

**BAMBERG SCHOOL DISTRICT NO. 1  
BAMBERG, SOUTH CAROLINA  
ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2017**

**BAMBERG SCHOOL DISTRICT NO. 1  
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# McGregor & COMPANY<sup>LLP</sup>

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Bamberg School District No. 1  
Bamberg, South Carolina

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of Bamberg School District No. 1, Bamberg, South Carolina, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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**INDEPENDENT AUDITOR'S REPORT**  
**(continued)**

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of Bamberg School District No. 1, Bamberg, South Carolina, as of June 30, 2017, and the respective changes in financial position, and where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 8-16, the budgetary comparison information on page 59, and the pension schedules on pages 60-63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic

**INDEPENDENT AUDITOR'S REPORT**  
**(continued)**

financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual fund financial schedules and other schedules required by the SC Department of Education 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The individual fund financial schedules, other schedules required by the SC Department of Education, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial schedules, other schedules required by the SC Department of Education, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2017, on our consideration of Bamberg School District #1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*McNease and Company, L.L.P.*

November 28, 2017  
Orangeburg, South Carolina



**BAMBERG SCHOOL DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2017**

**INTRODUCTION**

The discussion and analysis of Bamberg School District No. 1's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2017. We encourage readers to consider this information in conjunction with the additional information in the District's financial statements and the accompanying notes to those financial statements.

**FINANCIAL HIGHLIGHTS**

This year, our Board voted to balance our budget using \$134,655 of our fund balance. The Board then decided to vote to increase our millage to cover the deficit so we increased our millage by 7. We then amended our budget and balanced it using our increase in taxes. Our enrollment numbers have dropped this year. We based our budget on \$2,350 base student cost (BSC), and we received \$2,350 from the State. The challenge was that we continue to work off of a base student cost from the 1990's. We did have some Federal and State restricted cuts, but they were not significant. Another challenge that we faced this year was that retirement and insurance costs have increased but we are still being funded at a lower BSC than we need to operate.

Other key financial aspects were as follows:

- **Net Position:** The District's Total Net Position (Deficit) as of June 30, 2017, was \$(8,595,262).
- **Revenues and Expenditures:** Revenues and other financing sources totaled \$18,765,053 and expenditures and other financing uses totaled \$17,615,409 for all Governmental Funds at the fund level. Accordingly, revenues and other financing sources exceeded expenditures and other financing uses by \$1,149,644.
- **General Fund/Fund Balance:** Our principal operating fund, the General Fund, had \$12,287,670 in fiscal year 2017 revenues and other financing sources which primarily consisted of state aid and property taxes and \$12,301,315 in expenditures and other financing uses, leaving a deficit for the year of \$13,645. This resulted in the General Fund fund balance decreasing from \$867,057 to \$853,412 as of June 30, 2017.
- **Debt:** In August 2010, the District issued \$20,000,000 in General Obligation School Construction Bonds and \$9,000,000 in General Obligation Build America Bonds. Proceeds from these bonds were used to build a new K-6 facility and substantially renovate the existing middle and high schools. Interest payments on both of these bonds are partially subsidized by the federal government. The District paid \$515,960 on its long-term bonds during the fiscal year ended June 30, 2017. All \$29,000,000 in principal remains outstanding on these bonds at June 30, 2017.

The District also issued \$600,000 in short-term General Obligation Bonds during FY17. The District retired the entire principal balance on its \$600,000 general obligation bonds issued in FY16 leaving \$600,000 outstanding at June 30, 2017. The District paid \$14,200 in interest on its short-term bonds during the fiscal year ended June 30, 2017.

**BAMBERG SCHOOL DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2017**

**OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements (General, Special Revenue, Special Revenue EIA, Debt Service, School Building, Fiduciary (Pupil Activity), Proprietary) and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. A description of these statements and some related definitions follow:

**Government-wide Financial Statements:** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business. These statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities) and functions principally supported by user charges (business-type activities). The governmental activities of the District include instruction, support services, and interest and other charges. The government-wide financial statements can be found on pages 17 through 19 of this report.

