

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

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2009**

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

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**YEAR ENDED JUNE 30, 2009**

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MONCK'S CORNER, SOUTH CAROLINA**

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

**PRINCIPAL OFFICIALS**

**FOR THE YEAR ENDED JUNE 30, 2009**

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**Established in 1948**

**Board of Trustees**

**Doug Cooper, Chairperson  
Frank Wright, Vice-Chairperson  
James Hinson, Secretary  
Kent Murray  
Phillip Obie II  
Kathy Schwalbe  
Terry Hardesty  
Wilhelmina Moore  
Donna Marino**

**Superintendent**

**Dr. Anthony L. Parker**



# GREENE FINNEY & HORTON

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

## 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, 2009, 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, 2009, 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 November 30, 2009, 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 should be considered in 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 U.S. 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  
Mauldin, South Carolina  
November 30, 2009

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2009**

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**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, 2009. 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 2009 school year. However, the district's conservative practices held expenditures to amounts that we did not had to draw very little from the district's reserves for fiscal 2008-2009.

**Student Enrollment and New School Construction.** Average daily membership for the 135<sup>th</sup> day of the 2009 school year increased district-wide by 365 students, a 1.4% increase from the prior year, and a 4.7% cumulative increase over the past five years.

A new elementary school under construction is on schedule to open in the 2009-2010 school year and we added grade 11 at the new high school we opened in 2008-2009 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, 2009 totaled \$126,800,261. The net assets for the business-type activities of the District totaled \$613,951.

**Capital Assets.** The net increase in the District's general capital assets for governmental activities was \$33,947,529 (8%) for total capital assets of \$473,944,133. Included in this total are additions to construction in progress of \$45,062,726, bringing the total construction in progress for governmental activities on June 30 to \$40,069,277.

**Governmental Funds – Fund Balance.** The District's combined fund balance for all Governmental Funds at June 30 was \$88,017,981, a decrease of \$43,192,491 (33%). This is primarily attributable to the change in the Capital Projects - SAFE fund. SAFE is a blended component unit in the District's financial statements. The reserved fund balance reported for Capital Projects - SAFE is \$14,727,517, a decrease of \$39,178,849 (73%), due to ongoing construction projects.

**General Fund – Fund Balance.** The District's principal operating fund, the General Fund, showed a decrease in its fund balance of \$616,034 (89%) that provided a balance at year-end of 25,255,850. This includes an amount reserved for designated for future year's expenditures of \$6,015,000. The undesignated fund balance is \$18,268,441 (9.8% of operating expenditures).

**Revenues and Expenditures.** Expenditures and other financing uses exceeded revenues and other financing sources for all governmental funds by \$43,192,491. Of this amount \$39,178,849 is the decrease in the reserved fund balance for the Capital Projects – SAFE fund. Capital Projects - SAFE fund provided \$45,111,021 for the District's construction in progress.

**Debt – District.** The District retired \$7,665,000 in long-term debt for general obligation bonds through principal payments. It borrowed \$18,330,000 in short-term general obligation bonds and issued a \$17,964,000 Tax Anticipation Note ("TAN"), which were both fully paid by the close of the fiscal year.



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2009**

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**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, 2009**

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

	<b>Fund Financial Statements</b>			
	<b>District-wide Statements</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
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"> <li>• Statement of net assets</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of revenues, expenses and changes in net assets</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary assets and liabilities</li> </ul>
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  
MONCK'S CORNER, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2009**

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**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, 2009**

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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, 2009**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

Figure A-2 provides a summary of the District's net assets for fiscal year 2009 compared to 2008.

	2008	2009	2008	2009	2008	2009
Current and other assets	\$ 169,243,641	127,214,015	555,322	613,951	169,798,963	\$ 127,827,966
Capital assets	439,996,604	473,944,133	-	-	439,996,604	473,944,133
<b>Total assets</b>	609,240,245	601,158,148	555,322	613,951	609,795,567	601,772,099
Long-term debt outstanding	445,538,848	45,400,012	-	-	445,538,848	45,400,012
Other liabilities*	34,072,996	428,957,875	-	-	34,072,996	428,957,875
<b>Total Liabilities</b>	479,611,844	474,357,887	-	-	479,611,844	474,357,887
Net assets:						
Invested in capital assets, net of related debt	93,903,618	92,979,987	-	-	93,903,618	92,979,987
Restricted	14,150,294	8,268,012	-	-	14,150,294	8,268,012
Unrestricted*	21,574,489	25,552,262	555,322	613,951	22,129,811	26,166,213
<b>Net Assets, end of year</b>	<b>\$ 129,628,401</b>	<b>126,800,261</b>	<b>555,322</b>	<b>613,951</b>	<b>130,183,723</b>	<b>\$ 127,414,212</b>

\*Other liabilities and unrestricted net assets for 2008 Governmental Activities have been adjusted on this table for accrued interest payable that was incorrectly reported in the June 30, 2008 financial statements (see Notes to Financial Statements – Prior Period Restatements).

**Net Assets**

The District's combined net assets totaled \$127,414,212 on June 30, 2009, a decrease of 2%. The governmental activities ended the year with a decrease of 2%. The business-type activities ended the year showing an increase of 11%.

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 2%, cash, cash equivalents and investments held by the District decreased by approximately \$39 million (28%) and net capital assets increased approximately \$34 million (8%) as construction projects were completed.
- Other assets decreased by approximately \$3 million (1%). This includes a decrease in the amount due from State Agencies of \$3.2 million and a decrease in the amount due from the Federal Government of \$1.2 million.
- The decrease in total liabilities for the District was approximately 1%.
- The reduction in long-term debt through principal payments on outstanding bonds was approximately \$7.7 million (2%).

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2009**

The changes in net assets for fiscal year 2009 compared to 2008 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	
	2008	2009	2008	2009	2008	2009
<b>Revenues</b>						
<u>Program revenues</u>						
Charges for services	\$ 5,204,975	5,580,028	2,467,410	2,572,025	7,672,385	\$ 8,152,053
Operating grants and contributions	144,159,623	137,068,409	-	-	144,159,623	137,068,409
Capital grants and contributions	956,478	771,952	-	-	956,478	771,952
<u>General revenues</u>						
Property taxes for General Purposes	59,313,522	62,483,918	-	-	59,313,522	62,483,918
Property taxes for Debt Service	26,805,265	29,673,449	-	-	26,805,265	29,673,449
Other Taxes	30,886,571	31,859,096	-	-	30,886,571	31,859,096
Interest and investment earnings	7,305,091	4,469,676	-	-	7,305,091	4,469,676
Gain on sale of capital assets	-	-	-	-	-	-
Other	1,541,972	3,050,575	-	(7,729)	1,541,972	3,042,846
<b>Total revenues</b>	<u>276,173,497</u>	<u>274,957,103</u>	<u>2,467,410</u>	<u>2,564,296</u>	<u>278,640,907</u>	<u>277,521,399</u>
<b>Expenses</b>						
Instruction	138,457,128	141,602,435	-	-	138,457,128	141,602,435
Support services	93,869,531	99,267,534	-	-	93,869,531	99,267,534
Community services	2,746	202,692	-	-	2,746	202,692
Food service	11,782,090	12,017,480	-	-	11,782,090	12,017,480
Intergovernmental	887,755	788,845	-	-	887,755	788,845
Interest and other charges*	22,439,004	23,906,257	-	-	22,439,004	23,906,257
Child Care	-	-	2,566,934	2,505,667	2,566,934	2,505,667
<b>Total expenses</b>	<u>267,438,254</u>	<u>277,785,243</u>	<u>2,566,934</u>	<u>2,505,667</u>	<u>270,005,188</u>	<u>280,290,910</u>
Excess (deficiency) before transfers	8,735,243	(2,828,140)	(99,524)	58,629	8,635,719	(2,769,511)
<b>Changes in net assets</b>	<u>8,735,243</u>	<u>(2,828,140)</u>	<u>(99,524)</u>	<u>58,629</u>	<u>8,635,719</u>	<u>(2,769,511)</u>
Net Assets, beginning of year	117,696,549	129,628,401	654,846	555,322	118,351,395	130,183,723
Prior Period Adjustments	3,196,609	-	-	-	3,196,609	-
Net Assets, beginning of year, Restated	<u>120,893,158</u>	<u>129,628,401</u>	<u>654,846</u>	<u>555,322</u>	<u>121,548,004</u>	<u>130,183,723</u>
Net Assets, end of year *	<u>\$ 129,628,401</u>	<u>126,800,261</u>	<u>555,322</u>	<u>613,951</u>	<u>130,183,723</u>	<u>\$ 127,414,212</u>

**Changes in Net Assets**

**Revenues.** Property taxes and operating grants and contributions account for most of the District's revenue, with property taxes contributing 33% and operating grants contributing 50% 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 were reduced by .4% in fiscal year 2009.

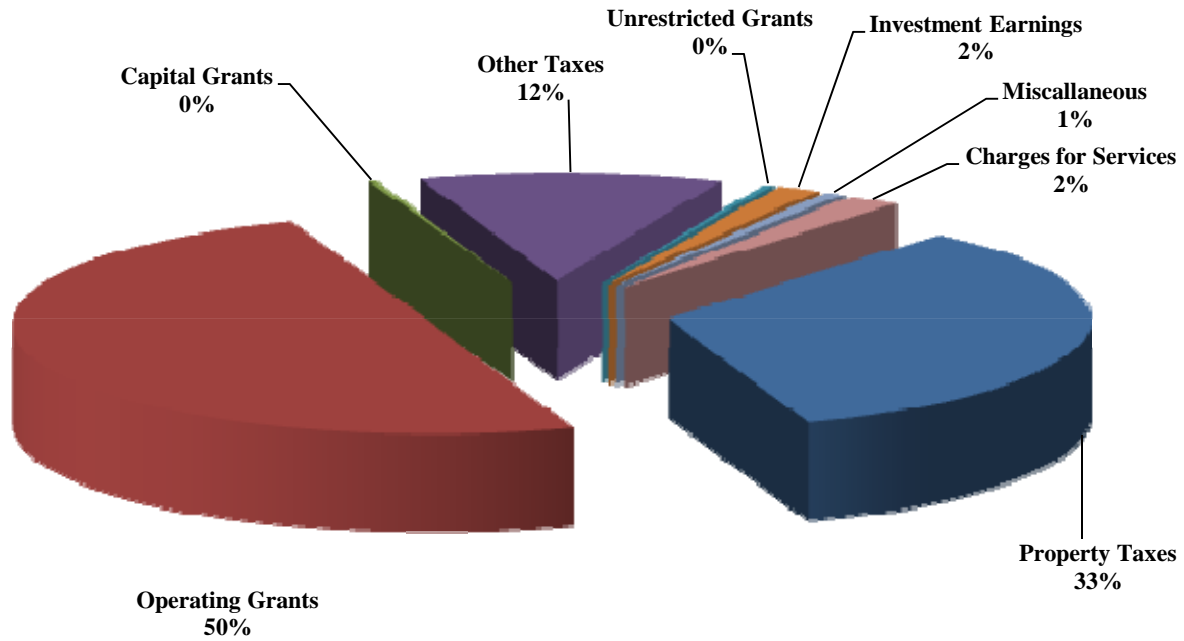
**BERKELEY COUNTY SCHOOL DISTRICT  
MONCK'S CORNER, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2009**

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**Table A-4: Sources of Revenues for Fiscal Year 2009**



**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.

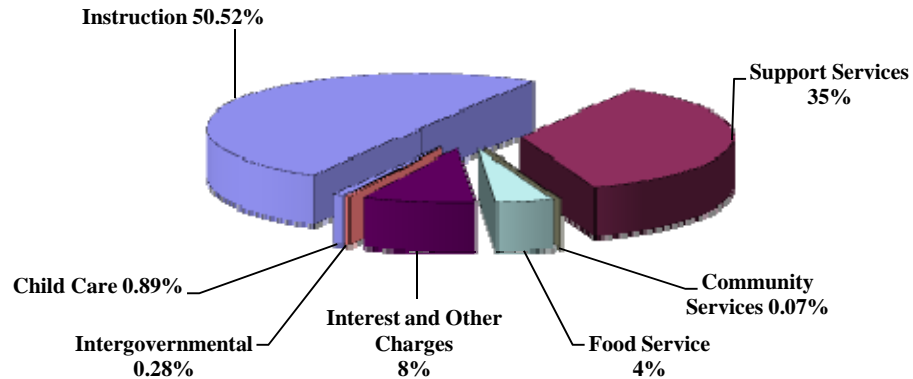
Total expenses (Table A-5) for all programs and services increased by 4%. Instruction expenses increased by 2% while support services increased by 5%. Interest and other charges decreased by 6%. Intergovernmental expenses decreased by 11%.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2009**

**Table A-5: Expenses for Fiscal Year 2009**



**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	\$ 250,856,996	267,438,254	7%	109,842,704	\$ 117,117,178	7%

- 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, 2009**

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**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 exceeded expenses for a net income of \$58,629.
- Child Care expenses rose 16%.
- Salaries and fringe benefits for the extended day programs (\$1,823,184) amounted to 72% 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, 2009 the District's governmental funds reported combined fund balance of \$88,017,981.

- The most sizeable change was in the Capital Projects – SAFE fund, a blended component unit of the District. Capital Projects – SAFE fund's fund balance was \$14,727,517. SAFE provided \$45 million for the District's new schools construction projects.
- The General Fund balance had a 2.4% decrease from the prior year. General fund revenues decreased by 1.5%, which includes a 4% increase in property tax revenues. State revenues decreased 4.5% due to state budget cuts from economic downturn. Expenditures for instruction increased by 4% and support services by 4%. Overall general fund expenditures increased 3%.
- The District has designated \$6,015,000 of its general fund balance for future expenditures. The undesignated fund balance (\$18,268,441) is 9.8% 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 135<sup>th</sup> day average daily membership (27,245) for fiscal year 2009.

**Figure A-7 Per Pupil Expenditures for Governmental Funds**

	Total Expenditures 2009	Expenditures Per Pupil 2009	Daily Per Pupil * 2009
Instruction	\$ 135,097,275	4,893.06	\$ 27.18
Support services	151,730,658	5,495.50	30.53
Community services	202,690	7.34	0.04
Intergovernmental	787,799	28.53	0.16
Sub-total operating expenditures	287,818,422	10,564.08	58.69
Debt service	29,651,498	1,088.33	6.05
Total governmental funds	\$ 317,469,920	11,652.41	\$ 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, 2009**

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**General Fund Budgetary Highlights**

The District general fund budget was approved for \$192,136,337. We implemented several new instructional initiatives like school technologists, a district wide communications system, additional social workers and attendance clerks, and start up costs for a new elementary school that opened in 2008-2009 and added Grade 11 at our new high school.

- Actual revenues due to major state budget cuts did not exceed budget at year-end by \$7,774,784. The state's final calculation of the base student cost was cut from the original allocation of 14 percent as a result of multiple state budget cuts. The general fund was cut by approximately \$11 million, but due to better collections of fee in lieu, we partially offset the over \$11 million budget cuts.
- Actual expenditures were \$6,477,915 under budget. This due to carefully watching of expenditures and through allocated positions that came in under budget due to the use of budgeting the state average for teacher salaries and hiring at the beginning of the teacher scale. We were also able to manage costs in the operations and maintenance department to better than expected utility costs and cutting non salary expenditures of which we had absolute control.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

As of June 30, 2009 the District had invested a net amount of \$473,944,133 in capital assets for its governmental activities. These assets include land, school buildings and improvements and equipment. The District maintains approximately 3 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 \$12,157,183. Figure A-8 presents capital asset balances, net of depreciation for the years ended June 30, 2008 and 2009.

**Figure A-8 Capital Assets (net of depreciation)**

	Governmental Activities		Percent
	2008	2009	Change 2008-2009
Land	\$ 11,699,950	\$ 11,699,950	0%
Construction in progress	85,830,641	40,069,277	-53%
Buildings & Improvements	339,801,505	419,393,077	23%
Machinery & Equipment	917,926	1,282,316	40%
Furniture & Office Supplies	549,461	366,226	-33%
Vehicles	1,049,595	985,936	-6%
Food Service	147,526	147,351	0%
Total	<u>\$ 439,996,604</u>	<u>\$ 473,944,133</u>	<u>8%</u>

More detailed information about the School District's debt and other long-term obligations is presented in Note III to the basic financial statements.

