

**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2011**



**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

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**YEAR ENDED JUNE 30, 2011**

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**CLOVER, SOUTH CAROLINA**

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**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**PRINCIPAL OFFICIALS**

**FOR THE YEAR ENDED JUNE 30, 2011**

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**Board of Trustees**

**Franklin Pendleton, Chairperson  
Mack McCarter, Vice-Chairman  
Melanie Wilson, Secretary  
Sherri Ciurlik  
Joe Gordon  
Jack Grier  
Barbara Parrish**

**Superintendent**

**Dr. Marc Sosne**

**Assistant Superintendent of Business Services**

**Kenneth Love**





**GREENE FINNEY & HORTON**

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

## **INDEPENDENT AUDITORS' REPORT**

The Board of Trustees  
Clover School District No. 2  
Clover, South Carolina

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Clover School District No. 2, South Carolina, (the "School District") as of and for the year ended June 30, 2011, 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 the 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, each major fund, and the aggregate remaining fund information of Clover School District No. 2, South Carolina, as of June 30, 2011, and the respective changes in financial position 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 10, 2011 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying management's discussion and analysis and budgetary comparison schedule - General Fund, as listed in the table of contents, are not a required part 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, combining and individual fund financial schedules, and the supplemental schedule, as listed in the table of contents, 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 US Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the School District. The combining and individual fund financial schedules, supplemental schedule, 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 statements 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.

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

Greene, Finney, and Horton, LLP  
Mauldin, South Carolina  
November 10, 2011



**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2011**

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This discussion and analysis of the Clover School District No. 2's (the "School District") financial performance provides an overview of the School District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to present the School District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for 2011 are as follows:

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by approximately \$113.6 million. Of this amount, approximately \$51.2 million may be used to meet the School District's ongoing obligations (unassigned net assets).
- The School District's total net assets increased by approximately \$15.1 million. Most of this increase in total net assets is due to the School District's desire to build net assets (set aside funds) in anticipation of future building projects and because expenditures for capital assets and bond payments are not considered expenses in the government-wide basic financial statements, partially offset by depreciation expense.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of approximately \$66.8 million, an increase of approximately \$5.4 million from the prior year ending fund balance, which is primarily attributable to increased local taxes and bond proceeds. Approximately 23% of the total fund balance amount (unassigned fund balance), or approximately \$15.1 million, is available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was approximately \$14.8 million, which was approximately 29% of total General Fund expenditures.
- The School District's total net capital assets increased by approximately \$10.9 million (approximately 10%) during the current fiscal year. Key factors in this increase were Capital Asset addition of approximately \$13.9 million, partially offset by depreciation expense of approximately \$3.0 million.
- The School District's total debt (including premium) increased by approximately \$1.9 million (3%) during the fiscal year due to the issuance of the Series 2010 General Obligation bonds of \$10 million, partially offset by scheduled principal payments and amortization of the premium of approximately \$8.2 million.
- During the 2011 fiscal year, the School District's governmental fund type revenues were approximately \$83.7 million compared to approximately \$82.1 million in the prior year. This increase of approximately 2% was primarily due to increased local taxes, offset by federal and intergovernmental revenue reductions.
- The School District had approximately \$69.3 million in expenses related to governmental activities, as reported under GASB #34 requirements. Approximately \$24.1 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues of approximately \$60.0 million provided remaining funding for these programs.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts – *Introductory Section*, *Financial Section* (which includes management's discussion and analysis, the basic financial statements, and the notes to the basic financial statements), and the *Compliance Section*.

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

**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2011**

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**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

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

The *Statement of Activities* presents information showing how the School 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, for some items, revenues and expenses are reported in this statement that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide basic financial statements distinguish functions of the School District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the School District include instruction, support services, community services and intergovernmental. The School District does not have any business-type activities.

The governmental-wide basic financial statements can be found as listed on the table of contents of this report.

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

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide basic financial statements. However, unlike the government-wide basic financial statements, governmental fund basic financial statements focus on near-term uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide basic financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide basic financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The School District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Revenue Fund, Special Revenue – EIA Fund, Special Revenue – Food Service Fund, Debt Service Fund, and Capital Projects Fund, of which, all are considered to be major funds. The basic governmental fund financial statements can be found as listed on the table of contents of this report.

**CLOVER SCHOOL DISTRICT NO. 2**  
**CLOVER, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2011**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

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

**Notes to the Basic Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund basic financial statements. The notes to the basic financial statements can be found as listed on the table of contents of this report.

**Other information.** The combining and individual fund financial schedules referred to earlier can be found as listed in the table of contents of this report.

The School District has a legally adopted budget only for its General Fund. A budgetary comparison schedule has been provided as required supplementary information for this fund to demonstrate compliance with its budget. This schedule can be found as listed on the table of contents of this report.

Figure A-1 Major Features of the School District's Government-Wide and Fund Basic Financial Statements			
	Government-Wide Basic Financial Statements	Fund Basic Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire School District government (except fiduciary funds) and the School District's component units	The activities of the School District that are not fiduciary	Instances in which the School District is the trustee or agent for someone else's resources, such as the Pupil Activity Fund
Required financial statements	<ul style="list-style-type: none"> <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 assets and liabilities</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability Information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used and liabilities that come due during the year or soon, thereafter; no capital assets included	All assets and liabilities, both short-term and long-term; the School District's 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 year, regardless of when cash is received or paid

**CLOVER SCHOOL DISTRICT NO. 2**  
**CLOVER, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2011**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the School District, assets exceeded liabilities by approximately \$113.6 million at the close of the most recent fiscal year.

Table 1 provides a summary of the School District's net assets for 2011 and 2010:

**Table 1**  
Net Assets

	Governmental Activities	
	June 30, 2011	June 30, 2010
<b>Assets</b>		
Current and Other Assets	\$ 80,108,048	\$ 71,400,720
Capital Assets, Net	118,375,515	107,521,724
Total Assets	<u>198,483,563</u>	<u>178,922,444</u>
<b>Liabilities</b>		
Other Liabilities	11,252,578	8,655,940
Long-Term Liabilities	73,655,938	71,816,934
Total Liabilities	<u>84,908,516</u>	<u>80,472,874</u>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Related Debt	49,330,211	43,203,008
Restricted	13,048,685	11,502,595
Unassigned	51,196,151	43,743,967
Total Net Assets	<u>\$ 113,575,047</u>	<u>\$ 98,449,570</u>

The School District's current and other assets at June 30, 2011 increased by approximately \$8.7 million from the prior year, primarily due to operating revenues exceeding operating expenses. The School District's capital assets at June 30, 2011 increased by approximately \$10.9 million from the prior year. The increase was primarily due to the purchase of 172 acres for a future school site, Clover High School additions, and other additions of approximately \$13.9 million partially offset by depreciation expense of approximately \$3.0 million. Total liabilities at June 30, 2011 increased by approximately \$4.4 million from the prior year. This increase was primarily due to the issuance of new general obligation debt and an increase in payables related to the Clover High School additions work, partially offset by scheduled principal payments on long-term debt and amortization of the premium.

The School District's net assets increased by approximately \$15.1 million during 2011, which is the result of current year revenues exceeding current year expenses. Please see discussion following the next table regarding this increase.

In the case of the School District, assets exceeded liabilities (net assets) by approximately \$113.6 million at the close of the most recent fiscal year. By far the largest portion of the School District's net assets (approximately \$49.3 million or 43%) reflects its investment in net capital assets (i.e., land, buildings, furniture and equipment, etc.) less any related outstanding debt and capital leases used to acquire those assets. The School District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay these long-term obligations must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**CLOVER SCHOOL DISTRICT NO. 2**  
**CLOVER, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2011**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

An additional portion of the School District's net assets of approximately \$13.0 million (11%) represents resources that are subject to external restrictions on how they may be used. These net assets are restricted for special revenue programs (which are restricted by the revenue source), food service program, and debt service payments. The remaining balance is unassigned net assets of approximately \$51.2 million (45%) which may be used to meet the government's ongoing obligations to citizens and creditors.

Table 2 shows the changes in net assets for fiscal year 2011 and 2010.

**Table 2**  
Changes in Net Assets

<b>Revenues</b>	<b>Governmental Activities</b>	
	<b>2011</b>	<b>2010</b>
Program Revenues:		
Charges for Services	\$ 2,630,142	\$ 2,810,785
Operating Grants	21,512,659	21,759,885
General Revenue:		
Taxes	59,910,370	57,434,247
Other	381,090	596,323
Total Revenues	<u>84,434,261</u>	<u>82,601,240</u>
<b>Program Expenses</b>		
Instruction	45,794,182	36,702,442
Support Services	20,419,995	32,884,022
Intergovernmental	79,019	72,000
Interest and Fiscal Charges	3,015,588	3,099,902
Total Program Expenses	<u>69,308,784</u>	<u>72,758,366</u>
Change in Net Assets	15,125,477	9,842,874
Net Assets, Beginning of Year	<u>98,449,570</u>	<u>88,606,696</u>
Net Assets, End of Year	<u>\$ 113,575,047</u>	<u>\$ 98,449,570</u>

**Governmental Activities.** The School District's net assets from 2010 to 2011 increased by approximately \$15.1 million or 15%. Key elements that impacted the change in net assets for 2011 are as follows:

- Operating revenues of the School District continuing to exceed the operating expenses of the School District (as expenditures for capital assets, construction projects and bond payments are not considered expenses in the government-wide statements, partially offset by depreciation).
- The School District's desire to build funds (net assets) for future construction.

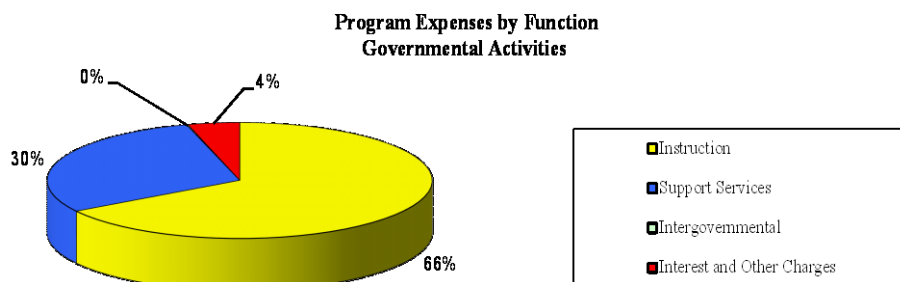
**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2011**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**



**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS**

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

**Governmental Funds**

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

For the year ended June 30, 2011, the School District's governmental funds reported a combined fund balance of approximately \$66.8 million, as compared to approximately \$61.4 million for the prior year. The difference is due primarily to higher than expected local revenues and lower than budgeted expenditures and the issuance of the 2010 Capital Improvement Bonds. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At June 30, 2011, the School District's unassigned fund balance for all governmental funds was approximately \$15.1 million. The remaining \$51.7 million is primarily restricted or assigned for inventories, special revenue, capital projects, debt service, and food service.

The General Fund is the chief operating fund of the School District. At the end of the current fiscal year, unassigned fund balance of the General Fund totaled approximately \$14.8 million (which was also the total fund balance). The fund balance for the School District's General Fund increased by approximately \$0.7 million (5%) during fiscal year 2011. The School District has a goal of 25% of its subsequent year's operation budget as its unreserved and undesignated fund balance for the General Fund.

The School District's major funds include the General Fund, as described above, Special Revenue Fund, Special Revenue-EIA Fund, Special Revenue – Food Service Fund, Debt Service Fund, and Capital Projects Fund.

The School District's Special Revenue Fund and Special Revenue – EIA Fund, generally are used to account for revenues derived from the State of South Carolina and the Federal Government. In general, these Special Revenue Funds do not have significant fund balances as revenues should be expended, deferred, or returned to the grantor. The Special Revenue – Food Service Fund is used to account for the School District's food service operations. The fund balance remained fairly constant with the prior year.

**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2011**

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

**Governmental Funds (Continued)**

The Debt Service Fund is shown in the accompanying basic financial statements of the School District. The fund is used to account for debt retirement. The fund balance for the Debt Service Fund increased by approximately \$1.7 million from the prior year's balance, primarily due to increased collections. The fiscal year ended 2011 fund balance was approximately \$12.8 million which is reserved for the payment of debt service.

The Capital Projects Fund is utilized to account for the School District's significant capital project transactions. The fund balance for the Capital Projects Fund increased by approximately \$3.2 million in 2011 to approximately \$38.1 million at June 30, 2011. The increase was primarily due to the transfer from the General Fund, partially offset by construction related expenditures.

**General Fund Budgetary Highlights**

The School District's budget is prepared according to South Carolina law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The School District has only one legally adopted budget – the General Fund. During the course of fiscal year 2011 no amendments to the School District's General Fund revenue or expense budgets were made. Key budget to actual highlights are as follows:

- There were midyear salary adjustments
- The School District's total assessed value for property taxes was higher than anticipated at budget time.
- Student body was stable

**CAPITAL ASSET AND DEBT ADMINISTRATION**

***Capital Assets***

At the end of 2011, the School District's investment in capital assets was approximately \$118.4 million, net of accumulated depreciation. The total increase in the School District's investment in net capital assets was approximately \$10.9 million, or 10%.

Table 3 shows fiscal 2011 and 2010 capital asset balances:

**Table 3**  
Capital Assets, Net

	Governmental Activities	
	June 30, 2011	June 30, 2010
Land	\$ 13,506,793	\$ 6,237,893
Construction in Progress	5,930,473	787,868
Building and Improvements	123,190,928	121,820,567
Machinery and Equipment	4,833,873	4,730,619
Less: Accumulated Depreciation	(29,086,552)	(26,055,223)
Totals	<u>\$ 118,375,515</u>	<u>\$ 107,521,724</u>

**CLOVER SCHOOL DISTRICT NO. 2**  
**CLOVER, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2011**

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**CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)**

*Capital Assets (Continued)*

Major capital asset events during the current fiscal year included:

- Land purchase for future school of approximately \$7.3 million.
- Construction in Progress additions at Clover High School of approximately \$5.1 million.
- Depreciation expense of approximately \$3.0 million.

For more information on the School District's capital assets, see the notes to the basic financial statements.

