

Accountants' Report

BEAUFORT COUNTY SCHOOL DISTRICT

Beaufort, South Carolina

Special Report

June 10, 1974

McKNIGHT, FRAMPTON, BUSKIRK AND CO.

Certified Public Accountants

Beaufort, South Carolina 29902

BEAUFORT COUNTY SCHOOL DISTRICT

BEAUFORT, SOUTH CAROLINA

SPECIAL REPORT

JUNE 10, 1974

CONTENTS

- Report - Accountants' Disclaimer of Opinion
- Exhibit "A" - Balance Sheet At May 31, 1974, and Proposed Transactions For The Month of June, 1974 and For The Fiscal Year 1974-75 and The Resulting Pro-Forma Balance Sheets At June 30, 1974 and 1975
- Exhibit "B" - Recommendations To Achieve Elimination of General Operating Fund Deficit

MC KNIGHT, FRAMPTON, BUSKIRK AND CO.
CERTIFIED PUBLIC ACCOUNTANTS
715 BAY STREET
BEAUFORT, SOUTH CAROLINA 29902

DANIEL L. MC KNIGHT, JR., CPA
HENRY W. FRAMPTON, CPA
THOMAS E. BUSKIRK, JR., CPA
HERBERT B. MC GUIRE, JR., CPA
MAX M. TANENBAUM, CPA
DAVID E. THIEM, CPA
DOUGLAS D. KUGLEY, CPA
JOHN A. FENTON, CPA
WILLIAM C. ROBINSON, CPA
ROBERT C. GALLAGER, CPA
NOEL D. THORN, CPA

June 8, 1974

MEMBERS
AMERICAN INSTITUTE OF CPAS
S. C. ASSOCIATION OF CPAS
PHONE (803) 524-3003

OFFICES IN
CHARLESTON
NORTH CHARLESTON
BEAUFORT

Beaufort County Council
Beaufort County Board of Education
Beaufort, South Carolina 29902

Gentlemen:

The accompanying balance sheet of the Beaufort County School District General Operating Fund at May 31, 1974 was not audited by us and accordingly we do not express an opinion on it.

The proposed June, 1974 transactions and Pro-Forma Balance Sheets at June 30, 1974 and 1975 were prepared from information furnished by school authorities without audit. Since these are proposed transactions reflecting future events and not accomplished facts, the accountants take no responsibility for the Pro-Forma Balance Sheets at June 30, 1974 and 1975.

Yours very truly,

Mc Knight, Frampton, Buskirk and Co.

WCR:ch

BEAUFORT COUNTY SCHOOL DISTRICT GENERAL OPERATING FUND
 BALANCE SHEET AT MAY 31, 1974 AND PROPOSED TRANSACTIONS FOR THE MONTH OF
 JUNE, 1974 AND FOR THE FISCAL YEAR 1974-75 AND THE RESULTING PRO-FORMA BALANCE SHEETS AT JUNE 30, 1974 AND 1975

Exhibit "A"

<u>Unaudited</u>									
Assets	Balance Sheet May 31, 1974	Proposed June, 1974 Transactions				Pro-Forma Balance Sheet June 30, 1974	Proposed Partial Elimination of Deficit		Pro-Forma Balance Sheet June 30, 1975
		(1)	(2)	(3)	(4)		(5)	(6)	
Cash in bank	\$ 400,402.76	\$(400,402.76)	\$ 65,000.00	\$(125,000.00)	\$ 260,000.00	\$ 200,000.00	\$ - 0 -	\$ - 0 -	\$ 200,000.00
Accounts receivable - employees	155.00					155.00			155.00
Total Assets	<u>\$ 400,557.76</u>	<u>\$(400,402.76)</u>	<u>\$ 65,000.00</u>	<u>\$(125,000.00)</u>	<u>\$ 260,000.00</u>	<u>\$ 200,155.00</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 200,155.00</u>
Liabilities									
Accounts payable (estimated)	\$ 40,401.00					\$ 40,401.00			\$ 40,401.00
Payables to Capital Projects Fund, School Lunch Program Fund and liability for payroll deductions	596,387.37	\$(400,402.76)				195,984.61			195,984.61
Payable to Beaufort County Treasurer	238,300.29				\$ 260,000.00	498,300.29	\$(376,500.00)	\$ (66,500.00)	55,300.29
Total liabilities	\$ 875,088.66	\$(400,402.76)			\$ 260,000.00	\$ 734,685.90	\$(376,500.00)	\$ (66,500.00)	\$ 291,685.90
Fund Deficit									
Fund deficit	(474,530.90)	- 0 -	\$ 65,000.00	\$(125,000.00)	- 0 -	(534,530.90)	376,500.00	66,500.00	(91,530.90)
Total Liabilities and Fund Deficit	<u>\$ 400,557.76</u>	<u>\$(400,402.76)</u>	<u>\$ 65,000.00</u>	<u>\$(125,000.00)</u>	<u>\$ 260,000.00</u>	<u>\$ 200,155.00</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 200,155.00</u>

- (1) Use of all cash available at May 31, 1974 to pay past due and existing debts to extent possible prior to June 30, 1974.
- (2) Revenue estimate to be collected during June, 1974 - Local sources \$46,000, State sources \$19,000.
- (3) Estimated cash expenditures for month of June, 1974 - Payroll \$90,000, Other \$35,000.
- (4) Proposed money to be made available for paying cash deficit for June of \$60,000 (\$65,000 - \$125,000) plus \$200,000 to meet immediate liabilities until tax collections are realized.
- (5) Restriction by County Treasurer of \$376,500 of revenue anticipated for fiscal year ended June 30, 1974 which will not be received until after June 30, 1974 to pay back loans from County Treasurer.
- (6) Restriction of cash from 2 mill levy by the County Treasurer to help eliminate deficit. This levy was provided by County Council at a prior meeting.

BEAUFORT COUNTY SCHOOL DISTRICT
RECOMMENDATIONS TO ACHIEVE ELIMINATION OF
GENERAL OPERATING FUND DEFICIT

Exhibit "B"

-
1. Maintain two mill levy until deficit is eliminated.
 2. Establish a policy to maintain in General Operating Fund a surplus of \$100,000.00 at June 30 of each fiscal year.
 3. Review school budget in August or September of each year to anticipate revenue and expenditures not previously provided for.
 4. The school district should have a qualified accountant with a minimum of two years experience in governmental accounting to monitor the school budget daily and report to the school board monthly on any areas of under or over expenditures. This accountant would be completely and totally responsible for the school collection and spending of funds compared to the approved budget. In general, he would be responsible for the accounting system of the school district.