**Long-Term Debt**

At year-end the District has \$124,200,000 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 \$18,485,000 outstanding, and SAFE, a blended component unit, has \$296,055,000 in installment purchase revenue bonds outstanding.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2009**

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

	Long-Term Debt		Percentage
	2008	2009	Change 2008-2009
District			
General obligation bonds	\$ 13,105,000	\$ 12,560,000	-4%
General obligation refunding bonds	116,280,000	111,640,000	-4%
Total District	<u>\$129,385,000</u>	<u>\$124,200,000</u>	<u>-4%</u>
Berkeley Facilities Group			
Certificates of Participation Refunding	20,740,000	18,485,000	-11%
Total Berkeley Facilities Group	<u>20,740,000</u>	<u>18,485,000</u>	<u>-11%</u>
SAFE			
Installment Purchase Revenue Bonds	296,280,000	296,055,000	-
Total SAFE	<u>\$ 296,280,000</u>	<u>\$ 296,055,000</u>	<u>0%</u>

- The District retired \$5,185,000 in long-term debt on its general obligation bonds through principal payments.
- \$17,964,000 was borrowed in general obligation bonds and fully paid by June 30.
- \$18,330,000 was borrowed in a tax anticipation note and fully paid by June 30.

More detailed information about the School District's debt and other long-term obligations is presented in Note III to the basic financial statements.

**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. Also, There was a major economic announcement by Boeing that will impact Berkeley Schools in a major way. We will continue to watch the development around this major economic development. Even though, The main plant will be in North Charleston, Berkeley County is expected to see and play a major role in this major economic announcement.

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 were reduced multiple times by an across-the-board 14% reduction totaling 12 million from Education Finance Act and Education Improvement Act Funds, plus additional unfunded mandates like elementary school nurses, teacher supplies, guidance programs, and reduce class size programs for the fiscal year 2008-2009 budget. Rather than jeopardize budgeted programs and the classroom instruction, the district has utilized its fund balance reserves to cover the funding shortfall and implemented strategies like a 25 % cut in non salary accounts that the district has absolute control, strict enforcement of staff allocations, and the like. In 2009-2010, the district implemented a drastic reduction in the central services area to maintain pupil teacher ratios at current level along with other strategies. Also, in 2009-2010, the district is analyzing the allowable use of federal stimulus dollars for Title One, Idea, and stabilization programs. When these funds are gone after the 2010-2011 budget year, we hope the economy will rebound, but many districts including ours will have to deal with what we have termed the "funding cliff" if the economy does not rebound. It is anticipated that increased student enrollment beyond the budgeted estimate and better that expected revenues from fee in lieu and the will help in minimizing the drawdown against the reserves for Fiscal Year 2008-2009.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2009**

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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).

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

**STATEMENT OF NET ASSETS**

**JUNE 30, 2009**

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 21,227,130	-	\$ 21,227,130
Cash and Cash Equivalents, Restricted	4,114,445	-	4,114,445
Investments	23,467,359	-	23,467,359
Investments, Restricted	50,928,822	-	50,928,822
Property Taxes Receivable, Net	2,629,895	-	2,629,895
Accounts Receivable, Net	603,779	-	603,779
Due from Other Governments	18,537,632	-	18,537,632
Internal Balances	(613,951)	613,951	-
Inventories and Prepaid Items	1,479,942	-	1,479,942
Bond Issuance Costs, Net	4,838,962	-	4,838,962
Capital Assets:			
Non-Depreciable	51,769,227	-	51,769,227
Depreciable, Net	422,174,906	-	422,174,906
<b>TOTAL ASSETS</b>	<b>601,158,148</b>	<b>613,951</b>	<b>601,772,099</b>
<b>LIABILITIES</b>			
Accounts Payable and Accrued Expenses	6,118,269	-	6,118,269
Accrued Salaries & Benefits	22,096,423	-	22,096,423
Accrued Interest Payable	3,930,269	-	3,930,269
Unearned Revenue	4,245,379	-	4,245,379
Non-Current Liabilities:			
Due Within One Year	9,009,672	-	9,009,672
Due in More than One Year	428,957,875	-	428,957,875
<b>TOTAL LIABILITIES</b>	<b>474,357,887</b>	<b>-</b>	<b>474,357,887</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	92,979,987	-	92,979,987
Restricted For:			
Debt Service	7,601,968	-	7,601,968
Special Revenue - Food Service	1,173,577	-	1,173,577
Unrestricted	25,044,729	613,951	25,658,680
<b>TOTAL NET ASSETS</b>	<b>\$ 126,800,261</b>	<b>613,951</b>	<b>\$ 127,414,212</b>

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, 2009**

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	
<b>PRIMARY GOVERNMENT:</b>							
Governmental Activities:							
Instruction	\$ 141,602,435	119,801	102,426,328	-	(39,056,306)	-	\$ (39,056,306)
Support Services	99,267,534	2,099,036	24,209,381	771,952	(72,187,165)	-	(72,187,165)
Community Services	202,692	-	198,452	-	(4,240)	-	(4,240)
Food Service	12,017,480	3,361,191	9,736,450	-	1,080,161	-	1,080,161
Intergovernmental	788,845	-	497,798	-	(291,047)	-	(291,047)
Interest and Other Charges	23,906,257	-	-	-	(23,906,257)	-	(23,906,257)
Total Governmental Activities	<u>277,785,243</u>	<u>5,580,028</u>	<u>137,068,409</u>	<u>771,952</u>	<u>(134,364,854)</u>	<u>-</u>	<u>(134,364,854)</u>
Business-Type Activities							
Child Care	2,505,667	2,572,025	-	-	-	66,358	66,358
Total Business-Type Activities	<u>2,505,667</u>	<u>2,572,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,358</u>	<u>66,358</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b><u>\$ 280,290,910</u></b>	<b><u>8,152,053</u></b>	<b><u>137,068,409</u></b>	<b><u>771,952</u></b>	<b><u>(134,364,854)</u></b>	<b><u>66,358</u></b>	<b><u>(134,298,496)</u></b>
<b>GENERAL REVENUES</b>							
General Revenues:							
Property Taxes Levied for General Purposes					62,483,918	-	62,483,918
Property Taxes Levied for Debt Service					29,673,449	-	29,673,449
Other Taxes					31,859,096	-	31,859,096
Grants & Contributions Not Restricted to Specific Programs					1,004,026	-	1,004,026
Investment Earnings					4,469,676	-	4,469,676
Intergovernmental Revenue					421	-	421
Miscellaneous					2,038,399	-	2,038,399
Transfers In (Out)					7,729	(7,729)	-
Total General Revenue					<u>131,536,714</u>	<u>(7,729)</u>	<u>131,528,985</u>
<b>CHANGE IN NET ASSETS</b>					<b>(2,828,140)</b>	<b>58,629</b>	<b>(2,769,511)</b>
NET ASSETS - Beginning of Year					129,628,401	555,322	130,183,723
<b>NET ASSETS - Ending of Year</b>					<b><u>\$ 126,800,261</u></b>	<b><u>613,951</u></b>	<b><u>\$ 127,414,212</u></b>

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, 2009**

	<b>GENERAL</b>	<b>SPECIAL REVENUE</b>	<b>SPECIAL REVENUE - EIA</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 20,947,331	-	-
Cash and Cash Equivalents, Restricted	39,478	-	-
Investments	23,467,359	-	-
Investments, Restricted	-	-	-
Receivables, Net:			
Taxes	1,841,074	-	-
Accounts	464,933	138,835	-
Due From:			
County Treasurer	935,035	-	-
State Agencies	2,575,314	455,745	1,077,544
Federal Agencies	-	6,409,420	-
Other Funds	16,090,715	3,385,731	544,499
Prepaid Items	481,272	-	-
Inventories	491,137	-	-
<b>TOTAL ASSETS</b>	<b>67,333,648</b>	<b>10,389,731</b>	<b>1,622,043</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES:</b>			
Accounts Payable	5,495,636	113,801	162,417
Accrued Salaries & Benefits	22,082,717	8,080	5,626
Due To:			
Other Funds	13,156,420	6,785,452	691,019
Deferred Revenue	1,343,025	3,482,398	762,981
<b>TOTAL LIABILITIES</b>	<b>42,077,798</b>	<b>10,389,731</b>	<b>1,622,043</b>
<b>FUND BALANCES:</b>			
Fund Balances:			
Reserved for:			
Prepaid Items	481,272	-	-
Inventories	491,137	-	-
Debt Service	-	-	-
Capital Projects	-	-	-
Special Revenue - Food Service	-	-	-
Unreserved:			
Designated for Future Years' Expenditures	6,015,000	-	-
Undesignated	18,268,441	-	-
<b>TOTAL FUND BALANCES</b>	<b>25,255,850</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 67,333,648</b>	<b>10,389,731</b>	<b>1,622,043</b>

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

<b>FOOD SERVICE</b>	<b>DEBT SERVICE- DISTRICT</b>	<b>DEBT SERVICE- SAFE</b>	<b>CAPITAL PROJECTS- DISTRICT</b>	<b>CAPITAL PROJECTS- SAFE</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
279,799	-	-	-	-	\$ 21,227,130
-	-	483,366	-	3,591,601	4,114,445
-	-	-	-	-	23,467,359
-	-	32,134,375	-	18,794,447	50,928,822
-	788,821	-	-	-	2,629,895
11	-	-	-	-	603,779
-	7,367,123	-	-	-	8,302,158
-	-	-	-	-	4,108,603
1,260,004	-	-	-	-	7,669,424
-	-	-	6,987,743	-	27,008,688
-	-	-	-	-	481,272
507,533	-	-	-	-	998,670
<b>2,047,347</b>	<b>8,155,944</b>	<b>32,617,741</b>	<b>6,987,743</b>	<b>22,386,048</b>	<b>151,540,245</b>
-	-	346,415	-	-	6,118,269
-	-	-	-	-	22,096,423
873,770	-	-	-	7,658,531	29,165,192
-	553,976	-	-	-	6,142,380
<b>873,770</b>	<b>553,976</b>	<b>346,415</b>	<b>-</b>	<b>7,658,531</b>	<b>63,522,264</b>
-	-	-	-	-	481,272
507,533	-	-	-	-	998,670
-	7,601,968	32,271,326	-	-	39,873,294
-	-	-	6,987,743	14,727,517	21,715,260
666,044	-	-	-	-	666,044
-	-	-	-	-	6,015,000
-	-	-	-	-	18,268,441
<b>1,173,577</b>	<b>7,601,968</b>	<b>32,271,326</b>	<b>6,987,743</b>	<b>14,727,517</b>	<b>88,017,981</b>
<b>2,047,347</b>	<b>8,155,944</b>	<b>32,617,741</b>	<b>6,987,743</b>	<b>22,386,048</b>	<b>\$ 151,540,245</b>



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

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

**JUNE 30, 2009**

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<b>TOTAL FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$</b>	<b>88,017,981</b>
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.		1,897,001
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 \$636,908,333, and the accumulated depreciation is approximately \$162,964,200.		473,944,133
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 \$1,298,948.		4,838,962
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.		(3,930,269)
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	(438,740,000)	
Long-Term Debt - Deferred Loss on Refunding	8,761,321	
Long-Term Debt - Net Premium	(5,026,888)	
Long-Term Debt - Arbitrage Rebate Payable	(962,368)	
Compensated Absences	(1,999,612)	(437,967,547)
<b>TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b>126,800,261</b>

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  
MONCK'S CORNER, SOUTH CAROLINA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

**YEAR ENDED JUNE 30, 2009**

	<b>GENERAL</b>	<b>SPECIAL REVENUE</b>	<b>SPECIAL REVENUE - EIA</b>
<b>REVENUES</b>			
Local Sources:			
Taxes	\$ 61,942,765	-	-
Investment Earnings	675,573	-	-
Other Local Sources	977,629	2,558,887	-
State Sources	114,741,128	8,482,783	16,996,807
Federal Sources	832,514	17,961,092	-
Intergovernmental Revenue	81,251	421	-
<b>TOTAL REVENUE ALL SOURCES</b>	<b>179,250,860</b>	<b>29,003,183</b>	<b>16,996,807</b>
<b>EXPENDITURES</b>			
Current:			
Instruction	108,361,092	17,136,380	9,421,937
Support Services	73,562,425	10,849,824	4,201,249
Community Services	4,238	198,452	-
Intergovernmental	290,001	497,798	-
Capital Outlay	380,331	146,264	-
Debt Service:			
Principal Retirement	2,255,000	-	-
Interest and Fiscal Charges	805,335	-	-
<b>TOTAL EXPENDITURES</b>	<b>185,658,422</b>	<b>28,828,718</b>	<b>13,623,186</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER</b>	<b>(6,407,562)</b>	<b>174,465</b>	<b>3,373,621</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from Sale of Capital Assets	8,500	-	-
Transfers In	5,933,297	311,842	-
Transfers Out	(150,269)	(486,307)	(3,373,621)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>5,791,528</b>	<b>(174,465)</b>	<b>(3,373,621)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>(616,034)</b>	<b>-</b>	<b>-</b>
FUND BALANCE, Beginning of Year	25,871,884	-	-
<b>FUND BALANCE, End of Year</b>	<b>\$ 25,255,850</b>	<b>-</b>	<b>-</b>

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

<b>FOOD SERVICE</b>	<b>DEBT SERVICE- DISTRICT</b>	<b>DEBT SERVICE- SAFE</b>	<b>CAPITAL PROJECTS- DISTRICT</b>	<b>CAPITAL PROJECTS- SAFE</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
-	29,466,144	-	-	-	\$ 91,408,909
1,094	15,075	1,481,143	105,306	2,191,483	4,469,674
3,365,325	1,042,333	-	-	811,136	8,755,310
11,271	-	-	771,952	-	141,003,941
9,725,178	-	-	-	-	28,518,784
-	-	-	-	-	81,672
<b>13,102,868</b>	<b>30,523,552</b>	<b>1,481,143</b>	<b>877,258</b>	<b>3,002,619</b>	<b>274,238,290</b>
-	-	-	-	-	134,919,409
11,975,905	-	-	5,079,359	8,174,071	113,842,833
-	-	-	-	-	202,690
-	-	-	-	-	787,799
41,575	-	-	560,571	36,936,950	38,065,691
-	5,185,000	225,000	-	-	7,665,000
-	6,132,338	15,048,825	-	-	21,986,498
12,017,480	11,317,338	15,273,825	5,639,930	45,111,021	317,469,920
<b>1,085,388</b>	<b>19,206,214</b>	<b>(13,792,682)</b>	<b>(4,762,672)</b>	<b>(42,108,402)</b>	<b>(43,231,630)</b>
-	-	-	-	-	8,500
16,778	-	10,929,879	23,374,170	14,511,521	55,077,487
(981,081)	(18,136,165)	(5,825,916)	(14,511,521)	(11,581,968)	(55,046,848)
(964,303)	(18,136,165)	5,103,963	8,862,649	2,929,553	39,139
<b>121,085</b>	<b>1,070,049</b>	<b>(8,688,719)</b>	<b>4,099,977</b>	<b>(39,178,849)</b>	<b>(43,192,491)</b>
1,052,492	6,531,919	40,960,045	2,887,766	53,906,366	131,210,472
<b>1,173,577</b>	<b>7,601,968</b>	<b>32,271,326</b>	<b>6,987,743</b>	<b>14,727,517</b>	<b>\$ 88,017,981</b>

**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, 2009**

---

**TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS** **\$ (43,192,491)**

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.	748,458
Payment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	7,665,000
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.	(1,529,715)
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.	191,952
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.	(373,222)
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.	533,832
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.	(742,605)
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.	(76,878)
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.	(65,935)
Governmental funds report capital outlays as expenditures (\$46,170,647). However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation (\$12,157,183). This is the amount by which capital outlay exceeded depreciation in the current period.	34,013,464

**CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES** **\$ (2,828,140)**

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, 2009**

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	<b><u>ENTERPRISE</u></b>
<b>ASSETS</b>	
Current Assets:	
Due From:	
Other Funds	\$ 662,904
Total Current Assets	<u>662,904</u>
<b>TOTAL ASSETS</b>	<b><u>662,904</u></b>
<b>LIABILITIES</b>	
Current Liabilities:	
Due To:	
Other Funds	48,953
Total Current Liabilities	<u>48,953</u>
<b>TOTAL LIABILITIES</b>	<b><u>48,953</u></b>
<b>NET ASSETS</b>	
Unrestricted	613,951
<b>TOTAL NET ASSETS</b>	<b><u>\$ 613,951</u></b>

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, 2009**

	<b><u>ENTERPRISE</u></b>
<b>OPERATING REVENUES</b>	
Tuition from Patrons for Regular Day School	\$ 2,572,025
TOTAL OPERATING REVENUES	<u>2,572,025</u>
<b>OPERATING EXPENSES</b>	
Salaries	1,598,987
Employee Benefits	224,197
Purchased Services	70,940
Supplies and Materials	553,447
Other	50,079
TOTAL OPERATING EXPENSES	<u>2,497,650</u>
<b>OPERATING INCOME</b>	<b><u>74,375</u></b>
Net Income Before Transfers	74,375
Transfers In	166
Transfers Out	<u>(15,912)</u>
<b>CHANGE IN NET ASSETS</b>	<b>58,629</b>
TOTAL NET ASSETS, Beginning of Year	<u>555,322</u>
<b>TOTAL NET ASSETS, End of Year</b>	<b><u><u>\$ 613,951</u></u></b>

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 CASH FLOWS**

**PROPRIETARY FUND**

**YEAR ENDED JUNE 30, 2009**

	<b><u>ENTERPRISE</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Patrons	\$ 2,572,025
Payments to Employees for Services	(1,823,184)
Payments to Suppliers for Goods and Services	(674,466)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b><u>74,375</u></b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Transfers to Other Funds	(15,746)
<b>NET CASH USED IN NON-CAPITAL FINANCING ACTIVITIES</b>	<b><u>(15,746)</u></b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>58,629</b>
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>555,322</u>
<b>*CASH AND CASH EQUIVALENTS, End of Year</b>	<b><u>\$ 613,951</u></b>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$ 74,375
Net Cash Provided by Operating Activities	<b><u>\$ 74,375</u></b>

\*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, 2009**

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	<b>AGENCY</b>
<b>ASSETS</b>	
Due From Other Funds	\$ 1,543,460
Due From Other Governments	8,041
<b>TOTAL ASSETS</b>	<b>1,551,501</b>
<b>LIABILITIES</b>	
Due to Other Funds	907
Due to Student Organizations	1,550,594
<b>TOTAL LIABILITIES</b>	<b>\$ 1,551,501</b>

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, 2009**

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**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, 2009**

---

**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, 2009**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. 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, 2009**

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**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, 2009**

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**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  
MONCKS CORNER, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2009**

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**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 Home Loan Bank Obligations, Federal Home Loan Mortgage Obligations, Federal National Mortgage Association Obligations).
- Commercial Paper
- 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, 2009, 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, 2009**

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**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 included in non-current liabilities.

**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  
MONCK'S CORNER, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2009**

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**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, 2009**

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**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, 2009, none of the School District's bank balances of \$25,283,368, with a carrying value of \$21,494,025, 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, 2009**

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

**A. Deposits and Investments (Continued)**

***Investments***

As of June 30, 2009, the School District had the following investments:

Investment Type	Fair Value	Maturity	Credit Ratings		
			Moody's	S&P	Fitch
Calyon North America Inc. Commercial Paper	\$ 21,409,638	< 1 year	P-1	A-1+	F1+
Wells Fargo Advantage Gov't Advantage Money Market	4,074,967	< 1 year	Aaa	AAAm	Unrated
US Treasury Note	8,847,196	< 1 year	N/A^	N/A^	N/A^
Federal Home Loan Bank Discount Note	20,671,988	< 1 year	P-1	A-1+	Unrated
WCMA Money Fund Class 3 Open-Ended Mutual Fund	822	< 1 year	N/A	N/A	N/A
Merrill Lynch Government Open-Ended Mutual Fund	2,803,502	< 1 year	N/A	N/A	N/A
Federal National Mortgage Association Discount Note	2,113,000	< 1 year	P-1	A-1+	F1+
First American Treasury Obligation Open-Ended Mutual Fund	39,515	< 1 year	AAA	AAAm	AAA
Morgan Stanley Government Portfolio Institutional Class	2,080,697	< 1 year	Aaa	AAAm	Unrated
UBS Select Prime Institutional Fund	10,266,712	< 1 year	Unrated	Unrated	Unrated
Eaton Vance LTD Duration Income Fund - Series A	432,644	< 1 year	Aaa	AAA	Unrated
Eaton Vance LTD Duration Income Fund - Series D	528,787	< 1 year	Aaa	AAA	Unrated
Nicholas APP CVT Income Fund - Series D	913,359	< 1 year	Aaa	AAA	Unrated
DNP Select Income Fund Inc. TH7	1,922,860	< 1 year	Aaa	AAA	Unrated
Federal Home Loan Mortgage Corp. Discount Note	1,533,540	< 1 year	P-1	A-1+	F1+
Edward Jones Money Market Account	4,504	< 1 year	Unrated	AAAm	Unrated
Repurchase Agreement - Federal Home Loan Mortgage	600,000	< 1 year	Aaa	AAA	AAA
	<u>\$ 78,243,731</u>				

^ Credit Ratings for Obligations of the United State Government are not required to be disclosed.

**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  
MONCK'S CORNER, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2009**

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**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, 2009, \$49,428,822 of the School District's \$77,760,400 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, 2009, approximately 28% School District's investments were with the Calyon North America Inc. Commercial Paper, 27% were with Federal Home Loan Bank Discount Notes, and 13% were with UBS Select Prime Institutional Fund.

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

Statement of Net Assets	
Unrestricted Current Assets:	
Cash and Cash Equivalents	\$ 21,227,130
Investments	23,467,359
Restricted Current Assets:	
Cash and Cash Equivalents, Restricted	4,114,445
Investments, Restricted	50,928,822
	<u>\$ 99,737,756</u>
Footnotes	
Carrying Value of Deposits	\$ 21,494,025
Investments	78,243,731
	<u>\$ 99,737,756</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, 2009**

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**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 \$672,606,000 as of the previous December 31<sup>st</sup> at rates of 142.6 mills and 49 mills for the General Fund and Debt Service Fund, respectively. In fiscal year 2009, 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 \$4,828,989 at June 30, 2009. 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, 2009, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

Delinquent Property Taxes Receivable (General Fund)	\$	1,343,025
Delinquent Property Taxes Receivable (Debt Service Fund - District)		553,976
Resources Received, but Not Yet Earned (Special Revenue Funds)		4,245,379
Total Unearned/Deferred Revenue for Governmental Funds	\$	<u>6,142,380</u>

Other receivables consist of trade receivables as well as employee receivables of \$387,439 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  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2009**

**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, 2009, follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending Balance</b>
<b>Governmental Activities:</b>					
Capital Assets, Non-Depreciable:					
Land	\$ 11,699,950	-	-	-	\$ 11,699,950
Construction in Progress	85,830,641	45,062,726	-	(90,824,090)	40,069,277
Total Capital Assets, Non-Depreciable	<u>97,530,591</u>	<u>45,062,726</u>	<u>-</u>	<u>(90,824,090)</u>	<u>51,769,227</u>
Capital Assets, Depreciable:					
Buildings and Improvements	477,469,131	237,062	-	90,824,090	568,530,283
Machinery & Equipment	6,264,384	607,521	-	-	6,871,905
Furniture & Office Supplies	3,543,749	8,685	-	-	3,552,434
Vehicles	3,982,609	213,078	(752,449)	-	3,443,238
Food Service	2,699,671	41,575	-	-	2,741,246
Total Capital Assets, Depreciable	<u>493,959,544</u>	<u>1,107,921</u>	<u>(752,449)</u>	<u>90,824,090</u>	<u>585,139,106</u>
Less: Accumulated Depreciation for:					
Buildings and Improvements	137,667,626	11,469,580	-	-	149,137,206
Machinery & Equipment	5,346,458	243,131	-	-	5,589,589
Furniture & Office Supplies	2,994,288	191,920	-	-	3,186,208
Vehicles	2,933,014	210,802	686,514	-	2,457,302
Food Service	2,552,145	41,750	-	-	2,593,895
Total Accumulated Depreciation	<u>151,493,531</u>	<u>12,157,183</u>	<u>686,514</u>	<u>-</u>	<u>162,964,200</u>
Total Capital Assets, Depreciable, Net	<u>342,466,013</u>	<u>(11,049,262)</u>	<u>(65,935)</u>	<u>90,824,090</u>	<u>422,174,906</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 439,996,604</u>	<u>34,013,464</u>	<u>(65,935)</u>	<u>-</u>	<u>\$ 473,944,133</u>

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

**Governmental Activities:**

Instruction	\$ 6,788,089
Support Services	5,327,344
Food Services	41,750

**Total Depreciation Expense - Governmental Activities**

<u>\$ 12,157,183</u>
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**Construction Commitments**

The School District has several ongoing construction projects as of June 30, 2009. 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, 2009, of \$14,551,843.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2009**

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

**D. Interfund Receivables and Payables**

Interfund balances at June 30, 2009 (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	\$ 16,090,715	\$ 13,156,420
Special Revenue Funds:		
Special Projects	3,385,731	6,785,452
EIA	544,499	691,019
Food Service	-	873,770
Capital Projects Funds:		
District	6,987,743	-
SAFE	-	7,658,531
Proprietary Fund	662,904	48,953
Agency Fund	1,543,460	907
Totals for Primary Government	<u>\$ 29,215,052</u>	<u>\$ 29,215,052</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 the Special Revenue Funds, Capital Projects Funds, Proprietary Fund, and Pupil Activity Fund resulting in a receivable until claims are filed and reimbursements received. The General Fund payable represents revenues deposited in the District's central bank account for other funds.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2009**

**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, 2009, consisted of the following:

<b>General Fund</b>			
Transfers from	Amount	Transfers to	Amount
Special Revenue - EIA	\$ 3,372,289	Special Revenue - Food Service	\$ 37
Debt Service - District	1,240,000	Agency Fund	150,232
Agency Fund	3,722		
Indirect Costs	1,317,286		
	<u>5,933,297</u>		<u>150,269</u>
<b>Special Revenue Funds</b>			
<u>Special Projects</u>			
Transfers from	Amount	Transfers to	Amount
Agency Fund	311,842	Special Revenue - Food Service	1,049
		Enterprise Fund - Child Care Fund	166
		Agency Fund	148,887
		Indirect Costs	336,205
	<u>311,842</u>		<u>486,307</u>
<u>EIA</u>			
Transfers from	Amount	Transfers to	Amount
		General Fund	3,372,289
		Agency Fund	1,332
	<u>-</u>		<u>3,373,621</u>
<u>Food Service</u>			
Transfers from	Amount	Transfers to	Amount
General Fund	37	Indirect Costs	981,081
Special Revenue - Special Projects	1,049		
Enterprise Fund - Child Care Fund	7,895		
Agency Fund	7,797		
	<u>16,778</u>		<u>981,081</u>
<b>Debt Service Funds</b>			
<u>District</u>			
Transfers from	Amount	Transfers to	Amount
		General Fund	1,240,000
		Debt Service - SAFE	10,929,879
		Capital Projects - District	5,966,286
	<u>-</u>		<u>18,136,165</u>
<u>SAFE</u>			
Transfers from	Amount	Transfers to	Amount
Debt Service - District	10,929,879	Capital Projects - District	5,825,916
	<u>\$ 10,929,879</u>		<u>\$ 5,825,916</u>

(Continued)



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

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2009**

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

**E. Transfers In and (Out) (Continued)**

<b>Capital Projects Funds</b>			
<u>District</u>			
Transfers from	Amount	Transfers to	Amount
Debt Service - District	\$ 5,966,286	Capital Projects Fund - SAFE	\$ 14,511,521
Debt Service - SAFE	5,825,916		
Capital Projects Fund - SAFE	11,581,968		
	<u>23,374,170</u>		<u>14,511,521</u>
<u>SAFE</u>			
Transfers from	Amount	Transfers to	Amount
Capital Projects - District	<u>14,511,521</u>	Capital Projects - District	<u>11,581,968</u>
	<u>14,511,521</u>		<u>11,581,968</u>
<b>Enterprise Fund - Child Care Fund</b>			
Transfers from	Amount	Transfers to	Amount
Special Revenue - Special Projects	166	Special Revenue - Food Service	7,895
		Agency Fund	8,017
	<u>166</u>		<u>15,912</u>
<b>Agency Fund - Pupil Activity Fund</b>			
Transfers from	Amount	Transfers to	Amount
General Fund	150,232	General Fund	3,722
Enterprise Fund - Child Care Fund	8,017	Special Revenue - Food Service	7,797
Special Revenue - EIA	1,332	Special Revenue - Special Projects	311,842
Special Revenue - Special Projects	148,887		
	<u>308,468</u>		<u>323,361</u>
Total Transfers From	<u>\$ 55,386,121</u>	Total Transfers To	<u>\$ 55,386,121</u>

**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 from the Debt Service Fund to offset the property tax revenue lost as a result of Act 388 and to cover a portion of the COPS lease payments.

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 Agency Fund to close out some of the District's Agency Funds to a Special Revenue Fund and into the Food Service Fund to cover meals and snacks served to various groups of students outside the normal lunch schedule.

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2009**

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

**E. Transfers In and (Out) (Continued)**

**Debt Service Funds**

Transfers from:

Funds are transferred into the Debt Service SAFE from the Debt Service District Fund for a portion of the proceeds from the short term general obligations bonds issued to fund the base lease payments to SAFE.

Transfers to:

Funds are transferred from the Debt Service Fund into the Capital Projects Fund to fund the construction expense incurred by the District and to the General Fund to offset property tax revenue lost as a result of Act 388 and cover a portion of the COPS lease payments.

**Capital Projects Fund**

Transfers from:

Funds are transferred into the Capital Projects Fund in order to fund the construction expense incurred by the District for ongoing construction projects.

Transfers to:

Funds are transferred from the Capital Projects Fund into the Debt Service Fund to help the District meet its debt obligations.

**Agency Fund**

Transfers from:

Funds are transferred into the Agency Funds to reimburse the Agency Fund for activity bus charges that were to be paid out of the General Fund. The Child Care Fund transferred \$8,017 to the Agency Fund. This amount was included as an expense under Business-Type Activities in the Statement of Activities.

**F. Short-Term Obligations**

The following is a summary of the changes in the School District's short-term obligations for 2009:

<b>Governmental Activities:</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
Tax Anticipation Note, issued July 2008, effective interest of 1.56%, matured April 2009	\$ -	17,964,000	17,964,000	\$ -
General Obligation Bonds, issued September 2008, effective interest of 3.80%, matured March 2009	-	230,000	230,000	-
General Obligation Bonds, issued September 2008, effective interest of 1.54%, matured March 2009	-	16,825,000	16,825,000	-
General Obligation Bonds, issued September 2008, effective interest of 3.77%, matured March 2009	-	1,275,000	1,275,000	-
Total Governmental Activities	<u>\$ -</u>	<u>36,294,000</u>	<u>36,294,000</u>	<u>\$ -</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2009**

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

**F. Short-Term Obligations**

The School District drew down \$17,964,000 in the Tax Anticipation Note ("TAN") program through the South Carolina Association of Governmental Organization ("SCAGO") during the year ended June 30, 2009. This was used to fund District operations until real-estate tax proceeds were received. The District received premiums of \$192,933 upon issuance and an additional rebate of \$69,157 later in the year. The bonds, including interest of \$401,196 were repaid in April, 2009, utilizing General Fund property tax revenue. The premium and rebate have been netted against interest expenditures in the financial statements.