*Debt Administration*

As shown in Table 4, the School District had outstanding debt of approximately \$73.7 million and \$71.8 million as of June 30, 2011 and 2010, respectively. During 2011, the School District issued 2010 Series General Obligation Bonds (\$10 million) and made scheduled principal payments on debt in 2011 of approximately \$8.0 million, and had amortization of premium of approximately \$0.1 million. All of the School District's debt is backed by the full faith and credit of the School District as is typical with general obligation ("GO") bonded indebtedness.

**Table 4**  
Long-Term Debt

Long-Term Debt	Governmental Activities	
	June 30, 2011	June 30, 2010
2007-A GO Bonds*	\$ 58,500,000	\$ 58,500,000
2008 GORB *	8,175,000	11,260,000
2010 GO Bonds	5,045,000.00	-
Premium - 2007-A GO Bonds	1,935,938	2,056,934
	<u>\$ 73,655,938</u>	<u>\$ 71,816,934</u>

\* Debt is not subject to the constitutional debt limit of 8%.

The State limits the amount of general obligation debt that school districts can issue to 8% of the assessed value of all taxable property within the School District's corporate limits. The School District's constitutional debt limit at June 30, 2011, was approximately \$23.6 million.

The premium on the 2007-A GO Bonds is shown on the government-wide statement of net assets as a deferred long-term obligation and will be amortized over the life of the bonds in accordance with generally accepted accounting principles. The amortization will result in the School District spreading out the additional proceeds received from the premium over the life of the GO bonds.

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



**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2011**

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**ECONOMIC FACTORS**

The School District is located in the northern part of York County in the northernmost section of South Carolina and includes the Town of Clover, which is the largest municipality in the School District, with a 2010 population of 5,094. The School District is bordered on the north by the State of North Carolina, the east by Lake Wylie, the south by York School District No. 1 and the west by Cherokee County and encompasses a land area of approximately 142 square miles.

The School District has been in operation since 1915 when one school with an enrollment of 202 was established. Presently, the School District operates nine schools and has a total enrollment of approximately 6,450 students. The School District in its present form was established in 1953 when five former school districts were consolidated into the School District.

Industry in the School District consists of two yarn mills, a carpet yarn plant, a plant making computer components, an automotive brake pads plant, a textile machinery plant, a plant manufacturing rubber gloves and other rubber products, several knit fabrics plants, a plant manufacturing metalworking tools, and several lesser industries.

Duke Power Company has constructed the Catawba Nuclear Station consisting of two nuclear units estimated to cost approximately \$4 billion. The combined number of employees for the Catawba Nuclear Station and Duke Power Company is approximately 2,441. Unit 1 was placed in commercial operation in June, 1985 and was in the School District's tax base for tax year 1986-87. Commercial operation of Unit 2 commenced in August, 1987, and was in the School District's tax base for tax year 1987-88.

Ownership of the Catawba Nuclear Station is comprised of North Carolina Municipal Power Agency (39%), North Carolina Electric Membership Association (29%), Piedmont Municipal Power Agency (13%), Saluda River Electric Cooperative (10%) and Duke Power (8%). The power agencies are obligated to pay a sum in lieu of taxes to the appropriate taxing authorities equivalent to the taxes that would be due if such property were not exempt from taxation.

The nuclear station comprises approximately 49% of the School District's total property tax assessment. Last year, the station comprised 48% of the total property tax assessment. The depreciation of the station is causing the tax burden to shift away from the nuclear station. The School District has historically collected 97.5% of the taxes levied.

**FY 2012 BUDGET**

Many factors were considered by the School District's administration during the process of developing the fiscal year 2011-2012 budget which is balanced without using reserve funds. The School District's top two goals were to improve academic achievement and to support its ongoing building program. Curriculum specialists were added during prior years in order to meet the goal of improving academic achievement. Salary increases for employees range from 0% to 2.0% for budget year 2011-2012. Barring unforeseen circumstances, the current budget for operations will allow the School District to maintain its strong financial position.

**CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide those interested with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, at Clover School District No. 2, 604 Bethel Street, Clover, South Carolina, 29710.

**CLOVER SCHOOL DISTRICT NO. 2**  
**CLOVER, SOUTH CAROLINA**

**STATEMENT OF NET ASSETS**

**JUNE 30, 2011**

	<b>PRIMARY GOVERNMENT</b>
	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 13,269,662
Cash and Investments Held by County Treasurer	60,621,387
Property Taxes Receivable, Net	3,001,840
Accounts Receivable, Net	25,210
Other Receivables, Net	482,820
Due from Other Governments	2,684,738
Inventories and Prepaid Items	22,391
Capital Assets:	
Non-Depreciable	19,437,266
Depreciable, Net	98,938,249
<b>TOTAL ASSETS</b>	<b>198,483,563</b>
<b>LIABILITIES</b>	
Accounts Payable	2,847,513
Accrued Salaries, Fringe & Benefits	4,637,003
Accrued Interest Payable	1,047,002
Unearned Revenue	2,721,060
Non-Current Liabilities:	
Due Within One Year	8,295,000
Due in More than One Year	65,360,938
<b>TOTAL LIABILITIES</b>	<b>84,908,516</b>
<b>NET ASSETS</b>	
Invested in Capital Assets, Net of Related Debt	49,330,211
Restricted For:	
Debt Service	12,291,435
Special Revenue	246,814
Food Service	510,436
Unrestricted	51,196,151
<b>TOTAL NET ASSETS</b>	<b>\$ 113,575,047</b>

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

**CLOVER SCHOOL DISTRICT NO. 2**  
**CLOVER, SOUTH CAROLINA**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED JUNE 30, 2011**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE / CHANGE IN NET ASSETS
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities
<b>PRIMARY GOVERNMENT</b>					
Governmental Activities:					
Instruction	\$ 45,794,182	-	15,665,260	-	\$ (30,128,922)
Support Services	20,419,995	2,630,142	5,847,399	-	(11,942,454)
Intergovernmental	79,019	-	-	-	(79,019)
Interest and Other Charges	3,015,588	-	-	-	(3,015,588)
Total Governmental Activities	69,308,784	2,630,142	21,512,659	-	(45,165,983)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 69,308,784</b>	<b>2,630,142</b>	<b>21,512,659</b>	<b>-</b>	<b>(45,165,983)</b>
<b>GENERAL REVENUES</b>					
General Revenues:					
Property Taxes Levied for General Purposes					36,337,679
Property Taxes Levied for Debt Service					12,794,150
State Revenue in Lieu of Taxes					10,541,351
Other Taxes					237,190
Investment Earnings					249,815
Miscellaneous					131,275
Total General Revenues					60,291,460
<b>CHANGE IN NET ASSETS</b>					<b>15,125,477</b>
NET ASSETS - Beginning of Year					98,449,570
<b>NET ASSETS - Ending of Year</b>					<b>\$ 113,575,047</b>

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

**CLOVER SCHOOL DISTRICT NO. 2**  
**CLOVER, SOUTH CAROLINA**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

**JUNE 30, 2011**

	<b>GENERAL</b>	<b>SPECIAL REVENUE</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 13,041,628	-
Cash and Investments Held by County Treasurer	19,193,768	-
Receivables, Net:		
Taxes	2,350,344	-
Accounts	32	25,178
Other	-	-
Due From:		
State Agencies	931,958	82,079
Federal Agencies	-	1,252,583
Other Funds	-	1,053,750
Inventories	-	-
<b>TOTAL ASSETS</b>	<b>\$ 35,517,730</b>	<b>2,413,590</b>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>LIABILITIES:</b>		
Accounts Payable	\$ 2,353,355	21,950
Accrued Salaries, Fringe & Benefits	4,637,003	-
Due To:		
Other Funds	11,536,139	995,515
Deferred/Unearned Revenue	2,157,468	836,421
<b>TOTAL LIABILITIES</b>	<b>20,683,965</b>	<b>1,853,886</b>
<b>FUND BALANCES:</b>		
Fund Balances		
Nonspendable:		
Inventories	-	-
Restricted For:		
Debt Service	-	-
Capital Projects	-	-
Special Revenue	-	246,814
Food Service	-	-
Assigned For:		
Capital Projects	-	-
Unassigned	14,833,765	312,890
<b>TOTAL FUND BALANCES</b>	<b>14,833,765</b>	<b>559,704</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 35,517,730</b>	<b>2,413,590</b>

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

<b>SPECIAL REVENUE - EIA</b>	<b>SPECIAL REVENUE - FOOD SERVICE</b>	<b>DEBT SERVICE</b>	<b>CAPITAL PROJECTS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
-	228,034	-	-	\$ 13,269,662
-	-	12,686,941	28,740,678	60,621,387
-	-	651,496	-	3,001,840
-	-	-	-	25,210
-	482,820	-	-	482,820
409,052	-	-	-	1,423,089
-	9,066	-	-	1,261,649
1,424,799	227,560	-	9,825,545	12,531,654
-	22,391	-	-	22,391
<b>1,833,851</b>	<b>969,871</b>	<b>13,338,437</b>	<b>38,566,223</b>	<b>\$ 92,639,702</b>
-	-	-	472,208	\$ 2,847,513
-	-	-	-	4,637,003
-	-	-	-	12,531,654
1,833,851	459,435	568,522	-	5,855,697
1,833,851	459,435	568,522	472,208	25,871,867
-	22,391	-	-	22,391
-	-	12,769,915	-	12,769,915
-	-	-	3,705,278	3,705,278
-	-	-	-	246,814
-	488,045	-	-	488,045
-	-	-	34,388,737	34,388,737
-	-	-	-	15,146,655
-	510,436	12,769,915	38,094,015	66,767,835
<b>1,833,851</b>	<b>969,871</b>	<b>13,338,437</b>	<b>38,566,223</b>	<b>\$ 92,639,702</b>

**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

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

**JUNE 30, 2011**

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<b>TOTAL FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$</b>	<b>66,767,835</b>
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Amounts reported for the governmental activities in the Statement of Net Assets are different because:

Outstanding property taxes and other revenues which will be collected in the future, but are not available soon enough to pay for the current period's expenditures are therefore deferred in the funds.		3,134,637
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 \$147,462,067, and the accumulated depreciation is \$29,086,552.		118,375,515
Interest is recorded as an expenditure when due and payable in the governmental funds. Interest is recorded in the government-wide statements when it is due. This amount represents the amount of interest due but unpaid at year-end.		(1,047,002)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities consisted of the following:		
Long-Term Debt	(71,720,000)	
Net Premium (Less Deferred Loss on Refunding)	(1,935,938)	(73,655,938)
	<hr/>	<hr/>
<b>TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b><u>113,575,047</u></b>

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

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**CLOVER SCHOOL DISTRICT NO. 2**  
**CLOVER, SOUTH CAROLINA**

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

**GOVERNMENTAL FUNDS**

**YEAR ENDED JUNE 30, 2011**

	<b>GENERAL</b>	<b>SPECIAL REVENUE</b>
<b>REVENUES</b>		
Local Sources:		
Taxes	\$ 35,686,233	-
Investment Earnings	88,188	-
Other Local Sources	131,275	424,226
State Sources	23,425,970	979,795
Federal Sources	-	4,561,026
Intergovernmental Revenue	-	-
<b>TOTAL REVENUE ALL SOURCES</b>	<b>59,331,666</b>	<b>5,965,047</b>
<b>EXPENDITURES</b>		
Current:		
Instruction	31,994,242	2,777,892
Support Services	19,501,312	3,047,324
Intergovernmental	35,707	43,312
Capital Outlay	118,425	-
Debt Service:		
Principal Retirement	-	-
Interest and Fiscal Charges	-	-
<b>TOTAL EXPENDITURES</b>	<b>51,649,686</b>	<b>5,868,528</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>7,681,980</b>	<b>96,519</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Premium on Issuance of General Obligation Bonds	-	-
Issuance of General Obligation Bonds	-	-
Transfers In	100,271	-
Transfers Out	(7,105,090)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(7,004,819)</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>677,161</b>	<b>96,519</b>
FUND BALANCES, Beginning of Year	14,156,604	463,185
<b>FUND BALANCES, End of Year</b>	<b>\$ 14,833,765</b>	<b>559,704</b>

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



<b>SPECIAL REVENUE - EIA</b>	<b>SPECIAL REVENUE - FOOD SERVICE</b>	<b>DEBT SERVICE</b>	<b>CAPITAL PROJECTS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
-	-	12,721,614	-	\$ 48,407,847
-	-	42,518	119,109	249,815
-	1,229,536	-	35,000	1,820,037
2,829,801	-	212,187	-	27,447,753
-	1,221,145	-	-	5,782,171
-	2,656	-	-	2,656
<b>2,829,801</b>	<b>2,453,337</b>	<b>12,976,319</b>	<b>154,109</b>	<b>83,710,279</b>
2,540,925	-	-	-	37,313,059
288,876	2,636,992	-	511,288	25,985,792
-	-	-	-	79,019
-	24,721	-	13,420,881	13,564,027
-	-	8,040,000	-	8,040,000
-	-	3,226,778	-	3,226,778
2,829,801	2,661,713	11,266,778	13,932,169	88,208,675
-	<b>(208,376)</b>	<b>1,709,541</b>	<b>(13,778,060)</b>	<b>(4,498,396)</b>
-	-	-	92,644	92,644
-	-	-	10,000,000	10,000,000
-	-	-	6,900,000	7,000,271
-	(100,271)	-	-	(7,205,361)
-	(100,271)	-	16,992,644	9,887,554
-	<b>(308,647)</b>	<b>1,709,541</b>	<b>3,214,584</b>	<b>5,389,158</b>
-	819,083	11,060,374	34,879,431	61,378,677
-	<b>510,436</b>	<b>12,769,915</b>	<b>38,094,015</b>	<b>\$ 66,767,835</b>

**CLOVER SCHOOL DISTRICT NO. 2**  
**CLOVER, SOUTH CAROLINA**

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

**YEAR ENDED JUNE 30, 2011**

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**TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS** **\$ 5,389,158**

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.	723,982
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the Statement of Activities.	8,040,000
Bond and capital lease proceeds (and any related premiums) provide current financial resources to governmental funds, but issuing debt or entering into capital leases increases long term liabilities in the Statement of Net Assets.	(10,000,000)
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 only when it is due and payable and thus requires the use of current financial resources. However, in the Statement of Activities interest expense is recognized as the interest accrues, regardless of when it is due and payable. The interest reported in the Statement of Activities is the change in accrued interest.	(2,450)
In the Statement of Activities 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.	(5,000)
Bond premiums are revenues the year they are received in governmental funds, but are amortized over the lives of bonds in the Statement of Activities.	120,996
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets that are considered capital asset additions is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital asset additions (\$13,904,533) exceeded depreciation expense (\$3,045,742) in the current year.	10,858,791

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**CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES** **\$ 15,125,477**

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

**CLOVER SCHOOL DISTRICT NO. 2**  
**CLOVER, SOUTH CAROLINA**

**STATEMENT OF ASSETS AND LIABILITIES**

**FIDUCIARY FUND**

**JUNE 30, 2011**

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	<b>AGENCY</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 11,100
Investments	18,422
Accounts Receivable	476,976
<b>TOTAL ASSETS</b>	<b>\$ 506,498</b>
<b>LIABILITIES</b>	
Accounts Payable	\$ 2,870
Other Payables	66
Due to Student Organizations	503,562
<b>TOTAL LIABILITIES</b>	<b>\$ 506,498</b>

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

**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2011**

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*Clover School District No. 2, South Carolina* (the “School District”) is controlled by a Board of Trustees (the “Board”), which has oversight responsibility over the public school educational activities in the School District. The School District receives funding from local, state and federal government sources and must comply with the related requirements of these funding source entities. The School District is governed by a seven member Board.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The School District is controlled by a Board of Trustees (the “Board”), which has oversight responsibility over the public school education activities in the School District. The School District is not included in any other governmental “reporting entity” as defined in the GASB Sec. 2100.108 since Board members are elected by the public and have decision making authority, the power to designate management, the ability to significantly influence operations and the primary accountability for fiscal matters. For these reasons, the School District is recognized as a primary government in accordance with GAAP.

