

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
***ST. GEORGE, SOUTH CAROLINA***

**BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION**

**FISCAL YEAR ENDED JUNE 30, 2011**

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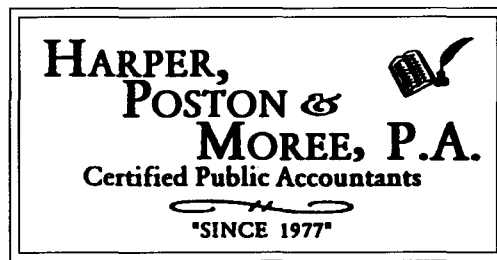
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## **FINANCIAL SECTION**



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Dorchester County School District Number Four  
St. George, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Dorchester County School District Number Four, St. George, South Carolina, as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 activities, each major fund, and the aggregate remaining fund information of Dorchester County School District Number Four, St. George, South Carolina, as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the financial statements, the District adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* in the current fiscal year.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2011 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 11 and 46 through 47 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 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The combining and individual fund financial statements and supplemental schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual fund financial statements, supplemental schedules, 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Harper, Poston & Moree, P.A.*

Harper, Poston & Moree, P.A.  
Certified Public Accountants

Pawleys Island, South Carolina  
November 22, 2011

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

### **YEAR ENDED JUNE 30, 2011**

The discussion and analysis of Dorchester School District Four's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2011. 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**

- The total assets of the District exceeded its total liabilities at the close of the most recent fiscal year by \$20,669,697 (net assets). Of this amount, \$9,684,093 (unrestricted net assets) may be used to meet the District's ongoing obligations to its students and creditors.
- The District's total net assets increased \$2,115,307, which represents an 11.4% increase from fiscal year 2010. The District's total unrestricted net assets increased \$1,291,777 from fiscal year 2010.
- Revenues totaled \$29,500,688. This is an increase of \$11,070 or .03% from fiscal year 2010.
- Expenses totaled \$27,375,746. This is a decrease of \$29,808 or .11% from fiscal year 2010.
- Our principal operating fund, the General Fund, had \$19,503,292 in fiscal year 2011 revenues, which primarily consisted of state aid and property taxes, and \$18,682,780 in expenditures. The General Fund's fund balance increased from \$6,352,580 as of June 30, 2010 to \$7,538,102 as of June 30, 2011.
- The District's total bonded debt, including issuance premiums and deferred amounts on refunding, decreased by \$1,344,976 during FY 2011 reflecting principal reductions from previously issued general obligation debt and the SCAGO Equipment Acquisition Lease Program. The District did not issue a Tax Anticipation Note for FY 2011.

## 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 comprise three components: 1) government-wide financial statements, 2) fund financial statements (General, Special Revenue, Debt Service, Capital Projects, Proprietary, and Fiduciary) and 3) notes to the 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 (government activities) and functions principally supported by user charges (business type activities). The governmental activities of the District include instruction, support services, operation and maintenance of plant, student transportation, and operation of non-instructional services. The government-wide financial statements are included on pages 12 and 13 of this report.

Statement of Net Assets: The statement of net assets presents information on all of the District's assets and liabilities except for those related to fiduciary funds, 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 District is improving or deteriorating.

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

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 funds, proprietary funds, and fiduciary funds.

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 on 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.



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 the District's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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 Projects, EIA, Capital Projects, and Debt Service Funds, all of which are considered to be major funds.

The District adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget.

Proprietary Funds: Services for which the District charges a fee are generally reported in the proprietary funds. Proprietary fund statements are reported on the accrual basis and include the District's Food Service Fund.

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.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information for the General Fund in the form of a budgetary comparison schedule.

The District maintains its accounting records in conformity with the South Carolina Department of Education's Financial Accounting Handbook. Combining and individual fund schedules mandated by the South Carolina Department of Education follow the required supplementary information for the General Fund.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$20,669,697 as of June 30, 2011.