The District issued General Obligation Bonds in September, 2008, totaling approximately \$18,330,000 for the purpose of making payments to SAFE for its required debt service. The District received premiums of \$117,972 upon issuance. The bonds, including interest of \$268,967 were repaid in March, 2009, utilizing Debt Service District 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, 2009, was comprised of the following:

Type and Year of Issue	Description	Outstanding at June 30, 2009
<b><u>General Obligation Bonds "GOB"</u></b>		
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.	\$ 12,560,000
<b><u>General Obligation Refunding Bonds ("GORB")</u></b>		
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.	3,080,000
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.	53,840,000
2006 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.	54,720,000
<b><u>Certificates of Participation Refunding ("COPR")</u></b>		
2008 Series ^:	Original issue of \$20,740,000, principal due in annual installments of \$2,255,000 to \$2,960,000 through February, 2016; interest from 3.00% to 4.395% paid semiannually.	18,485,000
<b><u>Installment Purchase Revenue Bonds</u></b>		
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% semiannually.	206,495,000
2006 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.	89,560,000
		<u>\$ 438,740,000</u>

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

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

☐ 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%.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2009**

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

**G. Long-Term Obligations (Continued)**

Long-Term Obligation	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Debt:					
2002 Series - GOB	\$ 13,105,000	-	545,000	12,560,000	\$ 975,000
2003 Series - GORB	3,935,000	-	855,000	3,080,000	895,000
2005 Series - GORB	57,600,000	-	3,760,000	53,840,000	3,435,000
2006 Series - GORB	54,745,000	-	25,000	54,720,000	25,000
2008 Refunding COPS	20,740,000	-	2,255,000	18,485,000	2,340,000
2003 SAFE Bonds	206,720,000	-	225,000	206,495,000	675,000
2006 SAFE Bonds	89,560,000	-	-	89,560,000	-
<b>Total Debt</b>	<b>446,405,000</b>	<b>-</b>	<b>7,665,000</b>	<b>438,740,000</b>	<b>8,345,000</b>
Premium - 2003 Series - GORB	96,883	-	23,727	73,156	-
Premium - 2005 Series - GORB	1,934,041	-	160,059	1,773,982	-
Premium - 2006 Series - GORB	3,798,750	-	302,890	3,495,860	-
Premium - 2006 SAFE - GORB	452,642	-	19,632	433,010	-
Premium - 2008 Refunding COPS	612,214	-	92,853	519,361	-
Discount - 2003 SAFE Bonds	(1,333,810)	-	(65,329)	(1,268,481)	-
Deferred Loss on Refunding - 2005 GORB	(4,006,754)	-	(318,418)	(3,688,336)	-
Deferred Loss on Refunding - 2006 GORB & 2006 SAFE	(4,441,360)	-	(357,694)	(4,083,666)	-
Deferred Loss on Refunding - 2008 COPS	(1,055,812)	-	(66,493)	(989,319)	-
Compensated Absences	1,922,734	937,384	860,506	1,999,612	664,672
Arbitrage Rebate Payable	1,154,320	148,491	340,443	962,368	-
<b>Total Governmental Activities</b>	<b>\$ 445,538,848</b>	<b>1,085,875</b>	<b>8,657,176</b>	<b>437,967,547</b>	<b>\$ 9,009,672</b>

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, 2009**

**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
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	5,550,000	4,767,950	2,935,000	14,714,575	2,735,000	322,925	11,220,000	19,805,450
2015-2019	55,015,000	18,451,050	15,475,000	71,020,669	5,805,000	332,225	76,295,000	89,803,944
2020-2024	43,440,000	3,179,900	72,525,000	63,105,506	-	-	115,965,000	66,285,406
2025-2029	-	-	164,480,000	30,291,810	-	-	164,480,000	30,291,810
2030-2034	-	-	34,625,000	2,395,440	-	-	34,625,000	2,395,440
Totals	\$ 124,200,000	47,566,350	296,055,000	241,352,500	18,485,000	2,961,050	438,740,000	\$ 291,879,900

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. The Board approved a \$30 million reduction in this referendum amount to \$162 million due to state funding from special bond funds. The proceeds of the bonds are to be used for school building construction, renovation, repair and additions, and equipment acquisition. At June 30, 2009, approximately \$162 million of these bonds including the 2000 QZAB 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, 2009, were approximately \$18,795,154.
- 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, 2009, were approximately \$5,759,016.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2009**

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**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, 2009, were \$30,449,619.

The School District's outstanding debt at June 30, 2009, 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, 2009	\$ 438,740,000
Less: Debt From Referendum	(121,120,000)
Less: 2008 COPS Refunding Issued by Corporation	(18,485,000)
Less: SAFE Debt	(296,055,000)
Total Debt Applicable to 8% Debt Limit	3,080,000
The School District's 8% Debt Limit	58,251,968
Balance Remaining Under 8% Debt Limit	<u>\$ 55,171,968</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. For the year ended June 30, 2009, the District has recorded arbitrage liability of \$962,368, which represents the positive arbitrage on the 2003 and SAFE bond issues. 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, 2006, 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, 2009.

During November, 2006, the School District issued \$55,770,000 of general obligation refunding bonds ("2006 GORB") at an interest rate of 4.268%. The net proceeds of approximately \$59.9 million were escrowed to advance refund \$55,090,000 of the 2002 general obligation bond issue, all of which is outstanding and considered defeased at June 30, 2009.

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, 2009**

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**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, 2009 was approximately \$54.5 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, 2009 was approximately \$21.470 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, 2009, the amount held by the escrow agent was \$1,675,184. The outstanding debt which met the in-substance defeasance requirement and is considered defeased as of June 30, 2009 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, 2009**

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**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 \$923,573 of commodities consumed during the year ended June 30, 2009.



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

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2009**

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**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 6.5% of salary. Employers are required to contribute at the following actuarially determined rates: SCRS State Agencies & Public Schools — 12.74%. 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 \$19,132,000, \$17,852,000, and \$14,204,000 for the years ended June 30, 2009, 2008, and 2007 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, 2009**

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**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 carries general liability insurance through the State Budget and Control Board Insurance Reserve Fund ("SBCBIRF"). The annual premiums for the year ended June 30, 2009 were approximately \$2,523,000 for the SBCBIRF. 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, 2009 were approximately \$1,920,000 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 \$11,570,059. There were no insurance settlements that exceeded insurance coverage in any of the past three years.

**F. Subsequent Events**

**Tax Anticipation Note**

The District issued a \$21,924,000 Tax Anticipation Note ("TAN") in July, 2009 at a coupon interest rate of 1.50%. 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 principal and with interest are due in April, 2010.

**General Obligation Bond Issue**

The District issued Short-Term General Obligations Bonds totaling \$21,385,000 in September, 2009 at a coupon interest rate of 1.50%. The proceeds from these bonds will be used to make the base lease payments to SAFE. The principal and interest are due in March, 2010 and will be redeemed with Debt Service District Fund property tax revenue.

**Millage Rate Decrease**

In September, 2009, the Board approved a rollback in millage from 142.6 mills to 137.9 mills for the upcoming 2009 tax year.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2009**

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**IV. OTHER INFORMATION (CONTINUED)**

**F. Subsequent Events (Continued)**

**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 September, 2009, reduced the projected revenue allocations to State agencies and school districts. This was done with a 4% across the board reduction to state revenues. This across the board reduction resulted in a \$3 million, or 3.6%, cut of the EFA funding for the School District for fiscal year 2010. The School District was able to address this cut in several ways, such as hiring freezes for central staff, increased safety measures as a means to reduce insurance premiums, effective use of mobile units to reduce energy costs, more strict enforcement of staff allocations, a 25% reduction in school maintenance budgets, and a 15% reduction in non-salary budgets. Additionally, some expenditures may be shifted to non-General Fund sources. With the recent announcement of an approximate \$120 million shortfall in the State of South Carolina's budget for the first quarter of fiscal year 2010, the School District is anticipating an additional state funding reduction.

GENERAL FUND

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

YEAR ENDED JUNE 30, 2009

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Local Sources:				
Taxes	\$ 58,287,546	58,287,546	61,942,765	\$ 3,655,219
Investment Earnings	300,000	300,000	675,573	375,573
Other Local Sources	573,800	573,800	977,629	403,829
State Sources	126,283,912	126,283,912	114,741,128	(11,542,784)
Federal Sources	800,000	800,000	832,514	32,514
Intergovernmental Revenue	80,000	80,000	81,251	1,251
TOTAL REVENUE ALL SOURCES	186,325,258	186,325,258	179,250,860	(7,074,398)
EXPENDITURES				
Current:				
Instruction	110,534,186	110,534,186	108,361,092	2,173,094
Support Services	77,269,775	77,269,775	73,562,425	3,707,350
Community Services	-	-	4,238	(4,238)
Intergovernmental	300,000	300,000	290,001	9,999
Capital Outlay	714,808	714,808	380,331	334,477
Debt Service:				
Principal Retirement	2,505,000	2,505,000	2,255,000	250,000
Interest and Fiscal Charges	810,000	810,000	805,335	4,665
TOTAL EXPENDITURES	192,133,769	192,133,769	185,658,422	6,475,347
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(5,808,511)	(5,808,511)	(6,407,562)	(599,051)
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	10,000	10,000	8,500	(1,500)
Transfers In	5,801,079	5,801,079	5,933,297	132,218
Transfers Out	-	-	(150,269)	(150,269)
TOTAL OTHER FINANCING SOURCES (USES)	5,811,079	5,811,079	5,791,528	(19,551)
NET CHANGE IN FUND BALANCE				
	2,568	2,568	(616,034)	(618,602)
FUND BALANCES, Beginning of Year				
	25,871,884	25,871,884	25,871,884	-
FUND BALANCES, End of Year				
	\$ 25,874,452	25,874,452	25,255,850	\$ (618,602)

**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, 2009**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
<b>REVENUES</b>			
1000 Revenue from Local Sources:			
1100 Taxes:			
1110 Ad Valorem Taxes-Including Delinquent (Independent)	\$ 50,192,575	50,545,022	\$ 352,447
1140 Penalties & Interest on Taxes (Independent)	137,000	148,290	11,290
1200 Revenue from Local Governmental Units Other than LEAs:			
1280 Revenue in Lieu of Taxes (Independent and Dependent)	7,957,971	11,249,453	3,291,482
1300 Tuition:			
1310 From Patrons for Regular Day School	15,000	13,031	(1,969)
1500 Earnings on Investments:			
1510 Interest on Investments	300,000	675,573	375,573
1900 Other Revenue from Local Sources:			
1910 Rentals	175,000	190,976	15,976
1930 Medicaid	15,000	17,804	2,804
1950 Refund of Prior Year's Expenditures	45,000	418,323	373,323
1990 Miscellaneous Local Revenue:			
1993 Receipt of Insurance Proceeds	220,000	231,082	11,082
1994 Receipt of Legal Settlements	1,000	790	(210)
1999 Revenue from Other Local Sources	102,800	105,623	2,823
Total Revenue from Local Sources	<u>59,161,346</u>	<u>63,595,967</u>	<u>4,434,621</u>
2000 Intergovernmental Revenue:			
2100 Payments from Other Governmental Units	80,000	81,251	1,251
Total Intergovernmental Revenue	<u>80,000</u>	<u>81,251</u>	<u>1,251</u>
3000 Revenue from State Sources:			
3100 Restricted State Funding:			
3130 Special Programs:			
3131 Handicapped Transportation	13,700	14,030	330
3160 School Bus Driver's Salary	1,611,201	1,682,972	71,771
3162 Transportation Workers' Compensation	110,000	113,140	3,140
3180 Fringe Benefits Employer Contributions	20,649,943	20,453,773	(196,170)
3181 Retiree Insurance	2,824,255	2,850,837	26,582
3199 Other Restricted State Grants	500	406	(94)
3200 Unrestricted Grants:			
3250 Medicaid Stimulus ARRA Funds	\$ -	39,061	\$ 39,061

(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, 2009**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
3300 Education Finance Act:			
3310 Full-Time Programs:			
3311 Kindergarten	\$ 4,840,870	4,155,253	\$ (685,617)
3312 Primary	14,256,095	12,236,992	(2,019,103)
3313 Elementary	17,903,472	15,367,787	(2,535,685)
3314 High School	8,070,549	6,927,510	(1,143,039)
3315 Trainable Mentally Handicapped	326,526	280,280	(46,246)
3316 Speech Handicapped (Part-Time Program)	5,307,633	4,555,908	(751,725)
3317 Homebound	519,716	446,108	(73,608)
3319 EFA Underpayment	209,827	180,109	(29,718)
3320 Part-Time Programs:			
3321 Emotionally Handicapped	502,347	431,199	(71,148)
3322 Educable Mentally Handicapped	345,064	296,192	(48,872)
3323 Learning Disabilities	6,002,369	5,152,248	(850,121)
3324 Hearing Handicapped	326,557	280,307	(46,250)
3325 Visually Handicapped	114,076	97,919	(16,157)
3326 Orthopedically Handicapped	146,505	125,755	(20,750)
3327 Vocational	9,019,542	7,742,096	(1,277,446)
3330 Other EFA Programs:			
3331 Autism	576,073	494,483	(81,590)
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	1,860,174	(16,973)
3825 Tier III	21,243,847	20,003,847	(1,240,000)
3830 Merchant's Inventory Tax	245,768	245,768	-
3840 Manufacturers Depreciation Reimbursement	1,349,058	815,702	(533,356)
Total Revenue from State Sources	<u>126,283,912</u>	<u>114,741,128</u>	<u>(11,542,784)</u>
4000 Revenue from Federal Sources:			
4100 Federally Impacted Areas:			
4110 Maintenance & Operations (P.L. 874)	800,000	832,514	32,514
Total Revenue from Federal Sources	<u>800,000</u>	<u>832,514</u>	<u>32,514</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<b><u>\$ 186,325,258</u></b>	<b><u>179,250,860</u></b>	<b><u>\$ (7,074,398)</u></b>

(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, 2009**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
<b>EXPENDITURES</b>			
100 Instruction:			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	\$ 5,598,091	5,588,196	\$ 9,895
200 Employee Benefits	1,501,982	1,435,360	66,622
400 Supplies and Materials	88,064	73,229	14,835
112 Primary Programs:			
100 Salaries	15,694,030	15,234,024	460,006
200 Employee Benefits	4,300,981	4,279,972	21,009
300 Purchased Services	1,000	956	44
400 Supplies and Materials	320,580	317,755	2,825
113 Elementary Programs:			
100 Salaries	27,231,898	26,908,644	323,254
200 Employee Benefits	7,409,812	7,389,710	20,102
300 Purchased Services	190,178	158,809	31,369
400 Supplies and Materials	875,000	835,445	39,555
114 High School Programs:			
100 Salaries	19,009,872	18,897,161	112,711
200 Employee Benefits	5,201,983	5,133,871	68,112
300 Purchased Services	300,000	264,255	35,745
400 Supplies and Materials	754,915	693,258	61,657
500 Capital Outlay	65,000	62,352	2,648
115 Vocational Programs:			
100 Salaries	2,906,781	2,862,842	43,939
200 Employee Benefits	807,891	802,535	5,356
300 Purchased Services - Other Than Tuition	32,824	27,258	5,566
400 Supplies and Materials	397,195	383,755	13,440
120 Exceptional Programs:			
121 Educable Mentally-Handicapped:			
100 Salaries	1,485,891	1,453,401	32,490
200 Employee Benefits	427,026	420,095	6,931
400 Supplies and Materials	109,813	97,434	12,379
122 Trainable Mentally Handicapped:			
100 Salaries	371,054	324,904	46,150
200 Employee Benefits	128,925	104,182	24,743
400 Supplies and Materials	200	198	2
124 Visually Handicapped:			
100 Salaries	235,835	178,666	57,169
200 Employee Benefits	\$ 63,837	(4,758)	\$ 68,595