All activities, including component units (if applicable), for which the Board exercises oversight responsibility, have been incorporated into the basic financial statements to form the reporting entity. The School District’s basic financial statements include the accounts of all School District operations, including, but not limited to, general operations and support services, food service operations, capital projects, debt service activities, and agency transactions.

The primary criterion for determining inclusion or exclusion of a legally separate entity 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:

- (1) Determine its budget without the School District having the authority to approve or modify that budget;
- (2) Levy taxes or set rates or charges without approval by the School District; and
- (3) 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 basic financial statements to be misleading or incomplete. There were no component units required to be included in the School District’s basic financial statements.

**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 non-fiduciary 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, would be reported separately from *business-type activities*, which rely, to a significant extent, on fees and charges for support.

CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2011

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 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 basic financial statements are prepared using a different measurement focus from the manner in which governmental fund basic financial statements are prepared (see further detail below). Governmental fund basic financial statements therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide basic financial 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, arbitrage, and claims and judgments, are recorded only when payment is due.

Property taxes, federal and state grant programs 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 has been received by the government.

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

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

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

CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA

NOTES TO THE BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2011

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

**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 Fund) are accounted for through governmental funds. Governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. The following are the School District's major and nonmajor governmental fund types:

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

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

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

- 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 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 - 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 **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.

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

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

**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2011**

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

**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2011**

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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)***

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

The School District currently or in the past year has used the following investments:

- South Carolina Local Government Investment Pool ("Pool") investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. The Pool is a 2a 7-like pool which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but has a policy that it will operate in a manner consistent with the SEC's Rule 2a 7 of the Investment Company Act of 1940. In accordance with GASB Statement No. 31, "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*", investments are carried at fair value determined annually based upon quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00.
- Cash and Investments held by the County Treasurer which are property taxes collected by the School District's fiscal agent that have not been remitted to the School District. The County Treasurer invests these funds in investments authorized by state statute as outlined above. All interest and other earnings gained are added back to the fund and are paid out by the County Treasurer to the respective governments on a periodic basis.

**2. Interfund 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 financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the statement of net assets.

**3. Inventories and Other Assets**

**Inventories**

Inventories in the Food Service Fund consist of purchased goods, supplies and United States Department of Agriculture ("USDA") commodities, which are stated at values assigned by the USDA. Under the system for accounting for inventories, materials and supplies are carried in an inventory account at cost, using the first-in, first-out method of accounting, and are subsequently charged to expenditures/expenses when consumed (consumption method).



**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2011**

---

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

**C. Assets, Liabilities, and Equity (Continued)**

**3. *Inventories and Other Assets (Continued)***

**Prepaid Items**

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

**4. *Capital Assets***

General capital assets 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. However, all land will be capitalized regardless of cost.

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 for governmental activities as allowed by GAAP. The School District does not maintain ownership of any public domain ("infrastructure") general capital assets. All reported capital assets except land and construction in progress are depreciated. Construction projects begin being depreciated once they are completed and placed in service, at which time the complete costs of the project are transferred to the appropriate capital asset category.

Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Capital Asset Category</u>	<u>Useful Life Range</u>
Buildings and Improvements	30–50 years
Machinery and Equipment	3–10 years

**5. *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 retirement 12-month employees are reimbursed for accumulated vacation days not to exceed 10 days. Unused sick leave is not reimbursed. Because the compensated absences liability for vacation pay is immaterial, no amounts have been recorded in the government-wide basic financial statements.

All payables, accrued liabilities and long-term obligations are reported in the government-wide basic financial statements.

**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2011**

---

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

**C. Assets, Liabilities and Equity (Continued)**

**6. *Accrued Liabilities and Long-Term Obligations***

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 (including estimated arbitrage liabilities), compensated absences, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the fund 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 and payable.

In the government-wide basic financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Assets. Bond premiums, discounts, and bond issuance costs (if any) are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Amortization of premiums, discounts, bond issuance costs, and deferred refunding costs are included in interest expense (if any). Bonds payable are reported net of the applicable bond premiums, discount and deferred refunding costs (if any).

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

**7. *Fund Balance***

The School District implemented GASB #54 “*Fund Balance Reporting and Governmental Fund Type Definitions*” (“GASB #54”) in the current year. The objective of GASB #54 was to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. GASB #54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. The School District classifies governmental fund balances as follows.

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

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

**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2011**

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

**C. Assets, Liabilities, and Equity (Continued)**

**7. Fund Balance (Continued)**

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

**Assigned** – includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and that such assignments are made before the report issuance date. The School District had assigned fund balance of approximately \$30,596,000 in the Capital Projects Fund for future capital improvements.

**Unassigned** – includes amounts that do not qualify to be accounted for and reported in any of the other fund balance categories. This classification represents the amount of fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts of restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance. The School District has a policy that the unassigned fund balance should be at least 25% of the following year's budgeted expenditures.

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

**8. Net Assets**

Net assets represent the difference between assets and liabilities in the Statement of Net Assets. Net assets are classified as invested in capital assets net of related debt; restricted; and unrestricted. Net assets invested in capital assets, net of related debt, consist 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 enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments.

**9. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures are recorded to reflect the use of the applicable spending appropriations, is used by the General Fund during the year to control expenditures. Encumbrances do not constitute expenditures or liabilities. For budget purposes encumbrances and unused expenditure appropriations lapse at year end.

**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2011**

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

**C. Assets, Liabilities and Equity (Continued)**

***10. Accounting Estimates***

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements. In addition, they affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates and assumptions.

***11. Comparative Data***

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

**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.

The 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. During the year, the Board did not revise the budget.

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

- (1) In the spring the School District begins its budget process for the next succeeding fiscal year.
- (2) The School District's leadership team reviews all requests and allocation requirements and related revenue.
- (3) The School District Administration then presents a proposed budget to the Board of Trustees which reviews it in a series of workshops and makes any additions or deletions it deems necessary.
- (4) Prior to July 1, the budget is legally enacted through passage of a resolution by the Board.

The administration has discretionary authority to make transfers between appropriation accounts. The final budget amounts in the budgetary comparison schedule are as amended (if any) by the administration. All annual appropriations lapse at fiscal year end.

**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2011**

**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, 2011, none of the School District's total bank balances (including fiduciary funds) of approximately \$838,000, with a carrying value of approximately \$521,000, was exposed to custodial credit risk.

*Investments*

As of June 30, 2011, the School District had the following investments and maturities:

Investment Type	Credit Rating	Fair Value	Weighted Average Maturity
			Less than One Year
State Local Government Investment Pool	Unrated^	\$ 12,778,038	\$ 12,778,038
Cash and Investments Held by County Treasurer	Unrated*	60,621,388	60,621,388
Total		<u>\$ 73,399,426</u>	<u>\$ 73,399,426</u>

^ Investments in 2a 7-like funds are not required to disclose interest rate risk.

\* The County Treasurer invests the monies it holds in trust for governmental entities in separate accounts with the State Local Government Investment Pool. Thus, we have characterized this investment as a 2a 7-like fund.

**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. However, the School District primarily uses the South Carolina Local Government Investment Pool or the County Treasurer (York County) for its investments. The balances invested in these pools are subject to withdrawals on a daily basis.

**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, 2011, none of the School District's investments were exposed to custodial credit risk.

**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.

**Concentration of Credit Risk for Investments:** The School District places no limit on the amount the School District may invest in any one issuer. Investments issued by or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools and other pooled investments are exempt from concentration of credit risk disclosures.

**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2011**

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

**B. Property Taxes and Other Receivables**

Real Property taxes are levied on October 1 for the assessed valuations of property located in York County as of the preceding January 1, and are due and payable at that time. All unpaid taxes levied October 1 become delinquent January 15 of the following year, and property taxes attach as an enforceable lien if not paid by March 16 of the following year.

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

January 16 through February 1	3% of Tax
February 2 through March 16	10% of Tax
March 17 and Thereafter	15 % of Tax Plus Collection Costs

Motor vehicle taxes are levied on the first day of the month in which the motor vehicle license expires and is due by the end of the month. Property taxes are billed and collected by York County. Property tax revenue is recognized when collected by the County Treasurer's Office. Real property taxes collected within 60 days after fiscal year end are also recognized as revenue for the year.

For the year ended June 30, 2011, the operating millage rate was set at 152 mills (147 mills in the prior year) to cover the general operations of the School District and the debt service millage rate was set at 44 mills (no change from the prior year) to cover the scheduled debt service requirements of the School District.

On the government-wide and fund basic financial statements, taxes receivable are approximately \$3,002,000 (which is net of an allowance for uncollectables of approximately \$158,000) at June 30, 2011. Allowances for uncollectables were not necessary for the other receivable accounts.

Delinquent property taxes of approximately \$193,000 in the General Fund, and \$83,000 in the Debt Service Fund, have been recognized as revenue at June 30, 2011, because they were collected within sixty days after year end as they were considered measurable and available.

As of June 30, 2011, there was a receivable from the School District's Food Service provider for approximately \$483,000. Of this amount, approximately \$74,000 was collected within 60 days after fiscal year end and also recognized as revenue for the year.

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, 2011, the various components of deferred/unearned revenue reported in the governmental funds were as follows:

Delinquent Property Taxes Receivable - General Fund	\$ 2,157,468
Delinquent Property Taxes Receivable - Debt Service Fund	568,522
Unearned Revenue from Special Revenue and Special Revenue - EIA Funds	2,670,272
Deferred/Unearned Revenue from Special Revenue - Food Service Fund	459,435
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 5,855,697</u>

**CLOVER SCHOOL DISTRICT NO. 2**  
**CLOVER, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2011**

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

**C. Interfund Receivables and Payables**

Interfund receivables and payables at June 30, 2011 (all of which are expected to be repaid within one year), are summarized in accordance to generally accepted accounting principles as disclosure requirements, as follows:

<u>Fund</u>	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ -	\$ 11,536,139
Special Revenue Funds:		
Special Revenue	1,053,750	995,515
EIA	1,424,799	-
Food Service	227,560	-
Capital Projects Fund	9,825,545	-
Total	<u>\$ 12,531,654</u>	<u>\$ 12,531,654</u>

Most cash activities are recorded in the General Fund, and as a result, receivables and payables exist at year end that are either due to or due from the General Fund or other funds. Various differences include Special Revenue payments not received from the State Department of Education until after the fiscal year end, fringe amounts paid by the General Fund for Food Service, and capital project transfers from the General Fund to the Capital Projects Fund in the amount of approximately \$9,826,000.

**D. Transfers In and (Out)**

Transfers in (out) from funds for the year ended June 30, 2011, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 100,271	\$ 7,105,090
Capital Projects Fund	6,900,000	-
Food Service	-	100,271
Agency Fund	205,090	-
	<u>\$ 7,205,361</u>	<u>\$ 7,205,361</u>

Transfers are routinely made for school activity costs between the General Fund and the pupil activity funds. The School District made transfers from the General Fund (as in the prior year) to the Capital Projects Fund for approximately \$6,900,000 for designated future capital projects.

**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2011**

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

**E. Capital Assets**

Capital asset activity for the School District for the year ended June 30, 2011, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental Activities:</b>					
Capital Assets, Non-Depreciable:					
Land	\$ 6,237,893	7,273,900	5,000	-	\$ 13,506,793
Construction in Progress	787,868	5,929,651	-	(787,046)	5,930,473
Total Capital Assets, Non-Depreciable	7,025,761	13,203,551	5,000	(787,046)	19,437,266
Capital Assets, Depreciable:					
Buildings and Improvements	121,820,567	583,315	-	787,046	123,190,928
Machinery and Equipment	4,730,619	117,667	14,413	-	4,833,873
Total Capital Assets, Depreciable	126,551,186	700,982	14,413	787,046	128,024,801
Less: Accumulated Depreciation for:					
Buildings and Improvements	23,456,488	2,728,237	-	-	26,184,725
Machinery and Equipment	2,598,735	317,505	14,413	-	2,901,827
Total Accumulated Depreciation	26,055,223	3,045,742	14,413	-	29,086,552
Total Capital Assets, Depreciable, Net	100,495,963	(2,344,760)	-	-	98,938,249
Governmental Activities Capital Assets, Net	<u>\$ 107,521,724</u>	<u>10,858,791</u>	<u>5,000</u>	<u>-</u>	<u>\$ 118,375,515</u>

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

	Depreciation	Additions
<b>Governmental Activities:</b>		
Instruction	\$ 2,552,105	\$ 1,344,882
Support Services	493,637	12,559,651
Total - Governmental Activities	<u>\$ 3,045,742</u>	<u>\$ 13,904,533</u>

**F. Long-Term Obligations**

The general obligation bonds ("GO") payable at June 30, 2011, were comprised of the following:

2007-A Series: Original issue of 58,500,000, principal due in annual installments of \$25,000 to \$5,725,000 on March 1 beginning in 2012 through 2027; interest at 4.0% to 5.00% paid semiannually. A premium on the issuance of these bonds was received of \$2,359,424.