A large portion of the District's net assets (41%) reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment, and construction in progress), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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 and disposal of capital assets, and the depreciation of capital assets.

The following table presents a comparison of the District's net assets for the past two fiscal years. Amounts are expressed in thousands of dollars.

	Governmental Activities		Business – Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and Other Assets	\$ 15,916	\$ 16,525	\$ 223	\$ 186	\$ 16,139	\$ 16,711
Capital Assets, Net	18,840	17,800	107	104	18,947	17,904
Total Assets	<u>\$ 34,756</u>	<u>\$ 34,325</u>	<u>\$ 330</u>	<u>\$ 290</u>	<u>\$ 35,086</u>	<u>\$ 34,615</u>
Current Liabilities	\$ 5,093	\$ 5,380	\$ -0-	\$ -0-	\$ 5,093	\$ 5,380
Long-Term Liabilities	9,323	10,681	-0-	-0-	9,323	10,681
Total Liabilities	<u>\$ 14,416</u>	<u>\$ 16,061</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 14,416</u>	<u>\$ 16,061</u>
Net Assets:						
Invested in Capital Assets,						
Net of Related Debt	\$ 8,389	\$ 7,150	\$ 107	\$ 105	\$ 8,496	\$ 7,255
Restricted	2,490	2,907	-0-	-0-	2,490	2,907
Unrestricted	9,461	8,207	223	185	9,684	8,392
Total Net Assets	<u>\$ 20,340</u>	<u>\$ 18,264</u>	<u>\$ 330</u>	<u>\$ 290</u>	<u>\$ 20,670</u>	<u>\$ 18,554</u>

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

- Completion of construction projects with related capitalized construction costs of \$1,599,931.
- The principal retirement of \$1,339,000 of bonded debt.

At the end of the current fiscal year, the District is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

The District's total revenues for the fiscal year ended June 30, 2011 were \$29,500,688. The total cost of all programs and services was \$27,375,746 for an increase in net assets of \$2,124,942.

The following table presents a summary of the changes in net assets for the past two fiscal years. Amounts are expressed in thousands of dollars.

	Governmental Activities		Business – Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program Revenues:						
Charges for Services	\$ 381	\$ 407	\$ 173	\$ 195	\$ 554	\$ 602
Operating Grants	11,575	11,597	1,437	1,465	13,012	13,062
Capital Grants	102	188	-0-	25	102	213
General Revenues:						
Property Taxes	9,980	10,148	-0-	-0-	9,980	10,148
Investment Income	34	48	1	1	35	49
State Aid/Formula Grants	5,744	5,345	-0-	-0-	5,744	5,345
Miscellaneous and Other	74	71	-0-	-0-	74	71
Total Revenues	\$ 27,890	\$ 27,804	\$ 1,611	\$ 1,686	\$ 29,501	\$ 29,490
Expenses:						
Instruction	\$ 14,728	\$ 14,570	\$ -0-	\$ -0-	\$ 14,728	\$ 14,570
Support Services	10,566	10,604	-0-	-0-	10,566	10,604
Community Services	1	3	-0-	-0-	1	3
Intergovernmental	66	56	-0-	-0-	66	56
Interest	437	490	-0-	-0-	437	490
Depreciation - Unallocated	6	7	-0-	-0-	6	7
Food Service	-0-	-0-	1,571	1,676	1,571	1,676
Total Expenses	\$ 25,804	\$ 25,730	\$ 1,571	\$ 1,676	\$ 27,375	\$ 27,406
Increase in Net Assets	\$ 2,086	\$ 2,074	\$ 40	\$ 10	\$ 2,126	\$ 2,084
Net Assets - Beginning	18,264	16,190	290	280	18,554	16,470
Prior Period Adjustment	(10)	-0-	-0-	-0-	(10)	-0-
Net Assets - Ending	\$ 20,340	\$ 18,264	\$ 330	\$ 290	\$ 20,670	\$ 18,554

**Governmental Activities:** The following table presents the cost of the major functional activities: instruction, support services, community services, intergovernmental, and interest on long-term debt. 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.