(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, 2009**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
125 Hearing Handicapped:			
100 Salaries	\$ 595,192	588,579	\$ 6,613
200 Employee Benefits	192,424	186,711	5,713
126 Speech Handicapped:			
100 Salaries	1,265,916	1,126,432	139,484
200 Employee Benefits	367,893	322,941	44,952
300 Purchased Services	1,325,000	1,291,214	33,786
127 Learning Disabilities:			
100 Salaries	6,701,982	6,699,566	2,416
200 Employee Benefits	1,901,892	1,892,502	9,390
400 Supplies and Materials	1,000	200	800
128 Emotionally Handicapped:			
100 Salaries	940,241	779,230	161,011
200 Employee Benefits	373,986	269,923	104,063
400 Supplies and Materials	1,000	-	1,000
129 Coordinated Early Intervening Services (CEIS):			
100 Salaries	-	424,663	(424,663)
200 Employee Benefits	-	85,705	(85,705)
300 Purchased Services	-	53,504	(53,504)
130 Pre-School Programs:			
136 Pre-School Handicapped-Itinerant (3 & 4-Yr. Olds):			
100 Salaries	301,678	290,192	11,486
200 Employee Benefits	94,508	91,457	3,051
140 Special Programs:			
141 Gifted and Talented - Academic:			
100 Salaries	41,479	35,257	6,222
200 Employee Benefits	12,042	11,688	354
145 Homebound:			
100 Salaries	459,876	-	459,876
200 Employee Benefits	85,707	-	85,707
300 Purchased Services	54,098	-	54,098
149 Other Special Programs:			
100 Salaries	35,000	34,651	349
200 Employee Benefits	15,000	13,672	1,328
300 Purchased Services	5,000	1,856	3,144
180 Adult/Continuing Educational Programs:			
181 Adult Basic Education Programs:			
300 Purchased Services	13,000	7,219	5,781
400 Supplies and Materials	23,500	15,147	8,353
600 Other Objects	\$ -	158	\$ (158)

(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, 2009**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
182 Adult Secondary Education Programs:			
100 Salaries	\$ 196,344	192,834	\$ 3,510
200 Employee Benefits	60,000	57,081	2,919
300 Purchased Services	6,902	1,600	5,302
400 Supplies and Materials	7,511	4,408	3,103
188 Parenting/Family Literacy:			
200 Employee Benefits	-	21,545	(21,545)
Total Instruction	<u>110,588,829</u>	<u>108,423,444</u>	<u>2,165,385</u>
200 Support Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	1,331,789	1,321,516	10,273
200 Employee Benefits	461,849	442,281	19,568
400 Supplies and Materials	5,736	4,000	1,736
212 Guidance Services:			
100 Salaries	4,023,891	4,017,629	6,262
200 Employee Benefits	1,097,632	1,089,596	8,036
300 Purchased Services	89,903	88,334	1,569
400 Supplies and Materials	6,698	3,902	2,796
600 Other Objects	200	158	42
213 Health Services:			
100 Salaries	975,681	954,775	20,906
200 Employee Benefits	310,627	305,861	4,766
300 Purchased Services	12,798	11,489	1,309
400 Supplies and Materials	37,721	30,674	7,047
214 Psychological Services:			
100 Salaries	175,000	126,308	48,692
200 Employee Benefits	26,549	24,926	1,623
220 Instructional Staff Services:			
221 Improvement of Instruction-Curriculum Development:			
100 Salaries	1,532,901	1,502,524	30,377
200 Employee Benefits	443,622	414,824	28,798
300 Purchased Services	21,451	15,343	6,108
400 Supplies and Materials	17,930	16,540	1,390
222 Library and Media Services:			
100 Salaries	2,623,671	2,611,460	12,211
200 Employee Benefits	834,626	804,382	30,244
300 Purchased Services	3,061	2,685	376
400 Supplies and Materials	\$ 675,213	674,706	\$ 507

(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, 2009**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
223 Supervision of Special Programs:			
100 Salaries	\$ 65,500	65,321	\$ 179
200 Employee Benefits	16,798	16,644	154
300 Purchased Services	4,931	3,616	1,315
224 Improvement of Instruction-Inservice and Staff Training:			
100 Salaries	554,813	547,361	7,452
200 Employee Benefits	167,797	152,146	15,651
300 Purchased Services	132,419	94,602	37,817
400 Supplies and Materials	69,053	60,290	8,763
600 Other Objects	25,000	22,507	2,493
230 General Administrative Services:			
231 Board of Education:			
100 Salaries	85,000	83,160	1,840
200 Employee Benefits	1,700,800	2,011,307	(310,507)
300 Purchased Services	170,000	59,598	110,402
318 Audit Services	-	106,800	(106,800)
600 Other Objects	170,000	114,975	55,025
232 Office of Superintendent:			
100 Salaries	1,116,321	1,115,230	1,091
200 Employee Benefits	259,504	247,762	11,742
300 Purchased Services	349,442	324,921	24,521
400 Supplies and Materials	11,120	4,053	7,067
600 Other Objects	700	630	70
233 School Administration:			
100 Salaries	9,901,902	9,888,848	13,054
200 Employee Benefits	2,756,901	2,740,526	16,375
300 Purchased Services	171,486	149,343	22,143
400 Supplies and Materials	139,549	124,044	15,505
600 Other Objects	9,000	8,822	178
250 Finance and Operations Services:			
252 Fiscal Services:			
100 Salaries	893,871	843,307	50,564
200 Employee Benefits	253,942	246,797	7,145
300 Purchased Services	195,360	162,098	33,262
400 Supplies and Materials	160,820	160,266	554
500 Capital Outlay	10,000	8,685	1,315
600 Other Objects	50,000	500	49,500
253 Facilities Acquisition and Construction:			
100 Salaries	11,000	10,494	506
200 Employee Benefits	2,500	2,106	394
300 Purchased Services	\$ 2,000	1,801	\$ 199

(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, 2009**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
254 Operation and Maintenance of Plant:			
100 Salaries	\$ 9,614,981	9,604,535	\$ 10,446
200 Employee Benefits	3,110,671	3,106,270	4,401
300 Purchased Services	6,476,561	4,323,110	2,153,451
321 Public Utilities (Excludes Gas, Oil, Elec. & Other Heating Fuels)	7,390,981	6,705,864	685,117
400 Supplies and Materials	1,504,571	1,440,795	63,776
500 Capital Outlay	232,485	229,881	2,604
255 Student Transportation (State Mandated):			
100 Salaries	5,103,478	5,003,448	100,030
200 Employee Benefits	1,354,974	1,304,301	50,673
300 Purchased Services	395,651	381,068	14,583
400 Supplies and Materials	20,000	18,303	1,697
500 Capital Outlay	11,000	10,818	182
256 Food Service:			
200 Employee Benefits	1,875,000	1,805,386	69,614
258 Security:			
300 Purchased Services	550,500	546,185	4,315
260 Central Support Services:			
262 Planning, Research, Development and Evaluation:			
100 Salaries	162,588	160,091	2,497
200 Employee Benefits	45,753	39,950	5,803
300 Purchased Services	116,434	91,611	24,823
400 Supplies and Materials	31,415	20,851	10,564
500 Capital Outlay	5,000	-	5,000
600 Other Objects	500	315	185
263 Information Services:			
100 Salaries	175,091	168,036	7,055
200 Employee Benefits	52,960	49,554	3,406
300 Purchased Services	188,066	177,601	10,465
400 Supplies and Materials	19,643	23,947	(4,304)
500 Capital Outlay	6,000	-	6,000
600 Other Objects	500	158	342
264 Staff Services:			
100 Salaries	758,917	747,117	11,800
200 Employee Benefits	220,525	218,559	1,966
300 Purchased Services	75,828	39,385	36,443
400 Supplies and Materials	19,100	24,361	(5,261)
500 Capital Outlay	\$ 7,810	-	\$ 7,810

(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, 2009**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
266 Technology and Data Processing Services:			
100 Salaries	\$ 790,867	771,608	\$ 19,259
200 Employee Benefits	225,678	213,690	11,988
300 Purchased Services	139,000	102,583	36,417
400 Supplies and Materials	675,981	589,793	86,188
500 Capital Outlay	75,000	68,596	6,404
600 Other Objects	250	158	92
270 Support Services Pupil Activity:			
271 Pupil Services Activities:			
100 Salaries (Optional)	1,450,598	1,323,013	127,585
200 Employee Benefits (Optional)	313,505	257,501	56,004
300 Purchased Services (Optional)	82,000	75,460	6,540
400 Supplies and Materials	30,000	25,733	4,267
600 Other Objects (Optional)	-	(59,726)	59,726
660 Pupil Activity	400,000	391,617	8,383
273 Pupil Services Activities:			
100 Salaries (Optional)	45,000	30,319	14,681
200 Employee Benefits (Optional)	9,000	6,086	2,914
Total Support Services	<u>77,929,940</u>	<u>73,880,404</u>	<u>4,049,536</u>
300 Community Services:			
390 Other Community Services:			
100 Salaries	-	4,238	(4,238)
Total Community Services	<u>-</u>	<u>4,238</u>	<u>(4,238)</u>
400 Other Charges:			
410 Intergovernmental Expenditures:			
412 Payments to Other Governmental Units			
720 Transits	300,000	290,001	9,999
Total Intergovernmental Expenditures	<u>300,000</u>	<u>290,001</u>	<u>9,999</u>
500 Debt Service:			
610 Redemption of Principal	2,505,000	2,255,000	250,000
620 Interest	810,000	805,335	4,665
Total Debt Service	<u>3,315,000</u>	<u>3,060,335</u>	<u>254,665</u>
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 192,133,769</u></b>	<b><u>185,658,422</u></b>	<b><u>\$ 6,475,347</u></b>

(Continued)

**BERKELEY COUNTY SCHOOL DISTRICT  
MONCKS 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, 2009**

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
5300 Sale of Fixed Assets	\$ 10,000	8,500	\$ (1,500)
Interfund Transfers, From (To) Other Funds:			
5230 Transfer from Special Revenue EIA Fund	3,446,552	3,372,289	(74,263)
5240 Transfer from Debt Service Fund	1,240,000	1,240,000	-
5270 Transfer from Pupil Activity Fund	-	3,722	3,722
5280 Transfer from Other Funds Indirect Costs	1,114,527	1,317,286	202,759
425-710 Transfer to Food Service Fund	-	(37)	(37)
426-710 Transfer to Pupil Activity Fund	-	(150,232)	(150,232)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>5,811,079</b>	<b>5,791,528</b>	<b>(19,551)</b>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>2,568</b>	<b>(616,034)</b>	<b>(618,602)</b>
FUND BALANCE, Beginning of Year	25,871,884	25,871,884	-
<b>FUND BALANCE, End of Year</b>	<b>\$ 25,874,452</b>	<b>25,255,850</b>	<b>\$ (618,602)</b>

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

**SPECIAL REVENUE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**YEAR ENDED JUNE 30, 2009**

	<b>Title I (BA Projects) (201/237)</b>	<b>IDEA (CA Projects) (203/204)</b>
<b>REVENUES</b>		
1000 Revenue from Local Sources:		
1300 Tuition:		
1310 From Patrons for Regular Day School	\$ -	-
1350 From Patrons for Summer School	-	-
1700 Pupil Activity:		
1790 Other Pupil Activity Income	-	-
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	<u>-</u>	<u>-</u>
2000 Intergovernmental Revenue:		
2100 Payments from Other Governmental Units	-	-
Total Intergovernmental Revenue	<u>-</u>	<u>-</u>
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 Formative Assessment	-	-
3125 Career and Technology Education Equipment	-	-
3127 Student Health and Fitness	-	-
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	<u>-</u>	<u>-</u>
4200 Occupational Education:		
4210 Vocational Aid, Title I	\$ -	-

Schedule B-1

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
-	-	-	-	-	17,712	\$ 17,712
-	-	-	-	-	7,806	7,806
-	-	-	-	-	398	398
-	-	-	-	-	175,538	175,538
-	-	-	-	-	1,872,850	1,872,850
-	-	-	-	-	484,583	484,583
-	-	-	-	-	2,558,887	2,558,887
-	-	-	-	-	421	421
-	-	-	-	-	421	421
-	-	-	-	367,140	-	367,140
-	-	-	-	22,293	-	22,293
-	-	-	-	896,450	-	896,450
-	-	-	-	198,143	-	198,143
-	-	-	-	237,259	-	237,259
-	-	-	-	292,303	-	292,303
-	-	-	-	3,506,647	-	3,506,647
-	-	-	-	698,053	-	698,053
-	-	-	-	101,604	-	101,604
-	-	-	-	13,163	-	13,163
-	-	-	-	-	364,750	364,750
-	-	-	-	44,351	-	44,351
-	-	-	-	1,575,077	-	1,575,077
-	-	-	-	75,856	-	75,856
-	-	-	-	-	89,694	89,694
-	-	-	-	8,028,339	454,444	8,482,783
-	568,160	-	-	-	-	\$ 568,160

(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, 2009**

	<b>Title I (BA Projects) (201/237)</b>	<b>IDEA (CA Projects) (203/204)</b>
4300 Elementary and Secondary Education Act of 1965 (ESEA):		
4310 Title I, Basic State Grant Programs	\$ 7,396,367	-
4315 Title I, Stimulus ARRA Funds	37,376	-
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	-	-
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)	-	6,406,720
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	-	-
4930 WIA Summer Program	-	-
4999 Revenue from Other Federal Sources	-	-
Total Revenue From Federal Sources	<u>7,433,743</u>	<u>6,406,720</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<b><u>7,433,743</u></b>	<b><u>6,406,720</u></b>
<b>EXPENDITURES</b>		
100 Instruction:		
110 General Instruction:		
111 Kindergarten Programs:		
100 Salaries	701,547	651
200 Employee Benefits	221,142	134
112 Primary Programs:		
100 Salaries	1,713,738	-
200 Employee Benefits	478,801	-
300 Purchased Services	54,122	-
400 Supplies and Materials	528,456	-
600 Other Objects	-	-
113 Elementary Programs:		
100 Salaries	225,720	-
200 Employee Benefits	67,886	-
300 Purchased Services	772,255	-
400 Supplies and Materials	104,333	-
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
-	-	-	-	-	-	\$ 7,396,367
-	-	-	-	-	-	37,376
-	-	-	-	-	43,200	43,200
-	-	-	-	-	14,420	14,420
-	-	-	-	-	40,853	40,853
-	-	-	-	-	159,026	159,026
-	-	-	-	-	1,044,431	1,044,431
-	-	-	-	-	150,000	150,000
-	-	-	131,094	-	-	131,094
-	-	-	-	-	3,280	6,410,000
227,662	-	-	-	-	-	227,662
-	-	116,428	-	-	-	116,428
-	-	-	-	-	330,344	330,344
-	-	-	-	-	13,537	13,537
-	-	-	-	-	1,278,194	1,278,194
227,662	568,160	116,428	131,094	-	3,077,285	17,961,092
227,662	568,160	116,428	131,094	8,028,339	6,091,037	29,003,183
-	-	-	-	26,574	930	729,702
-	-	-	-	10,008	136	231,420
-	-	-	-	853,812	606,741	3,174,291
-	-	-	-	260,491	195,956	935,248
-	-	-	-	475,562	4,375	534,059
-	-	-	-	47,749	30,475	606,680
-	-	-	-	-	647	647
-	-	-	-	81,340	121,883	428,943
-	-	-	-	25,042	24,966	117,894
-	-	-	-	198,143	18,770	989,168
-	-	-	-	-	81,658	185,991
-	-	-	-	7,562	-	\$ 7,562