**Statement of Net Position:** The statement of net position presents information on all of the District's assets, deferred outflows, liabilities, and deferred inflows except for those related to fiduciary funds, with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

**Fund 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 District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental, proprietary and fiduciary.

**Governmental Funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements. The modified accrual basis of accounting is used for governmental funds.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of

**BAMBERG SCHOOL DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2017**

the District'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 this comparison between governmental funds and governmental activities. These reconciliations are on pages 21 and 23-24.

The District maintains its accounting records in conformity with the South Carolina Department of Education's Financial Accounting Handbook. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Special Revenue, and EIA Funds which are required to be presented as major funds. The Debt Service fund also meets the criteria for classification as a major fund. For the sake of consistency, the District has elected to show the School Building Fund as a major fund. The basic governmental funds financial statements can be found on pages 20 and 22 of this report.

**Proprietary Funds:** Proprietary (Enterprise) funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that of monitoring the cost of such programs for public policy.

**Fiduciary Funds:** Fiduciary (Pupil Activity) funds are used to account for resources held for the benefit of students and are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accrual basis of accounting is used for fiduciary funds. The basic fiduciary fund financial statement can be found on page 28 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 financial statements. The notes to the basic financial statements can be found on pages 29 through 58 of this report.

**Other information:** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. The District adopts an annual expenditure budget for the General Fund. A budgetary comparison statement has been provided for the General Fund as required supplementary information. The required supplementary information can be found on page 59 of this report. The District also reports as required supplementary information ten year historical information related to the District's proportionate share of the net position liability and a required schedule of District contributions to the South Carolina Retirement System. These schedules can be found on pages 60 through 63 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows exceeded assets and deferred outflows by \$8,595,262 as of June 30, 2017.

**BAMBERG SCHOOL DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2017**

A large portion of the District's net position (deficit) reflects its recognition of the allocated percentage of the collective net pension liability and related deferred outflows and inflows.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition of capital assets, the depreciation of capital assets, and the reporting of liabilities, deferred outflows, and deferred inflows related to pensions.

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2017 and June 30, 2016.

	<b>Net Position</b>					
	<b>(Amounts expressed in thousands)</b>					
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Current assets	\$ 11,416	\$ 10,482	\$ 77	\$ 79	\$ 11,493	\$ 10,561
Capital assets, net	<u>29,368</u>	<u>30,126</u>	<u>190</u>	<u>257</u>	<u>29,558</u>	<u>30,383</u>
Total assets	<u>40,784</u>	<u>40,608</u>	<u>267</u>	<u>336</u>	<u>41,051</u>	<u>40,944</u>
Deferred Outflows of Resources	<u>3,808</u>	<u>1,638</u>	<u>-</u>	<u>-</u>	<u>3,808</u>	<u>1,638</u>
Current liabilities	2,442	3,425	77	80	2,519	3,505
Long-term debt outstanding	<u>49,606</u>	<u>47,602</u>	<u>-</u>	<u>-</u>	<u>49,606</u>	<u>47,602</u>
Total liabilities	<u>52,048</u>	<u>51,027</u>	<u>77</u>	<u>80</u>	<u>52,125</u>	<u>51,107</u>
Deferred Inflows of Resources	<u>1,329</u>	<u>52</u>	<u>-</u>	<u>-</u>	<u>1,329</u>	<u>52</u>
Net position:						
Net investment in capital assets	(377)	168	190	257	(187)	425
Restricted	7,779	6,608	-	-	7,779	6,608
Unrestricted (Deficit)	<u>(16,187)</u>	<u>(15,609)</u>	<u>(-)</u>	<u>(1)</u>	<u>(16,187)</u>	<u>(15,610)</u>
Total net position (Deficit)	<u>\$ (8,785)</u>	<u>\$ (8,833)</u>	<u>\$ 190</u>	<u>\$ 256</u>	<u>\$ (8,595)</u>	<u>\$ (8,577)</u>

The following are significant current-year transactions that have had an impact on the Statement of Net Position:

- Principal payments of \$216,644 on capital lease obligations.
- \$530,160 in interest expense on bonds.
- \$1,054,297 in depreciation expense.