	Total Expenses		Net (Expense) Revenue	
	2011	2010	2011	2010
Instruction	\$ 14,728,165	\$ 14,569,878	\$ (4,515,149)	\$ (4,696,615)
Support Services	10,565,945	10,604,116	(8,822,753)	(8,317,063)
Community Services	1,166	2,434	(1,166)	(2,434)
Intergovernmental	66,334	56,403	(32,174)	(25,234)
Interest	437,007	489,979	(369,370)	(489,979)
Depreciation – Unallocated	5,583	6,448	(5,583)	(6,448)
Total Expenses	\$ 25,804,200	\$ 25,729,258	\$ (13,746,195)	\$ (13,537,773)

- The cost of all governmental activities this year was \$25,804,200. This was an increase of \$74,942 from fiscal year 2010's total of \$25,729,258.
- Federal and state governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$12,058,005 for fiscal year 2011. This is a decrease of \$133,480 from the total of \$12,191,485 for the 2010 fiscal year. This decrease is primarily a result of decreases in State funding.
- Net cost of governmental activities (\$13,746,195), was financed by general revenues, which are made up of primarily property taxes \$9,979,258, state aid \$5,744,034 and other miscellaneous general revenues of \$74,347. Investment earnings accounted for \$34,082 of funding. All of these components contributed to an overall increase in net assets for governmental activities of \$2,085,526. The net cost of governmental activities for fiscal year 2010 was (\$13,537,773) and was financed by general revenues consisting of \$10,148,373 in property taxes, \$5,345,109 in state aid, and \$70,979 in other miscellaneous revenue. Investment earnings contributed \$47,780 which produced an overall increase in net assets of \$2,074,468 in 2010.

Business-Type Activities: Net assets of business-type activities increased by \$39,416 for the current fiscal year. This was due to a decrease in expenses.

## **FINANCIAL ANALYSIS OF THE DISTRICT'S 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.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$11,913,446 a decrease of \$355,876 in comparison with the prior year. Of this amount, \$7,538,102 constitutes an unrestricted, unassigned fund balance and is available for spending at the District's discretion. The remainder of fund balance is restricted or assigned to indicate that it is not available for new spending because it has already been committed to pay debt service as well as future facility upgrades.

The General Fund is the principal operating fund of the District. The net change in fund balance in the General Fund for the fiscal year was an increase of \$1,185,522. The reason for this increase was an increase in revenue received for Fee in Lieu of Taxes. The Debt Service fund balance showed a decrease of \$432,695 from the prior year. The net change in fund balance in the Building Fund from the prior year was a decrease of \$1,108,703 which was related to the expenditures for facility upgrades.

Proprietary Fund: The District's Proprietary Fund (Food Service Fund) provides the same type of information found in the government-wide financial statements, but in more detail.

The Food Service Fund showed an increase in fund balance of \$39,416 for fiscal year 2011. This increase was primarily due to a decrease in operating expenditures.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

There were no changes made to the original budget approved for 2011. The District continued to maintain salary scales for professional and certified staff that are comparable to our neighboring districts. We also continue to implement programs that we hope will help us to not only recruit but also retain qualified staff members.

A schedule showing the original budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The district used a portion of its fund balance due to the decrease in state revenue.

The most significant variance between budget and actual results for the General Fund was the unanticipated increase in revenues received for Fee in Lieu of Taxes.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

Capital Assets: As of June 30, 2011, the District had invested \$18,946,221 (net of accumulated depreciation) in total capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. Total depreciation expense for the year was \$652,509 and \$36,740 for governmental and business-type activities, respectively.