(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, 2009**

	<b>Title I (BA Projects) (201/237)</b>	<b>IDEA (CA Projects) (203/204)</b>
114 High School Programs:		
100 Salaries	\$ 37,708	-
200 Employee Benefits	15,043	-
300 Purchased Services	3,040	-
400 Supplies and Materials	32,898	-
500 Capital Outlay	-	-
115 Vocational Programs:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services - Other Than Tuition	-	-
400 Supplies and Materials	-	-
500 Capital Outlay	-	-
120 Exceptional Programs:		
121 Educable Mentally Handicapped:		
100 Salaries	-	216,427
200 Employee Benefits	-	93,570
400 Supplies and Materials	-	47,971
122 Trainable Mentally Handicapped:		
100 Salaries	-	266,663
200 Employee Benefits	-	128,400
400 Supplies and Materials	-	24,299
124 Visually Handicapped:		
100 Salaries	-	19,363
200 Employee Benefits	-	8,607
400 Supplies and Materials	-	496
125 Hearing Handicapped:		
100 Salaries	-	21,268
200 Employee Benefits	-	7,692
300 Purchased Services	-	5,417
400 Supplies and Materials	-	225
126 Speech Handicapped:		
300 Purchased Services	-	3,827
400 Supplies and Materials	-	4,623
127 Learning Disabilities:		
100 Salaries	-	427,661
200 Employee Benefits	-	168,400
400 Supplies and Materials	-	45,818
128 Emotionally Handicapped:		
100 Salaries	-	658
200 Employee Benefits	-	134
400 Supplies and Materials	-	15,717
129 Coordinated Early Intervening Services (CEIS):		
100 Salaries	-	109,467
200 Employee Benefits	-	26,085
300 Purchased Services	-	5,894
400 Supplies and Materials	\$ -	36,289

## Schedule B-1

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
-	-	-	-	-	616,745	\$ 654,453
-	-	-	-	-	30,691	45,734
-	-	-	-	-	10,820	13,860
-	-	-	-	-	82,576	115,474
-	-	-	-	-	5,550	5,550
-	-	-	-	-	3,617	3,617
-	-	-	-	-	722	722
-	149,393	-	-	-	10,423	159,816
-	196,228	-	-	237,259	87,722	521,209
-	102,401	-	-	-	-	102,401
-	-	-	-	-	14,979	231,406
-	-	-	-	-	6,379	99,949
-	-	-	-	-	-	47,971
-	-	-	-	-	35,337	302,000
-	-	-	-	-	12,020	140,420
-	-	-	-	-	-	24,299
-	-	-	-	-	-	19,363
-	-	-	-	-	-	8,607
-	-	-	-	-	-	496
-	-	-	-	-	-	21,268
-	-	-	-	-	-	7,692
-	-	-	-	-	-	5,417
-	-	-	-	-	-	225
-	-	-	-	-	-	3,827
-	-	-	-	-	-	4,623
-	-	-	-	-	-	427,661
-	-	-	-	-	-	168,400
-	-	-	-	-	-	45,818
-	-	-	-	-	77,583	78,241
-	-	-	-	-	34,382	34,516
-	-	-	-	-	-	15,717
-	-	-	-	-	-	109,467
-	-	-	-	-	-	26,085
-	-	-	-	-	-	5,894
-	-	-	-	-	-	\$ 36,289

(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, 2009**

	<b>Title I (BA Projects) (201/237)</b>	<b>IDEA (CA Projects) (203/204)</b>
130 Pre-School Programs:		
135 Pre-School Handicapped-Speech (3 & 4-Yr. Olds):		
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:		
400 Supplies and Materials	-	-
140 Special Programs:		
147 Full Day 4K:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
149 Other Special Programs:		
100 Salaries	-	632,899
200 Employee Benefits	-	91,681
300 Purchased Services	-	18,580
160 Other Exceptional Programs:		
161 Autism:		
100 Salaries	-	-
200 Employee Benefits	-	-
170 Summer School Programs:		
175 Instructional Programs Beyond Regular School Day:		
100 Salaries	156,517	-
200 Employee Benefits	32,738	-
300 Purchased Services	-	290
400 Supplies and Materials	3,179	-
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	-	-
183 Adult English Literacy (ESL):		
100 Salaries	-	-
200 Employee Benefits	-	-
188 Parenting/Family Literacy:		
100 Salaries	11,674	-
200 Employee Benefits	2,350	-
300 Purchased Services	19,741	-
400 Supplies and Materials	102,533	-
Total Instruction	<u>\$ 5,285,421</u>	<u>2,429,206</u>

Schedule B-1

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
174	-	-	-	-	-	\$ 174
6,923	-	-	-	-	84,759	91,682
4,407	-	-	-	-	25,008	29,415
14,240	-	-	-	-	-	14,240
-	-	-	-	-	20,148	20,148
-	-	-	-	2,606,509	-	2,606,509
-	-	-	-	780,362	-	780,362
-	-	-	-	952	-	952
-	-	-	-	86,568	-	86,568
-	-	-	-	-	137,131	770,030
-	-	-	-	-	43,146	134,827
-	-	-	-	-	15,630	34,210
-	-	-	-	-	1,365	1,365
-	-	-	-	-	550	550
-	-	-	-	-	177,725	334,242
-	-	-	-	-	35,698	68,436
-	-	-	-	-	-	290
-	-	-	-	-	511	3,690
-	-	-	74,725	-	78,354	153,079
-	-	-	13,577	-	15,456	29,033
-	-	-	-	-	7,127	7,127
-	-	-	-	-	3,121	3,121
-	-	-	19,409	32,168	-	51,577
-	-	-	6,363	5,285	-	11,648
-	-	-	-	2,399	-	2,399
-	-	-	11,359	-	-	11,359
-	-	-	512	-	-	512
-	-	-	-	-	300,936	312,610
-	-	-	-	-	89,719	92,069
-	-	-	-	-	28,639	48,380
-	-	-	-	-	18,665	121,198
25,744	448,022	-	125,945	5,737,785	3,199,771	\$ 17,251,894

(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, 2009**

	<b>Title I (BA Projects) (201/237)</b>	<b>IDEA (CA Projects) (203/204)</b>
200 Support Services:		
210 Pupil Services:		
212 Guidance Services:		
100 Salaries	\$ -	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
600 Other Objects	-	-
213 Health Services:		
100 Salaries	-	578,228
200 Employee Benefits	-	151,233
300 Purchased Services	8,558	3,910
400 Supplies and Materials	-	-
214 Psychological Services:		
100 Salaries	-	1,034,645
200 Employee Benefits	-	289,107
300 Purchased Services	-	53,478
400 Supplies and Materials	-	19,890
215 Exceptional Program Services:		
100 Salaries	-	1,243
200 Employee Benefits	-	244
300 Purchased Services	-	66,948
400 Supplies and Materials	-	39,632
217 Career Specialist Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
220 Instructional Staff Services:		
221 Improvement of Instruction - Curriculum Development:		
100 Salaries	-	37,552
200 Employee Benefits	-	18,250
300 Purchased Services	-	6,381
400 Supplies and Materials	-	5,161
600 Other Objects	-	-
222 Library and Media:		
400 Supplies and Materials	-	-
223 Supervision of Special Programs:		
100 Salaries	80,878	1,038,605
200 Employee Benefits	23,898	308,330
300 Purchased Services	-	60,011
400 Supplies and Materials	-	24,960
224 Improvement of Instruction - Inservice and Staff Training:		
100 Salaries	1,148,992	23,993
200 Employee Benefits	348,886	4,660
300 Purchased Services	137,379	70,238
400 Supplies and Materials	60,464	4,503
600 Other Objects	-	11,184
230 General Administration Services:		
232 Office of the Superintendent:		
400 Supplies and Materials	-	-
600 Other Objects	\$ -	-

## Schedule B-1

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
-	-	47,809	-	-	51,152	\$ 98,961
-	-	12,802	-	39	15,914	28,755
-	-	15,225	-	279,908	4,330	299,463
-	-	-	-	108,676	9,286	117,962
-	-	-	-	-	4,264	4,264
-	-	-	-	527,622	434,924	1,540,774
-	-	-	-	170,431	134,314	455,978
-	-	-	-	-	-	12,468
-	-	-	-	-	3,359	3,359
78,240	-	-	-	-	-	1,112,885
21,925	-	-	-	-	-	311,032
900	-	-	-	-	-	54,378
110	-	-	-	-	-	20,000
32,401	-	-	-	-	-	33,644
5,990	-	-	-	-	5,318	11,552
-	-	-	-	-	-	66,948
-	-	-	-	-	-	39,632
-	-	-	-	703,707	-	703,707
-	-	-	-	192,744	-	192,744
-	-	17,364	-	270	80,484	135,670
-	-	3,514	-	55	15,986	37,805
-	-	2,021	-	1,453	162,599	172,454
-	-	11,862	-	-	37,279	54,302
-	-	-	-	-	1,133	1,133
-	-	-	-	5,601	827	6,428
43,590	-	-	3,995	49,826	156,672	1,373,566
14,189	-	-	1,154	11,926	41,188	400,685
-	-	-	-	-	67,961	127,972
-	-	-	-	-	4,675	29,635
-	-	-	-	148,633	129,308	1,450,926
-	-	-	-	40,097	26,739	420,382
-	19,096	3,492	-	25,241	230,225	485,671
-	-	-	-	23,314	28,980	117,261
-	-	-	-	-	-	11,184
-	-	-	-	-	11,204	11,204
-	-	-	-	-	500	\$ 500

(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, 2009**

	<b>Title I (BA Projects) (201/237)</b>	<b>IDEA (CA Projects) (203/204)</b>
250 Finance and Operations Services:		
251 Student Transportation (Federal/District Mandated):		
100 Salaries	\$ 52,600	-
200 Employee Benefits	8,422	-
300 Purchased Services	100,660	-
252 Fiscal Services:		
300 Purchased Services	-	-
400 Supplies and Materials	-	-
254 Operation and Maintenance of Plant:		
300 Purchased Services	9,471	-
400 Supplies and Materials	18,783	-
255 Student Transportation (State Mandated):		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
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	-	-
300 Purchased Services	-	-
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>1,998,991</u>	<u>3,852,386</u>
300 Community Services:		
350 Custody and Care of Children:		
100 Salaries	-	-
200 Employee Benefits	-	-
400 Supplies and Materials	-	-
360 Welfare Services:		
300 Purchased Services	-	-
400 Supplies and Materials	\$ -	-

## Schedule B-1

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
-	-	-	-	-	22,923	\$ 75,523
-	-	-	-	-	4,212	12,634
-	-	-	-	-	31,101	131,761
-	-	-	-	-	28,103	28,103
-	-	-	-	-	2,883	2,883
-	-	-	-	-	8,789	18,260
-	-	-	-	-	5,999	24,782
-	-	-	-	-	102,455	102,455
-	-	-	-	-	18,135	18,135
-	-	-	-	-	47,039	47,039
-	-	-	-	-	257	257
-	-	-	-	-	120	120
-	-	-	-	-	24	24
-	-	-	-	-	6,882	6,882
-	70,197	-	-	-	78,748	148,945
-	19,755	-	-	-	21,445	41,200
-	-	-	-	-	127,492	127,492
-	-	-	-	-	73,202	73,202
-	-	-	-	-	30,750	30,750
-	-	-	-	83	1,714	1,797
-	-	-	-	6	275	281
-	-	-	-	88	332	420
-	-	-	-	-	8,657	8,657
-	-	-	-	25	33,663	33,688
197,345	109,048	114,089	5,149	2,289,745	2,313,821	10,880,574
-	-	-	-	-	15,678	15,678
-	-	-	-	-	1,199	1,199
-	-	-	-	-	1,445	1,445
-	-	-	-	-	441	441
-	-	-	-	-	21,496	\$ 21,496

(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, 2009**

	<b>Title I (BA Projects) (201/237)</b>	<b>IDEA (CA Projects) (203/204)</b>
390 Other Community Services:		
100 Salaries	\$ -	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
Total Community Services	-	-
410 Intergovernmental Expenditures:		
412 Payments to Other Governmental Units		
720 Transits	-	-
Total Intergovernmental Expenditures	-	-
<b>TOTAL EXPENDITURES</b>	<b>7,284,412</b>	<b>6,281,592</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Interfund Transfers, From (To) Other Funds:		
5270 Transfer from Pupil Activity Fund	-	-
421-710 Transfer to Special Revenue Fund	-	-
425-710 Transfer to Food Service Fund	-	-
425-710 Transfer to Child Care Fund	-	-
426-710 Transfer to Pupil Activity Fund	-	-
431-791 Special Revenue Fund Indirect Costs (Use Only for Transfer of Indirect Costs to General Fund)	(149,331)	(125,128)
TOTAL OTHER FINANCING SOURCES (USES)	(149,331)	(125,128)
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>-</b>
FUND BALANCE, Beginning of Year	-	-
<b>FUND BALANCE, End of Year</b>	<b>\$ -</b>	<b>-</b>

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
-	-	-	-	-	110,481	\$ 110,481
-	-	-	-	-	8,452	8,452
-	-	-	-	-	39,260	39,260
-	-	-	-	-	198,452	198,452
-	-	-	-	-	497,798	497,798
-	-	-	-	-	497,798	497,798
<b>223,089</b>	<b>557,070</b>	<b>114,089</b>	<b>131,094</b>	<b>8,027,530</b>	<b>6,209,842</b>	<b>28,828,718</b>
-	-	-	-	-	311,842	311,842
-	-	-	-	-	(1,418)	(1,418)
-	-	-	-	(809)	(240)	(1,049)
-	-	-	-	-	(166)	(166)
-	-	-	-	-	(148,887)	(148,887)
(4,573)	(11,090)	(2,339)	-	-	(43,744)	(336,205)
(4,573)	(11,090)	(2,339)	-	(809)	118,805	(174,465)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	\$ -

**SPECIAL REVENUE FUND**

**SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES**

**YEAR ENDED JUNE 30, 2009**

---

**OTHER DESIGNATED RESTRICTED STATE GRANTS**

905	Career Technology Education Equipment
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
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
224	21st Century Community Learning Center
225	Math and Science Partnership
230	WIA Youth Program Grant
241	Promoting Informed Parental Choice and Innovative Programs, Title V
242	Even Start Family Literacy
253	Enhancing Education Through Technology
264	Title III
267	Improving Teacher Quality
801	E- Rate
803	ABC Grant
806	BCSD Special Purpose Fund
816	ABC Teen Program
821	McKinney-Vento Homeless Grant
826	DHEC Recycling Mini-Grant
829	Extended School Year
831	I-Teams Grant
835	Profoundly Mentally Disabled
838	Americorps Formula Grant
841	First Steps

(Continued)

**BERKELEY COUNTY  
MONCKS CORNER, SOUTH CAROLINA**

**Schedule B-2**

**SPECIAL REVENUE FUND**

**SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES**

**YEAR ENDED JUNE 30, 2009**

---

**OTHER SPECIAL REVENUE PROGRAMS (Continued)**

847	NBC Loan Refund
852	Humanitary
853	BP A+ for Energy Grant
857	History Grant- Patriot Project
860	SAT Improvement
861	Math and Science Coaching Unit
862	ROTC
867	Character Education
868	State Data Manager Server Grant
869	Substitute Teacher Reimbursement Grant
871	Head Start
873	Teen LEAD
877	Gateway Academy
883	Math and Science Initiative
885	Pregnancy Prevention
887	ACCENT- Smaller Learning Communities - Berkeley High & Goose Creek High
888	Substitute Teacher Reimbursement Grant
893	Jobs for America - SC
898	School Grants - Over \$1,000
899	Donations Fund

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

**Schedule B-3**

**SPECIAL REVENUE FUND**

**SUMMARY SCHEDULE FOR OTHER DESIGNATED RESTRICTED STATE GRANTS**

**YEAR ENDED JUNE 30, 2009**

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	\$ 237,259	237,259	-	-	\$ 12,132
916	3991	ADEPT (Assisting, Developing and Evaluating Professional Teaching)	75,856	75,856	-	-	84,455
919	3193	Education License Plates	7,562	7,562	-	-	-
920	3154	Young Adult Education	101,604	101,604	-	-	-
924	3134	Child Development Education Pilot Program	3,506,647	3,506,647	-	-	57,422
926	3116	EEDA 9th Grade Awareness	367,140	367,140	-	-	-
927	3117	EEDA 8th Grade Awareness	22,293	21,484	-	(809)	10,822
928	3118	EEDA Career Specialist	896,450	896,450	-	-	-
933	3123	EEDA Formative	198,143	198,143	-	-	-
936	3136	Student Health & Fitness-Nurses	698,053	698,053	-	-	-
937	3127	Student Health & Fitness	292,303	292,303	-	-	-
939	3193	Special Library Allocation	5,601	5,601	-	-	-
960	3610	K-5 Enhancement	1,575,077	1,575,077	-	-	82,179
967	3607	6-8 Enhancement	44,351	44,351	-	-	32,249
<b>Totals</b>			<b>\$ 8,028,339</b>	<b>8,027,530</b>	<b>-</b>	<b>(809)</b>	<b>\$ 279,259</b>