**BAMBERG SCHOOL DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2017**

**Changes in net position:** The District's total revenues for the fiscal year ended June 30, 2017, were \$18,760,894. The total cost of all programs and services was \$18,778,867. The following table presents a summary of the activity that resulted in changes in net position for the fiscal years ended June 30, 2017 and June 30, 2016.

**Changes In Net Position  
(Amounts expressed in thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues						
Charges for Services	\$ 172	\$ 215	\$ 79	\$ 95	\$ 251	\$ 310
Operating grants and contributions	9,812	8,743	694	711	10,506	9,454
General Revenue						
Property taxes	5,182	5,108	-	-	5,182	5,108
Investment income	81	119	-	-	81	119
Unrestricted grants and contributions	2,671	2,650	-	-	2,671	2,650
Miscellaneous	<u>70</u>	<u>231</u>	<u>1</u>	<u>12</u>	<u>71</u>	<u>243</u>
Total Revenues	<u>17,988</u>	<u>17,066</u>	<u>774</u>	<u>818</u>	<u>18,762</u>	<u>17,884</u>
Expenses						
Instruction	9,358	9,139	-	-	9,358	9,139
Support services	8,014	8,149	-	-	8,014	8,149
Interest on long-term debt	527	518	-	-	527	518
Food services	<u>-</u>	<u>-</u>	<u>880</u>	<u>973</u>	<u>880</u>	<u>973</u>
Total Expenses	<u>17,899</u>	<u>17,806</u>	<u>880</u>	<u>973</u>	<u>18,779</u>	<u>18,779</u>

**BAMBERG SCHOOL DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2017**

**Changes In Net Position  
(Amounts expressed in thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Excess (Deficit) Revenues Over (Under) Expenses, Before Transfers	\$ 89	\$ (740)	\$ (106)	\$ (155)	\$ (17)	\$ (895)
Transfers	<u>(41)</u>	<u>(89)</u>	<u>41</u>	<u>89</u>	<u>-</u>	<u>-</u>
Change in Net Position	48	(829)	(65)	(66)	(17)	(895)
Beginning Net Position (Deficit)	<u>(8,833)</u>	<u>(8,004)</u>	<u>255</u>	<u>321</u>	<u>(8,578)</u>	<u>(7,683)</u>
Ending Net Position (Deficit)	<u>\$ (8,785)</u>	<u>\$ (8,833)</u>	<u>\$ 190</u>	<u>\$ 255</u>	<u>\$ (8,595)</u>	<u>\$ (8,578)</u>

**Governmental activities:** The following table presents the cost of the three major functional activities: instruction, support services, and interest and other charges. The table also shows each function's net cost (total cost, less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District's taxpayers by each of these functions.

**Governmental Activities  
(Amounts expressed in thousands)**

	2017		2016	
	Total Expenses	Net (Expense) Revenue	Total Expenses	Net (Expense) Revenue
Instruction	\$ 9,358	\$ (2,136)	\$ 9,139	\$ (3,377)
Support services	8,014	(5,334)	8,149	(4,952)
Interest and other charges	<u>527</u>	<u>(444)</u>	<u>518</u>	<u>(518)</u>
Total expenses	<u>\$ 17,899</u>	<u>\$ (7,914)</u>	<u>\$ 17,806</u>	<u>\$ (8,847)</u>

- The cost of all governmental activities this year was \$17,898,480.
- Net cost of governmental activities \$(7,914,379) was financed by general revenues which are made up primarily of property taxes \$5,180,633 and unrestricted federal and state aid \$2,670,904.