The following schedule presents governmental activities capital asset balances, net of depreciation, for the past two fiscal years:

	2011	2010	Difference
Land	\$ 310,640	\$ 293,140	\$ 17,500
Buildings and Additions	18,224,754	16,056,460	2,168,294
Machinery, Equipment and Vehicles	150,784	128,321	22,463
Construction in Progress	153,507	1,322,081	(1,168,574)
Total	<u>\$ 18,839,685</u>	<u>\$ 17,800,002</u>	<u>\$ 1,039,683</u>

Net capital assets of business-type activities amounted to \$106,536 and \$104,630 for 2011 and 2010, respectively, and included machinery, equipment, and vehicles used in school cafeterias.

Additional information on the District's capital assets can be found in Note 5 of this report.

Debt Administration: At year-end, the District had \$10,305,000 in bonded debt outstanding, of which \$1,389,000 in principal payments are due within one year. The following table presents a summary of the District's outstanding bonded long-term debt for the fiscal year ended June 30, 2011, as compared to 2010:

	2011	2010
8% General Obligation Debt	\$ 1,228,750	\$ 1,515,000
Referendum General Obligation Debt	7,376,250	8,170,000
SCAGO Equipment Lease	1,700,000	1,959,000
Total	\$ 10,305,000	\$ 11,644,000

State statutes currently limit the amount of general obligation debt a District may issue without referendum to 8% of its total assessed valuation. The current debt limitation for the District is \$3,913,979 based on an assessed valuation of \$48,924,733, which is significantly in excess of the District's current outstanding non-referendum general obligation debt.

Additional information on the District's long-term debt and other long-term liabilities can be found in Note 6 of this report.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

Dorchester School District Four used a base student cost of \$1,788 when projecting Education Finance Act funding for the 2011-2012 fiscal year. By utilizing our fund balance, we were able to provide all of our employees with a step increase for additional years experience. State legislation allowed districts the flexibility to not provide this increase to certified staff members. There have been no cuts to date involving our Education Improvement Act funds or Education Finance Act funds. There are no immediate indications that there will be budget cuts during the 2011-2012 but that could always change.

Funding for school districts continues to be a major issue for fiscal year 2012. State funding for fiscal year 2012 is at the same level as it was over 10 years ago. The loss of Stimulus funds caused us to pick up an additional \$481,565 in expenses in our General Fund budget this year. S.C. Act 388, which relieves property owners of the responsibility of paying school operating taxes, continues to create financial shortfalls for districts. Restructuring the formula for state funding for school districts continues to be one of the items that will be addressed during the next legislative session. There are a number of options that are being discussed.

The district continues to work on upgrading our facilities and keeping them in good condition. We will be re-foofing three of our schools over the course of the current school year. We are also planning a new facility to house our Alternative School program as well as modifications to other schools for possible grade level restructuring. We have issued bonds to pay for these projects.

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

This financial report is designed to provide our citizens, taxpayers, 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 Office of Fiscal Services, Dorchester School District Four, 500 Ridge Street, St. George, S.C., 29477.

## **BASIC FINANCIAL STATEMENTS**



**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2011**

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash	\$ 85,191	\$ 715,832	\$ 801,023
Accounts Receivable	7,929	-	7,929
Taxes Receivable (Net of Allowance)	613,020	-	613,020
Due From County Treasurer	11,907,090	-	11,907,090
Due From Other State Agencies	62,830	-	62,830
Due From State Department of Education	515,814	-	515,814
Due From Federal Government	1,913,384	100,391	2,013,775
Internal Balances	629,506	(629,506)	-
Inventories	-	36,490	36,490
Deferred Charges	181,784	-	181,784
Capital Assets (Not Being Depreciated):			
Land	310,640	-	310,640
Construction in Progress	153,507	-	153,507
Capital Assets (Net of Accumulated Depreciation):			
Building and Improvements	18,224,754	-	18,224,754
Vehicles, Machinery, and Equipment	150,784	106,536	257,320
<b>TOTAL ASSETS</b>	<b>\$ 34,756,233</b>	<b>\$ 329,743</b>	<b>\$ 35,085,976</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 616,324	\$ -	\$ 616,324
Accrued Interest Payable	146,610	-	146,610
Withholding and Benefits Payable	852,058	-	852,058
Accrued Salaries	1,376,768	-	1,376,768
Due To State Department of Education	21,640	-	21,640
Deferred (Unearned) Grant Revenues	585,112	-	585,112
Noncurrent Liabilities:			
Due Within One Year	1,494,212	-	1,494,212
Due In More Than One Year	9,323,555	-	9,323,555
<b>TOTAL LIABILITIES</b>	<b>\$ 14,416,279</b>	<b>\$ -</b>	<b>\$ 14,416,279</b>
<b>NET ASSETS</b>			
Invested In Capital Assets, Net of Related Debt	\$ 8,389,525	\$ 106,536	\$ 8,496,061
Restricted For:			
Debt Service	2,489,543	-	2,489,543
Unrestricted	9,460,886	223,207	9,684,093
<b>TOTAL NET ASSETS</b>	<b>\$ 20,339,954</b>	<b>\$ 329,743</b>	<b>\$ 20,669,697</b>

