISTRICT
MONCKS CORNER, SOUTH CAROLINA**

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

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

B. Property Taxes and Other Receivables

Berkeley County, South Carolina (the "County") is responsible for levying and collecting sufficient property taxes to meet funding obligations for the School District. This obligation is established each year by the County Council and does not necessarily represent actual taxes levied or collected. The property taxes are considered both measurable and available for purposes of recognizing revenue and a receivable from the County at the time they are collected by the County.

Property taxes are levied and billed by the County on real and personal properties on October 1 based on an assessed value of approximately \$623,769,086 as of the previous December 31st at rates of 142.6 mills and 49 mills for the General Fund and Debt Service Fund, respectively. In fiscal year 2008, the General Fund millage rate included 6 mills applicable to new facilities constructed by the Corporation. 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 15	-	10% of Tax
After March 15	-	15% of Tax

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

Taxes receivable include an allowance for uncollectibles of \$3,704,607 at June 30, 2008. Allowances for uncollectibles were not necessary for the other receivable accounts.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At June 30, 2008, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

Delinquent Property Taxes Receivable (General Fund)	\$	801,872
Delinquent Property Taxes Receivable (Debt Service Fund - District)		346,671
Resources Received, but Not Yet Earned (Special Revenue Funds)		3,927,634
Total Unearned/Deferred Revenue for Governmental Funds	\$	<u>5,076,177</u>

Other receivables consist of trade receivables as well as employee receivables of \$746,243 related to computers purchased by employees from the School District. The School District grants employees that have over one year of service, the option of purchasing computers at the School District's discounted rate with its computer vendors. The School District purchases the computers from its vendors based on employee orders and then sells them to employees at its full purchase price. These transactions are consummated on terms equivalent to those that prevail in arms length transactions.

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

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

C. Capital Assets

Capital asset activity for the School District for the year ended June 30, 2008, follows:

	Beginning Balance	Prior Year Adjustments	Beginning Balance - Restated	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:							
Capital Assets, Non-Depreciable:							
Land	\$ 9,373,850	1,897,525	11,271,375	428,575	-	-	\$ 11,699,950
Construction in Progress	52,736,503	-	52,736,503	36,154,558	-	(3,060,420)	85,830,641
Total Capital Assets, Non-Depreciable	62,110,353	1,897,525	64,007,878	36,583,133	-	(3,060,420)	97,530,591
Capital Assets, Depreciable:							
Buildings and Improvements	472,740,608	1,190,056	473,930,664	532,912	(54,865)	3,060,420	477,469,131
Machinery & Equipment	5,806,261	-	5,806,261	458,123	-	-	6,264,384
Furniture & Office Supplies	3,523,507	-	3,523,507	58,070	(37,828)	-	3,543,749
Vehicles	3,596,011	27,099	3,623,110	359,499	-	-	3,982,609
Food Service	3,916,827	(1,217,156)	2,699,671	-	-	-	2,699,671
Total Capital Assets, Depreciable	489,583,214	(1)	489,583,213	1,408,604	(92,693)	3,060,420	493,959,544
Less: Accumulated Depreciation for:							
Buildings and Improvements	126,139,472	98,320	126,237,792	11,455,329	25,495	-	137,667,626
Machinery & Equipment	7,472,983	(2,349,924)	5,123,059	223,399	-	-	5,346,458
Furniture & Office Supplies	2,798,402	10,100	2,808,502	223,614	37,828	-	2,994,288
Vehicles	2,570,618	153,663	2,724,281	208,733	-	-	2,933,014
Food Service	402,677	2,099,871	2,502,548	49,597	-	-	2,552,145
Total Accumulated Depreciation	139,384,152	12,030	139,396,182	12,160,672	63,323	-	151,493,531
Total Capital Assets, Depreciable, Net	350,199,062	(12,031)	350,187,031	(10,752,068)	(29,370)	3,060,420	342,466,013
Total Governmental Activities Capital Assets, Net	\$ 412,309,415	1,885,494	414,194,909	25,831,065	(29,370)	-	\$ 439,996,604

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
Instruction	\$ 6,782,202
Support Services	5,328,873
Food Services	49,597
Total Depreciation Expense - Governmental Activities	<u>\$ 12,160,672</u>

Construction Commitments

The School District has several ongoing construction projects as of June 30, 2008. The projects include renovation of existing schools, as well as construction of new facilities. The School District had total outstanding construction commitments at June 30, 2008, of \$29,707,258.

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

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

D. Interfund Receivables and Payables

Interfund balances at June 30, 2008 (which are all expected to be paid or received within one year), consisted of the following individual fund receivables and payables:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 24,978,131	\$ 21,704,033
Special Revenue Funds:		
Special Projects	2,591,552	5,456,357
EIA	635,325	1,228,559
Food Service	-	1,232,612
Debt Service Funds		
District	-	95,936
SAFE	6,565,883	-
Capital Projects Fund		
District	9,740,366	6,858,646
SAFE	-	9,222,600
Proprietary Fund	584,161	28,839
Agency Fund	1,614,187	882,023
Totals for Primary Government	<u>\$ 46,709,605</u>	<u>\$ 46,709,605</u>

The General Fund receivable is a result of financing programs in other funds. Payroll for teachers' salaries, as well as salaries for support staff and payments for other operating costs are paid by the General Fund for Special Revenue Funds, Capital Projects Fund, Proprietary Fund, and Pupil Activity Funds resulting in a receivable until claims are filed and reimbursements received. The General Fund payable represents construction costs incurred by the Capital Projects Fund. The Capital Projects Fund payable represents amounts due to the General Fund for construction costs. The Debt Service receivable represents funds from the General Fund for taxes receivable.

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

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

E. Transfers In and (Out)

Transfer from (to) other funds for the year ended June 30, 2008, consisted of the following:

General Fund			
Transfers from	Amount	Transfers to	Amount
Trust Fund	\$ 7,452,885	Special Revenue - Special Projects	\$ 868,002
Special Revenue - EIA	3,472,676	Agency Fund	530,092
Agency Fund	39,805		-
Indirect Costs	988,730		-
	<u>11,954,096</u>		<u>1,398,094</u>
Special Revenue Funds			
Special Projects			
Transfers from	Amount	Transfers to	Amount
General Fund	868,002	Indirect Costs	323,195
	<u>868,002</u>		<u>323,195</u>
EIA			
Transfers from	Amount	Transfers to	Amount
	-	General Fund	3,472,676
	-	Agency Fund	68,075
	<u>-</u>		<u>3,540,751</u>
Food Service			
Transfers from	Amount	Transfers to	Amount
	-	Indirect Costs	665,535
	<u>-</u>		<u>665,535</u>
Debt Service Funds			
District			
Transfers from	Amount	Transfers to	Amount
Trust Fund	6,219,313	Debt Service - SAFE	12,546,650
	-	Capital Projects - District	2,887,751
	<u>6,219,313</u>		<u>15,434,401</u>
SAFE			
Transfers from	Amount	Transfers to	Amount
Capital Projects - Safe	2,060,302		-
Debt Service - District	12,546,650		-
	<u>14,606,952</u>		<u>-</u>
Trust Fund			
Transfers from	Amount	Transfers to	Amount
	-	General Fund	7,452,885
	-	Debt Service - District	6,219,313
	<u>-</u>		<u>13,672,198</u>
Capital Projects Funds			
District			
Transfers from	Amount	Transfers to	Amount
Debt Service - District	2,887,751		-
	<u>2,887,751</u>		<u>-</u>
SAFE			
Transfers from	Amount	Transfers to	Amount
	-	Debt Service - SAFE	2,060,302
	<u>-</u>		<u>2,060,302</u>
Pupil Activity (Agency) Funds			
Transfers from	Amount	Transfers to	Amount
General Fund	530,092	General Fund	39,805
Special Revenue - Special Projects	68,075		-
	<u>598,167</u>		<u>39,805</u>
Total Transfers From	\$ 37,134,281	Total Transfers To	\$ 37,134,281

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

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

E. Transfers In and (Out) (Continued)

General Fund

Transfers from:

Funds are transferred into the General Fund from other funds to cover EIA funds raises for teachers, indirect costs for federal programs and food service, the required Medicaid match, and to close out the Trust Fund.

Transfers to:

Funds are transferred from General Fund into Special Revenue funds to restore the amount that had been transferred out in prior years and into the Agency Fund to cover activity bus charges originally charged to the Agency Fund.

Special Revenue Fund

Transfers from:

Funds were transferred into the Special Revenue funds from the General Fund in order to restore the amount that had been transferred out in prior years.

Transfers to:

Funds are transferred from Special Revenue/EIA funds into other funds to cover Medicaid match, indirect costs for federal programs, and the EIA raises for teachers.

Debt Service Funds

Transfers from: Funds are transferred into the Debt Service fund from the Trust Fund due to the closing of the Trust Fund and to fund the arbitrage payment made in fiscal year 2008. Funds are transferred from the Capital Projects Fund to meet the requirements and obligations of the Debt Service Fund.

Transfers to:

Funds are transferred from the Debt Service Fund to the Capital Projects Fund in order to fund the construction expense incurred by the District.

Trust Fund

Transfers to:

Funds are transferred from the Trust Fund to the General Fund due to the closing of the Trust Fund in fiscal year 2008. Funds are transferred from the Trust Fund to the Debt Service Fund to fund the arbitrage payment made in fiscal year 2008.

Capital Projects Fund

Transfers from:

Funds were transferred from the Debt Service Fund to fund the construction expenses incurred by the District.

Transfers to:

Funds are transferred to the Debt Service Fund to meet the requirements and obligations of the Debt Service Fund.

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

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

F. Short-Term Obligations

The following is a summary of the changes in the School District's short-term obligations for 2008:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance
Tax Anticipation Note	\$ -	19,257,000	19,257,000	\$ -
General Obligations Bonds	-	15,475,000	15,475,000	-
Total Governmental Activities	<u>\$ -</u>	<u>34,732,000</u>	<u>34,732,000</u>	<u>\$ -</u>

The School District drew down \$19,257,000 in the Tax Anticipation Note ("TAN") program through the South Carolina Association of Governmental Organization ("SCAGO") during the year ended June 30, 2008. This was used to fund District operations until real-estate tax proceeds were received.

The District issued general obligation bonds in September, 2008, totaling approximately \$15,475,000 for the purpose of making payments to SAFE for its required debt service. The District received premiums of \$23,677 upon issuance. The bonds, including interest of \$238,708 were repaid in June, 2008, utilizing debt service fund property tax revenue. The premium has been netted against interest expenditures in the financial statements.

G. Long-Term Obligations

The governmental activities debt at June 30, 2008, was comprised of the following:

General Obligation Bonds ("GOB")

- 2000 Series *: Original issue of \$75,000,000, principal due in annual installments of \$2,250,000 to \$6,500,000 through April, 2021; interest from 5.00% to 7.00% paid semiannually.
- 2002 Series *: Original issue of \$85,000,000, principal due in annual installments of \$330,000 to \$11,100,000 through January, 2022; interest from 2.75% to 5.75% paid semiannually. In connection with this issuance, a bond premium of \$457,868 was received and bond issue costs of \$616,467 were incurred.

General Obligation Refunding Bonds ("GORB")

- 2003 Series: Original issue of \$7,165,000, principal due in annual installments of \$565,000 to \$1,195,000 through August, 2012; interest at 2.00% to 5.00% paid semiannually.
- 2005 Series *: Original Issue of \$62,190,000, principal due in annual installments of \$2,515,000 to \$6,280,000 through February, 2021; interest that varies from 3.5% to 5.0% paid semiannually.
- 2007 Series *: Original Issue of \$55,770,000, principal due in annual installments of \$25,000 to \$10,345,000 through January, 2021; interest that varies from 3.5% to 5.0% paid semiannually.

Certificates of Participation Refunding ("COPR")

- 2008 Series^: Original issue of \$20,740,000, principal due in semiannual installments of \$2,255,000 to \$2,960,000 through February, 2016; interest from 3.00% to 4.395% paid semiannually.

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

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

G. Long-Term Obligations (Continued)

Installment Purchase Revenue Bonds

2003 Series ∞: Original issue of \$206,721,000, principal due in annual installments of \$225,000 to \$27,275,000 through December 2029; interest at 3.00% to 5.25% paid semiannually.

2007 Series ∞: Original issue of \$89,560,000, principal due in annual installments of \$720,000 to \$13,165,000 through December 2031; interest at 4.75% to 5.125% paid semiannually.

* Debt is not subject to the constitutional debt limit of 8% as it was approved in a referendum.

^ Issued by the Berkeley Facilities Corporation (the School District's blended component unit) and thus not subject to the School District's constitutional debt limit of 8%.

~ Debt is not subject to the constitutional debt limit of 8% as it originates from a Lease Purchase Agreement and has a fiscal funding clause.

∞ Issued by Securing Assets for Education (the School District's blended component unit) and thus not subject to the School District's constitutional debt limit of 8%.

Following is a summary of the changes in the School District's long-term obligations for 2008:

Long-Term Obligation	Beginning Balance	Prior Period Adjustment	Adjusted Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:							
Debt:							
2000 Series - GOB	\$ 3,000,000	-	3,000,000	-	3,000,000	-	\$ -
2002 Series - GOB	13,435,000	-	13,435,000	-	330,000	13,105,000	545,000
2003 Series - GORB	4,755,000	-	4,755,000	-	820,000	3,935,000	855,000
2005 Series - GORB	58,385,000	-	58,385,000	-	785,000	57,600,000	3,760,000
2006 Series - GORB	54,770,000	-	54,770,000	-	25,000	54,745,000	25,000
1998 COPS	23,240,000	-	23,240,000	-	23,240,000	-	-
2008 Refunding COPS	-	-	-	20,740,000	-	20,740,000	2,255,000
2000 QZAB	2,817,647	(2,817,647)	-	-	-	-	-
2003 SAFE Bonds	206,720,000	-	206,720,000	-	-	206,720,000	225,000
2006 SAFE Bonds	89,560,000	-	89,560,000	-	-	89,560,000	-
Total Debt	456,682,647	(2,817,647)	453,865,000	20,740,000	28,200,000	446,405,000	7,665,000
Premium - 2003 Series - GORB	120,610	-	120,610	-	23,727	96,883	23,727
Premium - 2005 Series - GORB	2,094,100	-	2,094,100	-	160,059	1,934,041	160,059
Premium - 2006 Series - GORB	4,101,640	-	4,101,640	-	302,890	3,798,750	302,890
Premium - 2006 SAFE - GORB	472,274	-	472,274	-	19,632	452,642	19,342
Premium - 2008 Refunding COPS	-	-	-	643,610	31,396	612,214	94,187
Discount - 2003 SAFE Bonds	(1,399,139)	-	(1,399,139)	-	(65,329)	(1,333,810)	(65,329)
Deferred Loss on Refunding	(4,325,172)	-	(4,325,172)	-	(318,418)	(4,006,754)	(318,418)
Deferred Loss on Refunding	(4,799,054)	-	(4,799,054)	-	(357,694)	(4,441,360)	(357,694)
Deferred Loss on Refunding - 2008 COPS	-	-	-	(1,229,154)	(173,342)	(1,055,812)	(179,876)
Compensated Absences	1,766,826	-	1,766,826	917,545	761,637	1,922,734	1,154,320
Arbitrage Rebate Payable	6,849,268	-	6,849,268	524,365	6,219,313	1,154,320	689,447
Total Governmental Activities	\$ 461,564,000	(2,817,647)	458,746,353	21,596,366	34,803,871	445,538,848	\$ 9,187,655

General Fund resources have been used in prior years to liquidate compensated absences payable. The Debt Service Funds have been used to service all other liabilities.