2008 Series: Original issue of 14,100,000, principal due in annual installments of \$200,000 to \$4,950,000 on March 1 beginning in 2009 through 2013; interest at 3.0% to 3.50% paid semiannually. Issuance costs, the premium, and the deferred loss related to this issuance were not significant and thus have not been recorded on the government-wide financial statements.



**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2011**

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

**F. Long-Term Obligations (continued)**

2010 Series: Original issue of \$10,000,000, principal due in annual installments of \$4,955,000 and \$5,045,000 on March 1 beginning in 2011 through 2012; interest at 2.0% paid annually. Issuance costs were not significant and thus have not been recorded on the government-wide financial statements.

Following is a summary of changes in the School District long-term obligations for the year ended June 30, 2011:

Long-Term Obligation	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
2007-A GO Bonds *	\$ 58,500,000	-	-	58,500,000	\$ 25,000
2008 GORB *	11,260,000	-	3,085,000	8,175,000	3,225,000
2010 GO Bonds	-	10,000,000	4,955,000	5,045,000	5,045,000
Premium-2007-A GO Bonds	2,056,934	-	120,996	1,935,938	-
Total Governmental Activities	<u>\$ 71,816,934</u>	<u>10,000,000</u>	<u>8,160,996</u>	<u>73,655,938</u>	<u>\$ 8,295,000</u>

\* This debt is not subject to the 8% debt limitation.

Resources primarily from the Debt Service Fund have been used to liquidate the long-term obligations of the School District.

The governmental activities annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2012	\$ 8,295,000	3,142,006	\$ 11,437,006
2013	4,975,000	2,935,294	7,910,294
2014	2,960,000	2,761,044	5,721,044
2015	3,120,000	2,613,044	5,733,044
2016	3,270,000	2,457,044	5,727,044
2017-2121	19,060,000	9,656,970	28,716,970
2022-2026	24,315,000	4,668,844	28,983,844
2027	5,725,000	257,621	5,982,621
Total	<u>\$ 71,720,000</u>	<u>28,491,867</u>	<u>\$ 100,211,867</u>

The School District has 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 certain certificates of participation, debt approved through a School District-wide referendum, and original or refunding debt for obligations issued on or before November 30, 1982. The School District's constitutional debt limit at June 30, 2011, was approximately \$23,619,000.

**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2011**

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**IV. OTHER INFORMATION**

**A. South Carolina Retirement System Retirement Plans**

The School District participates in a retirement plan under authorization of Title 9 of the SC Code of Laws, State of South Carolina which covers substantially all of the School District's full-time employees. The plan, the South Carolina Retirement System ("SCRS"), is a cost-sharing multiple employer defined benefit pension system that benefits employees of public schools, the State, and its political subdivisions, and is administered by the Retirement Division of the State Budget and Control Board of South Carolina. Only the State of South Carolina has the authority to establish and amend benefits and funding policy. Membership is required as a condition of employment and both employees and employers must contribute the required amount. A Comprehensive Annual Financial Report containing financial statements and required supplementary information for the South Carolina Retirement System is issued and publicly available by writing the South Carolina Retirement System, P.O. Box 11960, Columbia, SC 29211-1960.

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

The employee required contribution rates to the SCRS plan was 6.50%, 6.50%, and 6.50% of covered salary for the years ended June 30, 2011, 2010, and 2009, respectively. The employer required contribution rate to the SCRS plan was 9.24%, 9.24%, and 9.24% for the year ended June 30, 2011, 2010, and 2009, respectively. Because the contribution rates to the SCRS are required, they are also actual contributions as well. Thus, the actual contribution rate and amount is 100% of the required contribution rate and amount for the plan for all years presented.

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. 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. Employee required contribution rates to the State ORP were 6.50%, 6.50%, and 6.50% of covered salary for the year ended June 30, 2011, 2010, and 2009, respectively. The employer required contribution rates are 9.24%, 9.24%, and 9.24% for the years ended June 30, 2011, 2010, and 2009. For which in 2011, 2010, and 2009, 5% of the employer required contribution is remitted to the employees authorized investment providers with the balance being remitted to the South Carolina Retirement System. Because the contribution rates to the State ORP are required, they are also actual contributions as well. Thus, the actual contribution rate and amount is 100% of the required contribution rate and amount for the State ORP for all years presented.

In addition to the above rates, participating employers have contributed (a) .15% of payroll for the SCRS and State ORP to provide a group life insurance benefit for their participants (for the current and preceding two years) and (b) 3.90%, 3.50%, and 3.50% surcharge on payroll for retiree health and dental insurance and group life insurance benefit for their active participants for the years ended June 30, 2011, 2010, and 2009, respectively. All employers contribute at the actuarially required contribution rates.

**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2011**

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**IV. OTHER INFORMATION (CONTINUED)**

**A. South Carolina Retirement System Retirement Plans (Continued)**

The School District had total wages of approximately \$40,748,000, \$40,399,000, and \$38,333,000 for the years ended June 30, 2011, 2010, and 2009, respectively. The following is a summary of the School District's member wages and employee and employer contributions for the retirement plans:

Year Ended June 30th	Member Wages	Employee Contributions	Employer Contributions	Total Contributions
<b><u>SCRS</u></b>				
2011	\$ 36,160,287	2,350,419	4,809,331	\$ 7,159,750
2010	35,146,477	2,284,524	4,613,173	6,897,697
2009	\$ 34,070,230	2,164,163	4,661,223	\$ 6,825,386
<b><u>State ORP</u></b>				
2011	\$ 3,752,711	243,926	311,100	\$ 555,026
2010	3,568,616	231,960	281,564	513,524
2009	\$ 3,416,610	222,080	269,541	\$ 491,621

**B. Post-Employment Health Care Benefits**

In addition to the pension benefits, and in accordance with provisions of the State Appropriations Act, an employer contribution surcharge (3.90% for 2011, 3.50% for 2010, and 3.50% for 2009) percent of covered payroll was added to State and Public School entities covered by the State Health Insurance Program. This assessment is for the purpose of providing retiree health insurance coverage on a pay-as-you-go basis, and is remitted to the Division of Insurance Services. No additional employee contributions are required. The annual contribution rate is determined based on a state-wide estimate of annual premiums and covered payroll. The expenditure recognized by the employer for the year ended June 30, 2011 was approximately \$1,253,000. There were on average 75 participants eligible to receive retiree health insurance coverage during June 30, 2011.

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.

**C. Risk Management**

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees' and natural disasters. The School District continues to carry commercial insurance for property and casualty insurance. There has been no reduction in insurance coverage as compared to the prior year. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

**D. Grants**

The School District participates in a number of federally assisted grant programs. These programs are subject to financial and compliance audits of major program requirements under the Office of Management and Budgets' Circular A-133 *Audits of States, Local Governments, and Non-profit Organizations*. Any disallowed claims, including amounts already collected, could become a liability of the School District. However, the School District expects such amounts, if any, to be immaterial.

**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2011**

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**IV. OTHER INFORMATION (CONTINUED)**

**E. Fund Balance Assignment**

An additional assignment of fund balance of approximately \$6,900,000 for future school capital projects was made as of June 30, 2011. The School District reflected the Board's policy by transferring the assigned funds from the General Fund to the Capital Projects Fund. Therefore, as of June 30, 2011 the Board has remaining approximately \$34,389,000 (including earned interest) in total funds assigned for future construction projects.

**F. Concentration of Property Tax Revenue Risk**

The School District receives approximately 67% of its local property tax revenue, not considering owner-occupied values, from one source, the Catawba Nuclear Station.

**G. Commitments and Contingencies**

The School District had a significant construction commitment outstanding at year end for the completion of the addition work at Clover High School of approximately \$11,247,000.

**H. Subsequent Events**

**Millage Increase**

The Board of Trustees approved a 5 mill increase (increased to 157 mills from 152 mills) for the next property tax year for the general operations of the School District. The Board of Trustees approved a 4 mill decrease (decreased to 40 mills from 44 mills) for the next property tax year for the scheduled debt service requirements of the School District.

**Debt Issuance**

The School District issued series 2011A Capital Improvement Bonds on September 15, 2011. This debt was entered into with SCAGO with a par amount of \$5,000,000, a premium of approximately \$19,000, and issuance costs of approximately \$24,000. This debt will be paid back in March 2012.

**Possible Litigation**

After year end the District was notified of possible litigation. The District anticipates resolving any possible claims without a financial impact.

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

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

YEAR ENDED JUNE 30, 2011

	BUDGETED AMOUNTS		ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Local Sources:				
Taxes	\$ 35,160,583	35,160,583	35,686,233	\$ 525,650
Investment Earnings	100,000	100,000	88,188	(11,812)
Other Local Sources	100,000	100,000	131,275	31,275
State Sources	21,817,896	21,817,896	23,425,970	1,608,074
<b>TOTAL REVENUE ALL SOURCES</b>	<b>57,178,479</b>	<b>57,178,479</b>	<b>59,331,666</b>	<b>2,153,187</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	35,353,235	35,353,235	31,994,242	3,358,993
Support Services	21,561,238	21,561,238	19,501,312	2,059,926
Intergovernmental	45,000	45,000	35,707	9,293
Capital Outlay	219,006	219,006	118,425	100,581
<b>TOTAL EXPENDITURES</b>	<b>57,178,479</b>	<b>57,178,479</b>	<b>51,649,686</b>	<b>5,528,793</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>7,681,980</b>	<b>7,681,980</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	100,271	100,271
Transfers Out	-	-	(7,105,090)	(7,105,090)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>(7,004,819)</b>	<b>(7,004,819)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>677,161</b>	<b>677,161</b>
FUND BALANCES, Beginning of Year	14,156,604	14,156,604	14,156,604	-
<b>FUND BALANCES, End of Year</b>	<b>\$ 14,156,604</b>	<b>14,156,604</b>	<b>14,833,765</b>	<b>\$ 677,161</b>

**Note to the 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.

**CLOVER SCHOOL DISTRICT NO. 2**  
**CLOVER, SOUTH CAROLINA**

**Schedule A-2**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**FINAL BUDGET AND ACTUAL**

**YEAR ENDED JUNE 30, 2011**

	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
<b>REVENUES</b>			
1100 Taxes:			
1110 Ad Valorem Taxes-Including Delinquent (Independent)	\$ 31,442,712	31,740,281	\$ 297,569
1140 Penalties & Interest on Taxes (Independent)	500,000	619,702	119,702
1200 Revenue from Local Governmental Units Other than LEAs:			
1210 Ad Valorem Taxes-Including Delinquent (Dependent)	3,067,871	3,158,655	90,784
1240 Penalties & Interest on Taxes (Dependent)	150,000	167,595	17,595
1500 Earnings on Investments:			
1510 Interest on Investments	100,000	88,188	(11,812)
1900 Other Revenue from Local Sources:			
1910 Rentals	50,000	48,343	(1,657)
1990 Miscellaneous Local Revenue:			
1993 Receipt of Insurance Proceeds	-	21,375	21,375
1999 Revenue from Other Local Sources	50,000	61,557	11,557
Total Revenue from Local Sources	<u>35,360,583</u>	<u>35,905,696</u>	<u>545,113</u>
3000 Revenue from State Sources:			
3100 Restricted State Funding:			
3129 Consolidated Funding	-	194,063	194,063
3130 Special Programs:			
3131 Handicapped Transportation	-	657	657
3160 School Bus Driver's Salary (Includes Hazardous Condition Transportation)	240,241	274,312	34,071
3162 Transportation Workers' Compensation	-	22,622	22,622
3180 Fringe Benefits Employer Contributions (No Carryover Provision)	3,708,042	3,753,466	45,424
3181 Retiree Insurance (No Carryover Provision)	706,281	947,229	240,948
3197 Textbook Cost Savings	-	121,182	121,182
3199 Other Restricted State Grants	-	1,671	1,671
3310 Full-Time Programs:			
3311 Kindergarten	458,834	515,309	56,475
3312 Primary	1,410,414	1,584,070	173,656
3313 Elementary	1,951,472	2,274,737	323,265
3314 High School	520,397	538,853	18,456
3315 Trainable Mentally Handicapped	20,248	21,129	881
3316 Speech Handicapped (Part-Time Program)	324,628	363,797	39,169
3317 Homebound	19,956	17,013	(2,943)
3320 Part-Time Programs:			
3321 Emotionally Handicapped	48,632	50,061	1,429
3322 Educable Mentally Handicapped	25,560	30,156	4,596
3323 Learning Disabilities	407,522	460,116	52,594
3324 Hearing Handicapped	11,071	17,645	6,574
3325 Visually Handicapped	6,642	12,603	5,961
3326 Orthopedically Handicapped	10,545	10,004	(541)
3327 Vocational	\$ 1,377,522	1,578,116	\$ 200,594

(Continued)