The accompanying notes are an integral part of these financial statements.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**STATEMENT OF ACTIVITIES**  
**FOR FISCAL YEAR ENDED JUNE 30, 2011**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction	\$ 14,728,165	\$ 108,720	\$ 10,069,717	\$ 34,579	\$ (4,515,149)	\$ -	\$ (4,515,149)
Supporting Services	10,565,945	237,645	1,437,910	67,637	(8,822,753)	-	(8,822,753)
Community Services	1,166	-	-	-	(1,166)	-	(1,166)
Intergovernmental	66,334	34,160	-	-	(32,174)	-	(32,174)
Interest and Other Charges*	437,007	-	67,637	-	(369,370)	-	(369,370)
Depreciation - Unallocated**	5,583	-	-	-	(5,583)	-	(5,583)
Total Governmental Activities	\$ 25,804,200	\$ 380,525	\$ 11,575,264	\$ 102,216	\$ (13,746,195)	\$ -	\$ (13,746,195)
Business-Type Activities:							
Food Service	\$ 1,571,546	\$ 173,309	\$ 1,437,311	\$ -	\$ -	\$ 39,074	\$ 39,074
Total Business-Type Activities	\$ 1,571,546	\$ 173,309	\$ 1,437,311	\$ -	\$ -	\$ 39,074	\$ 39,074
<b>TOTALS</b>	<b>\$ 27,375,746</b>	<b>\$ 553,834</b>	<b>\$ 13,012,575</b>	<b>\$ 102,216</b>	<b>\$ (13,746,195)</b>	<b>\$ 39,074</b>	<b>\$ (13,707,121)</b>
<b>GENERAL REVENUES</b>							
Taxes:							
Property Taxes, Levied for General Purposes					\$ 8,586,333	\$ -	\$ 8,586,333
Property Taxes, Levied for Debt Service					1,392,925	-	1,392,925
Unrestricted State Aid and Grants					5,744,034	-	5,744,034
Unrestricted Investment Earnings					34,082	342	34,424
Other Miscellaneous Revenues					74,347	-	74,347
<b>TOTAL GENERAL REVENUES</b>					<b>\$ 15,831,721</b>	<b>\$ 342</b>	<b>\$ 15,832,063</b>
<b>CHANGE IN NET ASSETS</b>					<b>\$ 2,085,526</b>	<b>\$ 39,416</b>	<b>\$ 2,124,942</b>
<b>NET ASSETS BEGINNING OF YEAR, AS RESTATED (Note 16)</b>					<b>18,254,428</b>	<b>290,327</b>	<b>18,544,755</b>
<b>NET ASSETS END OF YEAR</b>					<b>\$ 20,339,954</b>	<b>\$ 329,743</b>	<b>\$ 20,669,697</b>

\* Excludes interest of \$4,280 that is included in the direct expenses of the various functions.

\*\* Excludes depreciation of \$646,926 that is included in the direct expenses of the various functions.