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

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

G. Long-Term Obligations (Continued)

Annual debt service requirements to maturity for bonds and certificates of participation are as follows (excluding discount/premium amortization):

Year Ended June 30	Bonds		SAFE Bonds		Certificates of Participation		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 5,185,000	5,763,388	225,000	15,048,825	2,255,000	729,247	7,665,000	\$ 21,541,460
2010	5,330,000	5,581,188	675,000	15,035,325	2,340,000	720,725	8,345,000	21,337,238
2011	4,725,000	5,381,288	1,220,000	15,000,800	2,435,000	627,125	8,380,000	21,009,213
2012	4,935,000	5,193,525	1,755,000	14,941,300	2,535,000	529,725	9,225,000	20,664,550
2013	5,205,000	5,011,450	2,365,000	14,847,075	2,635,000	428,325	10,205,000	20,286,850
2014-2018	45,510,000	20,678,800	15,145,000	71,819,875	8,540,000	655,150	69,195,000	93,153,825
2019-2023	58,495,000	5,720,100	49,100,000	66,267,119	-	-	107,595,000	71,987,219
2024-2028	-	-	156,065,000	38,419,541	-	-	156,065,000	38,419,541
2029-2032	-	-	69,730,000	5,021,465	-	-	69,730,000	5,021,465
Totals	\$ 129,385,000	53,329,739	296,280,000	256,401,325	20,740,000	3,690,297	446,405,000	\$ 313,421,361

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 value of all taxable property in the School District. The debt limitation does not apply to debt approved through a district-wide referendum and original or refunding debt for obligations issued on or before November 30, 1982. On May 22, 1999, a referendum was held for the School District, which authorized the Board of Trustees to issue and sell general obligation bonds in the amount of approximately \$192.0 million. This amount will be reduced by any state funding from special bond funds, to the extent that such receipts exceed current funding levels. The proceeds of the bonds are to be used for school building construction, renovation, repair and additions, and equipment acquisition. At June 30, 2008, approximately \$160 million of these bonds had been issued. These bonds are not subject to the 8% debt limitation.

The Installment Purchase Revenue Bonds were issued by the Securing Assets for Education ("SAFE") to purchase land and construct and equip several new schools as well as make improvements to several existing schools. The Trust Agreements required various trust funds to be established for each issue as follows:

- Project Funds – Proceeds in these funds were used to pay administrative fees, as well as, construction costs of the projects. The total funds in these accounts at June 30, 2008, were approximately \$61,174,355.
- Capitalized Interest Accounts – Receives the base rental payments from the School District and disburses the amounts necessary to make principal and interest payments on the bonds. The total funds in these accounts at June 30, 2008, were approximately \$1,954,611.

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

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

G. Long-Term Obligations (Continued)

- Reserve Accounts – Funds may only be used to make bond payments to the extent necessary to make up a deficiency in the Lease Rental account. The total funds in these accounts at June 30, 2008, were \$32,331,262.

The School District's outstanding debt at June 30, 2008, applicable to the School District's debt limit (excluding bond premium) was as follows:

Outstanding Debt Applicable to 8% Debt Limit	Amount
Total Outstanding Debt at June 30, 2007	\$ 446,405,000
Less: Debt From Referendum	(125,450,000)
Less: 2008 COPS Refunding Issued by Corporation	(20,740,000)
Less: SAFE	(296,280,000)
Total Debt Applicable to 8% Debt Limit	3,935,000
The School District's 8% Debt Limit	49,901,527
Balance Remaining Under 8% Debt Limit	<u>\$ 45,966,527</u>

Arbitrage Rebate Payable – 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 titles this practice 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 remitted \$6,219,313 in arbitrage to the federal government in December, 2008, which represented 90% of the amount owed on the 2003 SAFE bond issue. For the year ended June 30, 2008, the District has recorded arbitrage liability of \$1,154,320, which represents the remaining 10% of positive arbitrage on the 2003 SAFE bond issue and the arbitrage payable pertaining to the 2006 SAFE bond issue. The earliest date, which is the fifth anniversary of the 2006 SAFE bond issue, is December 1, 2010, at which time the School District will remit to the federal government the amount of positive arbitrage, if any, pertaining to this issue.

H. Defeased Debt

The following School District debt has been defeased in prior years and is no longer included as a liability in the School District's financial statements:

During July, 2007, the School District issued installment purchase revenue bonds that included \$6,565,000, at an interest rate of 5.034%. The net proceeds of approximately \$5.9 million were escrowed for the advance refund of \$5,730,000 of the 2002 general obligation issue, all of which is outstanding and considered defeased at June 30, 2008.

During November, 2007, the School District issued \$55,770,000 of general obligation refunding bonds ("2007 GORB") at an interest rate of 4.268%. The net proceeds of approximately \$59.9 million were escrowed to advance refund the 2002 general obligation bond issue. The outstanding debt that is considered defeased for this debt issue as of June 30, 2008 was approximately \$59 million.

After the two above advance refundings, all but \$13,435,000 of the 2002 general obligation bond had been refunded.

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

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

H. Defeased Debt (Continued)

During February, 2005, the School District issued \$62,190,000 of general obligation refunding bonds ("2005 GORB") at an interest rate of 3.9071%. The net proceeds of approximately \$64.5 million were escrowed to advance refund of all but \$400,000 of the 1997 general obligation bond issue, all but \$750,000 of the 1998 general obligation bond issue and 2000 general obligation bond issue. The outstanding debt that is considered defeased for this debt issue as of June 30, 2008 was approximately \$59 million.

During November, 2003, the School District issued \$206,721,000 in Installment Purchase Revenue Bonds (SAFE), of which \$34,548,809 was used to advance refund \$31,855,000 of the 1995 COPS at a weighted average interest rate of 5.098%. The net proceeds of approximately \$34.5 million were escrowed to advance refund all of the 1995 COPS issue. The outstanding debt that is considered defeased for this debt issue as of June 30, 2008 was approximately \$26.075 million.

By advance refunding the majority of the 1995 COPS, Berkeley County School District decreased its total debt service payments by \$10,534,912 over the next 13 years and obtained an economic loss (difference between the present values of the debt service payments on the old and new debt) of approximately \$2.9 million.

During December, 2000, the School District issued a promissory note accompanied by a lease purchase agreement, which constituted a QZAB. The lease purchase agreement required the District to make five annual lease payments of \$600,000 in 2001 and 2002, and \$100,000 in 2003 through 2005 to an escrow account held by an escrow agent. As of June 30, 2008, the amount held by the escrow agent was \$1,506,532. The outstanding debt which met the in-substance defeasance requirement and is considered defeased as of June 30, 2008 was approximately \$2,817,647.

I. The Berkeley School Facilities Group, Inc.

The Berkeley School Facilities Group, Inc. (the "Corporation" and a blended component unit) is a holding company created by the School District Board for the purpose of acquiring, refurbishing, and leasing facilities to be used by the School District in providing public education throughout Berkeley County, SC. The Corporation is a not-for-profit corporation in South Carolina and is exempt from income taxes under Internal Revenue Code 501(c)(3).

There are three members for the board who oversee the operations of the Corporation, all of which are either retired School District deputies or assistant superintendents. Their names and titles are listed as follows:

Title	Name
President	Harry D. Calvert
Secretary/Treasurer	Henry W. Brevard
Director	Frank A. Modica

In May 1994, and December 1995, the Corporation entered into several contracts with the School District and the Trustee (Wachovia Bank), by which, the Corporation has received, purchased, constructed, or otherwise obtained capital assets (primarily land, building and improvements, and equipment) and subsequently leased the capital assets to the School District. The Corporation financed the purchase and construction of these capital assets through Certificates of Participation (see Note III.G). Upon the termination of the lease, the School District will own the capital assets. The assets are included in the capital assets of the School District and the liabilities from the Certificates of Participation are included in the long-term debt of the School District.

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

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

J. SAFE

Securing Assets for Education ("SAFE" and a blended component unit) is a corporation created by the School District Board for the primary purpose of (a) acquiring, constructing, financing, pledging, improving, maintaining, operating, managing, leasing, and disposing of school buildings and other public educational facilities for the use and benefit of the School District and to (2) encourage and promote public education through cooperative arrangements with governmental entities and organizations exempt under Section 501(c)(3) that provide public education in Berkeley County, South Carolina. The Corporation is a not-for-profit corporation in South Carolina and is exempt from income taxes under Internal Revenue Code 501(c)(3).

There are five members of the board who oversee the operations of SAFE, who are appointed by the Berkeley County Board of Education for terms of three years. Their names and titles are listed as follows:

Title	Name
Chairman	William L. Baylor II
Secretary	Rev. Edmond B. Mazyck
Director	Douglas E. Allen
Director	John Rembert
Director	John Clarke

In November, 2003, SAFE issued \$206.7 million in Installment Revenue Bonds ("Series 2003 Bonds") and entered into several contracts with the School District and the Trustee (Carolina First Bank), by which, SAFE has or will receive, purchase, construct, or otherwise obtained capital assets (primarily land, building and improvements, and equipment) and will subsequently sell them to the School District pursuant to a Facilities Purchase and Occupancy Agreement. The Facilities Purchase and Occupancy Agreement obligates the School District to make semiannual installment payments of purchase price, also referred to as "Acquisition Payments," to SAFE in amounts calculated to be sufficient to enable SAFE to pay, when due, the principal and interest on the Series 2003 Bonds. Upon the termination/completion of the Facilities Purchase and Occupancy Agreement, the School District will own all of the capital assets financed with the Series 2003 Bonds. The assets are included in the cash and cash equivalents, investments, and capital assets of the School District and the liability for the Series 2003 Bonds are included in the accounts payable and accrued expenses, accrued interest, and long-term debt of the School District.

K. Food Service

Federal Guidelines

The School District's Food Service Fund administers the lunch programs in accordance with the United States Department of Agriculture ("USDA") guidelines. Revenues are provided from USDA reimbursements and cash collections. The meals served to pupils are classified as regular, reduced, or free lunches within the Food Service Fund. The type of meal served determines the amount of reimbursement from the USDA. Reimbursements may be in the form of cash or commodities. Food Service expenses are inclusive of \$797,743 of commodities consumed during the year ended June 30, 2008.

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

IV. OTHER INFORMATION

A. Retirement Plan

Plan Description – Substantially all School District employees are members of the South Carolina Retirement System (SCRS). The South Carolina Retirement System is a cost-sharing multi-employer defined benefit pension plan administered by the South Carolina Retirement System; a division of the South Carolina State Budget and Control Board. The system offers retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance benefits, and survivor benefits. The Plan's provisions are established under Title 9 of the SC Code of Laws. Comprehensive Annual Financial Reports, containing financial statements and required supplementary information for the System, are issued and publicly available by writing the South Carolina Retirement System, P.O. Box 11960, Columbia, South Carolina, 29211-1960.

The State of South Carolina also provides an optional retirement plan ("State ORP"). It is a governmental plan administered as a qualified plan pursuant to Section 401(a) of the 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 South Carolina Retirement System, employees eligible for the State ORP may choose between the State ORP plan or the SCRS plan.

Funding Policy – Both employees and employers are required to contribute to the Plan under authority of Title 9 of the SC Code of Laws. Employee contributions to the Plan are 6.25% of salary. Employers are required to contribute at the following actuarially determined rates: SCRS State Agencies & Public Schools — 12.48%. In addition to the above rates, participating employers of the South Carolina Retirement System contribute .15% of payroll to provide a group life insurance benefit for their participants. All employers contribute at the actuarially required contribution rates. The School District contributed amounts equal to the required contribution to the SCRS of approximately \$17,852,000, \$14,204,000, and \$13,697,000 for the years ended June 30, 2008, 2007, and 2006 respectively.

B. Post Employment Benefits

In addition to providing retirement plan benefits, the state currently provides its retired employees with health care benefits. All postretirement benefits paid to the School District's retired members are made from the SCRS and from South Carolina's General Fund (Health Care). The School District has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly covered payroll. The SCRS provides death benefits to retirees through the group life insurance program for members of the SCRS.

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. Contingent Liabilities

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 counsel that resolution of these matters will not have a material adverse effect on the financial condition of the School District.

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

IV. OTHER INFORMATION (CONTINUED)

E. Risk Management

The School District is exposed to various risks of loss related to torts; thefts 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. 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.

Because of the high cost of insurance purchased from commercial insurers for workers compensation insurance, the School District has chosen to participate with other school districts in the State in the South Carolina School Boards Insurance Trust/Workers' Compensation Pool ("SCSBIT/WCP"). These public entity risk pools operate as common risk management and insurance programs for member school districts. The School District pays annual premiums to the public entity risk pools for its workers' compensation insurance coverage based upon the total payroll of the School District for each plan year. The annual premiums for the fiscal year ended June 30, 2008 were approximately \$1,489,800 for the SCSBIT/WCP. The agreement for formation of the public entity risk pools provides that SCSBIT/WCP will be self-sustaining through member premiums and any deficiencies can be charged back to the member school districts in the event that a fund deficit arises. As of the latest available audited financial statements, June 30, 2008, the SCSBIT/WCP had retained earnings of approximately \$8,343,832. There were no insurance settlements that exceeded insurance coverage in any of the past three years.

F. Prior Period Adjustments

During the year ended June 30, 2008, the School District realized that the December, 2005 donation of 108.43 acres of land, with a fair market value of \$1,897,525, currently occupied by Cane Bay High School, had not been properly recorded. The School District also reclassified a food service warehouse from Food Service to Buildings and Improvements, as well as various accumulated depreciation accounts. The net effect of these adjustments to net assets is \$1,885,494, on the Statement of Activities.

During the year ended June 30, 2008, the School District recognized that the funding of the Qualified Zone Academy Bonds ("QAZB") met the in-substance defeasance requirement after the last lease payment was made in 2005. The removal of the cash held by the escrow agent from the debt service-district fund of \$1,506,532 is reflected on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. This amount is netted against the outstanding defeased debt of \$2,817,647 for a prior period adjustment of \$1,311,115 on the Statement of Activities.