**CLOVER SCHOOL DISTRICT NO. 2**  
**CLOVER, SOUTH CAROLINA**

**Schedule A-2**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
FINAL BUDGET AND ACTUAL**

**YEAR ENDED JUNE 30, 2011**

	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
3330 Other EFA Programs:			
3331 Autism	\$ 46,742	70,805	\$ 24,063
3800 State Revenue in Lieu of Taxes:			
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	9,838,147	9,868,447	30,300
3820 Homestead Exemption (Tier 2)	575,000	573,275	(1,725)
3830 Merchant's Inventory Tax	95,000	40,593	(54,407)
3890 Other State Property Tax Revenues (Includes MC Vehicle Tax)	-	59,036	59,036
3900 Other State Revenue:			
3999 Revenue from Other State Sources	15,000	25,003	10,003
Total Revenue from State Sources	<u>21,817,896</u>	<u>23,425,970</u>	<u>1,608,074</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<b><u>57,178,479</u></b>	<b><u>59,331,666</u></b>	<b><u>2,153,187</u></b>
<b>EXPENDITURES</b>			
100 Instruction:			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	1,893,807	1,837,293	56,514
200 Employee Benefits	642,043	522,799	119,244
300 Purchased Services - Other Than Tuition	1,383	1,120	263
400 Supplies and Materials	25,690	24,127	1,563
112 Primary Programs:			
100 Salaries	6,012,156	5,706,947	305,209
200 Employee Benefits	1,975,657	1,670,163	305,494
300 Purchased Services - Other Than Tuition	2,264	1,849	415
400 Supplies and Materials	92,317	89,882	2,435
113 Elementary Programs:			
100 Salaries	8,478,036	6,798,049	1,679,987
200 Employee Benefits	2,501,285	1,999,529	501,756
300 Purchased Services - Other Than Tuition	109,880	141,773	(31,893)
400 Supplies and Materials	149,694	135,156	14,538
114 High School Programs:			
100 Salaries	5,598,914	5,205,855	393,059
140 Terminal Leave	-	6,410	(6,410)
200 Employee Benefits	1,715,099	1,643,000	72,099
300 Purchased Services	128,700	102,891	25,809
400 Supplies and Materials	177,927	169,471	8,456
600 Other Objects	-	158	(158)
115 Career and Technology Education Program:			
100 Salaries	832,552	926,669	(94,117)
200 Employee Benefits	251,087	241,821	9,266
300 Purchased Services - Other Than Tuition	3,700	3,874	(174)
400 Supplies and Materials	\$ 30,355	21,443	\$ 8,912

(Continued)

**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**Schedule A-2**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
FINAL BUDGET AND ACTUAL**

**YEAR ENDED JUNE 30, 2011**

	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
120 Exceptional Programs:			
121 Educable Mentally-Handicapped:			
100 Salaries	\$ 355,192	381,515	\$ (26,323)
200 Employee Benefits	119,484	125,319	(5,835)
122 Trainable Mentally Handicapped:			
100 Salaries	196,949	269,442	(72,493)
200 Employee Benefits	76,503	100,316	(23,813)
123 Orthopedically Handicapped:			
100 Salaries	19,207	43,941	(24,734)
200 Employee Benefits	11,020	15,702	(4,682)
124 Visually Handicapped:			
100 Salaries	82,111	67,197	14,914
200 Employee Benefits	24,016	16,805	7,211
125 Hearing Handicapped:			
100 Salaries	90,617	63,235	27,382
200 Employee Benefits	28,181	22,029	6,152
126 Speech Handicapped:			
100 Salaries	243,613	269,575	(25,962)
200 Employee Benefits	73,530	83,900	(10,370)
127 Learning Disabilities:			
100 Salaries	1,107,994	1,150,899	(42,905)
200 Employee Benefits	359,309	363,195	(3,886)
128 Emotionally Handicapped:			
100 Salaries	337,135	257,042	80,093
200 Employee Benefits	109,647	80,962	28,685
130 Pre-School Programs:			
133 Pre-School Handicapped-Self-Contained (5-Yr. Olds)			
100 Salaries	65,137	-	65,137
200 Employee Benefits	21,454	-	21,454
137 Pre-School Handicapped-Self-Contained (3 & 4-Yr. Olds):			
100 Salaries	76,715	129,898	(53,183)
200 Employee Benefits	23,832	37,301	(13,469)
139 Early Childhood Programs:			
100 Salaries	578,354	602,760	(24,406)
200 Employee Benefits	199,309	180,822	18,487
300 Purchased Services	153	143	10
400 Supplies and Materials	5,263	5,248	15
140 Special Programs:			
141 Gifted and Talented - Academic:			
100 Salaries	18,529	22,372	(3,843)
200 Employee Benefits	8,676	3,824	4,852
300 Purchased Services	10,000	3,678	6,322
400 Supplies and Materials	9,750	3,743	6,007
600 Other Objects	\$ 250	138	\$ 112

(Continued)



**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**Schedule A-2**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
FINAL BUDGET AND ACTUAL**

**YEAR ENDED JUNE 30, 2011**

	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
145 Homebound:			
100 Salaries	\$ -	35,894	\$ (35,894)
200 Employee Benefits	-	6,992	(6,992)
300 Purchased Services	30,000	4,589	25,411
149 Other Special Programs:			
100 Salaries	157,816	153,690	4,126
200 Employee Benefits	42,956	36,385	6,571
300 Purchased Services	-	2,301	(2,301)
400 Supplies and Materials	53,000	-	53,000
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	118,899	127,020	(8,121)
200 Employee Benefits	39,654	35,600	4,054
300 Purchased Services	2,500	-	2,500
170 Summer School Programs:			
172 Elementary Summer School:			
100 Salaries	-	12,609	(12,609)
200 Employee Benefits	-	2,507	(2,507)
173 High School Summer School:			
100 Salaries	21,100	13,556	7,544
200 Employee Benefits	4,334	2,669	1,665
180 Adult/Continuing Educational Programs:			
188 Parenting/Family Literacy:			
300 Purchased Services	4,850	5,258	(408)
400 Supplies and Materials	3,650	3,893	(243)
Total Instruction	<u>35,353,235</u>	<u>31,994,243</u>	<u>3,358,992</u>
200 Support Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	242,090	245,568	(3,478)
200 Employee Benefits	72,015	66,776	5,239
300 Purchased Services	10,800	-	10,800
400 Supplies and Materials	1,900	734	1,166
212 Guidance Services:			
100 Salaries	861,053	551,948	309,105
200 Employee Benefits	250,900	156,091	94,809
300 Purchased Services	1,158	1,155	3
400 Supplies and Materials	3,501	3,470	31
600 Other Objects	\$ 600	100	\$ 500

(Continued)

**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**Schedule A-2**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
FINAL BUDGET AND ACTUAL**

**YEAR ENDED JUNE 30, 2011**

	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
213 Health Services:			
100 Salaries	\$ 420,132	312,336	\$ 107,796
200 Employee Benefits	123,616	95,217	28,399
300 Purchased Services	-	2,468	(2,468)
400 Supplies and Materials	15,000	8,354	6,646
214 Psychological Services:			
100 Salaries	155,596	149,780	5,816
200 Employee Benefits	43,886	42,730	1,156
220 Instructional Staff Services:			
221 Improvement of Instruction-Curriculum Development:			
100 Salaries	907,263	882,885	24,378
140 Terminal Leave	-	4,436	(4,436)
200 Employee Benefits	244,477	224,790	19,687
300 Purchased Services	64,275	24,296	39,979
400 Supplies and Materials	184,750	84,081	100,669
600 Other Objects	3,500	809	2,691
222 Library and Media Services:			
100 Salaries	622,997	620,062	2,935
200 Employee Benefits	200,089	206,469	(6,380)
300 Purchased Services	974	974	-
400 Supplies and Materials	72,067	82,907	(10,840)
223 Supervision of Special Programs:			
100 Salaries	100,141	172,056	(71,915)
200 Employee Benefits	28,404	43,878	(15,474)
300 Purchased Services	37,800	23,272	14,528
224 Improvement of Instruction-Inservice and Staff Training:			
100 Salaries	1,500	1,549	(49)
200 Employee Benefits	-	312	(312)
300 Purchased Services	76,725	5,713	71,012
400 Supplies and Materials	2,000	1,406	594
230 General Administrative Services:			
231 Board of Education:			
300 Purchased Services	47,500	26,570	20,930
318 Audit Services	37,000	37,000	-
400 Supplies and Materials	4,500	797	3,703
600 Other Objects	8,500	14,389	(5,889)
232 Office of Superintendent:			
100 Salaries	222,963	280,115	(57,152)
200 Employee Benefits	394,247	408,166	(13,919)
300 Purchased Services	66,500	61,617	4,883
400 Supplies and Materials	37,000	20,346	16,654
600 Other Objects	19,500	26,410	(6,910)
233 School Administration:			
100 Salaries	2,859,360	3,125,242	(265,882)
200 Employee Benefits	834,853	819,801	15,052
300 Purchased Services	13,248	5,727	7,521
400 Supplies and Materials	107,343	103,089	4,254
600 Other Objects	\$ 5,268	7,765	\$ (2,497)

(Continued)

**CLOVER SCHOOL DISTRICT NO. 2**  
**CLOVER, SOUTH CAROLINA**

**Schedule A-2**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
FINAL BUDGET AND ACTUAL**

**YEAR ENDED JUNE 30, 2011**

	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
250 Finance and Operations Services:			
251 Student Transportation (Federal/District Mandated):			
100 Salaries	\$ -	2,807	\$ (2,807)
200 Employee Benefits	-	583	(583)
300 Purchased Services	-	3,435	(3,435)
252 Fiscal Services:			
100 Salaries	399,420	327,787	71,633
200 Employee Benefits	129,286	84,102	45,184
300 Purchased Services	45,000	1,567	43,433
400 Supplies and Materials	40,000	23,984	16,016
600 Other Objects	1,000	680	320
253 Facilities Acquisition and Construction:			
500 Capital Outlay:			
580 Mobile Classrooms	25,480	25,479	1
254 Operation and Maintenance of Plant:			
100 Salaries	2,237,212	2,547,668	(310,456)
140 Terminal Leave	-	1,402	(1,402)
200 Employee Benefits	831,275	748,809	82,466
300 Purchased Services	2,127,105	1,596,597	530,508
400 Supplies and Materials	2,430,249	1,339,800	1,090,449
500 Capital Outlay	193,526	92,946	100,580
600 Other Objects	5,370	2,240	3,130
255 Student Transportation (State Mandated):			
100 Salaries	604,596	897,604	(293,008)
200 Employee Benefits	438,989	252,712	186,277
300 Purchased Services	100,500	(19,831)	120,331
400 Supplies and Materials	11,500	47,889	(36,389)
600 Other Objects	-	577	(577)
256 Food Service:			
200 Employee Benefits	128,438	121,065	7,373
258 Security:			
300 Purchased Services	175,272	195,156	(19,884)
400 Supplies and Materials	2,900	4,901	(2,001)
260 Central Support Services:			
263 Information Services:			
100 Salaries	59,180	60,172	(992)
200 Employee Benefits	30,501	15,930	14,571
300 Purchased Services	2,577	592	1,985
400 Supplies and Materials	9,523	8,670	853
264 Staff Services:			
100 Salaries	227,912	210,614	17,298
200 Employee Benefits	67,053	62,681	4,372
300 Purchased Services	39,700	32,784	6,916
400 Supplies and Materials	10,300	9,489	811
600 Other Objects	\$ 2,000	1,356	\$ 644

(Continued)

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
FINAL BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2011

	FINAL BUDGET	ACTUAL	VARIANCE
266 Technology and Data Processing Services:			
100 Salaries	\$ 481,832	496,864	\$ (15,032)
200 Employee Benefits	148,058	126,902	21,156
300 Purchased Services	181,000	201,598	(20,598)
400 Supplies and Materials	594,771	596,988	(2,217)
600 Other Objects	-	648	(648)
270 Support Services Pupil Activity:			
271 Pupil Services Activities:			
100 Salaries (Optional)	291,794	405,483	(113,689)
200 Employee Benefits (Optional)	59,934	75,799	(15,865)
300 Purchased Services (Optional)	4,700	697	4,003
400 Supplies and Materials (Optional)	200,300	58,855	141,445
600 Other Objects (Optional)	35,000	-	35,000
Total Support Services	21,780,244	19,619,737	2,160,507
400 Other Charges:			
410 Intergovernmental Expenditures:			
411 Payments to the SDE			
720 Transits	-	5,707	(5,707)
412 Payments to Other Governmental Units			
720 Transits	45,000	30,000	15,000
Total Intergovernmental Expenditures	45,000	35,707	9,293
<b>TOTAL EXPENDITURES</b>	<b>57,178,479</b>	<b>51,649,687</b>	<b>5,528,792</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interfund Transfers, From (To) Other Funds:			
5280 Transfer from Other Funds Indirect Costs	-	100,271	100,271
424-710 Transfer to Capital Projects Fund	-	(6,900,000)	(6,900,000)
426-710 Transfer to Pupil Activity Fund	-	(205,090)	(205,090)
TOTAL OTHER FINANCING SOURCES (USES)	-	(7,004,819)	(7,004,819)
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENSES</b>	<b>-</b>	<b>677,160</b>	<b>677,160</b>
FUND BALANCES, Beginning of Year	14,156,604	14,156,604	-
<b>FUND BALANCES, End of Year</b>	<b>\$ 14,156,604</b>	<b>14,833,764</b>	<b>\$ 677,160</b>

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**CLOVER SCHOOL DISTRICT NO. 2**  
**CLOVER, SOUTH CAROLINA**

**SPECIAL REVENUE FUND**

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

**YEAR ENDED JUNE 30, 2011**

	<b>Title I (BA Projects) (201)</b>	<b>IDEA (CA Projects) (203)</b>
<b>REVENUES</b>		
1000 Revenue from Local Sources:		
1900 Other Revenue from Local Sources:		
1920 Contributions and Donations Private Sources	\$ -	-
1930 Medicaid	-	-
1990 Miscellaneous Local Revenue:		
1992 Canteen Operations	-	-
1999 Revenue from Other Local Sources	-	-
Total Revenue from Local Sources	<u>-</u>	<u>-</u>
3000 Revenue from State Sources:		
3100 Restricted State Funding:		
3110 Occupational Education:		
3118 EEDA Career Specialist	-	-
3120 General Education:		
3127 Student Health and Fitness -PE Teachers	-	-
3128 High Schools That Work/Making Middle Grades Work	-	-
3130 Special Programs:		
3136 Student Health and Fitness - Nurses	-	-
3150 Adult Education:		
3190 Miscellaneous Restricted State Grants:		
3195 High School Reading Incentive	-	-
3199 Other Restricted State Grants	-	-
3600 Education Lottery Act Revenue:		
3607 6-8 Enhancement (Carryover Provision)	-	-
3610 K-5 Enhancement (Carryover Provision)	-	-
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>
4000 Revenue from Federal Sources:		
4200 Occupational Education:		
4210 Perkins Aid, Title I	\$ -	-