**BAMBERG SCHOOL DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2017**

**FINANCIAL ANALYSIS OF THE DISTRICT FUNDS**

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

**Governmental funds:** The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$8,517,728, an increase of \$1,149,644. Approximately \$850,223 (or 10 percent) of the fund balance constitutes unassigned fund balance which is available for spending at the District's discretion. This compares to \$729,213 in unassigned fund balance at June 30, 2016.

The General Fund is the principal operating fund of the District. The decrease in the fund balance in the General Fund for the fiscal year was \$13,645.

**Proprietary Fund:** Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The Food Service Fund is the only Proprietary Fund. The Fund had a net loss of \$106,213. A transfer from the General Fund in the amount of \$40,798 was made as a loan to the Proprietary Fund. See Note F for additional information.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

This year Act 388 Property Tax Relief Bill stayed in effect, and we were one of the Districts receiving 2.5 million dollars. This year the state required the District to give a step increase to employees and they will not allow for furloughs. We did not fill any position unless it was necessary. Our retirement increased this year and our utility costs have also increased. This year the District did its best to spend wisely and save in any area we could. We are very fortunate that our staff is so willing to help the District in any way that they can to cut spending.

A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information.

**BAMBERG SCHOOL DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2017**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets:** As of June 30, 2017, the District had invested \$40,580,487 in capital assets, including land, construction in process, school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. Total depreciation expense for the year was \$1,054,297.

The following schedule presents capital asset balances, net of depreciation, for the fiscal years ended June 30, 2017 and June 30, 2016

	<b>Capital Asset Balances Net of Depreciation (Amounts expressed in thousands)</b>					
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Land	\$ 318	\$ 318	\$ -	\$ -	\$ 318	\$ 318
Construction in process	130	-	-	-	130	-
Land improvements	137	117	-	-	137	117
Buildings	28,411	29,215	-	-	28,411	29,215
Machinery and equipment	<u>372</u>	<u>476</u>	<u>191</u>	<u>257</u>	<u>563</u>	<u>733</u>
<b>Total</b>	<b><u>\$ 29,368</u></b>	<b><u>\$ 30,126</u></b>	<b><u>\$ 191</u></b>	<b><u>\$ 257</u></b>	<b><u>\$ 29,599</u></b>	<b><u>\$30,383</u></b>

Additional information on the District's capital assets can be found in Note E of this report.

**Debt Administration:** At year's end, the District had \$29,099,372 in general obligation bonds and other long-term debt outstanding, of which \$29,198 is due within one year. The following table presents a summary of the District's outstanding long-term debt for the fiscal year ended June 30, 2017 and June 30, 2016.

	<b>Outstanding Debt</b>	
	<b>2017</b>	<b>2016</b>
General Obligation Bonds	\$ 29,000,000	\$ 29,000,000
Capital Lease	33,915	250,559
Unamortized Bond Premiums	<u>65,457</u>	<u>69,066</u>
<b>Total Debt</b>	<b><u>\$ 29,099,372</u></b>	<b><u>\$ 29,285,472</u></b>



**BAMBERG SCHOOL DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2017**

**ECONOMIC FACTORS, NEXT YEAR'S BUDGET, SUBSEQUENT EVENTS AND OTHER MATTERS**

**Economic Factors and Next Year's Budget**

Bamberg School District No. 1 is a rural district located in the southeastern corner of South Carolina and is one of the seven counties that lost population in the 2000 census. The Bamberg School District No. 1 attendance area has a population of approximately 9,100. There are very few industries in our county, where the value of a mill is slightly more than \$17,979.

Many factors were considered by the District's administration during the process of developing the fiscal year 2017-2018 budget. The District's top two goals are to continue quality instruction and provide for the District's needs.