The accompanying notes are an integral part of these financial statements.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2011**

	<u>GENERAL</u>	<u>SPECIAL PROJECTS</u>
<b>ASSETS</b>		
Cash	\$ 85,191	\$ -
Accounts Receivable	-	1,729
Taxes Receivable (Net of Allowance for Uncollectibles)	531,899	-
Due From County Treasurer	7,613,429	-
Due From Other Funds	2,393,419	-
Due From Other State Agencies	-	62,830
Due From State Department of Education	82,885	41,996
Due From Federal Government	-	1,913,384
	<u>                    </u>	<u>                    </u>
<b>TOTAL ASSETS</b>	<b>\$ <u>10,706,823</u></b>	<b>\$ <u>2,019,939</u></b>
 <b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities</b>		
Accounts Payable	\$ 616,324	\$ -
Accrued Payroll Liabilities	523,769	-
Accrued Retirement	328,289	-
Accrued Salaries	1,376,768	-
Due To Other Funds	-	1,812,568
Due To State Department of Education	-	9,968
Deferred Tax Revenue	323,571	-
Deferred Grant Revenue	-	197,403
	<u>                    </u>	<u>                    </u>
<b>Total Liabilities</b>	<b>\$ <u>3,168,721</u></b>	<b>\$ <u>2,019,939</u></b>
 <b>Fund Balances</b>		
Restricted For:		
Debt Service	\$ -	\$ -
Assigned To:		
Capital Projects - Facilities Improvements	-	-
Unassigned	7,538,102	-
	<u>                    </u>	<u>                    </u>
<b>Total Fund Balances</b>	<b>\$ <u>7,538,102</u></b>	<b>\$ <u>-</u></b>
 <b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ <u>10,706,823</u></b>	<b>\$ <u>2,019,939</u></b>

The accompanying notes are an integral part of these financial statements.

EDUCATION IMPROVEMENT ACT	DEBT SERVICE	SCHOOL BUILDING	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ -	\$ -	\$ 85,191
-	6,200	-	7,929
-	81,121	-	613,020
-	2,577,451	1,716,210	11,907,090
8,448	-	215,436	2,617,303
-	-	-	62,830
390,933	-	-	515,814
-	-	-	1,913,384
<u>\$ 399,381</u>	<u>\$ 2,664,772</u>	<u>\$ 1,931,646</u>	<u>\$ 17,722,561</u>

\$ -	\$ -	\$ -	\$ 616,324
-	-	-	523,769
-	-	-	328,289
-	-	-	1,376,768
-	175,229	-	1,987,797
11,672	-	-	21,640
-	45,845	-	369,416
387,709	-	-	585,112
<u>\$ 399,381</u>	<u>\$ 221,074</u>	<u>\$ -</u>	<u>\$ 5,809,115</u>

\$ -	\$ 2,443,698	\$ -	\$ 2,443,698
-	-	1,931,646	1,931,646
-	-	-	7,538,102
<u>\$ -</u>	<u>\$ 2,443,698</u>	<u>\$ 1,931,646</u>	<u>\$ 11,913,446</u>
<u>\$ 399,381</u>	<u>\$ 2,664,772</u>	<u>\$ 1,931,646</u>	<u>\$ 17,722,561</u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET ASSETS  
JUNE 30, 2011**

Amounts reported for governmental activities in the statement of net assets are different because:

Ending fund balances - governmental funds balance sheet	\$ 11,913,446
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	18,839,685
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	369,416
Long-term liabilities, including bonds payable (net of premiums and deferred costs), capital leases, notes payable, compensated absences, and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(10,782,593)</u>
Net assets of governmental activities	<u>\$ 20,339,954</u>

The accompanying notes are an integral part of these financial statements.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR FISCAL YEAR ENDED JUNE 30, 2011**