G. Subsequent Events

Tax Anticipation Note

The School District issued a \$17,964,000 Tax Anticipation Note ("TAN") in July, 2008 at an interest rate of 3.0%. The purpose of the TAN is to provide the School District with the necessary funds to pay operating costs until sufficient property tax revenue is received. The TAN matures in April, 2009.

General Obligation Bond Issue

The School District issued \$18,330,000 in general obligation bonds in September, 2008. The proceeds of these bonds will be used to make the base lease payment to SAFE. The bonds mature in March, 2009, and will be redeemed with debt service property tax revenue.

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

IV. OTHER INFORMATION (CONTINUED)

G. Subsequent Events (Continued)

Contractual Obligations

The School District awarded multiple construction contracts totaling \$19,230,130 subsequent to June 30, 2008. These construction contracts will be used for the renovation and maintenance of three schools.

State Budget Cuts

Due to the ongoing financial uncertainties, and the resulting slow down in the State and National economies, the State of South Carolina is experiencing a reduction in sale tax collections, corporate and personal income tax revenues. In order to balance its general fund, the State of South Carolina, in August 2008, reduced the projected revenue allocations to State agencies and school districts. This was done with a 3% across the board reduction to state revenues. This across the board reduction resulted in an 8% cut of the state revenue allocations for the School District or \$3 million. The School District was able to address this cut in a couple of ways. At the same time the State was making reduction in revenue allocations, the State Insurance Office notified school districts of a credit to their accounts worth one month's premiums. For the School District this amounts to \$1.6 million towards the budget cuts. The remaining \$1.2 million is being addressed through reductions in expenditures by instituting a hiring freeze for all non-critical positions, not authorizing overtime or out-of-state travel and increasing the need for the conservation of utilities. Additionally, some expenditures may be shifted to non-General Fund sources. The School District expects that the State budget cuts will be covered during the course of the fiscal year.

In October 2008, the State of South Carolina has again revised its estimated revenue collections downward by 6% and has stated the need for further reductions in revenue allocations to state agencies and school districts. This reduction was reported in the EIA funds, not the General Fund. The School District has addressed this \$1.5 million reduction by reducing the carry over expenditure budget in an EIA fund. Again, the School District expects that all State budget cuts will be covered during the course of the fiscal year.

GENERAL FUND

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

YEAR ENDED JUNE 30, 2008

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Local Sources:				
Taxes	\$ 59,496,697	59,496,697	59,552,821	\$ 56,124
Investment Earnings	800,000	800,000	834,374	34,374
Other Local Sources	770,469	770,469	435,678	(334,791)
State Sources	121,887,287	121,887,287	120,084,998	(1,802,289)
Federal Sources	1,011,456	1,011,456	817,455	(194,001)
Intergovernmental Revenue	125,000	125,000	124,133	(867)
TOTAL REVENUE ALL SOURCES	184,090,909	184,090,909	181,849,459	(2,241,450)
EXPENDITURES				
Current:				
Instruction	109,043,921	109,043,921	104,431,385	4,612,536
Support Services	74,103,438	74,103,438	71,010,660	3,092,778
Intergovernmental	265,000	265,000	259,032	5,968
Capital Outlay	714,808	714,808	571,493	143,315
Debt Service:				
Principal Retirement	1,880,000	1,880,000	1,880,000	-
Interest and Fiscal Charges	1,275,000	1,275,000	1,741,102	(466,102)
TOTAL EXPENDITURES	187,282,167	187,282,167	179,893,672	7,388,495
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,191,258)	(3,191,258)	1,955,787	5,147,045
OTHER FINANCING SOURCES (USES)				
Proceeds of Refunding Debt	-	-	20,740,000	20,740,000
Premium on Bonds	-	-	643,610	643,610
Payment to Refunded Debt Escrow Agent	-	-	(21,696,154)	(21,696,154)
Proceeds from Sale of Capital Assets	-	-	15,369	15,369
Transfers In	4,596,358	4,596,358	11,954,096	7,357,738
Transfers Out	(1,405,100)	(1,405,100)	(1,398,094)	7,006
TOTAL OTHER FINANCING SOURCES (USES)	3,191,258	3,191,258	10,258,827	7,067,569
NET CHANGE IN FUND BALANCE	-	-	12,214,614	12,214,614
FUND BALANCES, Beginning of Year	13,657,270	13,657,270	13,657,270	-
FUND BALANCES, End of Year	\$ 13,657,270	13,657,270	25,871,884	\$ 12,214,614

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

Schedule A-2

GENERAL FUND

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

YEAR ENDED JUNE 30, 2008

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
1000 Revenue from Local Sources:			
1100 Taxes:			
1110 Ad Valorem Taxes-Including Delinquent (Independent)	\$ 47,770,706	47,776,705	\$ 5,999
1140 Penalties & Interest on Taxes (Independent)	125,000	141,657	16,657
1200 Revenue from Local Governmental Units Other than LEAs:			
1280 Revenue in Lieu of Taxes (Independent and Dependent)	11,600,991	11,634,459	33,468
1500 Earnings on Investments:			
1510 Interest on Investments	800,000	834,374	34,374
1900 Other Revenue from Local Sources:			
1910 Rentals	-	249,411	249,411
1920 Contributions & Donations Private Sources	-	103,841	103,841
1930 Medicaid	-	24,704	24,704
1990 Miscellaneous Local Revenue:			
1993 Receipt of Insurance Proceeds	-	48,613	48,613
1994 Receipt of Legal Settlements	-	125	125
1999 Revenue from Other Local Sources	770,469	8,984	(761,485)
Total Revenue from Local Sources	<u>61,067,166</u>	<u>60,822,873</u>	<u>(244,293)</u>
2000 Intergovernmental Revenue:			
2100 Payments from Other Governmental Units	125,000	124,133	(867)
Total Intergovernmental Revenue	<u>125,000</u>	<u>124,133</u>	<u>(867)</u>
3000 Revenue from State Sources:			
3100 Restricted State Funding:			
3130 Special Programs:			
3131 Handicapped Transportation	15,000	13,248	(1,752)
3132 Home Schooling	500	619	119
3160 School Bus Driver's Salary	1,714,871	1,828,488	113,617
3162 Transportation Workers' Compensation	115,000	115,843	843
3180 Fringe Benefits Employer Contributions	20,854,292	20,860,876	6,584
3181 Retiree Insurance	2,877,756	2,568,321	(309,435)
3199 Other Restricted State Grants	-	250	250
3300 Education Finance Act:			
3310 Full-Time Programs:			
3311 Kindergarten	4,246,891	4,251,904	5,013
3312 Primary	13,848,871	13,239,413	(609,458)
3313 Elementary	17,707,891	17,010,617	(697,274)
3314 High School	7,749,984	7,759,079	9,095
3315 Trainable Mentally Handicapped	287,619	295,455	7,836
3316 Speech Handicapped (Part-Time Program)	4,580,891	4,581,843	952
3317 Homebound	\$ 550,856	540,857	\$ (9,999)

(Continued)

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

Schedule A-2

GENERAL FUND

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

YEAR ENDED JUNE 30, 2008

	REVISED BUDGET	ACTUAL	VARIANCE
3320 Part-Time Programs:			
3321 Emotionally Handicapped	\$ 460,291	465,218	\$ 4,927
3322 Educable Mentally Handicapped	340,981	359,920	18,939
3323 Learning Disabilities	6,010,679	6,019,647	8,968
3324 Hearing Handicapped	312,753	329,099	16,346
3325 Visually Handicapped	103,767	104,676	909
3326 Orthopedically Handicapped	149,301	143,388	(5,913)
3327 Vocational	7,871,987	7,872,865	878
3330 Other EFA Programs:			
3331 Autism	459,089	1,859,565	1,400,476
3800 State Revenue in Lieu of Taxes:			
3810 Reimbursement for Local Residential Property Tax Relief	7,891,272	7,891,272	-
3820 Homestead Exemption	1,877,147	1,863,866	(13,281)
3825 Tier III	20,264,772	19,024,769	(1,240,003)
3830 Merchant's Inventory Tax	245,768	245,768	-
3840 Manufacturers Depreciation Reimbursement	1,349,058	838,132	(510,926)
Total Revenue from State Sources	<u>121,887,287</u>	<u>120,084,998</u>	<u>(1,802,289)</u>
4000 Revenue from Federal Sources:			
4100 Federally Impacted Areas:			
4110 Maintenance & Operations (P.L. 874)	1,011,456	817,345	(194,111)
4900 Other Federal Sources:			
4999 Revenue from Other Federal Sources	-	110	110
Total Revenue from Federal Sources	<u>1,011,456</u>	<u>817,455</u>	<u>(194,001)</u>
TOTAL REVENUE ALL SOURCES	<u>184,090,909</u>	<u>181,849,459</u>	<u>(2,241,450)</u>

EXPENDITURES

100 Instruction:			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	4,909,365	4,896,911	12,454
200 Employee Benefits	1,596,855	1,482,699	114,156
400 Supplies and Materials	98,852	96,359	2,493
112 Primary Programs:			
100 Salaries	14,540,541	14,123,641	416,900
200 Employee Benefits	4,173,432	4,040,273	133,159
300 Purchased Services	18,120	17,129	991
400 Supplies and Materials	\$ 348,814	320,823	\$ 27,991

(Continued)

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

Schedule A-2

GENERAL FUND

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

YEAR ENDED JUNE 30, 2008

	REVISED BUDGET	ACTUAL	VARIANCE
113 Elementary Programs:			
100 Salaries	\$ 26,255,415	26,098,420	\$ 156,995
200 Employee Benefits	7,880,209	7,583,892	296,317
300 Purchased Services	155,887	113,263	42,624
400 Supplies and Materials	1,013,293	998,320	14,973
500 Capital Outlay	1,090	-	1,090
114 High School Programs:			
100 Salaries	17,871,982	17,041,034	830,948
200 Employee Benefits	5,159,832	4,758,714	401,118
300 Purchased Services	469,550	463,658	5,892
400 Supplies and Materials	809,493	774,813	34,680
500 Capital Outlay	50,553	50,310	243
115 Vocational Programs:			
100 Salaries	3,373,765	3,168,102	205,663
200 Employee Benefits	984,057	879,494	104,563
300 Purchased Services - Other Than Tuition	197,281	197,206	75
400 Supplies and Materials	529,900	521,940	7,960
120 Exceptional Programs:			
121 Educable Mentally-Handicapped:			
100 Salaries	1,290,278	1,190,278	100,000
200 Employee Benefits	359,781	349,728	10,053
400 Supplies and Materials	129,860	116,871	12,989
122 Trainable Mentally Handicapped:			
100 Salaries	318,833	308,832	10,001
200 Employee Benefits	179,834	106,052	73,782
400 Supplies and Materials	150	100	50
123 Orthopedically Handicapped:			
100 Salaries	36,425	-	36,425
200 Employee Benefits	10,725	-	10,725
400 Supplies and Materials	2,408	-	2,408
124 Visually Handicapped:			
100 Salaries	240,681	230,589	10,092
200 Employee Benefits	60,093	59,647	446
400 Supplies and Materials	1,146	-	1,146
125 Hearing Handicapped:			
100 Salaries	652,327	577,606	74,721
200 Employee Benefits	209,030	176,004	33,026
400 Supplies and Materials	2,623	-	2,623
126 Speech Handicapped:			
100 Salaries	1,659,073	1,245,656	413,417
200 Employee Benefits	471,149	338,459	132,690
300 Purchased Services	\$ 975,000	962,715	\$ 12,285

(Continued)

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

Schedule A-2

GENERAL FUND

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

YEAR ENDED JUNE 30, 2008

	REVISED BUDGET	ACTUAL	VARIANCE
127 Learning Disabilities:			
100 Salaries	\$ 6,432,148	6,352,389	\$ 79,759
200 Employee Benefits	1,949,901	1,780,069	169,832
400 Supplies and Materials	20,170	1,080	19,090
128 Emotionally Handicapped:			
100 Salaries	977,819	855,713	122,106
200 Employee Benefits	372,842	293,991	78,851
300 Purchased Services	4,661	-	4,661
130 Pre-School Programs:			
136 Pre-School Handicapped-Itinerant (3 & 4-Yr. Olds):			
100 Salaries	604,140	463,626	140,514
200 Employee Benefits	185,625	141,646	43,979
139 Early Childhood Programs:			
100 Salaries	222,736	146,319	76,417
200 Employee Benefits	59,392	39,304	20,088
400 Supplies and Materials	8,500	8,494	6
140 Special Programs:			
141 Gifted and Talented - Academic:			
100 Salaries	39,150	39,148	2
200 Employee Benefits	11,083	11,082	1
145 Homebound:			
100 Salaries	505,000	503,280	1,720
200 Employee Benefits	99,974	98,831	1,143
300 Purchased Services	60,000	55,429	4,571
147 Full Day 4K:			
100 Salaries	75,000	73,118	1,882
200 Employee Benefits	15,000	14,828	172
149 Other Special Programs:			
300 Purchased Services	5,000	939	4,061
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	46,191	-	46,191
200 Employee Benefits	13,857	-	13,857
180 Adult/Continuing Educational Programs:			
181 Adult Basic Education Programs:			
300 Purchased Services	14,835	10,804	4,031
400 Supplies and Materials	36,686	23,188	13,498
600 Other Objects	\$ 165	54	\$ 111

(Continued)

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

Schedule A-2

GENERAL FUND

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

YEAR ENDED JUNE 30, 2008

	REVISED BUDGET	ACTUAL	VARIANCE
182 Adult Secondary Education Programs:			
100 Salaries	\$ 219,874	209,285	\$ 10,589
200 Employee Benefits	65,711	57,461	8,250
300 Purchased Services	6,902	3,679	3,223
400 Supplies and Materials	8,500	8,360	140
188 Parenting/Family Literacy:			
300 Purchased Services	-	41	(41)
Total Instruction	<u>109,098,564</u>	<u>104,481,696</u>	<u>4,616,868</u>
200 Support Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	1,266,875	1,246,928	19,947
200 Employee Benefits	436,425	413,997	22,428
300 Purchased Services	14,360	-	14,360
400 Supplies and Materials	6,340	2,861	3,479
500 Capital Outlay	3,000	-	3,000
212 Guidance Services:			
100 Salaries	3,665,981	3,506,187	159,794
200 Employee Benefits	1,047,803	982,858	64,945
300 Purchased Services	52,420	12,169	40,251
400 Supplies and Materials	9,500	9,477	23
213 Health Services:			
100 Salaries	1,098,429	818,234	280,195
200 Employee Benefits	372,503	251,366	121,137
300 Purchased Services	11,514	9,604	1,910
400 Supplies and Materials	81,800	80,193	1,607
214 Psychological Services:			
100 Salaries	677,913	463,133	214,780
200 Employee Benefits	184,927	118,279	66,648
217 Career Specialist Services			
100 Salaries	310,000	305,932	4,068
200 Employee Benefits	62,000	61,225	775
220 Instructional Staff Services:			
221 Improvement of Instruction-Curriculum Development:			
100 Salaries	1,862,812	1,853,132	9,680
200 Employee Benefits	475,619	462,915	12,704
300 Purchased Services	54,097	54,021	76
400 Supplies and Materials	21,098	20,084	1,014
222 Library and Media Services:			
100 Salaries	2,590,028	2,436,661	153,367
200 Employee Benefits	837,768	730,663	107,105
300 Purchased Services	10,250	7,486	2,764
400 Supplies and Materials	\$ 710,469	684,895	\$ 25,574