**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, 2009**

	<b>ACTUAL</b>
<b>REVENUES</b>	
3000 Revenue from State Sources:	
3500 Education Improvement Act:	
3501 Increase High School Diploma Requirements	\$ 702,664
3509 Arts in Education	58,299
3513 Parenting/Family Literacy	88,909
3515 Advanced Placement Courses	9,374
3517 Advanced Placement - Singleton (Subfund 315)	6,000
3520 Gifted and Talented - Academic	716,274
3522 Gifted and Talented - Artistic	159,545
3523 Junior Scholars Program	1,190
3527 Critical Teaching Needs	6,004
3530 Trainable & Profoundly Mentally Disabled Student Services	110,789
3532 National Board Certification (NBC) Salary Supplement (No Carryover Provision)	2,120,330
3533 Teacher of the Year Awards	1,077
3534 Professional Development on Standards	122,865
3535 Institute of Reading (South Carolina Reading Initiative - Middle Grades)	100,000
3542 Preschool Programs for Children with Disabilities	174,034
3546 Academic Assistance K-3	1,425,479
3548 Academic Assistance 4-12	2,415,518
3550 Teacher Salary Increase (No Carryover Provision)	2,799,509
3553 Adult Education - Remedial	36,172
3555 School Employer Contributions (No Carryover Provision)	572,780
3561 Mathematics and Science Centers	177,585
3562 Adult Education, Basic (Includes Rural and Workforce Initiative)	192,351
3564 Adult Education, Young Adult Initiative	2,051
3565 Adult Education, Literacy	44,097
3568 EAA Technical Assistance	1,706,057
3575 Competitive Teacher Grants	14,980
3577 Teacher Supplies (No Carryover Provision)	478,302
3578 High Schools That Work	112,953
3582 Principal Salary/Fringe Increase (No Carryover Provision)	116,224
3583 EAA Summer School/Comprehensive Remediation	1,295,731
3588 Palmetto Gold & Silver	32,940
3591 Excellence In Middle Schools	164,837
3592 School-to-Work Transition Act	116,218
3593 EAA Reduce Class Size Grades 1 - 3	665,059
3596 EAA Alternative Schools Program	250,450
3599 Other EIA	160
Total Revenue from State Sources	<u>16,996,807</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<b><u>\$ 16,996,807</u></b>

(Continued)



**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, 2009**

	<u>ACTUAL</u>
<b>EXPENDITURES</b>	
100 Instruction:	
110 General Instruction:	
111 Kindergarten Programs:	
100 Salaries	\$ 1,282
200 Employee Benefits	263
300 Purchased Services	276
400 Supplies and Materials	50,185
112 Primary Programs:	
100 Salaries	801,105
200 Employee Benefits	219,245
300 Purchased Services	299,716
400 Supplies and Materials	479,723
113 Elementary Programs:	
100 Salaries	2,351,423
200 Employee Benefits	533,452
300 Purchased Services	752,472
400 Supplies and Materials	747,181
114 High School Programs:	
100 Salaries	913,863
200 Employee Benefits	252,963
300 Purchased Services	90,625
400 Supplies and Materials	417,526
120 Exceptional Programs:	
122 Trainable Mentally Handicapped:	
100 Salaries	96,360
200 Employee Benefits	14,429
130 Pre-School Programs:	
139 Early Childhood Programs:	
100 Salaries	123,916
200 Employee Benefits	50,119
400 Supplies and Materials	1,800
140 Special Programs:	
141 Gifted and Talented - Academic:	
100 Salaries	418,794
200 Employee Benefits	119,858
300 Purchased Services	2,987
400 Supplies and Materials	10,880
143 Advanced Placement:	
300 Purchased Services	2,310
400 Supplies and Materials	12,653
148 Gifted and Talented - Artistic:	
100 Salaries	52,473
200 Employee Benefits	10,663
300 Purchased Services	4,876
400 Supplies and Materials	\$ 10,921

(Continued)

**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, 2009**

	<u>ACTUAL</u>
170 Summer School Programs:	
174 Gifted and Talented Summer School:	
100 Salaries	\$ 49,393
200 Employee Benefits	8,389
300 Purchased Services	13,013
400 Supplies and Materials	9,817
175 Instructional Programs Beyond Regular School Day:	
100 Salaries	103,013
200 Employee Benefits	27,910
400 Supplies and Materials	1,297
180 Adult/Continuing Educational Programs:	
181 Adult Basic Education Programs:	
100 Salaries	61,241
200 Employee Benefits	12,235
182 Adult Secondary Education Programs:	
100 Salaries	3,913
200 Employee Benefits	788
187 Adult Education - Remedial:	
100 Salaries	30,734
200 Employee Benefits	5,439
188 Parenting/Family Literacy:	
100 Salaries	168,913
200 Employee Benefits	37,516
300 Purchased Services	15,441
400 Supplies and Materials	28,546
Total Instruction	<u>9,421,937</u>
200 Support Services:	
210 Pupil Services:	
211 Attendance and Social Work Services:	
100 Salaries	324
200 Employee Benefits	65
212 Guidance Services:	
100 Salaries	160,084
200 Employee Benefits	41,973
220 Instructional Staff Services:	
221 Improvement of Instruction-Curriculum Development:	
100 Salaries	1,154,384
200 Employee Benefits	291,262
300 Purchased Services	82,860
400 Supplies and Materials	28,596
600 Other Objects	1,145
223 Supervision of Special Programs:	
100 Salaries	413,547
200 Employee Benefits	118,643
300 Purchased Services	4,686
400 Supplies and Materials	\$ 2,291

(Continued)

**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, 2009**

	<u>ACTUAL</u>
233 School Administration:	
100 Salaries	\$ 134,316
200 Employee Benefits	39,904
234 Improvement of Instruction - Inservice and Staff Training:	
100 Salaries	863,018
200 Employee Benefits	211,818
300 Purchased Services	295,118
400 Supplies and Materials	114,267
600 Other Objects	2,135
250 Finance and Operations Services:	
251 Student Transportation (Federal/District Mandated):	
100 Salaries	25,272
200 Employee Benefits	4,343
300 Purchased Services	20,276
254 Operation and Maintenance of Plant:	
400 Supplies and Materials	604
255 Student Transportation (State Mandated):	
100 Salaries	16,819
200 Employee Benefits	2,667
300 Purchased Services	7,275
258 Security:	
300 Purchased Services	160,417
400 Supplies and Materials	1,345
270 Support Services - Pupil Activity:	
271 Pupil Services Activities:	
100 Salaries (Optional)	36
200 Employee Benefits (Optional)	15
300 Purchased Services (Optional)	379
600 Other Objects (Optional)	1,365
Total Support Services	<u>4,201,249</u>
<b>TOTAL EXPENDITURES</b>	<b><u>13,623,186</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>	
Interfund Transfers, From (To) Other Funds:	
420-710 Transfer to General Fund (Exclude Indirect Costs)	(3,372,289)
426-710 Transfer to Pupil Activity Fund	(1,332)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,373,621)</u>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>-</b>
FUND BALANCE, Beginning of Year	<u>-</u>
<b>FUND BALANCE, End of Year</b>	<b><u>\$ -</u></b>

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

**Schedule B-5**

**EDUCATION IMPROVEMENT ACT**

**SUMMARY SCHEDULE BY PROGRAM**

**YEAR ENDED JUNE 30, 2009**

<b>Program</b>	<b>Revenues</b>	<b>Expenditures</b>	<b>EIA Interfund Transfers In/(Out)</b>	<b>Other Fund Transfers In/(Out)</b>	<b>EIA Fund Deferred Revenue</b>
3500 Education Improvement Act:					
3501 Increase High School Diploma Requirements	\$ 702,664	702,664	-	-	\$ -
3509 Arts in Education	58,299	58,299	-	-	4,649
3513 Parenting/Family Literacy (Carryover Provision)	88,909	88,909	-	-	56,158
3515 Advanced Placement Courses	9,374	9,374	-	-	3,800
3517 Advanced Placement - Singleton (Subfund 315)	6,000	6,000	-	-	-
3520 Gifted and Talented - Academic	716,274	716,274	-	-	78,389
3522 Gifted and Talented - Artistic	159,545	159,545	-	-	56,539
3523 Junior Scholars Programs	1,190	1,190	-	-	-
3527 Critical Teaching Needs	6,004	6,004	-	-	-
3530 Trainable & Profoundly Mentally Disabled Student Services	110,789	110,789	-	-	-
3532 National Board Certification (NBC) Salary Supplement (No Carryover Provision)	2,120,330	2,120,330	-	-	-
3533 Teacher of the Year Awards (No Carryover Provision)	1,077	1,077	-	-	-
3534 Professional Development on Standards	122,865	121,533	-	(1,332)	161,896
3535 Institute of Reading (South Carolina Reading Initiative - Middle Grades)	100,000	100,000	-	-	-
3542 Preschool Programs for Children with Disabilities	174,034	174,034	-	-	-
3546 Academic Assistance K-3	1,425,479	1,425,479	-	-	133,418
3548 Academic Assistance 4-12	2,415,518	2,415,518	-	-	-
3550 Teacher Salary Increase (No Carryover Provision)	2,799,509	-	-	(2,799,509)	-
3553 Adult Education - Remedial	36,172	36,172	-	-	4,071
3555 School Employer Contributions (No Carryover Provision)	572,780	-	-	(572,780)	-
3561 Mathematics and Science Centers	177,585	177,585	-	-	-
3562 Adult Education, Basic (Includes Rural And Workforce Initiative)	192,351	192,351	-	-	-
3564 Adult Education, Young Adult Initiative	2,051	2,051	-	-	6,979
3565 Adult Education, Literacy	44,097	44,097	-	-	-
3568 EAA Technical Assistance	1,706,057	1,706,057	-	-	-
3575 Competitive Teacher Grants	14,980	14,980	-	-	-
3577 Teacher Supplies (No Carryover Provision)	478,302	478,302	-	-	-
3578 High Schools That Work	112,953	112,953	-	-	39,331
3582 Principal Salary/Fringe Increase (No Carryover Provision)	116,224	116,224	-	-	-
3583 EAA Summer School/Comprehensive Remediation	1,295,731	1,295,731	-	-	148,380
3588 EAA Palmetto Gold and Silver	32,940	32,940	-	-	39,030
3591 Excellence in Middle Schools	164,837	164,837	-	-	-
3592 School-to-Work Transition Act	116,218	116,218	-	-	-
3593 EAA Reduce Class Size Grades 1 - 3	665,059	665,059	-	-	-
3596 EAA Alternative Schools Program	250,450	250,450	-	-	30,341
3599 Other EIA	160	160	-	-	-
<b>Totals</b>	<b>\$ 16,996,807</b>	<b>13,623,186</b>	<b>-</b>	<b>(3,373,621)</b>	<b>\$ 762,981</b>

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

**Schedule B-6**

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

**YEAR ENDED JUNE 30, 2009**

<b>Program</b>	<b>Project/Grant Number</b>	<b>Revenue &amp; Subfund Code</b>	<b>Description</b>	<b>Amount Due to State Department of Education or Federal Government</b>	<b>Status of Amount Due to Grantors</b>
None				-	

**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, 2009**

	<b>ACTUAL</b>
<b>REVENUES</b>	
1000 Revenue from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 1,094
1600 Food Service:	
1610 Lunch Sales to Pupils	2,509,380
1620 Breakfast Sales to Pupils	101,326
1630 Special Sales to Pupils	440,831
1640 Lunch Sales to Adults	236,654
1650 Breakfast Sales to Adults	5,551
1660 Special Sales to Adults	67,650
1900 Other Revenue from Local Sources:	
1999 Revenue from Other Local Sources	3,933
Total Revenue from Local Sources	<u>3,366,419</u>
3000 Revenue from State Sources:	
3100 Restricted State Funding:	
3140 School Lunch:	
3142 Program Aid	11,271
Total Revenue from State Sources	<u>11,271</u>
4000 Revenue from Federal Sources:	
4800 USDA Reimbursement:	
4810 School Lunch and After School Snacks Program	6,698,390
4830 School Breakfast Program	2,103,215
4900 Other Federal Sources:	
4991 USDA Commodities (Food Distribution Program) (Carryover Provision)	923,573
Total Revenue from Federal Sources	<u>9,725,178</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<u><b>13,102,868</b></u>
<b>EXPENSES</b>	
200 Support Services:	
256 Food Service:	
100 Salaries	4,660,569
300 Purchased Services (Exclude Gas, Oil, Electricity and Other Heating Fuels)	205,250
400 Supplies and Materials (Include Gas, Oil, Electricity and Other Heating Fuels)	7,088,521
500 Capital Outlay	41,575
600 Other Objects	21,565
Total Food Services Expenses	<u>12,017,480</u>
<b>TOTAL EXPENSES</b>	<u><b>\$ 12,017,480</b></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, 2009**

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	<u><b>ACTUAL</b></u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Interfund Transfers, From (To) Other Funds:	
5210 Transfer from General Fund (Excludes Indirect Costs)	\$          37
5220 Transfer from Special Revenue Fund (Excludes Indirect Costs)	1,049
5260 Transfer from Child Care Fund	7,895
5270 Transfer from Pupil Activity Fund	7,797
432-791 Food Service Fund Indirect Costs	(981,081)
TOTAL OTHER FINANCING SOURCES (USES)	<u><b>(964,303)</b></u>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>121,085</b>
FUND NET ASSETS, Beginning of Year	<u>1,052,492</u>
<b>FUND NET ASSETS, End of Year</b>	<u><b>\$          1,173,577</b></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, 2009**

	<b><u>DISTRICT</u></b>	<b><u>BERKELEY FACILITIES GROUP</u></b>	<b><u>SAFE</u></b>
<b>REVENUES</b>			
1000 Revenue from Local Sources:			
1100 Taxes:			
1110 Ad Valorem Taxes-Including Delinquent (Fiscally Independent LEA)	\$ 27,638,095	-	\$ -
1140 Penalties & Interest on Taxes (Independent)	92,291	-	-
1200 Revenue from Local Governmental Units Other than LEAs:			
1240 Penalties & Interest on Taxes (Dependent)	362	-	-
1280 Revenue in Lieu of Taxes (Dependent and Independent)	1,735,396	-	-
1500 Earnings on Investments:			
1510 Interest on Investments	15,075	-	1,481,143
Total Revenue from Local Sources	<u>29,481,219</u>	<u>-</u>	<u>1,481,143</u>
3000 Revenue from State Sources:			
3800 State Revenue in Lieu of Taxes:			
3820 Homestead Exemption	762,043	-	-
3840 Manufacturers Depreciation Reimbursement	280,290	-	-
Total Revenue from State Sources	<u>1,042,333</u>	<u>-</u>	<u>-</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<b><u>30,523,552</u></b>	<b><u>-</u></b>	<b><u>1,481,143</u></b>
<b>EXPENDITURES</b>			
500 Debt Service:			
610 Redemption of Principal	5,185,000	-	225,000
620 Interest	5,914,383	-	15,048,825
690 Other Objects (Includes Fees for Servicing Bonds)	217,955	-	-
Total Debt Service	<u>11,317,338</u>	<u>-</u>	<u>15,273,825</u>
<b>TOTAL EXPENDITURES</b>	<b><u>11,317,338</u></b>	<b><u>-</u></b>	<b><u>15,273,825</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interfund Transfers, From (To) Other Funds:			
5240 Transfer from Debt Service -District	-	-	10,929,879
420-710 Transfer to General Fund (Excludes Indirect Costs)	(1,240,000)	-	-
423-710 Transfer to Debt Service - SAFE	(10,929,879)	-	-
424-710 Transfer to Capital Projects Fund	(5,966,286)	-	(5,825,916)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(18,136,165)</u>	<u>-</u>	<u>5,103,963</u>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>1,070,049</b>	<b>-</b>	<b>(8,688,719)</b>
FUND BALANCE, Beginning of Year	<u>6,531,919</u>	<u>-</u>	<u>40,960,045</u>
<b>FUND BALANCE, End of Year</b>	<b><u>\$ 7,601,968</u></b>	<b><u>-</u></b>	<b><u>\$ 32,271,326</u></b>