	<u>GENERAL</u>	<u>SPECIAL PROJECTS</u>
<b>REVENUES</b>		
Local	\$ 10,299,986	\$ 462,554
State	9,203,306	515,270
Federal	-	3,735,952
Intergovernmental	-	57,292
<b>TOTAL REVENUES</b>	<b>\$ 19,503,292</b>	<b>\$ 4,771,068</b>
<b>EXPENDITURES</b>		
Current		
Instructional Services	\$ 9,408,281	\$ 3,456,038
Supporting Services	9,182,809	1,156,822
Community Services	1,166	-
Intergovernmental Expenditures	25,000	41,334
Debt Service		
Redemption of Bonds	-	-
Interest and Fiscal Agent Fees	-	-
Bond Issuance Costs	-	-
Capital Outlay	65,524	34,579
<b>TOTAL EXPENDITURES</b>	<b>\$ 18,682,780</b>	<b>\$ 4,688,773</b>
Excess Revenues Over (Under) Expenditures	\$ 820,512	\$ 82,295
<b>OTHER FINANCING SOURCES (USES)</b>		
Capital Lease	\$ 10,210	\$ -
Transfers From Other Funds	364,435	-
Transfers To Other Funds	-	(82,295)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 374,645</b>	<b>\$ (82,295)</b>
Net Change in Fund Balances	\$ 1,195,157	\$ -
<b>FUND BALANCE BEGINNING OF YEAR</b>	<b>6,352,580</b>	<b>-</b>
Adjustment to Beginning Fund Balance (Note 16)	(9,635)	-
<b>FUND BALANCE END OF YEAR</b>	<b>\$ 7,538,102</b>	<b>\$ -</b>

The accompanying notes are an integral part of these financial statements.

<u>EDUCATION IMPROVEMENT ACT</u>	<u>DEBT SERVICE</u>	<u>SCHOOL BUILDING</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ -	\$ 1,589,621	\$ 5,674	\$ 12,357,835
1,784,783	124,776	-	11,628,135
-	-	-	3,735,952
-	-	-	57,292
<u>1,784,783</u>	<u>1,714,397</u>	<u>5,674</u>	<u>27,779,214</u>
\$ 1,225,015	\$ -	\$ -	\$ 14,089,334
142,354	-	130,100	10,612,085
-	-	-	1,166
-	-	-	66,334
-	1,339,000	-	1,339,000
-	417,531	-	417,531
-	1,564	-	1,564
-	-	1,508,548	1,608,651
<u>1,367,369</u>	<u>1,758,095</u>	<u>1,638,648</u>	<u>28,135,665</u>
<u>417,414</u>	<u>(43,698)</u>	<u>(1,632,974)</u>	<u>(356,451)</u>
\$ -	\$ -	\$ -	\$ 10,210
-	417,339	873,973	1,655,747
(417,414)	(806,336)	(349,702)	(1,655,747)
<u>(417,414)</u>	<u>(388,997)</u>	<u>524,271</u>	<u>10,210</u>
\$ -	\$ (432,695)	\$ (1,108,703)	\$ (346,241)
-	2,876,393	3,040,349	12,269,322
-	-	-	(9,635)
<u>-</u>	<u>2,443,698</u>	<u>1,931,646</u>	<u>11,913,446</u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ (346,241)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount is the amount by which capital outlays exceeded depreciation expense in the current period.	1,039,683
Revenues and other items in the statement of activities, that will not be collected for several months after year end and do not provide for current financial resources, are not reported as revenues in the funds.	110,512
The issuance of long-term debt (e.g. bonds, leases, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,339,562
Some expenses reported in the statement of activities, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(57,990)</u>
Change in net assets of governmental activities	<u><u>\$ 2,085,526</u></u>

The accompanying notes are an integral part of these financial statements.