(Continued)

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

Schedule A-2

GENERAL FUND

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

YEAR ENDED JUNE 30, 2008

	REVISED BUDGET	ACTUAL	VARIANCE
223 Supervision of Special Programs:			
100 Salaries	\$ 72,610	71,015	\$ 1,595
200 Employee Benefits	27,856	17,480	10,376
300 Purchased Services	7,503	7,301	202
224 Improvement of Instruction-Inservice and Staff Training:			
100 Salaries	489,644	566,422	(76,778)
200 Employee Benefits	146,932	162,905	(15,973)
300 Purchased Services	132,522	111,343	21,179
400 Supplies and Materials	70,134	51,819	18,315
500 Capital Outlay	22,000	20,500	1,500
600 Other Objects	19,000	18,440	560
230 General Administrative Services:			
231 Board of Education:			
100 Salaries	81,000	80,040	960
200 Employee Benefits	1,650,000	1,644,262	5,738
300 Purchased Services	181,995	100,804	81,191
400 Supplies and Materials	2,569	-	2,569
600 Other Objects	175,000	171,569	3,431
232 Office of Superintendent:			
100 Salaries	589,891	588,742	1,149
200 Employee Benefits	141,691	140,503	1,188
300 Purchased Services	267,901	256,084	11,817
400 Supplies and Materials	11,500	11,938	(438)
500 Capital Outlay	-	(6,273)	6,273
233 School Administration:			
100 Salaries	9,825,789	9,613,291	212,498
200 Employee Benefits	2,689,871	2,676,842	13,029
300 Purchased Services	131,856	130,656	1,200
400 Supplies and Materials	125,502	124,206	1,296
600 Other Objects	200	175	25
250 Finance and Operations Services:			
252 Fiscal Services:			
100 Salaries	975,925	812,687	163,238
200 Employee Benefits	249,939	233,448	16,491
300 Purchased Services	385,509	365,580	19,929
400 Supplies and Materials	125,000	118,370	6,630
600 Other Objects	50,000	18,712	31,288
253 Facilities Acquisition and Construction:			
300 Purchased Services	\$ -	11,184	\$ (11,184)

(Continued)

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

Schedule A-2

GENERAL FUND

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

YEAR ENDED JUNE 30, 2008

	REVISED BUDGET	ACTUAL	VARIANCE
254 Operation and Maintenance of Plant:			
100 Salaries	\$ 9,387,761	9,086,140	\$ 301,621
200 Employee Benefits	3,285,716	2,978,167	307,549
300 Purchased Services	5,206,784	5,106,487	100,297
321 Public Utilities (Excludes Gas, Oil, Elec. & Other Heating Fuels)	5,739,867	5,606,747	133,120
400 Supplies and Materials	2,553,705	2,533,073	20,632
500 Capital Outlay	268,665	161,521	107,144
255 Student Transportation (State Mandated):			
100 Salaries	4,690,362	4,556,631	133,731
200 Employee Benefits	1,385,682	1,317,378	68,304
300 Purchased Services	329,052	328,496	556
400 Supplies and Materials	25,000	23,601	1,399
500 Capital Outlay	7,500	-	7,500
256 Food Service:			
200 Employee Benefits	1,020,000	1,019,329	671
258 Security:			
100 Salaries	35,000	33,803	1,197
200 Employee Benefits	7,000	6,054	946
300 Purchased Services	609,000	607,694	1,306
400 Supplies and Materials	5,000	4,137	863
260 Central Support Services:			
262 Planning, Research, Development and Evaluation:			
100 Salaries	200,000	198,274	1,726
200 Employee Benefits	50,000	49,091	909
300 Purchased Services	122,000	104,587	17,413
400 Supplies and Materials	50,000	49,701	299
263 Information Services:			
100 Salaries	180,195	160,088	20,107
200 Employee Benefits	53,752	47,964	5,788
300 Purchased Services	180,000	178,745	1,255
400 Supplies and Materials	24,500	24,390	110
264 Staff Services:			
100 Salaries	641,797	640,978	819
200 Employee Benefits	185,418	182,436	2,982
300 Purchased Services	76,841	71,510	5,331
400 Supplies and Materials	21,000	20,790	210
500 Capital Outlay	7,000	690	6,310
266 Technology and Data Processing Services:			
100 Salaries	739,955	772,515	(32,560)
200 Employee Benefits	200,000	210,447	(10,447)
300 Purchased Services	107,000	106,099	901
400 Supplies and Materials	675,000	665,431	9,569
500 Capital Outlay	\$ 245,000	244,407	\$ 593

(Continued)

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

Schedule A-2

GENERAL FUND

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

YEAR ENDED JUNE 30, 2008

	REVISED BUDGET	ACTUAL	VARIANCE
270 Support Services Pupil Activity:			
271 Pupil Services Activities:			
100 Salaries (Optional)	\$ 1,250,000	1,122,528	\$ 127,472
200 Employee Benefits (Optional)	226,781	218,644	8,137
300 Purchased Services (Optional)	4,000	3,674	326
400 Supplies and Materials	-	-	-
500 Capital Outlay (Optional)	110,000	100,338	9,662
600 Other Objects (Optional)	50,000	48,494	1,506
660 Pupil Activity	255,000	251,192	3,808
273 Pupil Services Activities:			
100 Salaries (Optional)	31,000	30,377	623
200 Employee Benefits (Optional)	7,000	6,049	951
300 Purchased Services (Optional)	1,000	800	200
Total Support Services	<u>74,763,603</u>	<u>71,531,842</u>	<u>3,231,761</u>
400 Other Charges:			
410 Intergovernmental Expenditures:			
412 Payments to Other Governmental Units			
720 Transits	265,000	259,032	5,968
Total Intergovernmental Expenditures	<u>265,000</u>	<u>259,032</u>	<u>5,968</u>
500 Debt Service:			
610 Redemption of Principal	1,880,000	1,880,000	-
620 Interest	1,275,000	1,266,038	8,962
690 Other Objects (Includes Fees For Servicing Bonds)	-	475,064	(475,064)
Total Debt Service	<u>3,155,000</u>	<u>3,621,102</u>	<u>(466,102)</u>
TOTAL EXPENDITURES	<u>187,282,167</u>	<u>179,893,672</u>	<u>7,388,495</u>
OTHER FINANCING SOURCES (USES)			
5110 Premium on Bonds Sold	-	643,610	643,610
5130 Proceeds of Refunding Debt	-	20,740,000	20,740,000
5300 Sale of Fixed Assets	-	15,369	15,369
441-720 Payment to Refunded Debt Escrow Agent	\$ -	(21,696,154)	\$ (21,696,154)

(Continued)

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

Schedule A-2

GENERAL FUND

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

YEAR ENDED JUNE 30, 2008

	REVISED BUDGET	ACTUAL	VARIANCE
Interfund Transfers, From (To) Other Funds:			
5220 Transfer from Special Revenue Fund (Excludes Indirect Cost)	\$ 1,114,528	-	\$ (1,114,528)
5230 Transfer from Special Revenue EIA Fund	3,481,830	3,472,676	(9,154)
5240 Transfer from Debt Service Fund	-	7,452,885	7,452,885
5250 Transfer from Capital Projects Fund	-	-	-
5260 Transfer from Food Service Fund (Excludes Indirect Cost)	-	-	-
5270 Transfer from Pupil Activity Fund	-	39,805	39,805
5280 Transfer from Other Funds Indirect Costs	-	988,730	988,730
421-710 Transfer to Special Revenue Fund	(875,000)	(868,002)	6,998
422-710 Transfer to Special Revenue EIA Fund	-	-	-
423-710 Transfer to Debt Service Fund	-	-	-
424-710 Transfer to Capital Projects Fund	-	-	-
425-710 Transfer to Food Service Fund	-	-	-
426-710 Transfer to Pupil Activity Fund	(530,100)	(530,092)	8
TOTAL OTHER FINANCING SOURCES (USES)	3,191,258	10,258,827	7,067,569
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-	12,214,614	12,214,614
FUND BALANCE, Beginning of Year	13,657,270	13,657,270	-
FUND BALANCE, End of Year	\$ 13,657,270	25,871,884	\$ 12,214,614

**BERKELEY COUNTY SCHOOL DISTRICT
MONCKS CORNER, SOUTH CAROLINA**

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2008

	Title I (BA Projects) (201/237)	IDEA (CA Projects) (203/204)
REVENUES		
1000 Revenue from Local Sources:		
1900 Other Revenue from Local Sources:		
1920 Contributions and Donations Private Sources	\$ -	-
1930 Medicaid	-	-
1999 Revenue from Other Local Sources	-	-
Total Revenue From Local Sources	-	-
3000 Revenue from State Sources:		
3100 Restricted State Funding:		
3110 Occupational Education:		
3116 EEDA 8th Grade Career Awareness	-	-
3117 EEDA 9th Grade Career Awareness	-	-
3118 EEDA Career Specialist	-	-
3120 General Education:		
3123 EEDA Formative	-	-
3125 Career and Technology Education Equipment	-	-
3126 Refurbishment of K-8 Science Kits	-	-
3127 Student Health and Fitness	-	-
3128 High Schools That Work	-	-
3130 Special Programs:		
3134 Child Development:	-	-
3136 Student Health and Fitness - Nurses	-	-
3150 Adult Education:		
3154 Young Adult Education	-	-
3190 Miscellaneous Restricted State Grants:		
3193 Education License Plates	-	-
3199 Other Restricted State Grants	-	-
3600 Education Lottery Act Revenue:		
3607 6-8 Enhancement	-	-
3610 K-5 Enhancement	-	-
3900 Other State Revenue:		
3991 ADEPT (Assisting, Developing, and Evaluating Professional Teaching)	-	-
3999 Revenue from Other State Sources	-	-
Total Revenue From State Sources	-	-
4000 Revenue from Federal Sources:		
4200 Occupational Education:		
4210 Vocational Aid, Title I	-	-
4300 Elementary and Secondary Education Act of 1965 (ESEA):		
4310 Title I, Basic State Grant Programs	7,156,801	-
4325 Mathematics and Science Partnerships Program, Title II	-	-
4331 Enhancing Education through Technology (E2T2), Title II	-	-
4340 Promoting Informed Parental Choice and Innovative Education Program Strategies, Title V	\$ -	-

Preschool Handicapped (CG Projects) (205)	Occupational Education (VA Projects) (289)	Drug Free (FP/FQ Projects) (209)	Adult Education (243)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Totals
-	-	-	-	-	102,573	\$ 102,573
-	-	-	-	-	1,411,159	1,411,159
-	-	-	-	-	1,226,068	1,226,068
-	-	-	-	-	2,739,800	2,739,800
-	-	-	-	5,786	-	5,786
-	-	-	-	11,386	-	11,386
-	-	-	-	896,450	-	896,450
-	-	-	-	110,556	-	110,556
-	-	-	-	307,796	-	307,796
-	-	-	-	139,157	-	139,157
-	-	-	-	289,291	-	289,291
-	-	-	-	34,792	-	34,792
-	-	-	-	3,600,505	-	3,600,505
-	-	-	-	825,299	-	825,299
-	-	-	-	109,339	-	109,339
-	-	-	-	34,434	-	34,434
-	-	-	-	-	335,368	335,368
-	-	-	-	85,119	-	85,119
-	-	-	-	1,620,618	-	1,620,618
-	-	-	-	41,193	-	41,193
-	-	-	-	-	33,236	33,236
-	-	-	-	8,111,721	368,604	8,480,325
-	428,443	-	-	-	-	428,443
-	-	-	-	-	-	7,156,801
-	-	-	-	-	22,113	22,113
-	-	-	-	-	78,733	78,733
-	-	-	-	-	88,440	\$ 88,440

(Continued)

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2008

	Title I (BA Projects) (201/237)	IDEA (CA Projects) (203/204)
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III	\$ -	-
4351 Improving Teacher Quality	-	-
4360 Even Start - Family Literacy	-	-
4400 Adult Education:		
4410 Basic Adult Education	-	-
4500 Programs for Children with Disabilities:		
4510 Individuals with Disabilities Education Act (IDEA)	-	5,917,040
4520 Pre-School Grants (Carryover Provision)	-	-
4900 Other Federal Sources:		
4920 Drug and Violence Prevention, Title IV	-	-
4924 21st Century Community Learning Centers Grants, Title IV	-	-
4999 Revenue from Other Federal Sources	-	-
Total Revenue From Federal Sources	<u>7,156,801</u>	<u>5,917,040</u>
TOTAL REVENUE ALL SOURCES	<u>7,156,801</u>	<u>5,917,040</u>
EXPENDITURES		
100 Instruction:		
110 General Instruction:		
111 Kindergarten Programs:		
100 Salaries	713,836	-
200 Employee Benefits	210,396	-
400 Supplies and Materials	28,347	-
112 Primary Programs:		
100 Salaries	667,075	-
200 Employee Benefits	210,365	-
300 Purchased Services	56,855	-
400 Supplies and Materials	760,159	-
600 Other Objects	-	-
113 Elementary Programs:		
100 Salaries	194,889	-
200 Employee Benefits	58,603	-
300 Purchased Services	502,583	-
400 Supplies and Materials	169,815	-
114 High School Programs:		
100 Salaries	51,521	-
200 Employee Benefits	13,915	-
300 Purchased Services	7,043	-
400 Supplies and Materials	28,458	-
115 Vocational Programs:		
300 Purchased Services - Other Than Tuition	-	-
400 Supplies and Materials	-	-
500 Capital Outlay	\$ -	-