## Schedule B-1

<b>Preschool Handicapped (CG Projects) (205)</b>	<b>CATE (VA Projects) (207)</b>	<b>Drug Free (FP/FQ Projects) (209)</b>	<b>Adult Education (EA Projects) (918)</b>	<b>Other Designated Restricted State Grants (900s)</b>	<b>Other Special Revenue Programs (200s/800s)</b>	<b>Totals</b>
-	-	-	-	-	21,770	\$ 21,770
-	-	-	-	-	207,066	207,066
-	-	-	-	-	21,894	21,894
-	-	-	173,496	-	-	173,496
-	-	-	173,496	-	250,730	424,226
-	-	-	-	203,739	-	203,739
-	-	-	-	64,183	-	64,183
-	-	-	-	1,753	-	1,753
-	-	-	-	176,806	-	176,806
-	-	-	-	52,274	-	52,274
-	-	-	9,457	-	6,157	15,614
-	-	-	-	21,074	-	21,074
-	-	-	-	393,250	-	393,250
-	-	-	-	12,251	-	12,251
-	-	-	-	-	38,851	38,851
-	-	-	9,457	925,330	45,008	979,795
-	75,012	-	-	-	-	\$ 75,012

(Continued)

**CLOVER SCHOOL DISTRICT NO. 2**  
**CLOVER, SOUTH CAROLINA**

**SPECIAL REVENUE FUND**

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

**YEAR ENDED JUNE 30, 2011**

	<b>Title I (BA Projects) (201)</b>	<b>IDEA (CA Projects) (203)</b>
4300 Elementary and Secondary Education Act of 1965 (ESEA):		
4310 Title I, Basic State Grant Programs (Carryover Provision)	\$ 770,496	-
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III (Carryover Provision)	-	-
4344 McKinney-Vento Homeless Educational Assistance Act (ARRA 09)	-	-
4350 State Fiscal Stabilization Fund (ARRA)	-	-
4351 Improving Teacher Quality (Carryover Provision)	-	-
4400 Adult Education:		
4410 Basic Adult Education	-	-
4500 Programs for Children with Disabilities:		
4510 Individuals with Disabilities Education Act (IDEA) (Carryover Provision)	-	1,042,230
4520 Preschool Grants (IDEA) (Carryover Provision)	-	-
4540 IDEA (ARRA 611)	-	-
4900 Other Federal Sources:		
4920 Drug and Violence Prevention Program (Title IV, 21st Century Schools)	-	-
4990 Other Federal Revenue	-	-
Total Revenue from Federal Sources	<u>770,496</u>	<u>1,042,230</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<b><u>770,496</u></b>	<b><u>1,042,230</u></b>

**EXPENDITURES**

100 Instruction:		
110 General Instruction:		
111 Kindergarten Program:		
300 Purchased Services	1,010	-
400 Supplies and Materials	13,717	-
112 Primary Programs:		
100 Salaries	256,654	-
200 Employee Benefits	78,124	-
300 Purchased Services	3,848	-
400 Supplies and Materials	67,066	-
113 Elementary Programs:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	22,030	-
400 Supplies and Materials	\$ 96,972	678



## Schedule B-1

<b>Preschool Handicapped (CG Projects) (205)</b>	<b>CATE (VA Projects) (207)</b>	<b>Drug Free (FP/FQ Projects) (209)</b>	<b>Adult Education (EA Projects) (918)</b>	<b>Other Designated Restricted State Grants (900s)</b>	<b>Other Special Revenue Programs (200s/800s)</b>	<b>Totals</b>
-	-	-	-	-	-	\$ 770,496
-	-	-	-	-	27,234	27,234
-	-	-	-	-	542	542
-	-	-	-	-	1,503,630	1,503,630
-	-	-	-	-	168,391	168,391
-	-	-	-	-	135,610	135,610
-	-	-	-	-	33,540	1,075,770
29,422	-	-	-	-	-	29,422
-	-	-	-	-	696,552	696,552
-	-	10,205	-	-	-	10,205
-	-	-	-	-	68,162	68,162
29,422	75,012	10,205	-	-	2,633,661	4,561,026
<b>29,422</b>	<b>75,012</b>	<b>10,205</b>	<b>182,953</b>	<b>925,330</b>	<b>2,929,399</b>	<b>5,965,047</b>
-	-	-	-	-	-	1,010
-	-	-	-	-	-	13,717
-	-	-	-	250	200,863	457,767
-	-	-	-	33	69,465	147,622
-	-	-	-	-	-	3,848
-	-	-	-	-	542	67,608
-	-	-	-	72,183	965	73,148
-	-	-	-	1,067	200	1,267
-	-	-	-	20,387	1,275	43,692
-	-	-	-	383,428	27,851	\$ 508,929

(Continued)

**CLOVER SCHOOL DISTRICT NO. 2**  
**CLOVER, SOUTH CAROLINA**

**SPECIAL REVENUE FUND**

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

**YEAR ENDED JUNE 30, 2011**

	<b>Title I (BA Projects) (201)</b>	<b>IDEA (CA Projects) (203)</b>
114 High School Programs:		
100 Salaries	\$ -	363
200 Employee Benefits	-	75
300 Purchased Services	-	-
400 Supplies and Materials	-	-
115 Career and Technology Education Program:		
100 Salaries	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
120 Exceptional Programs:		
121 Educable Mentally Handicapped:		
100 Salaries	-	80,695
200 Employee Benefits	-	29,419
300 Purchased Services	-	689
400 Supplies and Materials	-	318
122 Trainable Mentally Handicapped:		
100 Salaries	-	488
200 Employee Benefits	-	102
300 Purchased Services	-	1,077
400 Supplies and Materials	-	2,997
123 Orthopedically Handicapped:		
100 Salaries	-	20,729
200 Employee Benefits	-	7,905
300 Purchased Services	-	46
400 Supplies and Materials	-	328
124 Visually Handicapped:		
300 Purchased Services	-	1,105
400 Supplies and Materials	-	-
125 Hearing Handicapped:		
100 Salaries	-	49,518
200 Employee Benefits	-	10,254
300 Purchased Services	-	1,992
400 Supplies and Materials	-	3,112
126 Speech Handicapped:		
100 Salaries	-	46,393
200 Employee Benefits	-	9,729
300 Purchased Services	-	3,489
400 Supplies and Materials	\$ -	1,015

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Drug Free (FP/FQ Projects) (209)	Adult Education (EA Projects) (918)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Totals
-	-	9,194	-	3,800	59,158	\$ 72,515
-	-	-	-	547	9,004	9,626
-	-	22	-	478	-	500
-	-	-	-	-	22,098	22,098
-	-	-	-	-	6,157	6,157
-	36,312	-	-	-	-	36,312
-	34,500	-	-	-	-	34,500
-	-	-	-	-	-	80,695
-	-	-	-	-	-	29,419
-	-	-	-	-	341	1,030
-	-	-	-	-	3,429	3,747
-	-	-	-	-	-	488
-	-	-	-	-	-	102
-	-	-	-	-	-	1,077
-	-	-	-	-	1,206	4,203
-	-	-	-	-	-	20,729
-	-	-	-	-	-	7,905
-	-	-	-	-	-	46
-	-	-	-	-	-	328
-	-	-	-	-	-	1,105
-	-	-	-	-	2,522	2,522
-	-	-	-	-	-	49,518
-	-	-	-	-	-	10,254
-	-	-	-	-	-	1,992
-	-	-	-	-	2,349	5,461
-	-	-	-	-	86,333	132,726
-	-	-	-	-	23,736	33,465
-	-	-	-	-	2,680	6,169
-	-	-	-	-	2,527	\$ 3,542

(Continued)

**CLOVER SCHOOL DISTRICT NO. 2**  
**CLOVER, SOUTH CAROLINA**

**SPECIAL REVENUE FUND**

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

**YEAR ENDED JUNE 30, 2011**

	<b>Title I (BA Projects) (201)</b>	<b>IDEA (CA Projects) (203)</b>
127 Learning Disabilities:		
100 Salaries	\$ -	42,968
200 Employee Benefits	-	7,667
300 Purchased Services	-	2,459
400 Supplies and Materials	-	8,012
128 Emotionally Handicapped:		
100 Salaries	-	34,556
200 Employee Benefits	-	10,561
300 Purchased Services	-	3,406
400 Supplies and Materials	-	839
600 Other Objects	-	250
130 Pre-School Programs:		
137 Pre-School Handicapped Self-Contained (3 & 4-Yr. Olds):		
100 Salaries	-	14,332
200 Employee Benefits	-	2,679
300 Purchased Services	-	747
400 Supplies and Materials	-	3,758
139 Early Childhood Programs:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
140 Special Programs:		
148 Gifted and Talented - Artistic:		
100 Salaries	38,171	-
200 Employee Benefits	16,361	-
149 Other Special Programs:		
300 Purchased Services	-	-
160 Other Exceptional Programs:		
161 Autism:		
100 Salaries	-	171,584
200 Employee Benefits	-	42,675
300 Purchased Services	-	2,586
400 Supplies and Materials	-	4,883
170 Summer School Programs:		
171 Primary Summer School:		
100 Salaries	13,526	-
200 Employee Benefits	\$ 2,813	-

## Schedule B-1

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Drug Free (FP/FQ Projects) (209)	Adult Education (EA Projects) (918)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Totals
-	-	-	-	-	27,440	\$ 70,408
-	-	-	-	-	6,100	13,767
-	-	-	-	-	-	2,459
-	-	-	-	-	16,884	24,896
-	-	-	-	-	-	34,556
-	-	-	-	-	-	10,561
-	-	-	-	-	-	3,406
-	-	-	-	-	3,011	3,850
-	-	-	-	-	-	250
-	-	-	-	-	-	14,332
-	-	-	-	-	-	2,679
-	-	-	-	-	-	747
-	-	-	-	-	850	4,608
-	-	-	-	-	43,226	43,226
-	-	-	-	-	7,134	7,134
-	-	-	-	-	5,963	5,963
-	-	-	-	-	3,549	3,549
-	-	-	-	-	-	38,171
-	-	-	-	-	-	16,361
-	-	-	-	-	9,453	9,453
21,649	-	-	-	-	30,469	223,702
7,773	-	-	-	-	16,177	66,625
-	-	-	-	-	-	2,586
-	-	-	-	-	3,823	8,706
-	-	-	-	-	-	13,526
-	-	-	-	-	-	\$ 2,813

(Continued)

**CLOVER SCHOOL DISTRICT NO. 2**  
**CLOVER, SOUTH CAROLINA**

**SPECIAL REVENUE FUND**

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

**YEAR ENDED JUNE 30, 2011**

	<b>Title I (BA Projects) (201)</b>	<b>IDEA (CA Projects) (203)</b>
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	-	-
400 Supplies and Materials	-	-
188 Parenting/Family Literacy:		
100 Salaries	2,917	-
200 Employee Benefits	583	-
300 Purchased Services	1,190	-
400 Supplies and Materials	8,932	-
Total Instruction	<u>623,914</u>	<u>626,478</u>
200 Support Services:		
210 Pupil Services:		
211 Attendance and Social Work Services:		
300 Purchased Services	-	2,110
212 Guidance Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
400 Supplies and Materials	-	266
213 Health Services:		
100 Salaries	-	90,143
200 Employee Benefits	-	27,606
300 Purchased Services	-	7,026
400 Supplies and Materials	-	428
214 Psychological Services:		
100 Salaries	-	67,182
200 Employee Benefits	-	19,409
300 Purchased Services	-	2,553
400 Supplies and Materials	-	258
600 Other Objects	\$ -	475

## Schedule B-1

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Drug Free (FP/FQ Projects) (209)	Adult Education (EA Projects) (918)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Totals
-	-	-	39,156	-	25,816	\$ 64,972
-	-	-	14,387	-	4,952	19,339
-	-	-	8,397	-	43,721	52,118
-	-	-	1,641	-	572	2,213
-	-	-	29,299	-	5,718	35,017
-	-	-	9,733	-	937	10,670
-	-	-	-	-	30,045	30,045
-	-	-	-	-	20,570	20,570
-	-	-	-	-	2,631	2,631
-	-	-	-	-	650	650
-	-	-	-	-	-	2,917
-	-	-	-	-	-	583
-	-	-	-	-	358	1,548
-	-	-	-	-	514	9,446
29,422	70,812	9,216	102,613	482,173	833,264	2,777,892
-	-	-	-	-	-	2,110
-	-	-	-	165,782	63,381	229,163
-	-	-	-	64,826	12,525	77,351
-	-	-	-	-	-	266
-	-	-	-	149,937	106,285	346,365
-	-	-	-	-	32,543	60,149
-	-	-	-	-	104,644	111,670
-	-	-	-	-	4,051	4,479
-	-	-	-	-	-	67,182
-	-	-	-	-	-	19,409
-	-	-	-	-	799	3,352
-	-	-	-	-	-	258
-	-	-	-	-	-	\$ 475

(Continued)

**CLOVER SCHOOL DISTRICT NO. 2**  
**CLOVER, SOUTH CAROLINA**

**SPECIAL REVENUE FUND**

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

**YEAR ENDED JUNE 30, 2011**

	<b>Title I (BA Projects) (201)</b>	<b>IDEA (CA Projects) (203)</b>
215 Exceptional Program Services:		
400 Supplies and Materials	\$ -	408
600 Other Objects	-	2,070
220 Instructional Staff Services:		
221 Improvement of Instruction - Curriculum Development:		
100 Salaries	-	1,952
200 Employee Benefits	-	403
400 Supplies and Materials	-	937
223 Supervision of Special Programs:		
100 Salaries	-	118,274
200 Employee Benefits	-	34,465
300 Purchased Services	1,722	1,238
400 Supplies and Materials	-	9,829
600 Other Objects	-	507
224 Improvement of Instruction - Inservice and Staff Training:		
100 Salaries	100,443	568
200 Employee Benefits	30,424	115
300 Purchased Services	6,230	20,725
400 Supplies and Materials	3,000	2,449
250 Finance and Operations Services:		
251 Student Transportation (Federal/District Mandated):		
100 Salaries	1,400	-
200 Employee Benefits	372	-
300 Purchased Services	2,991	1,055
254 Operation and Maintenance of Plant:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
270 Support Services - Pupil Activity:		
271 Pupil Services Activities:		
300 Purchased Services (Optional)	-	3,301
Total Support Services	<u>\$ 146,582</u>	<u>415,752</u>