Bamberg School District No. 1's budgeted expenditures in the General Fund increased by approximately 2.6% to \$12,680,984 in fiscal year 2017-2018. This was due to each District having to give one step increase. The District retirement, insurance, and utilities are increasing. The State has taken other EIA and State Restricted Funds and moved them to EFA to raise the base student cost. Our retiree's salaries will be cut by 20%. The base student cost has increased this year to \$2,425.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Finance Office, 3830 Faust Street, Bamberg, South Carolina 29003 (telephone 803-245-6648).

**BAMBERG SCHOOL DISTRICT NO. 1**  
**BAMBERG, SOUTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITY</u>	<u>TOTAL</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
CASH AND INVESTMENTS	\$ 2,551,764	\$ 69	\$ 2,551,833
RESTRICTED CASH AND INVESTMENTS	5,556,013	-	5,556,013
TAXES RECEIVABLE (NET)	530,808	-	530,808
ACCOUNTS RECEIVABLE	67,444	1,990	69,434
DUE FROM COUNTY GOVERNMENT	1,600,352	217	1,600,569
DUE FROM STATE	1,103,507	-	1,103,507
DUE FROM FEDERAL GOVERNMENT	5,831	39,456	45,287
INVENTORY - PURCHASED FOOD AND SUPPLIES	-	17,763	17,763
INVENTORY - COMMODITIES	-	17,123	17,123
<b>TOTAL CURRENT ASSETS</b>	<u>11,415,719</u>	<u>76,618</u>	<u>11,492,337</u>
<b>NONCURRENT ASSETS:</b>			
<b>CAPITAL ASSETS:</b>			
NON-DEPRECIABLE	448,405	-	448,405
DEPRECIABLE, NET OF ACCUMULATED DEPRECIATION	28,919,255	190,525	29,109,780
<b>TOTAL NONCURRENT ASSETS</b>	<u>29,367,660</u>	<u>190,525</u>	<u>29,558,185</u>
<b>TOTAL ASSETS</b>	<u>40,783,379</u>	<u>267,143</u>	<u>41,050,522</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>			
RELATED TO PENSIONS	2,736,159	-	2,736,159
TOTAL CONTRIBUTIONS SUBSEQUENT TO THE MEASUREMENT DATE FOR PENSIONS	1,072,247	-	1,072,247
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>3,808,406</u>	<u>-</u>	<u>3,808,406</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	1,238,511	711	1,239,222
ACCRUED INTEREST	45,169	-	45,169
INTERNAL BALANCES	(59,145)	59,145	-
DUE TO AGENCY FUND	25,802	-	25,802
DUE TO STATE	41,420	-	41,420
DUE TO OTHERS	10,695	-	10,695
REVENUES RECEIVED IN ADVANCE / UNEARNED REVENUE	509,900	17,123	527,023
SHORT-TERM BONDS PAYABLE	600,000	-	600,000
CURRENT PORTION OF LONG-TERM OBLIGATIONS	29,198	-	29,198
<b>TOTAL CURRENT LIABILITIES</b>	<u>2,441,550</u>	<u>76,979</u>	<u>2,518,529</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE BASIC FINANCIAL STATEMENTS.