Preschool Handicapped (CG Projects) (205)	Occupational Education (VA Projects) (289)	Drug Free (FP/FQ Projects) (209)	Adult Education (243)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Totals
-	-	-	-	-	207,826	\$ 207,826
-	-	-	-	-	1,314,175	1,314,175
-	-	-	-	-	99,881	99,881
-	-	-	155,248	-	-	155,248
-	-	-	-	-	58,136	5,975,176
358,118	-	-	-	-	-	358,118
-	-	142,432	-	-	-	142,432
-	-	-	-	-	492,294	492,294
-	-	-	-	-	1,342,780	1,342,780
358,118	428,443	142,432	155,248	-	3,704,378	17,862,460
358,118	428,443	142,432	155,248	8,111,721	6,812,782	29,082,585
-	-	-	-	-	-	713,836
-	-	-	-	-	-	210,396
-	-	-	-	28	15,713	44,088
-	-	-	-	1,048,210	795,854	2,511,139
-	-	-	-	283,106	239,629	733,100
-	-	-	-	231,975	3,539	292,369
-	-	-	-	183,935	39,862	983,956
-	-	-	-	-	353	353
-	-	-	-	114,772	94,664	404,325
-	-	-	-	36,963	19,840	115,406
-	-	-	-	134,248	11,479	648,310
-	-	-	-	79,736	56,233	305,784
-	-	-	-	5,758	527,935	585,214
-	-	-	-	1,168	21,246	36,329
-	-	-	-	-	12,728	19,771
-	-	-	-	-	138,048	166,506
-	149,521	-	-	-	10,700	160,221
-	132,809	-	-	199,047	29,954	361,810
-	14,269	-	-	108,749	44,035	\$ 167,053

(Continued)

**BERKELEY COUNTY SCHOOL DISTRICT
MONCKS CORNER, SOUTH CAROLINA**

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2008

	Title I (BA Projects) (201/237)	IDEA (CA Projects) (203/204)
120 Exceptional Programs:		
121 Educable Mentally Handicapped:		
100 Salaries	\$ -	254,941
200 Employee Benefits	-	91,285
300 Purchased Services	-	1,622
400 Supplies and Materials	-	129,580
122 Trainable Mentally Handicapped:		
100 Salaries	-	249,641
200 Employee Benefits	-	105,781
300 Purchased Services	-	13,379
400 Supplies and Materials	-	44,166
124 Visually Handicapped:		
100 Salaries	-	18,209
200 Employee Benefits	-	5,830
300 Purchased Services	-	4,875
400 Supplies and Materials	-	353
125 Hearing Handicapped:		
100 Salaries	-	20,941
200 Employee Benefits	-	7,260
300 Purchased Services	-	8,898
400 Supplies and Materials	-	6,476
126 Speech Handicapped:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	4,434
400 Supplies and Materials	-	49,016
127 Learning Disabilities:		
100 Salaries	-	302,247
200 Employee Benefits	-	110,445
400 Supplies and Materials	-	100,266
128 Emotionally Handicapped:		
100 Salaries	-	20,697
200 Employee Benefits	-	12,673
400 Supplies and Materials	-	46,207
130 Pre-School Programs:		
135 Pre-School Handicapped-Speech (3 & 4-Yr. Olds):		
400 Supplies and Materials	-	-
136 Pre-School Handicapped- Itinerant (3 & 4-Yr. Olds):		
100 Salaries	-	-
200 Employee Benefits	-	-
400 Supplies and Materials	-	-
137 Pre-School Handicapped-Self-Contained (3 & 4-Yr. Olds):		
100 Salaries	-	-
200 Employee Benefits	-	-
400 Supplies and Materials	-	-
139 Early Childhood Programs:		
100 Salaries	395	-
200 Employee Benefits	35	-
400 Supplies and Materials	\$ -	-

Preschool Handicapped (CG Projects) (205)	Occupational Education (VA Projects) (289)	Drug Free (FP/FQ Projects) (209)	Adult Education (243)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Totals
-	-	-	-	-	14,152	\$ 269,093
-	-	-	-	-	4,416	95,701
-	-	-	-	-	175,057	176,679
-	-	-	-	-	-	129,580
-	-	-	-	-	34,934	284,575
-	-	-	-	-	9,071	114,852
-	-	-	-	-	-	13,379
-	-	-	-	-	-	44,166
-	-	-	-	-	-	18,209
-	-	-	-	-	-	5,830
-	-	-	-	-	-	4,875
-	-	-	-	-	-	353
-	-	-	-	-	-	20,941
-	-	-	-	-	-	7,260
-	-	-	-	-	-	8,898
-	-	-	-	-	-	6,476
-	-	-	-	-	3,644	3,644
-	-	-	-	-	729	729
-	-	-	-	-	-	4,434
-	-	-	-	-	-	49,016
-	-	-	-	-	6,615	308,862
-	-	-	-	-	12,443	122,888
-	-	-	-	-	-	100,266
-	-	-	-	-	102,600	123,297
-	-	-	-	-	39,639	52,312
-	-	-	-	-	-	46,207
3,857	-	-	-	-	-	3,857
-	-	-	-	-	4,540	4,540
-	-	-	-	-	3,974	3,974
247	-	-	-	-	-	247
77,063	-	-	-	-	-	77,063
23,262	-	-	-	-	-	23,262
55,490	-	-	-	-	-	55,490
-	-	-	-	-	-	395
-	-	-	-	-	-	35
-	-	-	-	-	68,295	\$ 68,295

(Continued)

**BERKELEY COUNTY SCHOOL DISTRICT
MONCKS CORNER, SOUTH CAROLINA**

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2008

	Title I (BA Projects) (201/237)	IDEA (CA Projects) (203/204)
140 Special Programs:		
145 Homebound:		
300 Purchased Services	\$ -	160
147 Full Day 4K:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
500 Capital Outlay	-	-
149 Other Special Programs:		
100 Salaries	-	477,590
200 Employee Benefits	-	57,045
300 Purchased Services	-	9,213
400 Supplies and Materials	-	7,487
160 Other Exceptional Programs:		
161 Autism:		
100 Salaries	-	-
200 Employee Benefits	-	-
170 Summer School Programs:		
175 Instructional Programs Beyond Regular School Day:		
100 Salaries	629,046	65,690
200 Employee Benefits	132,098	12,649
300 Purchased Services	40,177	-
400 Supplies and Materials	146,622	-
180 Adult/Continuing Educational Programs:		
181 Adult Basic Education Programs:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
182 Adult Secondary Education Programs:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
183 Adult English Literacy (ESL):		
100 Salaries	-	-
200 Employee Benefits	-	-
188 Parenting/Family Literacy:		
100 Salaries	107,318	-
200 Employee Benefits	26,544	-
300 Purchased Services	21,114	-
400 Supplies and Materials	82,617	-
Total Instruction	<u>\$ 4,859,826</u>	<u>2,239,056</u>

Preschool Handicapped (CG Projects) (205)	Occupational Education (VA Projects) (289)	Drug Free (FP/FQ Projects) (209)	Adult Education (243)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Totals
-	-	-	-	-	-	\$ 160
-	-	-	-	2,496,213	-	2,496,213
-	-	-	-	724,656	-	724,656
-	-	-	-	59,235	-	59,235
-	-	-	-	304,633	-	304,633
-	-	-	-	15,768	-	15,768
-	-	-	-	-	-	477,590
-	-	-	-	-	-	57,045
-	-	-	-	-	-	9,213
-	-	-	-	-	-	7,487
-	-	-	-	-	15,582	15,582
-	-	-	-	-	6,313	6,313
-	-	-	-	-	204,025	898,761
-	-	-	-	-	40,360	185,107
-	-	-	-	-	473	40,650
-	-	-	-	-	3,178	149,800
-	-	-	73,652	-	23,854	97,506
-	-	-	9,710	-	3,354	13,064
-	-	-	-	-	2,182	2,182
-	-	-	5,003	-	1,897	6,900
-	-	-	3,258	50,309	-	53,567
-	-	-	1,245	8,576	-	9,821
-	-	-	-	3,075	-	3,075
-	-	-	-	1,728	-	1,728
-	-	-	50,022	-	-	50,022
-	-	-	5,296	-	-	5,296
-	-	-	-	-	264,726	372,044
-	-	-	-	-	74,141	100,685
-	-	-	-	-	20,891	42,005
-	-	-	-	-	12,841	95,458
159,919	296,599	-	148,186	6,091,888	3,215,738	\$ 17,011,212

(Continued)

**BERKELEY COUNTY SCHOOL DISTRICT
MONCKS CORNER, SOUTH CAROLINA**

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2008

	Title I (BA Projects) (201/237)	IDEA (CA Projects) (203/204)
200 Support Services:		
210 Pupil Services:		
212 Guidance Services:		
100 Salaries	\$ -	-
200 Employee Benefits	-	-
300 Purchased Services	7,317	-
400 Supplies and Materials	-	-
600 Other Objects	-	-
213 Health Services:		
100 Salaries	-	681,222
200 Employee Benefits	-	180,913
300 Purchased Services	-	1,710
400 Supplies and Materials	-	-
214 Psychological Services:		
100 Salaries	-	653,579
200 Employee Benefits	-	180,866
300 Purchased Services	-	25,951
400 Supplies and Materials	-	25,374
215 Exceptional Program Services:		
100 Salaries	-	18,720
200 Employee Benefits	-	17,152
300 Purchased Services	-	55,170
400 Supplies and Materials	-	51,635
217 Career Specialist Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
220 Instructional Staff Services:		
221 Improvement of Instruction - Curriculum Development:		
100 Salaries	1,375	135,100
200 Employee Benefits	295	47,563
300 Purchased Services	-	1,095
400 Supplies and Materials	-	10,087
222 Library and Media:		
400 Supplies and Materials	-	-
223 Supervision of Special Programs:		
100 Salaries	77,215	916,592
200 Employee Benefits	22,665	276,398
300 Purchased Services	18,065	43,787
400 Supplies and Materials	-	20,308
600 Other Objects	-	-
224 Improvement of Instruction - Inservice and Staff Training:		
100 Salaries	1,200,311	74,218
200 Employee Benefits	344,721	14,392
300 Purchased Services	249,825	39,522
400 Supplies and Materials	56,710	2,604
600 Other Objects	\$ -	12,798

Preschool Handicapped (CG Projects) (205)	Occupational Education (VA Projects) (289)	Drug Free (FP/FQ Projects) (209)	Adult Education (243)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Totals
-	-	42,919	-	-	103,422	\$ 146,341
-	-	9,710	-	-	34,053	43,763
-	-	60,475	-	3,264	15,626	86,682
-	-	-	-	13,908	6,472	20,380
-	-	-	-	-	10,913	10,913
-	-	-	-	625,800	108,409	1,415,431
-	-	-	-	199,500	32,220	412,633
-	-	-	-	-	4,339	6,049
-	-	-	-	-	12,085	12,085
75,185	-	-	-	-	-	728,764
19,595	-	-	-	-	-	200,461
659	-	-	-	-	3,547	30,157
7,767	-	-	-	-	-	33,141
15,373	-	-	-	-	47,778	81,871
3,176	-	-	-	-	19,883	40,211
-	-	-	-	-	40,764	95,934
4,521	-	-	-	-	-	56,156
-	-	-	-	705,396	-	705,396
-	-	-	-	191,054	-	191,054
-	-	9,588	-	7,884	87,713	241,660
-	-	1,912	-	1,570	29,202	80,542
-	-	1,025	-	12,826	234,052	248,998
-	-	13,884	-	4,393	29,413	57,777
-	-	-	-	29,149	-	29,149
36,439	-	-	5,405	39,904	150,008	1,225,563
9,943	-	-	1,657	5,526	40,544	356,733
-	-	-	-	223	15,671	77,746
838	-	195	-	-	12,298	33,639
-	-	-	-	-	39	39
-	-	-	-	87,165	142,534	1,504,228
-	-	-	-	25,911	29,118	414,142
289	14,998	-	-	43,711	313,742	662,087
-	-	-	-	22,649	93,235	175,198
-	-	-	-	-	-	\$ 12,798

(Continued)

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2008

	Title I (BA Projects) (201/237)	IDEA (CA Projects) (203/204)
250 Finance and Operations Services:		
251 Student Transportation (Federal/District Mandated):		
100 Salaries	\$ 49,650	65,790
200 Employee Benefits	9,163	13,369
300 Purchased Services	80,727	-
254 Operation and Maintenance of Plant:		
300 Purchased Services	11,670	-
400 Supplies and Materials	28,404	-
255 Student Transportation (State Mandated):		
100 Salaries	-	210
200 Employee Benefits	-	16
300 Purchased Services	-	-
400 Supplies and Materials	-	-
500 Capital Outlay	-	-
260 Central Support Services:		
263 Information Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
400 Supplies and Materials	-	-
266 Technology and Data Processing Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
400 Supplies and Materials	-	-
500 Capital Outlay	-	-
270 Support Services - Pupil Activity:		
271 Pupil Services Activities:		
100 Salaries (Optional)	-	-
200 Employee Benefits (Optional)	-	-
300 Purchased Services (Optional)	-	-
400 Supplies and Materials (Optional)	-	-
600 Other Objects (Optional)	-	-
Total Support Services	<u>2,158,113</u>	<u>3,566,141</u>
300 Community Services:		
360 Welfare Services:		
400 Supplies and Materials	-	-
Total Community Services	<u>-</u>	<u>-</u>
410 Intergovernmental Expenditures:		
412 Payments to Other Governmental Units		
720 Transits	-	-
Total Intergovernmental Expenditures	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	\$ 7,017,939	5,805,197

Preschool Handicapped (CG Projects) (205)	Occupational Education (VA Projects) (289)	Drug Free (FP/FQ Projects) (209)	Adult Education (243)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Totals
-	-	-	-	-	37,811	\$ 153,251
-	-	-	-	-	6,900	29,432
17,564	-	-	-	-	31,629	129,920
-	-	-	-	-	-	11,670
-	-	-	-	-	-	28,404
-	-	-	-	-	28,057	28,267
-	-	-	-	-	2,308	2,324
-	-	-	-	-	62,037	62,037
-	-	-	-	-	1,229	1,229
-	-	-	-	-	20,742	20,742
-	-	-	-	-	145	145
-	-	-	-	-	11	11
-	-	-	-	-	7,167	7,167
-	87,188	-	-	-	697	87,885
-	21,462	-	-	-	16	21,478
-	-	-	-	-	1,794,177	1,794,177
-	-	-	-	-	149,660	149,660
-	-	-	-	-	1,221	1,221
-	-	-	-	-	248	248
-	-	-	-	-	1,077	1,077
-	-	-	-	-	6,598	6,598
-	-	-	-	-	12,146	12,146
<u>191,349</u>	<u>123,648</u>	<u>139,708</u>	<u>7,062</u>	<u>2,019,833</u>	<u>3,780,956</u>	<u>11,986,810</u>
-	-	-	-	-	647	647
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>647</u>	<u>647</u>
-	-	-	-	-	628,723	628,723
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>628,723</u>	<u>628,723</u>
<u>351,268</u>	<u>420,247</u>	<u>139,708</u>	<u>155,248</u>	<u>8,111,721</u>	<u>7,626,064</u>	<u>\$ 29,627,392</u>

(Continued)