## Schedule B-1

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Drug Free (FP/FQ Projects) (209)	Adult Education (EA Projects) (918)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Totals
-	-	-	-	-	156	\$ 564
-	-	-	-	-	-	2,070
-	-	833	-	-	-	2,785
-	-	156	-	-	-	559
-	-	-	-	-	830	1,767
-	-	-	-	-	-	118,274
-	-	-	-	-	-	34,465
-	-	-	-	-	4,835	7,795
-	-	-	288	-	5,085	15,202
-	-	-	-	-	-	507
-	-	-	-	2,400	30,298	133,709
-	-	-	-	468	4,746	35,753
-	4,200	-	-	36,436	143,772	211,363
-	-	-	-	23,308	13,835	42,592
-	-	-	-	-	-	1,400
-	-	-	-	-	-	372
-	-	-	-	-	-	4,046
-	-	-	-	-	7,461	7,461
-	-	-	-	-	1,455	1,455
-	-	-	994	-	-	994
-	-	-	3,948	-	1,494,713	1,498,661
-	-	-	-	-	-	3,301
-	4,200	989	5,230	443,157	2,031,414	\$ 3,047,324

(Continued)

**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**SPECIAL REVENUE FUND**

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

**YEAR ENDED JUNE 30, 2011**

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	<b>Title I (BA Projects) (201)</b>	<b>IDEA (CA Projects) (203)</b>
410 Intergovernmental Expenditures:		
414 Medicaid Payments to SDE		
720 Transits	\$ -	-
Total Intergovernmental Expenditures	-	-
<b>TOTAL EXPENDITURES</b>	<b>770,496</b>	<b>1,042,230</b>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	-	-
FUND BALANCES, Beginning of Year	-	-
<b>FUND BALANCES, End of Year</b>	<b>\$ -</b>	<b>-</b>

<b>Preschool Handicapped (CG Projects) (205)</b>	<b>CATE (VA Projects) (207)</b>	<b>Drug Free (FP/FQ Projects) (209)</b>	<b>Adult Education (EA Projects) (918)</b>	<b>Other Designated Restricted State Grants (900s)</b>	<b>Other Special Revenue Programs (200s/800s)</b>	<b>Totals</b>
-	-	-	-	-	43,312	\$ 43,312
-	-	-	-	-	43,312	43,312
<b>29,422</b>	<b>75,012</b>	<b>10,205</b>	<b>107,843</b>	<b>925,330</b>	<b>2,907,990</b>	<b>5,868,528</b>
-	-	-	<b>75,110</b>	-	<b>21,409</b>	<b>96,519</b>
-	-	-	171,704	-	291,481	463,185
-	-	-	<b>246,814</b>	-	<b>312,890</b>	<b>\$ 559,704</b>

**SPECIAL REVENUE FUND**

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

**YEAR ENDED JUNE 30, 2011**

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**OTHER DESIGNATED RESTRICTED STATE GRANTS**

916	ADEPT (Assisting, Developing, and Evaluating Professional Teaching)
920	Young Adult Education (Carryover Only)
926	EEDA 9th Grade Awareness
927	EEDA 8th Grade Awareness
928	EEDA Career Awareness
932	EAA Bus Driver Salary and Fringe
933	Formative Assessment
936	Student Health and Fitness - Nurses
937	Student Health and Fitness - PE Teachers
938	High Schools That Works
945	South Carolina Reading Initiative
960	K-5 Enhancement
967	6-8 Enhancement
968	High School That Works

**OTHER SPECIAL REVENUE PROGRAMS**

212	Ag Teacher
213	Personnel Development
214	Medicaid
215	IDEA (ARRA)
217	McKinney-Vento Homeless Educational Assistance Act (ARRA), Title VII
227	McKinney-Vento Homeless Educational Assistance Act (ARRA), Title VII
242	Even Start Family Literacy
243	Adult Education - Federal
250	State Fiscal Stabilization Fund (ARRA)
251	Energy Grant
264	Title III
267	Improving Teacher Quality (Carryover Provision)
277	ROTC
284	First Steps

SPECIAL REVENUE FUND

SUMMARY SCHEDULE FOR OTHER DESIGNATED RESTRICTED STATE GRANTS

YEAR ENDED JUNE 30, 2011

SUBFUND	REVENUE CODE	PROGRAMS	REVENUES	EXPENDITURES	SPECIAL REVENUE		Special Revenue Fund Deferred
					INTERFUND TRANSFERS IN (OUT)	OTHER FUND TRANSFERS IN (OUT)	
916	3991	ADEPT (Assisting, Developing, and Evaluating Professional Teaching)	\$ 12,251	12,251	-	-	\$ -
920	3154	Young Adult Education (Carryover Only)	-	-	-	-	26,231
926	3116	EEDA 9th Grade Awareness	-	-	-	-	2,483
927	3117	EEDA 8th Grade Awareness	-	-	-	-	12,723
928	3118	EEDA Career Specialist	203,739	203,739	-	-	-
932	3161	EAA Bus Driver Salary and Fringe	-	-	-	-	4,276
933	3123	Formative Assessment	-	-	-	-	26,251
936	3136	Student Health and Fitness - Nurses	176,806	176,806	-	-	-
937	3127	Student Health and Fitness - PE Teachers	64,183	64,183	-	-	-
938	3128	High Schools That Work	1,753	1,753	-	-	9,709
945	3195	South Carolina Reading Initiative	52,274	52,274	-	-	72,726
960	3610	K-5 Enhancement	393,250	393,250	-	-	334,174
967	3607	6-8 Enhancement	21,074	21,074	-	-	1,918
968	3608	High Schools That Work	-	-	-	-	5,660
<b>Totals</b>			<b>\$ 925,330</b>	<b>925,330</b>	<b>-</b>	<b>-</b>	<b>\$ 496,151</b>

**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**Schedule B-4**

**EDUCATION IMPROVEMENT ACT**

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

**YEAR ENDED JUNE 30, 2011**

	<b>ACTUAL</b>
<b>REVENUES</b>	
3000 Revenue from State Sources:	
3500 Education Improvement Act:	
3509 Arts in Education	\$ 750
3511 Professional Development	46,362
3525 Career and Technology Education Equipment	65,623
3526 Refurbishment of K-8 Science Kits	36,223
3530 Trainable & Profoundly Mentally Disabled Student Services	13,099
3532 National Board Certification (NBC) Salary Supplement (No Carryover Provision)	780,063
3533 Teacher of the Year Awards	1,077
3538 Student at Risk of School Failure	360,460
3540 Early Childhood Program (4K Programs Serving Four-Year-Old Children)	85,336
3542 Preschool Programs for Children with Disabilities	21,307
3544 High Achieving Students	204,893
3550 Teacher Salary Increase (No Carryover Provision)	886,762
3556 Adult Education	171,257
3558 Reading	5,362
3577 Teacher Supplies (No Carryover Provision)	132,275
3592 Work-Based Learning	18,952
Total Revenue from State Sources	2,829,801
<b>TOTAL REVENUE ALL SOURCES</b>	<b>2,829,801</b>
<b>EXPENDITURES</b>	
100 Instruction:	
110 General Instruction:	
111 Kindergarten Programs:	
100 Salaries	93,765
200 Employee Benefits	19,342
112 Primary Programs:	
100 Salaries	523,614
200 Employee Benefits	123,852
300 Purchased Services	4,227
400 Supplies and Materials	65,831
600 Other Objects	480
113 Elementary Programs:	
100 Salaries	457,672
200 Employee Benefits	98,862
400 Supplies and Materials	\$ 64,748

(Continued)

**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**Schedule B-4**

**EDUCATION IMPROVEMENT ACT**

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

**YEAR ENDED JUNE 30, 2011**

---

	<b>ACTUAL</b>
114 High School Programs:	
100 Salaries	\$ 237,950
200 Employee Benefits	49,816
400 Supplies and Materials	39,325
115 Career and Technology Education Program:	
100 Salaries	58,821
200 Employee Benefits	8,078
300 Purchased Services - Other Than Tuition	259
400 Supplies and Materials	65,364
120 Exceptional Programs:	
121 Educable Mentally Handicapped:	
100 Salaries	24,224
200 Employee Benefits	5,015
122 Trainable Mentally Handicapped:	
100 Salaries	18,556
200 Employee Benefits	1,118
125 Hearing Handicapped:	
100 Salaries	785
200 Employee Benefits	163
126 Speech Handicapped:	
100 Salaries	11,440
200 Employee Benefits	2,370
127 Learning Disabilities:	
100 Salaries	66,016
200 Employee Benefits	13,488
128 Emotionally Handicapped:	
100 Salaries	14,308
200 Employee Benefits	2,932
130 Pre-School Programs:	
137 Preschool Hanicapped Self Contained (3 & 4 Yr. Olds):	
100 Salaries	24,696
200 Employee Benefits	632
139 Early Childhood Programs:	
100 Salaries	73,168
200 Employee Benefits	25,530
140 Special Programs:	
141 Gifted and Talented - Academic:	
100 Salaries	133,195
200 Employee Benefits	42,944
300 Purchased Services	\$ 21,870

(Continued)

**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**Schedule B-4**

**EDUCATION IMPROVEMENT ACT**

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

**YEAR ENDED JUNE 30, 2011**

	<b>ACTUAL</b>
148 Gifted and Talented - Artistic:	
100 Salaries	\$ 1,230
200 Employee Benefits	248
160 Other Exceptional Programs:	
161 Autism:	
100 Salaries	3,290
200 Employee Benefits	684
180 Adult/Continuing Educational Programs:	
181 Adult Basic Education Programs:	
300 Purchased Services	525
182 Adult Secondary Education Programs:	
100 Salaries	27,207
200 Employee Benefits	3,774
300 Purchased Services	14,303
400 Supplies and Materials	1,315
183 Adult Education Literacy (ESL):	
400 Supplies and Materials	393
187 Adult Education - Remedial:	
100 Salaries	8,538
200 Employee Benefits	1,788
188 Parenting/Family Literacy:	
100 Salaries	69,073
200 Employee Benefits	14,101
Total Instruction	<u>2,540,925</u>
200 Support Services:	
212 Guidance Services:	
100 Salaries	60,537
200 Employee Benefits	12,006
220 Instructional Staff Services:	
221 Improvement of Instruction-Curriculum Development:	
100 Salaries	32,601
200 Employee Benefits	6,611
222 Library and Media:	
100 Salaries	8,674
200 Employee Benefits	1,788
223 Supervision of Special Programs:	
100 Salaries	86,417
200 Employee Benefits	24,206
300 Purchased Services	2,474
400 Supplies and Materials	\$ 315

(Continued)



**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**Schedule B-4**

**EDUCATION IMPROVEMENT ACT**

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

**YEAR ENDED JUNE 30, 2011**

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	<b>ACTUAL</b>
224 Improvement of Instruction - Inservice and Staff Training:	
100 Salaries	\$ 39,179
200 Employee Benefits	7,184
300 Purchased Services	5,940
400 Supplies and Materials	944
Total Support Services	<u>288,876</u>
 <b>TOTAL EXPENDITURES</b>	 <b><u>2,829,801</u></b>
 <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>\$ -</u></u></b>

CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA

Schedule B-5

EDUCATION IMPROVEMENT ACT

SUMMARY SCHEDULE BY PROGRAM

YEAR ENDED JUNE 30, 2011

Program	Revenues	Expenditures	EIA Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	EIA Fund Deferred Revenue
3500 Education Improvement Act:					
3509 Arts in Education	\$ 750	750	-	-	\$ 12,236
3511 Professional Development	46,362	46,362	-	-	33,010
3525 Career and Technology Education Equipment	65,623	65,623	-	-	-
3526 Refurbishment of K-8 Science Kits	36,223	36,223	-	-	-
3530 Trainable & Profoundly Mentally Disabled Student Services	13,099	13,099	-	-	-
3532 National Board Certification (NBC) Salary Supplement (No Carryover Provision)	780,063	780,063	-	-	-
3533 Teacher of the Year Awards (No Carryover Provision)	1,077	1,077	-	-	-
3538 Student at Risk of School Failure	360,460	360,460	-	-	887,980
3540 Early Childhood Program (4K Programs Serving Four-Year-Old Children)	85,336	85,336	-	-	-
3542 Preschool Programs for Children with Disabilities	21,307	21,307	-	-	-
3544 High Achieving Students	204,893	204,893	-	-	202,692
3550 Teacher Salary Increase (No Carryover Provision)	886,762	886,762	-	-	-
3556 Adult Education	171,257	171,257	-	-	96,513
3558 Reading	5,362	5,362	-	-	38,073
3562 Adult Education, (Includes Rural and Workforce Initiative)	-	-	-	-	89,900
3575 Competitive Teacher Grants	-	-	-	-	1,174
3577 Teacher Supplies (No Carryover Provision)	132,275	132,275	-	-	-
3588 IDES MOE Special Allocation	-	-	-	-	426,629
3591 Excellence In Middle Schools	-	-	-	-	29,320
3592 School-to-Work Transition Act	18,952	18,952	-	-	-
3596 EAA Alternative Schools Program	-	-	-	-	4,247
3598 Bus Driver Salary Supplement (No Carryover Provision)	-	-	-	-	12,077
<b>Totals</b>	<b>\$ 2,829,801</b>	<b>2,829,801</b>	<b>-</b>	<b>-</b>	<b>\$ 1,833,851</b>

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

YEAR ENDED JUNE 30, 2011

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Program	Project/Grant Number	Revenue & Subfund Code	Description	Amount Due to State Department of Education or Federal Government	Status of Amount Due to Grantors
None					