**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, 2009**

	<b>DISTRICT</b>	<b>SAFE</b>
<b>REVENUES</b>		
1000 Revenue from Local Sources:		
1500 Earnings on Investments:		
1510 Interest on Investments	\$ 105,306	\$ 2,191,483
1900 Other Revenue from Local Sources:		
1999 Revenue from Other Local Sources	-	811,136
Total Revenue from Local Sources	<u>105,306</u>	<u>3,002,619</u>
3000 Revenue from State Sources:		
3100 Restricted State Funding:		
3172 Children's Education Endowment (Barnwell Facilities Fund)	771,952	-
Total Revenue from State Sources	<u>771,952</u>	<u>-</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<b><u>877,258</u></b>	<b><u>3,002,619</u></b>
<b>EXPENDITURES</b>		
250 Finance and Operations:		
252 Fiscal Services:		
300 Purchased Services	236,732	-
253 Facilities Acquisition & Construction:		
300 Purchased Services	1,332,365	4,151,495
400 Supplies and Materials	3,510,262	4,022,576
500 Capital Outlay:		
520 Construction Services	485,638	36,541,682
530 Improvements Other Than Buildings	22,701	355,063
540 Equipment	46,882	40,205
545 Technology, Equipment and Software	5,350	-
Total Support Services	<u>5,639,930</u>	<u>45,111,021</u>
<b>TOTAL EXPENDITURES</b>	<b><u>5,639,930</u></b>	<b><u>45,111,021</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Interfund Transfers, From (To) Other Funds:		
5240 Transfer from Debt Service Fund	11,792,202	-
5250 Transfer from Capital Projects Fund	11,581,968	14,511,521
424-710 Transfer to Capital Projects Fund	(14,511,521)	(11,581,968)
TOTAL OTHER FINANCING SOURCES (USES)	<u>8,862,649</u>	<u>2,929,553</u>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>4,099,977</b>	<b>(39,178,849)</b>
FUND BALANCE, Beginning of Year	<u>2,887,766</u>	<u>53,906,366</u>
<b>FUND BALANCE, End of Year</b>	<b><u>\$ 6,987,743</u></b>	<b><u>\$ 14,727,517</u></b>

**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, 2009**

	<u><b>ACTUAL</b></u>
<b>REVENUES</b>	
1000 Revenue from Local Sources:	
1300 Tuition:	
1310 From Patrons for Regular Day School	\$ 2,572,025
Total Revenue from Local Sources	<u>2,572,025</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<u><b>2,572,025</b></u>
<b>EXPENSES</b>	
100 Instruction:	
110 General Instruction:	
111 Kindergarten Programs:	
100 Salaries	14,911
200 Employee Benefits	4,515
112 Primary Programs:	
100 Salaries	72,101
200 Employee Benefits	12,128
300 Purchased Services	17,748
400 Supplies and Materials	68,304
113 Elementary Programs:	
100 Salaries	3,806
200 Employee Benefits	336
300 Purchased Services	8,752
400 Supplies and Materials	34,090
170 Summer School Program:	
175 Instructional Programs Beyond Regular School Day:	
100 Salaries	1,601
200 Employee Benefits	291
Total Instruction	<u>238,583</u>
200 Support Services:	
220 Instructional Staff Services:	
221 Improvement of Instruction-Curriculum Development:	
100 Salaries	25,451
200 Employee Benefits	5,770
400 Supplies and Materials	5,339
224 Improvement of Instruction - Inservice and Staff Training:	
300 Purchased Services	7,665
400 Supplies and Materials	3,551
230 General Administration Services:	
233 School Administration:	
100 Salaries	202,361
200 Employee Benefits	39,468
300 Purchased Services	14,681
400 Supplies and Materials	115,411
600 Other Objects	\$ 25,901

(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, 2009**

	<b>ACTUAL</b>
250 Finance and Operations Services:	
254 Operation and Maintenance of Plant:	
100 Salaries	\$ 13,758
200 Employee Benefits	2,794
300 Purchased Services	3,088
400 Supplies and Materials	8,412
258 Security:	
300 Purchased Services	919
263 Information Services:	
300 Purchased Services	63
270 Support Services - Pupil Activity:	
271 Pupil Services Activities:	
100 Salaries	5,149
200 Employee Benefits	722
300 Purchased Services	459
600 Other Objects	13,674
Total Support Services	<u>494,636</u>
300 Community Services:	
350 Custody and Care of Children:	
100 Salaries	1,259,849
200 Employee Benefits	158,173
300 Purchased Services	17,565
400 Supplies and Materials	318,340
600 Other Objects	10,504
Total Community Services	<u>1,764,431</u>
Total Expenses	<u>2,497,650</u>
<b>TOTAL EXPENSES</b>	<b><u>2,497,650</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>	
Interfund Transfers, From (To) Other Funds:	
5220 Transfer from Special Revenue Fund (Excludes Indirect Costs)	166
425-710 Transfer to Food Service Fund	(7,895)
426-710 Transfer to Pupil Activity Fund	(8,017)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(15,746)</u>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>58,629</b>
FUND NET ASSETS, Beginning of Year	<u>555,322</u>
<b>FUND NET ASSETS, End of Year</b>	<b><u>\$ 613,951</u></b>

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

**Schedule F-1**

**PUPIL ACTIVITY FUND**

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

**YEAR ENDED JUNE 30, 2009**

	<b>ACTUAL</b>
<b>RECEIPTS</b>	
1000 Receipts from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 19,343
1700 Pupil Activities:	
1710 Admissions	613,476
1720 Bookstore Sales	92,712
1730 Pupil Organization Membership Dues and Fees	737
1740 Student Fees	8,214
1790 Other	2,493,176
1900 Other Revenue from Local Sources:	
1920 Contributions & Donations Private Sources	10,871
Total Receipts from Local Sources	<u>3,238,529</u>
<b>TOTAL RECEIPTS ALL SOURCES</b>	<b><u>3,238,529</u></b>
<b>DISBURSEMENTS</b>	
190 Instructional Pupil Activity:	
100 Salaries (Optional)	45,150
200 Employee Benefits (Optional)	9,090
660 Pupil Activity	46,486
Total Instruction	<u>100,726</u>
270 Support Services Pupil Activity:	
271 Pupil Service Activities:	
100 Salaries (Optional)	231,584
200 Employee Benefits (Optional)	43,893
660 Pupil Activity	2,878,379
Total Pupil Activity Expenditures	<u>3,153,856</u>
<b>TOTAL DISBURSEMENTS</b>	<b><u>3,254,582</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>	
Interfund Transfers, From (To) Other Funds:	
5210 Transfer from General Fund (Excludes Indirect Costs)	150,232
5220 Transfer from Special Revenue Fund	148,887
5230 Transfer from Special Revenue EIA Fund	1,332
5260 Transfer from Child Care Fund	8,017
420-710 Transfer to General Fund (Excludes Indirect Costs)	(3,722)
421-710 Transfer to Special Revenue Fund	(311,842)
425-710 Transfer to Food Service Fund	(7,797)
TOTAL OTHER FINANCING SOURCES (USES)	<u><b>(14,893)</b></u>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>(30,946)</b>
DUE TO STUDENT ORGANIZATIONS, Beginning of Year	<u>1,581,540</u>
<b>DUE TO STUDENT ORGANIZATIONS, End of Year</b>	<b><u>\$ 1,550,594</u></b>

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED JUNE 30, 2009**

<b>LEA Subfund Code</b>	<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Grantor's Number</b>	<b>Federal Expenditures</b>
<b>US DEPARTMENT OF AGRICULTURE</b>				
<u>Passed Through SC Department of Education:</u>				
600	National School Breakfast Program	10.553	N/A	\$ 2,103,215
600	National School Lunch Program	10.555	N/A	6,698,390
600	National School Lunch Program - Food Distribution (Noncash)	10.555	N/A	923,573
<b>TOTAL US DEPARTMENT OF AGRICULTURE</b>				<b>9,725,178</b>
<b>US DEPARTMENT OF EDUCATION</b>				
<u>Direct Programs:</u>				
100	Impact Aid	84.041	N/A	832,514
857	History Grant - The Patriot Project	84.215X	U215X060217	172,225
887	ACCENT: Aligning Curriculum, Connecting Educators & Nurturing Teamwork	84.215L	S215L060024	339,636
Total Direct Programs				1,344,375
<u>Passed Through SC Department of Education:</u>				
<u>Title I:</u>				
201	Title I- Low Income	84.010	09-BA015	6,610,999
237	Title I School Improvement	84.010A	08-BJ015-03	389,278
237	Title I School Improvement	84.010A	09-BJ015	396,090
Total Title I				7,396,367
222	Title I Stimulus	84.389	09-SA015	37,376
<u>IDEA:</u>				
203	Public Law 101-476 The Individuals with Disabilities Act	84.027A	08-CA015	863,349
203	Public Law 101-476 The Individuals with Disabilities Act	84.027A	09-CA015	5,543,371
213	Personnel Development	84.027A	08-CO015-01	3,280
Total IDEA				6,410,000
<u>Preschool Handicapped</u>				
205	Handicapped Preschool Grant	84.173	08-CG015	38,317
205	Handicapped Preschool Grant	84.173A	09-CG015	189,345
Total Preschool Handicapped				227,662
<u>Occupational Education:</u>				
207	Technology Training (Subprogram 03)	84.048	09-VA015	79,083
207	Professional Development (Subprogram 04)	84.048	09-VA015	13,908
207	Initiate/ Improve Program (Subprogram 06)	84.048	09-VA015	355,501
207	Student Organizations (Subprogram 10)	84.048	09-VA015	19,871
207	Administration II (Subprogram 15)	84.048	09-VA015	21,959
207	CTE Reserve (Subprogram 23)	84.048	09-VA015	77,838
Total Occupational Education				568,159
<u>Drug Free:</u>				
209	Drug Free and Violence Prevention Program	84.186	09-FQ015	116,428
<u>Adult Education:</u>				
243	Adult Regular	84.002	09-EA015	121,094
243	Adult Ed - EL/Civics	84.002	09-ED015-01	10,000
Total Adult Education				\$ 131,094

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

(Continued)

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED JUNE 30, 2009**

<b>LEA Subfund Code</b>	<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Grantor's Number</b>	<b>Federal Expenditures</b>
<b>US DEPARTMENT OF EDUCATION (CONTINUED)</b>				
<u>Other Special Programs:</u>				
224	21st Century Community Learning Centers	84.287	09-CL015-01	\$ 177,694
224	21st Century Community Learning Centers	84.287	09-CL015-02	152,650
225	Math & Science Partnership	84.366B	09-MS015-02	22,000
241	Title V	84.298	09-BB015	40,853
242	Even Start- Family Literacy	84.213C	09-EK015	150,000
253	Ed Tech	84.318X	09-ET015-01	14,420
264	Title III	84.365A	09-BP015	159,026
267	Title II- Improving Teacher Quality	84.367A	09-TQ015-01	1,044,431
821	McKinney-Vento Homeless	84.196A	09-FH015	60,000
861	Math & Science Partnership	84.366B	09-MS015-01	21,200
873	Teen LEAD Grant- Year Two- District	84.215	09-FL015-01	9,648
873	Teen LEAD Grant- Mini Grants	84.215	09-FL015-02	3,182
873	Teen LEAD	84.215	09-FL015-03	1,082
873	Teen LEAD	84.215	09-FL015-04	1,696
Total Other Special Programs				<u>1,857,883</u>
<b>TOTAL US DEPARTMENT OF EDUCATION</b>				<b><u>18,089,344</u></b>
<b>US DEPARTMENT OF DEFENSE</b>				
<u>Direct Programs:</u>				
862	JROTC	12.000	N/A	<u>479,664</u>
<b>TOTAL US DEPARTMENT OF DEFENSE</b>				<b><u>479,664</u></b>
<b>US DEPARTMENT OF LABOR</b>				
<u>Passed Through SC Department of Education:</u>				
230	WIA Summer Program	17.259	09-SW-015-01	13,537
<b>TOTAL US DEPARTMENT OF LABOR</b>				<b><u>13,537</u></b>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
<u>Pass through South Carolina Department of Social Services:</u>				
885	Community Adolescent Pregnancy Prevention	93.558	G70060T	92,128
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				<b><u>92,128</u></b>
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>				
<u>Pass through United Way Association of South Carolina:</u>				
838	St. Stephen Elementary School Americorps Formula Grant	94.006	08AC91004	118,933
<b>TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>				<b><u>118,933</u></b>
<b>TOTAL FEDERAL ASSISTANCE EXPENDED</b>				<b><u>\$ 28,518,784</u></b>

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

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

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED JUNE 30, 2009**

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**A – General**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) presents the activity of all federal award programs of Berkeley County School District, South Carolina (the “School District”) for the year ended June 30, 2009. 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, 2009, which collectively comprise Berkeley County School District's basic financial statements and have issued our report thereon dated November 30, 2009. 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.

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.

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 or material weaknesses. We did not identify any deficiencies in internal control over financial report that we consider to be material weaknesses, as defined above.

**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 November 30, 2009.



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  
November 30, 2009

**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, 2009. 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, 2009. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2009-1.

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 a deficiency in internal control over compliance that we consider to be significant.

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 deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2009-1 to be a significant deficiency.

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. However, we do not consider the significant deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs to be a material weakness.

The School District's response to the finding identified in our audit is 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 it.

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  
Mauldin, South Carolina  
November 30, 2009

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

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

**YEAR ENDED JUNE 30, 2009**

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**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.

Status: The Executive Director of Programs for Students with Disabilities is reviewing and approving all positions under her direct supervision in addition to approving all timesheets of employees being charged to the IDEA program.

**2008-3: ELIGIBILITY NOT VERIFIED DUE TO INCOMPLETE DOCUMENTATION**

**Federal Agency: US Department of Education**

**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.

Status: The School District has implemented additional procedures related to the collecting of membership data for the Impact Aid program and has made significant improvements. See finding 2009-1 in the Schedule of Findings and Questioned Costs for more information.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED JUNE 30, 2009**

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**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? \_\_\_\_\_ Yes \_\_\_\_\_ X 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:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010 & 84.010A	Title I & Title I - School Improvement
84.027A, 84.173 & 84.173A	Idea/Preschool Handicapped Cluster
84.367A	Title II - Improving Teacher Quality
84.041	Impact Aid

Dollar threshold used to distinguish between type A and type B programs: \$ \_\_\_\_\_ 855,564

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, 2009**

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**Section II – Current Year Financial Statement Findings**

None reported.

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

**Questioned Costs**

**2009-1:**

**Federal Agency: US Department of Education**

**CFDA: #84.041 / Impact Aid**

**Award Year: July 1, 2008 through June 30, 2009**

Condition: As required by the OMB Circular A-133, the School District is to report the eligible members in their correct property codes to the U.S. Department of Education. Six (6), or 3%, of membership cards out of a test sample of 202 cards were improperly classified as to the federal property where they were actively working.

\$ -

Criteria: Eligible members should be classified to the correct property code in the report submitted to the U.S. Department of Education in order to ensure that the District will receive the correct allocation of federal funds.

Cause: Membership cards were mistakenly categorized during the School District's review process.

Effect: Though the six (6) cards noted above were improperly classified as to the federal property where they were actively working, they were included in the correct category of civilians working on federal land; therefore, funding was not affected.

Recommendation: The School District made significant improvements over the prior year in the review process of membership cards related to the Impact Aid program; however, the School District should continue to follow controls in place and perform additional review procedures to ensure accuracy of classification and completeness of membership cards.

Response: The District will continue to follow controls that are in place, as well as develop additional review procedures to assure accuracy of the membership card classification and completeness