**BERKELEY COUNTY SCHOOL DISTRICT
MONCKS CORNER, SOUTH CAROLINA**

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2008

	Title I (BA Projects) (201/237)	IDEA (CA Projects) (203/204)
	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)		
Interfund Transfers, From (To) Other Funds:		
5210 Transfer from General Fund (Exclude Indirect Costs)	\$ -	-
431-791 Special Revenue Fund Indirect Costs (Use Only for Transfer of Indirect Costs to General Fund)	(138,862)	(111,843)
TOTAL OTHER FINANCING SOURCES (USES)	<hr/> (138,862) <hr/>	<hr/> (111,843) <hr/>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-	-
FUND BALANCE, Beginning of Year	<hr/> -	<hr/> -
FUND BALANCE, End of Year	<hr/> \$ - <hr/>	<hr/> - <hr/>

Preschool Handicapped (CG Projects) (205)	Occupational Education (VA Projects) (289)	Drug Free (FP/FQ Projects) (209)	Adult Education (243)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Totals
-	-	-	-	-	868,002	\$ 868,002
(6,850)	(8,196)	(2,724)	-	-	(54,720)	(323,195)
<u>(6,850)</u>	<u>(8,196)</u>	<u>(2,724)</u>	<u>-</u>	<u>-</u>	<u>813,282</u>	<u>544,807</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

**BERKELEY COUNTY SCHOOL DISTRICT
MONCKS CORNER, SOUTH CAROLINA**

Schedule B-2

SPECIAL REVENUE FUND

SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES

YEAR ENDED JUNE 30, 2008

OTHER DESIGNATED RESTRICTED STATE GRANTS

905	Career Technology Education Equipment
908	Refurbishment of K-8 Science Kits
916	ADEPT (Assisting, Developing, and Evaluating Professional Teaching)
919	Education License Plates
920	Young Adult Education
924	Child Development Education Pilot Program
926	EEDA 9th Grade Awareness
927	EEDA 8th Grade Awareness
928	EEDA Career Specialist
933	EEDA Formative
936	Student Health & Fitness-Nurses
937	Student Health & Fitness
938	High School That Works
939	Special Library Allocation
943	CDEPP Transportation
960	K-5 Enhancement
967	6-8 Enhancement

OTHER SPECIAL REVENUE PROGRAMS

212	Medicaid
213	IDEA - Personnel Development
214	IDEA - Group Homes
224	21st Century Community Learning Center
225	Math and Science Partnership
241	Promoting Informed Parental Choice and Innovative Programs, Title V
242	Even Start Family Literacy
244	Hurricane Relief
248	CDC School Health Programs
253	Enhancing Education Through Technology
258	Tech Prep
264	Title III
267	Improving Teacher Quality
801	E- Rate
803	ABC Grant
806	BCSD Special Purpose Fund
810	National Science Foundation
816	ABC Teen Program
826	DHEC Recycling Mini-Grant
829	Extended School Year
835	Profoundly Mentally Disabled
841	First Steps
848	Healthier US School Challenge

(Continued)

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

Schedule B-2

SPECIAL REVENUE FUND

SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES

YEAR ENDED JUNE 30, 2008

OTHER SPECIAL REVENUE PROGRAMS (Continued)

852	Humanitary
855	REACH
857	History Grant- Patriot Project
860	SAT Improvement
861	Math and Science Coaching Unit
862	ROTC
865	Teacher Quality Research
867	Character Education
871	Head Start
873	Teen LEAD
877	Gateway Academy
878	9th Grade Academy Grant
883	Math and Science Initiative
885	Pregnancy Prevention
887	ACCENT- Smaller Learning Communities - Berkeley High & Goose Creek High
891	SIG Coach
892	Truancy and Dropout Prevention
898	School Grants - Over \$1,000
899	Donations Fund

**BERKELEY COUNTY SCHOOL DISTRICT
MONCKS CORNER, SOUTH CAROLINA**

Schedule B-3

SPECIAL REVENUE FUND

SUMMARY SCHEDULE FOR OTHER DESIGNATED RESTRICTED STATE GRANTS

YEAR ENDED JUNE 30, 2008

Subfund	Revenue	Programs	Revenues	Expenditures	Special Revenue		Special Revenue Fund Deferred
					Interfund Transfers In (Out)	Other Fund Transfers Sources (Uses)	
905	3125	Career and Technology Education Equipment	\$ 307,796	307,796	-	-	\$ -
908	3126	Refurbishment of K-8 Science Kits	139,157	139,157	-	-	-
916	3991	ADEPT (Assisting, Developing and Evaluating Professional Teaching)	41,193	41,193	-	-	75,856
919	3193	Education License Plates	5,285	5,285	-	-	-
920	3154	Young Adult Education	109,339	109,339	-	-	20,248
924	3134	Child Development Education Pilot Program	3,600,505	3,600,505	-	-	34,350
926	3116	EEDA 9th Grade Awareness	5,786	5,786	-	-	3,859
927	3117	EEDA 8th Grade Awareness	11,386	11,386	-	-	3,245
928	3118	EEDA Career Specialist	896,450	896,450	-	-	-
933	3123	EEDA Formative	110,556	110,556	-	-	-
936	3136	Student Health & Fitness-Nurses	825,299	825,299	-	-	-
937	3127	Student Health & Fitness	289,291	289,291	-	-	-
938	3128	High School That Works	34,792	34,792	-	-	-
939	3193	Special Library Allocation	29,149	29,149	-	-	5,601
960	3610	K-5 Enhancement	1,620,618	1,620,618	-	-	156,355
967	3607	6-8 Enhancement	85,119	85,119	-	-	-
Totals			\$ 8,111,721	8,111,721	-	-	\$ 299,514

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

Schedule B-4

EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2008

	ACTUAL
REVENUES	
3500 Education Improvement Act:	
3501 Increase High School Diploma Requirements	\$ 940,549
3505 School Technology Initiative	478,445
3509 Arts in Education	101,013
3513 Parenting/Family Literacy	167,111
3515 Advanced Placement Courses	6,739
3520 Gifted and Talented - Academic	658,048
3522 Gifted and Talented - Artistic	115,081
3523 Junior Scholars Program	1,791
3527 Critical Teaching Needs	7,878
3530 Trainable & Profoundly Mentally Disabled Student Services	123,048
3532 National Board Certification (NBC) Salary Supplement (No Carryover Provision)	1,859,371
3533 Teacher of the Year Awards	1,077
3534 Professional Development on Standards	68,292
3535 Institute of Reading (South Carolina Reading Initiative - Middle Grades)	100,000
3542 Preschool Programs for Children with Disabilities	172,383
3546 Academic Assistance K-3	2,399,946
3548 Academic Assistance 4-12	1,817,628
3550 Teacher Salary Increase (No Carryover Provision)	2,887,160
3553 Adult Education - Remedial	4,895
3555 School Employer Contributions (No Carryover Provision)	585,516
3561 Mathematics and Science Centers	176,501
3562 Adult Education, Basic (Includes Rural and Workforce Initiative)	255,858
3564 Adult Education, Young Adult Initiative	15,751
3565 Adult Education, Literacy	49,769
3568 EAA Technical Assistance	1,423,718
3575 Competitive Teacher Grants	32,000
3577 Teacher Supplies (No Carryover Provision)	522,500
3578 High Schools That Work	67,461
3582 Principal Salary/Fringe Increase (No Carryover Provision)	122,557
3583 EAA Summer School/Comprehensive Remediation	744,847
3588 Palmetto Gold & Silver	72,647
3591 Excellence In Middle Schools	183,240
3592 School-to-Work Transition Act	155,021
3593 EAA Reduce Class Size Grades 1 - 3	1,215,441
3596 EAA Alternative Schools Program	271,491
3599 Other EIA	300
Total Revenue from State Sources	<u>17,805,073</u>
TOTAL REVENUE ALL SOURCES	<u>\$ 17,805,073</u>

(Continued)

**BERKELEY COUNTY SCHOOL DISTRICT
MONCKS CORNER, SOUTH CAROLINA**

Schedule B-4

EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2008

	<u>ACTUAL</u>
EXPENDITURES	
100 Instruction:	
110 General Instruction:	
111 Kindergarten Programs:	
100 Salaries	\$ 15,107
200 Employee Benefits	3,033
300 Purchased Services	2,916
400 Supplies and Materials	132,004
112 Primary Programs:	
100 Salaries	1,180,385
200 Employee Benefits	314,305
300 Purchased Services	637,779
400 Supplies and Materials	400,365
600 Other Objects	7,946
113 Elementary Programs:	
100 Salaries	2,057,370
200 Employee Benefits	464,302
300 Purchased Services	57,413
400 Supplies and Materials	689,434
600 Other Objects	24,028
114 High School Programs:	
100 Salaries	1,061,837
200 Employee Benefits	341,872
300 Purchased Services	60,614
400 Supplies and Materials	475,200
600 Other Objects	9,963
115 Vocation Programs:	
400 Supplies and Materials	1,925
120 Exceptional Programs:	
121 Educable Mentally Handicapped:	
400 Supplies and Materials	29,425
122 Trainable Mentally Handicapped:	
100 Salaries	87,356
200 Employee Benefits	35,692
400 Supplies and Materials	6,325
124 Visually Handicapped:	
400 Supplies and Materials	275
126 Speech Handicapped:	
400 Supplies and Materials	7,150
127 Learning Disabilities:	
400 Supplies and Materials	\$ 10,175

(Continued)

**BERKELEY COUNTY SCHOOL DISTRICT
MONCKS CORNER, SOUTH CAROLINA**

Schedule B-4

EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2008

	<u>ACTUAL</u>
130 Pre-School Programs:	
139 Early Childhood Programs:	
100 Salaries	\$ 114,326
200 Employee Benefits	52,761
400 Supplies and Materials	12,824
140 Special Programs:	
141 Gifted and Talented - Academic:	
100 Salaries	382,269
200 Employee Benefits	108,379
300 Purchased Services	4,464
400 Supplies and Materials	21,969
143 Advanced Placement:	
400 Supplies and Materials	6,270
148 Gifted and Talented - Artistic:	
100 Salaries	40,204
200 Employee Benefits	8,073
300 Purchased Services	1,869
400 Supplies and Materials	5,919
170 Summer School Programs:	
172 Elementary Summer School:	
300 Purchased Services	525
174 Gifted and Talented Summer School:	
100 Salaries	21,525
200 Employee Benefits	4,380
300 Purchased Services	22,056
400 Supplies and Materials	11,055
175 Instructional Programs Beyond Regular School Day:	
100 Salaries	150,584
200 Employee Benefits	30,134
400 Supplies and Materials	30,831
180 Adult/Continuing Educational Programs:	
181 Adult Basic Education Programs:	
100 Salaries	73,537
200 Employee Benefits	18,450
400 Supplies and Materials	3,271
182 Adult Secondary Education Programs:	
100 Salaries	1,573
200 Employee Benefits	(740)
300 Purchased Services	35
187 Adult Education - Remedial:	
100 Salaries	4,093
200 Employee Benefits	\$ 802

(Continued)

**BERKELEY COUNTY SCHOOL DISTRICT
MONCKS CORNER, SOUTH CAROLINA**

Schedule B-4

EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2008

	ACTUAL
188 Parenting/Family Literacy:	
100 Salaries	\$ 128,131
200 Employee Benefits	27,549
300 Purchased Services	13,011
400 Supplies and Materials	39,412
Total Instruction	<u>9,453,737</u>
200 Support Services:	
210 Pupil Services:	
211 Attendance and Social Work Services:	
100 Salaries	8,312
200 Employee Benefits	1,497
400 Supplies and Materials	50,670
212 Guidance Services:	
100 Salaries	125,651
200 Employee Benefits	32,200
300 Purchased Services	2,000
400 Supplies and Materials	74,530
220 Instructional Staff Services:	
221 Improvement of Instruction-Curriculum Development:	
100 Salaries	1,608,228
200 Employee Benefits	382,650
300 Purchased Services	162,697
400 Supplies and Materials	83,226
600 Other Objects	2,946
222 Library and Media:	
400 Supplies and Materials	10,450
223 Supervision of Special Programs:	
100 Salaries	437,537
200 Employee Benefits	121,114
300 Purchased Services	2,049
400 Supplies and Materials	4,112
230 General Administration Services:	
233 School Administration:	
100 Salaries	128,136
200 Employee Benefits	44,427
300 Purchased Services	24,000
234 Improvement of Instruction - Inservice and Staff Training:	
100 Salaries	546,418
200 Employee Benefits	135,985
300 Purchased Services	442,745
400 Supplies and Materials	\$ 160,708

(Continued)

**BERKELEY COUNTY SCHOOL DISTRICT
MONCKS CORNER, SOUTH CAROLINA**

Schedule B-4

EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2008

	ACTUAL
250 Finance and Operations Services:	
251 Student Transportation (Federal/District Mandated):	
100 Salaries	\$ 1,526
200 Employee Benefits	258
300 Purchased Services	854
254 Operation and Maintenance of Plant:	
300 Purchased Services	3,834
255 Student Transportation (State Mandated):	
100 Salaries	36,823
200 Employee Benefits	5,338
300 Purchased Services	8,679
258 Security:	
300 Purchased Services	151,981
270 Support Services - Pupil Activity:	
271 Pupil Services Activities:	
100 Salaries (Optional)	860
200 Employee Benefits (Optional)	144
300 Purchased Services (Optional)	1,903
600 Other Objects (Optional)	3,998
Total Support Services	<u>4,808,486</u>
300 Community Services:	
350 Custody and Care of Children:	
100 Salaries	1,745
200 Employee Benefits	354
Total Community Services	<u>2,099</u>
TOTAL EXPENDITURES	<u>14,264,322</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
420-710 Transfer to General Fund (Exclude Indirect Costs)	(3,472,676)
426-710 Transfer to Pupil Activity Fund	(68,075)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,540,751)</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-
FUND BALANCE, Beginning of Year	<u>-</u>
FUND BALANCE, End of Year	<u>\$ -</u>