BAMBERG SCHOOL DISTRICT NO. 1  
 BAMBERG, SOUTH CAROLINA  
 STATEMENT OF NET POSITION  
 JUNE 30, 2017

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITY</u>	<u>TOTAL</u>
<b>NONCURRENT LIABILITIES</b>			
NONCURRENT PORTION OF LONG-TERM OBLIGATIONS	\$ 29,070,174	\$ -	\$ 29,070,174
AGGREGATE NET PENSION LIABILITY	20,535,912	-	20,535,912
<b>TOTAL NONCURRENT LIABILITIES</b>	<u>49,606,086</u>	<u>-</u>	<u>49,606,086</u>
<b>TOTAL LIABILITIES</b>	<u>52,047,636</u>	<u>76,979</u>	<u>52,124,615</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
TOTAL DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS	1,329,575	-	1,329,575
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>1,329,575</u>	<u>-</u>	<u>1,329,575</u>
<b>NET POSITION</b>			
NET INVESTMENT IN CAPITAL ASSETS	(376,881)	190,525	(186,356)
RESTRICTED:			
EXPENDABLE	7,775,474	-	7,775,474
NON-EXPENDABLE	3,189	-	3,189
UNRESTRICTED (DEFICIT)	(16,187,208)	(361)	(16,187,569)
<b>TOTAL NET POSITION (DEFICIT)</b>	<u>\$ (8,785,426)</u>	<u>\$ 190,164</u>	<u>\$ (8,595,262)</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE BASIC FINANCIAL STATEMENTS.

BAMBERG SCHOOL DISTRICT NO. 1  
BAMBERG, SOUTH CAROLINA  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2017

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT		TOTAL
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITY	
<b>GOVERNMENTAL ACTIVITIES</b>							
INSTRUCTION	\$ 9,357,519	\$ 172,264	\$ 7,049,336	\$ -	\$ (2,135,919)		\$ (2,135,919)
SUPPORT SERVICES	8,014,203	-	2,680,016	-	(5,334,187)		(5,334,187)
INTEREST AND OTHER CHARGES	526,758	-	82,485	-	(444,273)		(444,273)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>17,898,480</b>	<b>172,264</b>	<b>9,811,837</b>	<b>-</b>	<b>(7,914,379)</b>		<b>(7,914,379)</b>
<b>BUSINESS-TYPE ACTIVITY:</b>							
FOOD SERVICE	880,387	79,078	694,563	-	-	\$ (106,746)	(106,746)
<b>TOTAL BUSINESS-TYPE ACTIVITY</b>	<b>880,387</b>	<b>79,078</b>	<b>694,563</b>	<b>-</b>	<b>-</b>	<b>(106,746)</b>	<b>(106,746)</b>
<b>TOTAL SCHOOL DISTRICT</b>	<b>\$ 18,778,867</b>	<b>\$ 251,342</b>	<b>\$ 10,506,400</b>	<b>\$ -</b>	<b>(7,914,379)</b>	<b>(106,746)</b>	<b>(8,021,125)</b>
<b>GENERAL REVENUES:</b>							
<b>TAXES</b>							
PROPERTY TAXES, LEVIED FOR GENERAL PURPOSES					3,402,097	-	3,402,097
PROPERTY TAXES, LEVIED FOR DEBT SERVICE					1,778,536	-	1,778,536
FEDERAL AND STATE AID NOT RESTRICTED TO SPECIFIC PURPOSES					2,670,904	-	2,670,904
UNRESTRICTED INVESTMENT EARNINGS					81,280	2	81,282
INSURANCE PROCEEDS					60,914	-	60,914
MISCELLANEOUS					8,888	531	9,419
<b>TOTAL GENERAL REVENUES AND EXTRAORDINARY ITEM</b>					<b>8,002,619</b>	<b>533</b>	<b>8,003,152</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE TRANSFERS</b>					<b>88,240</b>	<b>(106,213)</b>	<b>(17,973)</b>
<b>TRANSFERS BETWEEN GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES</b>					<b>(40,798)</b>	<b>40,798</b>	<b>-</b>
<b>CHANGE IN NET POSITION</b>					<b>47,442</b>	<b>(65,415)</b>	<b>(17,973)</b>
<b>NET POSITION (DEFICIT), JULY 1, 2016</b>					<b>(8,832,868)</b>	<b>255,579</b>	<b>(8,577,289)</b>
<b>NET POSITION (DEFICIT), JUNE 30, 2017</b>					<b>\$ (8,785,426)</b>	<b>\$ 190,164</b>	<b>\$ (8,595,262)</b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE BASIC FINANCIAL STATEMENTS.