**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**Schedule C-1**

**DEBT SERVICE FUND**

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

**YEAR ENDED JUNE 30, 2011**

	<b>ACTUAL</b>
<b>REVENUES</b>	
1000 Revenue from Local Sources:	
1100 Taxes:	
1110 Ad Valorem Taxes-Including Delinquent (Fiscally Independent LEA)	\$ 12,394,364
1140 Penalties & Interest on Taxes (Independent)	327,250
1500 Earnings on Investments:	
1510 Interest on Investments	42,518
Total Revenue from Local Sources	<u>12,764,132</u>
3000 Revenue from State Sources:	
3800 State Revenue in Lieu of Taxes:	
3820 Homestead Exemption (Tier 2)	189,513
3830 Merchant's Inventory Tax	4,111
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	18,563
Total Revenue from State Sources	<u>212,187</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<b><u>12,976,319</u></b>
<b>EXPENDITURES</b>	
500 Debt Service:	
610 Redemption of Principal	8,040,000
620 Interest	3,225,878
690 Other Objects (Includes Fees for Servicing Bonds)	900
Total Debt Service	<u>11,266,778</u>
<b>TOTAL EXPENDITURES</b>	<b><u>11,266,778</u></b>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>1,709,541</b>
FUND BALANCE, Beginning of Year	<u>11,060,374</u>
<b>FUND BALANCE, End of Year</b>	<b><u>\$ 12,769,915</u></b>

**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**Schedule D-1**

**CAPITAL PROJECTS FUND**

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

**YEAR ENDED JUNE 30, 2011**

	<u><b>ACTUAL</b></u>
<b>REVENUES</b>	
1000 Revenue from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 119,109
1900 Other Revenue from Local Sources:	
1999 Revenue from Other Local Sources	35,000
Total Revenue from Local Sources	<u>154,109</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<u><b>154,109</b></u>
<b>EXPENDITURES</b>	
250 Finance and Operations:	
253 Facilities Acquisition & Construction:	
300 Purchased Services	418,224
400 Supplies and Materials	93,064
500 Capital Outlay:	
510 Land	7,268,900
520 Construction Services	6,151,981
Total Finance and Operations	<u>13,932,169</u>
<b>TOTAL EXPENDITURES</b>	<u><b>13,932,169</b></u>
<b>OTHER FINANCING SOURCES (USES)</b>	
5110 Premium on Bonds Sold	92,644
5120 Proceeds of General Obligation Bonds	10,000,000
Interfund Transfers, From (To) Other Funds:	
5210 Transfer from General Fund (Exclude Indirect Costs)	6,900,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>16,992,644</u>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<u><b>3,214,584</b></u>
FUND BALANCE, Beginning of Year	<u>34,879,431</u>
<b>FUND BALANCE, End of Year</b>	<u><b>\$ 38,094,015</b></u>

**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**Schedule E-1**

**FOOD SERVICE FUND**

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

**YEAR ENDED JUNE 30, 2011**

	<b>ACTUAL</b>
<b>REVENUES</b>	
1000 Revenue from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 396
1600 Food Service:	
1610 Lunch Sales to Pupils	740,812
1620 Breakfast Sales to Pupils	42,413
1630 Special Sales to Pupils	298,023
1640 Lunch Sales to Adults	28,449
1650 Breakfast Sales to Adults	2,384
1660 Special Sales to Adults	25,970
1900 Other Revenue from Local Sources:	
1990 Miscellaneous Revenue	16,916
1999 Revenue from Other Local Sources	74,173
Total Revenue from Local Sources	<u>1,229,536</u>
3000 Revenue from State Sources:	
3100 Restricted State Funding:	
3140 School Lunch:	
3199 Miscellaneous State Revenue	2,656
Total Revenue from State Sources	<u>2,656</u>
4000 Revenue from Federal Sources:	
4800 USDA Reimbursement:	
4810 School Lunch and After School Snacks Program	920,201
4830 School Breakfast Program	201,036
4900 Other Federal Sources:	
4991 USDA Commodities (Food Distribution Program) (Carryover Provision)	99,908
Total Revenue from Federal Sources	<u>1,221,145</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<u><b>2,453,337</b></u>
<b>EXPENSES</b>	
256 Food Service:	
100 Salaries	895,315
200 Employee Benefits	155,657
300 Purchased Services (Exclude Gas, Oil, Electricity and Other Heating Fuels)	1,421,952
400 Supplies and Materials (Include Gas, Oil, Electricity and Other Heating Fuels)	157,902
500 Capital Outlay	24,721
600 Other Objects	6,166
Total Food Services Expenses	<u>2,661,713</u>
<b>TOTAL EXPENSES</b>	<u><b>\$ 2,661,713</b></u>

(Continued)

**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**Schedule E-1**

**FOOD SERVICE FUND**

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

**YEAR ENDED JUNE 30, 2011**

	<u><b>ACTUAL</b></u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Interfund Transfers, From (To) Other Funds:	
432-791 Food Service Fund Indirect Costs	\$ (100,271)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u><b>(100,271)</b></u>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>(308,647)</b>
FUND NET ASSETS, Beginning of Year	<u>819,083</u>
<b>FUND NET ASSETS, End of Year</b>	<u><b>\$ 510,436</b></u>

**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**Schedule F-1**

**PUPIL ACTIVITY FUND**

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

**YEAR ENDED JUNE 30, 2011**

	<b>ACTUAL</b>
<b>RECEIPTS</b>	
1000 Receipts from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 7
1700 Pupil Activities:	
1710 Admissions	121,010
1720 Bookstore Sales	4,942
1740 Student Fees	294,384
1790 Other	785,927
1900 Other Revenue from Local Sources	
1920 Contributions & Donations Private Sources	4,375
1990 Miscellaneous Local Revenue	289
Total Receipts from Local Sources	<u>1,210,934</u>
<b>TOTAL RECEIPTS ALL SOURCES</b>	<b><u>1,210,934</u></b>
<b>DISBURSEMENTS</b>	
190 Instructional Pupil Activity:	
100 Salaries (Optional)	16,863
200 Employee Benefits (Optional)	2,235
400 Supplies and Materials (Optional)	37,687
660 Pupil Activity	14,857
Total Instruction	<u>71,642</u>
270 Support Services Pupil Activity:	
271 Pupil Service Activities:	
100 Salaries (Optional)	21,641
200 Employee Benefits (Optional)	9,522
300 Purchased Services (Optional)	41,105
400 Supplies and Materials (Optional)	139,404
660 Pupil Activity	1,102,570
Total Pupil Activity Expenditures	<u>1,314,242</u>
<b>TOTAL DISBURSEMENTS</b>	<b><u>1,385,884</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>	
Interfund Transfers, From (To) Other Funds:	
5210 Transfer from General Fund (Excludes Indirect Costs)	205,090
TOTAL OTHER FINANCING SOURCES (USES)	<u>205,090</u>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENSES</b>	<b>30,140</b>
<b>DUE TO STUDENT ORGANIZATIONS, Beginning of Year</b>	<u>473,422</u>
<b>DUE TO STUDENT ORGANIZATIONS, End of Year</b>	<b><u>\$ 503,562</u></b>



**CLOVER SCHOOL DISTRICT NO. 2**  
**CLOVER, SOUTH CAROLINA**

**LOCATION RECONCILIATION SCHEDULE**

**YEAR ENDED JUNE 30, 2011**

<b>Location ID</b>	<b>Location Description</b>	<b>Education Level</b>	<b>Cost Type</b>	<b>Total Expenditures</b>
10	Clover High School	High School	School	\$ 20,257,440
11	Bethany Elementary	Elementary School	School	3,108,221
12	Bethel Elementary	Elementary School	School	3,643,323
13	Clover Middle	Middle School	School	5,325,035
14	Kinard Elementary	Elementary School	School	3,641,112
16	Larne Elementary	Elementary School	School	6,477,376
18	Oakridge Middle	Middle School	School	5,406,855
47	Griggs Road	Elementary School	School	4,438,385
51	Crowders Creek Elementary	Elementary School	School	7,528,419
All Others	Clover School District	Non-Schools	Central	29,768,393
				<u><u>\$ 89,594,559</u></u>

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

<b>Fund</b>	<b>Amount</b>
General Fund	\$ 51,649,686
Special Revenue Fund	5,868,528
Special Revenue - EIA Fund	2,829,801
Special Revenue - Food Service Fund	2,661,713
Debt Service Fund	11,266,778
Capital Projects Fund	13,932,169
Pupil Activity Fund	1,385,884
	<u><u>\$ 89,594,559</u></u>

**CLOVER SCHOOL DISTRICT NO. 2**  
**CLOVER, SOUTH CAROLINA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED JUNE 30, 2011**

<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>				
600	National School Breakfast Program	10.553	N/A	\$ 201,036
600	National School Lunch Program - Cash Assistance	10.555	N/A	920,201
600	National School Lunch Program - Non-Cash Assistance	10.555	N/A	99,908
<b>TOTAL US DEPARTMENT OF AGRICULTURE</b>				<b>1,221,145</b>
<b>US DEPARTMENT OF EDUCATION</b>				
201	Pass-through State Department of Education: Title I	84.010	11-BA090	770,496
Total 84.010 & 84.389A				770,496
Individuals with Disabilities Education Act				
203	Special Education - Grants to States	84.027	11-CA090	1,042,230
205	Special Education - Preschool Grants	84.173	11-CG090	29,422
213	Personnel Development	84.027A	11-CO090	33,540
215	ARRA - IDEA 611	84.391A	11-SC090	696,552
Total 84.027, 84.173, 84.027A, 84.391A & 84.392A				1,801,744
207	Occupational Education - Machatronics	84.048A	11-VA090	75,012
209	Safe and Drug Free Schools and Communities	84.186	10-FQ010	10,205
227	ARRA - McKinney-Vento Homeless Educational Assistance Act	84.387	10-SM090	542
243	Adult Education - Basic	84.002	11-EA090	135,610
250	ARRA - State Fiscal Stabilization Fund	84.394A	10-SF090	1,450,736
264	ESOL - Title III	84.365	11-BP090	27,234
267	Improving Teacher Quality	84.367	11-TQ090	168,391
<b>TOTAL US DEPARTMENT OF EDUCATION</b>				<b>4,439,970</b>
<b>US DEPARTMENT OF DEFENSE</b>				
Direct Programs:				
271	JROTC	12.000	N/A	68,162
<b>US DEPARTMENT OF ENERGY</b>				
Direct Programs:				
251	ARRA - SCEO Energy Grant	81.041	S09-0104	52,894
<b>TOTAL FEDERAL ASSISTANCE EXPENDED</b>				<b>\$ 5,782,171</b>

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

**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

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

**YEAR ENDED JUNE 30, 2011**

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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 Clover School District No. 2, South Carolina (the “School District”) for the year ended June 30, 2011. 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 Special Revenue Fund and in the Special Revenue – Food Service Fund.

**D – Relationship to Federal Financial Reports**

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

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**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  
Clover School District No. 2  
Clover, South Carolina

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Clover School District No. 2, South Carolina (the "School District") as of and for the year ended June 30, 2011, which collectively comprise the School District's basic financial statements and have issued our report thereon dated November 10, 2011. 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.

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 opinion 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.

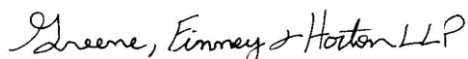
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting 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*.

This report is intended solely for the information and use of management, the Board of Trustees, others within the School District, the South Carolina Department of Education, 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, and Horton, LLP  
Mauldin, South Carolina  
November 10, 2011

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

The Board of Trustees  
Clover School District No. 2  
Clover, South Carolina

Compliance

We have audited Clover School District No. 2, South Carolina's (the "School District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2011. 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 of the School District's compliance with those requirements.

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

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

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

Greene, Finney & Horton, LLP  
Mauldin, South Carolina  
November 10, 2011



**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**YEAR ENDED JUNE 30, 2011**

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**FINDINGS - 2010 FINANCIAL STATEMENTS**

**2010-1: ALLOWABLE COSTS - TIME AND EFFORT REQUIREMENTS**

**Federal Agency: US Department of Education**

**South Carolina Department of Education: Pass-Through Agency**

**Title I Cluster: CFDA # 84.010, Title 1; CFDA #84.389A, ARRA – Title 1**

**Pass-Through Grantor's Award Number and Year: 10-BA090, 09-SA090**

**IDEA Cluster: CFDA # 84.027A, IDEA; CFDA # 84.027A, Personnel Development; CFDA # 84.173, Special Education  
- Preschool Grants; CFDA # 84.391A, ARRA – IDEA 611; and CFDA #84.392A, ARRA – IDEA**

**Pass-Through Grantor's Award Number and Year: 10-CA090, 10-CR092-01, 10-CG090, 09-SC090, 10-SG090**

**Award Year: July 1, 2009 through June 30, 2010**

**Questioned Costs**

**Condition:** The School District was not fully complying with the South Carolina State Department of Education's ("SDE") requirements for support for federal salaries and wages for this program. Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications. These certifications are to be prepared at least semi-annually and will be signed by the employee or the supervisory official having first-hand knowledge of the work performed by the employee. Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports. The School District had reasonable supporting documentation for the payroll charged to IDEA and Title I programs, but was not complying with the formal certifications as required by the SDE.

None

**Status:** The School District has taken steps to ensure compliance in the future.

**CLOVER SCHOOL DISTRICT NO. 2  
CLOVER, SOUTH CAROLINA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED JUNE 30, 2011**

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

***Federal Awards***

Internal control over major programs:

Material weakness(es) identified?	<u>          </u> Yes	<u>    X    </u> No
Significant deficiency(s) identified that are not considered to be material weaknesses?	<u>          </u> Yes	<u>    X    </u> 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?	<u>          </u> Yes	<u>    X    </u> No
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Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.555	National School Breakfast and Lunch Program
84.027, 84.027A, 84.173, 84.391A	IDEA Cluster, including Handicapped Preschool and ARRA programs
84.394A	ARRA - State Fiscal Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs:	<u>          \$300,000          </u>
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Auditee qualified as low-risk auditee?	<u>    X    </u> Yes	<u>          </u> No
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**Section II - Findings - Current Year Financial Statements Audit**

NONE

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

NONE