**BERKELEY COUNTY SCHOOL DISTRICT
MONCKS CORNER, SOUTH CAROLINA**

Schedule B-5

EDUCATION IMPROVEMENT ACT

SUMMARY SCHEDULE BY PROGRAM

YEAR ENDED JUNE 30, 2008

Program	Revenues	Expenditures	EIA Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	EIA Fund Deferred Revenue
3500 Education Improvement Act:					
3501 Increase High School Diploma Requirements	\$ 940,549	940,549	-	-	\$ -
3505 School Technology Initiative	478,445.46	478,445.46	-	-	-
3509 Arts in Education	101,013	101,013	-	-	12,567
3513 Parenting/Family Literacy (Carryover from 2004-05 Only)	167,111	167,111	-	-	-
3515 Advanced Placement Courses	6,739	6,739	-	-	12,861
3520 Gifted and Talented - Academic	658,048	658,048	-	-	88,437
3522 Gifted and Talented - Artistic	115,081	115,081	-	-	56,381
3523 Junior Scholars Programs	1,791	1,791	-	-	-
3527 Critical Teaching Needs	7,878	7,878	-	-	-
3530 Trainable & Profoundly Mentally Disabled Student Services	123,048	123,048	-	-	-
3532 National Board Certification (NBC) Salary Supplement (No Carryover Provision)	1,859,371	1,859,371	-	-	-
3533 Teacher of the Year Awards (No Carryover Provision)	1,077	1,077	-	-	-
3534 Professional Development on Standards	68,292	68,292	-	-	122,192
3535 Institute of Reading (South Carolina Reading Initiative - Middle Grades)	100,000	100,000	-	-	-
3542 Preschool Programs for Children with Disabilities	172,383	172,383	-	-	-
3546 Academic Assistance K-3	2,399,946	2,399,946	-	-	266,361
3548 Academic Assistance 4-12	1,817,628	1,817,628	-	-	-
3550 Teacher Salary Increase (No Carryover Provision)	2,887,160	-	-	(2,887,160)	-
3553 Adult Education - Remedial	4,895	4,895	-	-	20,617
3555 School Employer Contributions (No Carryover Provision)	585,516	-	-	(585,516)	-
3561 Mathematics and Science Centers	176,501	176,501	-	-	302
3562 Adult Education, Basic (Includes Rural And Workforce Initiative)	255,858	255,858	-	-	13,958
3564 Adult Education, Young Adult Initiative	15,751	15,751	-	-	-
3565 Adult Education, Literacy	49,769	49,769	-	-	1,707
3568 EAA Technical Assistance	1,423,718	1,423,718	-	-	135,657
3575 Competitive Teacher Grants	32,000	32,000	-	-	-
3577 Teacher Supplies (No Carryover Provision)	522,500	522,500	-	-	-
3578 High Schools That Work	67,461	67,461	-	-	38,658
3582 Principal Salary/Fringe Increase (No Carryover Provision)	122,557	122,557	-	-	-
3583 EAA Summer School/Comprehensive Remediation	744,847	676,772	-	(68,075)	552,556
3588 EAA Palmetto Gold and Silver	72,647	72,647	-	-	12,390
3591 Excellence in Middle Schools	183,240	183,240	-	-	-
3592 School-to-Work Transition Act	155,021	155,021	-	-	-
3593 EAA Reduce Class Size Grades 1 - 3	1,215,441	1,215,441	-	-	-
3596 EAA Alternative Schools Program	271,491	271,491	-	-	48,720
3599 Other EIA	300	300	-	-	-
Totals	\$ 17,805,073	14,264,322	-	(3,540,751)	\$ 1,383,364

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

YEAR ENDED JUNE 30, 2008

Program	Project/Grant Number	Revenue & Subfund Code	Description	Amount Due to State Department of Education or Federal Government	Status of Amount Due to Grantors
				\$ -	

**BERKELEY COUNTY SCHOOL DISTRICT
MONCKS CORNER, SOUTH CAROLINA**

Schedule B-7

FOOD SERVICE FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2008

	ACTUAL
REVENUES	
1000 Revenue from Local Sources:	
1600 Food Service:	
1610 Lunch Sales to Pupils	\$ 2,610,537
1620 Breakfast Sales to Pupils	15,642
1630 Special Sales to Pupils	312,282
1640 Lunch Sales to Adults	264,808
1650 Breakfast Sales to Adults	5,076
1660 Special Sales to Adults	48,279
1900 Other Revenue from Local Sources:	
1999 Revenue from Other Local Sources	76,989
Total Revenue from Local Sources	<u>3,333,613</u>
3000 Revenue from State Sources:	
3100 Restricted State Funding:	
3140 School Lunch:	
3142 Program Aid	13,009
Total Revenue from State Sources	<u>13,009</u>
4000 Revenue from Federal Sources:	
4800 USDA Reimbursement:	
4810 School Lunch and After School Snacks Program	6,234,957
4830 School Breakfast Program	1,931,772
4900 Other Federal Sources:	
4991 USDA Commodities (Food Distribution Program) (Carryover Provision)	797,743
4999 Revenue from Other Federal Sources	109,354
Total Revenue from Federal Sources	<u>9,073,826</u>
TOTAL REVENUE ALL SOURCES	<u>12,420,448</u>
EXPENSES	
200 Support Services:	
256 Food Service:	
100 Salaries	4,241,532
200 Employee Benefits	544,694
300 Purchased Services (Exclude Gas, Oil, Electricity and Other Heating Fuels)	202,138
400 Supplies and Materials (Include Gas, Oil, Electricity and Other Heating Fuels)	6,720,515
500 Capital Outlay	-
600 Other Objects	23,614
Total Food Services Expenses	<u>11,732,493</u>
TOTAL EXPENSES	<u>\$ 11,732,493</u>

(Continued)

**BERKELEY COUNTY SCHOOL DISTRICT
MONCKS CORNER, SOUTH CAROLINA**

Schedule B-7

FOOD SERVICE FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2008

	<u>ACTUAL</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
432-791 Food Service Fund Indirect Costs	\$ (665,535)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(665,535)</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	22,420
FUND NET ASSETS, Beginning of Year	<u>1,030,072</u>
FUND NET ASSETS, End of Year	<u>\$ 1,052,492</u>

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

Schedule C-1

DEBT SERVICE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2008

	<u>DISTRICT</u>	<u>BERKELEY FACILITIES GROUP</u>	<u>SAFE</u>
REVENUES			
1000 Revenue from Local Sources:			
1100 Taxes:			
1110 Ad Valorem Taxes-Including Delinquent (Fiscally Independent LEA)	\$ 25,205,481	-	\$ -
1140 Penalties & Interest on Taxes (Independent)	83,862	-	-
1200 Revenue from Local Governmental Units Other than LEAs:			
1280 Revenue in Lieu of Taxes (Dependent and Independent)	1,426,619	-	-
1500 Earnings on Investments:			
1510 Interest on Investments	56,899	-	1,824,521
Total Revenue from Local Sources	<u>26,772,861</u>	<u>-</u>	<u>1,824,521</u>
3000 Revenue from State Sources:			
3800 State Revenue in Lieu of Taxes:			
3820 Homestead Exemption	735,667	-	-
3840 Manufacturers Depreciation Reimbursement	287,097	-	-
Total Revenue from State Sources	<u>1,022,764</u>	<u>-</u>	<u>-</u>
TOTAL REVENUE ALL SOURCES	<u>27,795,625</u>	<u>-</u>	<u>1,824,521</u>
EXPENDITURES			
500 Debt Service:			
610 Redemption of Principal	4,960,000	-	-
620 Interest	6,301,419	-	15,052,200
690 Other Objects (Includes Fees for Servicing Bonds)	6,351,116	-	-
Total Debt Service	<u>17,612,535</u>	<u>-</u>	<u>15,052,200</u>
TOTAL EXPENDITURES	<u>17,612,535</u>	<u>-</u>	<u>15,052,200</u>
OTHER FINANCING SOURCES (USES)			
Interfund Transfers, From (To) Other Funds:			
5240 Transfer from Debt Service -District	-	-	12,546,650
5240 Transfer from Debt Service - Berkeley Facilities Group	6,219,313	-	-
5250 Transfer from Capital Projects Fund	-	-	2,060,302
420-710 Transfer to General Fund (Excludes Indirect Costs)	-	(7,452,885)	-
423-710 Transfer to Debt Service - SAFE	(12,546,650)	(6,219,313)	-
424-710 Transfer to Capital Projects Fund	(2,887,751)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(9,215,088)</u>	<u>(13,672,198)</u>	<u>14,606,952</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	968,002	(13,672,198)	1,379,273
FUND BALANCE, Beginning of Year	<u>7,070,449</u>	<u>13,672,198</u>	<u>39,580,772</u>
Prior Period Adjustment	(1,506,532)	-	-
FUND BALANCE, Beginning of Year, Restated	<u>5,563,917</u>	<u>13,672,198</u>	<u>39,580,772</u>
FUND BALANCE, End of Year	<u>\$ 6,531,919</u>	<u>-</u>	<u>\$ 40,960,045</u>

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

Schedule D-1

CAPITAL PROJECTS FUNDS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2008

	DISTRICT	SAFE
REVENUES		
1000 Revenue from Local Sources:		
1500 Earnings on Investments:		
1510 Interest on Investments	\$ 243,340	\$ 4,345,958
Total Revenue from Local Sources	<u>243,340</u>	<u>4,345,958</u>
3000 Revenue from State Sources:		
3100 Restricted State Funding:		
3170 State School Building Fund	120,791	-
3172 Children's Education Endowment (Barnwell Facilities Fund)	835,687	-
Total Revenue from State Sources	<u>956,478</u>	<u>-</u>
TOTAL REVENUE ALL SOURCES	<u>1,199,818</u>	<u>4,345,958</u>
EXPENDITURES		
250 Finance and Operations:		
252 Fiscal Services:		
300 Purchased Services	-	837
253 Facilities Acquisition & Construction:		
300 Purchased Services	1,051,108	5,327,616
400 Supplies and Materials	367,777	622,788
500 Capital Outlay:		
520 Construction Services	22,410	28,387,905
530 Improvements Other Than Buildings	441,204	1,695,905
540 Equipment	62,189	6,975
254 Operations and Maintenance of Plant:		
300 Purchased Services	-	79,642
400 Supplies and Materials	600	2,247
256 Food Service:		
400 Supplies and Materials	60,130	-
260 Central Support Services:		
266 Technology and Data Processing Services:		
400 Supplies and Materials	67,183	8,746
TOTAL EXPENDITURES	<u>2,072,601</u>	<u>36,132,661</u>
OTHER FINANCING SOURCES (USES)		
Interfund Transfers, From (To) Other Funds:		
5240 Transfer from Debt Service Fund	2,887,751	-
423-710 Transfer to Debt Service Fund	-	(2,060,302)
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,887,751</u>	<u>(2,060,302)</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	2,014,968	(33,847,005)
FUND BALANCE, Beginning of Year	<u>872,798</u>	<u>87,753,371</u>
FUND BALANCE, End of Year	<u>\$ 2,887,766</u>	<u>\$ 53,906,366</u>

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

Schedule E-1

CHILD CARE FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

YEAR ENDED JUNE 30, 2008

	ACTUAL
REVENUES	
1000 Revenue from Local Sources:	
1300 Tuition:	
1310 From Patrons for Regular Day School	\$ 2,453,410
1900 Other Revenue from Local Sources:	
1920 Contributions & Donations Private Sources	14,000
Total Revenue from Local Sources	<u>2,467,410</u>
TOTAL REVENUE ALL SOURCES	<u>2,467,410</u>
EXPENSES	
100 Instruction:	
110 General Instruction:	
111 Kindergarten Programs:	
100 Salaries	38,841
200 Employee Benefits	7,958
112 Primary Programs:	
100 Salaries	63,468
200 Employee Benefits	8,693
300 Purchased Services	3,386
400 Supplies and Materials	47,132
113 Elementary Programs:	
100 Salaries	3,304
200 Employee Benefits	593
300 Purchased Services	10,605
400 Supplies and Materials	26,729
120 Exceptional Programs	
121 Educable Mentally Handicapped	
100 Salaries	44
200 Employee Benefits	9
140 Special Programs	
147 CDEPP	
300 Purchased Services	120
170 Summer School Program:	
175 Instructional Programs Beyond Regular School Day:	
100 Salaries	1,775
200 Employee Benefits	350
180 Adult/Continuing Educational Programs	
188 Parenting/Family Literacy	
400 Supplies and Materials	\$ 47

(Continued)

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

Schedule E-1

CHILD CARE FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

YEAR ENDED JUNE 30, 2008

	ACTUAL
190 Instructional Pupil Activity	
190 Instructional Pupil Activity	
600 Other Objects	\$ 13,000
Total Instruction	<u>226,054</u>
200 Support Services:	
210 Pupil Services	
212 Guidance Services	
100 Salaries	375
200 Employee Benefits	51
220 Instructional Staff Services:	
221 Improvement of Instruction-Curriculum Development:	
100 Salaries	14,893
200 Employee Benefits	3,173
300 Purchased Services	113
400 Supplies and Materials	9,937
224 Improvement of Instruction - Inservice and Staff Training:	
100 Salaries	232
200 Employee Benefits	47
300 Purchased Services	16,338
400 Supplies and Materials	2,439
230 General Administration Services:	
233 School Administration:	
100 Salaries	120,303
200 Employee Benefits	18,331
300 Purchased Services	30,383
400 Supplies and Materials	119,327
600 Other Objects	18,695
250 Finance and Operations Services:	
254 Operation and Maintenance of Plant:	
100 Salaries	19,733
200 Employee Benefits	3,536
300 Purchased Services	15,489
400 Supplies and Materials	2,080
258 Security:	
300 Purchased Services	\$ 1,713

(Continued)

**BERKELEY COUNTY SCHOOL DISTRICT
MONCKS CORNER, SOUTH CAROLINA**

Schedule E-1

CHILD CARE FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

YEAR ENDED JUNE 30, 2008

	ACTUAL
270 Support Services - Pupil Activity:	
271 Pupil Services Activities:	
100 Salaries	\$ 31,924
200 Employee Benefits	4,692
300 Purchased Services	3,695
600 Other Objects	13,586
Total Support Services	451,085
300 Community Services:	
350 Custody and Care of Children:	
100 Salaries	1,290,025
200 Employee Benefits	162,550
300 Purchased Services	10,510
400 Supplies and Materials	409,671
600 Other Objects	17,039
Total Community Services	1,889,795
TOTAL EXPENSES	2,566,934
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	(99,524)
FUND NET ASSETS, Beginning of Year	654,846
FUND NET ASSETS, End of Year	\$ 555,322

**BERKELEY COUNTY SCHOOL DISTRICT
MONCKS CORNER, SOUTH CAROLINA**

Schedule F-1

FIDUCIARY FUND - PUPIL ACTIVITY FUND

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

YEAR ENDED JUNE 30, 2008

	ACTUAL
RECEIPTS	
1000 Receipts from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 213,841
1700 Pupil Activities:	
1710 Admissions	604,397
1720 Bookstore Sales	109,097
1730 Pupil Organization Membership Dues and Fees	971
1740 Student Fees	38,045
1790 Other	2,824,737
1900 Other Revenue from Local Sources:	
1920 Contributions & Donations Private Sources	3,349
Total Receipts from Local Sources	<u>3,794,437</u>
TOTAL RECEIPTS ALL SOURCES	<u>3,794,437</u>
DISBURSEMENTS	
190 Instructional Pupil Activity:	
100 Salaries (Optional)	19,080
200 Employee Benefits (Optional)	3,532
660 Pupil Activity	137,223
Total Instruction	<u>159,835</u>
270 Support Services Pupil Activity:	
271 Pupil Service Activities:	
100 Salaries (Optional)	344,029
200 Employee Benefits (Optional)	65,874
660 Pupil Activity	3,624,404
Total Pupil Activity Expenditures	<u>4,034,307</u>
TOTAL DISBURSEMENTS	<u>4,194,142</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
5210 Transfer from General Fund (Excludes Indirect Costs)	530,092
5220 Transfer from Special Revenue Fund	68,075
420-710 Transfer to General Fund (Excludes Indirect Costs)	(39,805)
TOTAL OTHER FINANCING SOURCES (USES)	<u>558,362</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	158,657
DUE TO STUDENT ORGANIZATIONS, Beginning of Year	<u>1,422,883</u>
DUE TO STUDENT ORGANIZATIONS, End of Year	<u>\$ 1,581,540</u>

**THE SCHOOL DISTRICT OF BERKELEY COUNTY
MONCKS CORNER, SOUTH CAROLINA**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2008

LEA Subfund Code	Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass Through Grantor's Number	Federal Expenditures
US DEPARTMENT OF AGRICULTURE				
<u>Passed Through SC Department of Education:</u>				
600	Food Distribution	10.550	N/A	\$ 797,743
600	National School Breakfast Program	10.553	N/A	6,234,957
600	National School Lunch Program	10.555	N/A	1,931,772
TOTAL US DEPARTMENT OF AGRICULTURE				8,964,472
US DEPARTMENT OF EDUCATION				
<u>Direct Programs:</u>				
100	Impact Aid	84.041	N/A	817,345
857	History Grant - The Patriot Project	84.215X	U215X060217	262,921
887	ACCENT: Aligning Curriculum, Connecting Educators & Nurturing Teamwork	84.215L	S215L060024	417,135
Total Direct Programs				<u>1,497,401</u>
<u>Pass through South Carolina Department of Social Services:</u>				
885	Community Adolescent Pregnancy Prevention	93.558	G70060T	92,128
<u>Pass-through Charleston County:</u>				
878	Smaller Learning Communities-9th Grade Academy	84.215L	V215L030097	107,124
<u>Passed Through SC Department of Education:</u>				
<u>Title I:</u>				
201	Title I- Low Income	84.010	08-BA015	6,519,746
237	Title I School Improvement	84.218	08-BJ015-01	637,055
Total Title I				<u>7,156,801</u>
<u>IDEA:</u>				
203	Public Law 101-476 The Individuals with Disabilities Act	84.027A	08-CA015	5,917,040
213	Personnel Development	84.027A	08-CO015-01	39,579
214	Group Homes		08-CE015	18,557
Total IDEA				<u>5,975,176</u>
<u>Preschool Handicapped</u>				
205	Handicapped Preschool Grant	84.173	08-CG015	358,118
<u>Occupational Education:</u>				
100	Vocational Education	N/A	N/A	110
207	Technology Training (Subprogram 03)	84.048	08-VA015	96,943
207	Professional Development (Subprogram 04)	84.048	08-VA015	14,998
207	Initiate/ Improve Program (Subprogram 06)	84.048	08-VA015	276,599
207	Student Organizations (Subprogram 10)	84.048	08-VA015	19,999
207	Administration II (Subprogram 15)	84.048	08-VA015	19,903
Total Occupational Education				<u>\$ 428,552</u>

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

(Continued)

**THE SCHOOL DISTRICT OF BERKELEY COUNTY
MONCKS CORNER, SOUTH CAROLINA**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2008

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)				
<u>Drug Free:</u>				
209	Drug Free and Violence Prevention Program	84.186	08-FQ015	\$ 142,432
<u>Adult Education:</u>				
243	Adult Regular	84.002	08-EA015	146,750
243	Adult Ed - EL/Civics	84.002	08-ED015-01	8,498
	Total Adult Education			155,248
<u>Other Special Programs:</u>				
224	21st Century Community Learning Centers	84.287	08-CL015-01	187,169
224	21st Century Community Learning Centers	84.287	08-CL015-02	155,408
224	21st Century Community Learning Centers	84.287	08-CL015-03	149,717
225	Math & Science Partnership	84.366B	08-MS015-02	10,452
241	Title V	84.298	08-BB015	88,440
242	Even Start- Family Literacy	84.213C	08-EK015	94,881
242	Even Start Professional Development	84.213C	08-EK015-02	5,000
253	Ed Tech	84.318X	08-ET015-01	78,733
264	Title III	84.655A	08-BP015	207,827
267	Title II- Improving Teacher Quality	84.367A	08-TQ015	1,314,175
848	Healthier Us School Challenge	10.574		2,367
861	Math & Science Partnership	84.366B	08-MS015-01	11,661
865	Teacher Quality Research	84.305	08-TR015-01	1,185
865	Teacher Quality Research	84.305	08-TR015-03	199
873	Teen LEAD Grant- Year Two- District	84.215	08-FL015-01	12,824
873	Teen LEAD Grant- Mini Grants	84.215	08-FL015-02	1,052
891	State Improvement Grant - SIG Coach	84.323A	08-CT015-01	6,560
	Total Other Special Programs			2,327,650
	TOTAL US DEPARTMENT OF EDUCATION			18,240,630
600	Summer Feeding Programs	10.559	N/A	109,354
				109,354
US DEPARTMENT OF DEFENSE				
<u>Direct Programs:</u>				
862	JROTC	12.000	N/A	439,286
	TOTAL US DEPARTMENT OF DEFENSE			439,286
	TOTAL FEDERAL ASSISTANCE EXPENDED			\$ 27,753,742

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

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2008

A – General

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) presents the activity of all federal award programs of Berkeley County School District, South Carolina (the “School District”) for the year ended June 30, 2008. 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, which is described in the notes to the School District’s basic financial statements.

C – Relationship to Basic Financial Statements

Federal award expenditures are reported in the School District’s basic financial statements as expenditures in the General Fund and Special Revenue funds.

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.

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

The Board of Trustees
Berkeley County School District
Moncks Corner, South Carolina

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Berkeley County School District, South Carolina (the “School District”) as of and for the year ended June 30, 2008, which collectively comprise Berkeley County School District’s basic financial statements and have issued our report thereon dated December 1, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School District’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District’s internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity’s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity’s basic financial statements that is more than inconsequential will not be prevented or detected by the entity’s internal control. We consider item 2008-1 described in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the basic financial statements will not be prevented or detected by the entity’s internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

Compliance and Other Matters

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

We noted certain other matters that we reported to management of the School District in a separate letter dated December 1, 2008.

The School District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the School District's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board of Trustees, the South Carolina Department of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Greene, Finney & Horton LLP".

Greene, Finney & Horton, LLP
Mauldin, South Carolina
December 1, 2008

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Board of Trustees
Berkeley County School District
Moncks Corner, South Carolina

Compliance

We have audited the compliance of Berkeley County School District, South Carolina (the "School District") with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, the School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2008-2 and 2008-3.

Internal Control Over Compliance

The management of the School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2008-2 and 2008-3 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We do not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

The School District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the School District's response and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board of Trustees, the South Carolina Department of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Greene, Finney & Horton LLP

Greene, Finney & Horton, LLP
Mauldin, South Carolina
December 1, 2008

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2008

FINDINGS – 2007 FINANCIAL STATEMENTS AUDIT

Section II – Financial Statement Findings

2007-1: BANK ACCOUNT RECONCILIATIONS

Condition: The bank reconciliations for the Berkeley County School District's (the "District") pupil activity and food service accounts are not being prepared and reviewed on a timely basis.

Criteria: As part of its system of internal control, the School District should ensure that bank reconciliations for all accounts are prepared correctly and timely. In addition, these reconciliations should be reviewed on a regular and timely basis by someone other than the preparer. This is a primary internal control procedure in reducing the risk of fraud.

Status: The District is still in the process of implementing procedures to ensure bank reconciliations are properly completed in a timely manner (see current year finding).

2007-2: RECORDING AND RECONCILIATION OF "SAFE" INVESTMENT ACCOUNTS RELATING TO BUILDING PROJECTS AND DEBT SERVICE

Condition: Various investment accounts relating to SAFE are not being accurately recorded on a timely basis and reconciliations are not being prepared or reviewed on a timely basis.

Criteria: As part of its internal control, the District should record all transactions in a timely manner, including transactions that are being executed by third parties (ie; debt service transactions and investment earnings).

Status: The School District has taken appropriate corrective action on the above condition.

Section III - Findings and Questioned Costs - Major Federal Awards Programs Audit

Questioned Costs

2007-3: ELIGIBILITY NOT VERIFIED DUE TO INCOMPLETE DOCUMENTATION

Federal Agency: US Department of Education

Pass-Through Agency: South Carolina Department of Education ("SDE")

CFDA: #84.027a / IDEA

Pass-through Grantor's Number: 07-CA015

Award Year: July 1, 2006 through June 30, 2007

Condition: Two Individualized Education Programs (IEPs) folders selected for review were not able to be provided. Both missing folders were in the area of Speech.

\$ -

Criteria: Only children who are determined in accordance with State Board of Education regulations to be mentally disabled, hearing impaired, deaf, speech impaired, autistic, traumatic brain injured, visually impaired, seriously emotionally disabled, orthopedically impaired, other health impaired, specific learning disabled, deaf-blind, or multiple disabled and who, because of these impairments, need special education and related services are eligible for participation in this program and may be counted. (34 C.F.R. §§ 300.5(a), 300.530–543, 750–754).

Status: The School District has taken appropriate corrective action on the above condition.

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2008

Section III - Findings and Questioned Costs - Major Federal Awards Programs Audit (Continued) Questioned Costs

2007-4: ELIGIBILITY NOT VERIFIED DUE TO INCOMPLETE DOCUMENTATION

Federal Agency: US Department of Education

Pass-Through Agency: South Carolina Department of Education ("SDE")

CFDA: #84.041 / Impact Aid

Pass-through Grantor's Number: N/A

Award Year: July 1, 2006 through June 30, 2007

Condition:	Cards used to collect membership data were incomplete.	Less than \$ 10,000
Criteria:	Data relating to membership counts of federally connected children in various categories should be tested.	
Status:	The School District continues to develop a process to ensure proper gathering of information relating to student membership data (see current year finding).	

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2008

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes _____ X No

Significant deficiency(ies) identified that are not
considered to be material weaknesses? _____ X Yes _____ None Reported

Noncompliance material to financial statements noted? _____ Yes _____ X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes _____ X No

Significant deficiency(ies) identified that are not
considered to be material weaknesses? _____ X Yes _____ None Reported

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

Any audit findings disclosed that are required to be reported
in accordance with section 510(a) of Circular A-133? _____ X Yes _____ No

Identification of major programs:

CFDA Number(s)

84.027A & 84.173

84.041

Name of Federal Program or Cluster

Idea/Preschool Handicapped Cluster

Impact Aid

Dollar threshold used to distinguish between type A and type B programs: _____ \$ _____ 832,612

Auditee qualified as low-risk auditee? _____ X Yes _____ No

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2008

Section II – Current Year Financial Statement Findings

2008-1: PREPARATION AND REVIEW OF BANK RECONCILIATIONS

Condition:	A proper reconciliation was not completed for the payroll bank account, some pupil activity bank accounts are only reconciled quarterly and many bank reconciliations did not have evidence through signatures and dates of who prepared and reviewed them as well as how timely they were prepared.
Criteria:	All cash and investments accounts should be properly and timely reconciled on a monthly basis and that reconciliation reviewed by a knowledgeable person on a timely basis. Evidence of the preparation and review of each reconciliation should be available through signatures and dates.
Effect:	A regular monitoring of the cash and investments accounts should result in more accurate and complete financial information that helps with monitoring cash flow. Immaterial deposit errors were not found in the payroll account due to not preparing a proper reconciliation. In addition, since fraud is much more likely to occur with cash and investments than with any other asset, and since bank reconciliations are an important tool in reducing the risk of error and fraud, it is extremely important that all personnel preparing and reviewing bank reconciliations understand the importance of proper, accurate and timely reconciliations.
Recommendation:	We recommend that the finance department consider implementing procedures to ensure bank reconciliations are properly completed in a timely manner. Consider training for everyone involved in preparing or reviewing reconciliations to ensure they understand the School District's procedures and policies.
Response:	The finance department has put measures in place for all the bank reconciliations to be prepared monthly and reviewed by the Director.

Section III - Findings and Questioned Costs - Major Federal Awards Programs Audit

Questioned Costs

2008-2: PAYROLL EXPENDITURES INAPPROPRIATELY CHARGED TO PROGRAM

Federal Agency: US Department of Education

Pass-Through Agency: South Carolina Department of Education ("SDE")

CFDA: #84.027a / IDEA

Pass-through Grantor's Number: 08-CA015

Award Year: July 1, 2006 through June 30, 2008

Condition:	Upon review of payroll expenditures, one employee charged to this program does not spend any significant time performing the function of the IDEA program.	\$ -
Criteria:	Salaries charged to the IDEA program should be limited to personnel involved with the program.	
Cause:	Improper monitoring of personnel being charged to the program	
Effect:	Expenditures reimbursed for expenditures not related to the program.	
Recommendation:	Review personnel to be included in the program each year.	
Response:	The School District is in agreement with the above recommendation.	

**BERKELEY COUNTY SCHOOL DISTRICT
MONCK'S CORNER, SOUTH CAROLINA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2008

Section III - Findings and Questioned Costs - Major Federal Awards Programs Audit (Continued) Questioned Costs

2008-3: ELIGIBILITY NOT VERIFIED DUE TO INCOMPLETE DOCUMENTATION

Federal Agency: US Department of Education

Pass-Through Agency: South Carolina Department of Education ("SDE")

CFDA: #84.041 / Impact Aid

Pass-through Grantor's Number: N/A

Award Year: July 1, 2007 through June 30, 2008

Condition:	Cards used to collect membership data were incomplete.	Less than \$10,000
Criteria:	Data relating to membership counts of federally connected children in various categories should be tested.	
Cause:	Federal Cards are submitted to the District Office by the schools and are reviewed before data is compiled for submission. One staff member in the office is assigned to a review of the cards to make sure all information is complete and accurate	
Effect:	Potential improper allocation of revenue to the School District.	
Population and Items Tested:	460 cards of a total of 2,705 cards were observed. Of these 460 cards, 60 were either incomplete (not signed by parent, rank not noted, date of signature not noted) or not properly classified in the summary listing. This is an error rate of 13%.	
Recommendation:	The School District should have proper controls in place to verify the completeness of the cards and the data is properly summarized.	
Response:	The Office of Financial Services will continue to streamline processes as much as possible to provide for additional staff to be involved in the review of Federal Cards to provide adequate internal controls.	