**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2011**

**BUSINESS-TYPE  
ACTIVITY  
ENTERPRISE FUND  
(FOOD SERVICE)**

**ASSETS**

Current Assets	
Cash	\$ 715,832
Due From Federal Government	100,391
Inventories	36,490
Total Current Assets	\$ <u>852,713</u>
Noncurrent Assets	
Equipment	\$ 501,849
Less: Accumulated Depreciation	(395,313)
Total Noncurrent Assets	\$ <u>106,536</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>959,249</u></b>

**LIABILITIES**

Current Liabilities	
Due To Other Funds	\$ <u>629,506</u>
<b>TOTAL LIABILITIES</b>	<b>\$ <u>629,506</u></b>

**NET ASSETS**

Invested in Capital Assets	\$ 106,536
Unrestricted	<u>223,207</u>
<b>TOTAL NET ASSETS</b>	<b>\$ <u><u>329,743</u></u></b>

The accompanying notes are an integral part of these financial statements.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

**BUSINESS-TYPE  
ACTIVITY  
ENTERPRISE FUND  
(FOOD SERVICE)**

**OPERATING REVENUES**

Proceeds from Sales of Meals \$ 173,029

**TOTAL OPERATING REVENUES** \$ 173,029

**OPERATING EXPENSES**

Food Costs \$ 655,990  
Salaries and Employee Benefits 610,054  
Utilities 8,007  
Depreciation 36,740  
Supplies and Materials 109,701  
Other Operating Costs 151,054

**TOTAL OPERATING EXPENSES** \$ 1,571,546

Operating Income (Loss) \$ (1,398,517)

**NONOPERATING REVENUES (EXPENSES)**

Interest \$ 342  
USDA Reimbursements 1,083,320  
Commodities Received From USDA 93,490  
Other Federal and State Aid 260,501  
Miscellaneous Revenue 280

**TOTAL NONOPERATING REVENUES (EXPENSES)** \$ 1,437,933

Change in Net Assets \$ 39,416

**NET ASSETS BEGINNING OF YEAR** 290,327

**NET ASSETS END OF YEAR** \$ 329,743

The accompanying notes are an integral part of these financial statements.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

**BUSINESS-TYPE  
ACTIVITY  
ENTERPRISE FUND  
(FOOD SERVICE)**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash Received from Patrons	\$ 173,029
Cash Payments to Suppliers for Goods and Services	(816,224)
Cash Payments to Employees for Services	<u>(614,644)</u>
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>\$ <u>(1,257,839)</u></b>

**CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES**

Other Federal and State Aid	\$ 260,501
USDA Federal Reimbursements	1,232,976
Other Miscellaneous Receipts	<u>280</u>
<b>Net Cash Provided (Used) By Non-Capital Financing Activities</b>	<b>\$ <u>1,493,757</u></b>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Purchases of Capital Assets	\$ <u>(38,646)</u>
<b>Net Cash Provided (Used) By Capital and Related Financing Activities</b>	<b>\$ <u>(38,646)</u></b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest on Investments	\$ <u>342</u>
<b>Net Cash Provided (Used) By Investing Activities</b>	<b>\$ <u>342</u></b>

<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>\$ 197,614</b>
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<b>CASH AND CASH EQUIVALENTS BEGINNING OF YEAR</b>	<b><u>518,218</u></b>
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<b>CASH AND CASH EQUIVALENTS END OF YEAR</b>	<b><u><u>715,832</u></u></b>
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The accompanying notes are an integral part of these financial statements.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

**BUSINESS-TYPE  
ACTIVITY  
ENTERPRISE FUND  
(FOOD SERVICE)**

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET  
CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating Income (Loss)	\$ (1,398,517)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:	
Depreciation	36,740
Non-Cash Commodities Used	93,490
Changes in Assets and Liabilities	
(Increase) Decrease in Inventory	403
Increase (Decrease) in Due To Other Funds	<u>10,045</u>
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>\$ <u>(1,257,839)</u></b>

**Supplemental Non-Cash Financing and Investing Information:**

Non-Cash Commodities Received from USDA	\$ <u>93,490</u>
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The accompanying notes are an integral part of these financial statements.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2011**

	<u><b>AGENCY FUND</b></u>
<b>ASSETS</b>	
Cash	\$ <u>116,109</u>
<b>TOTAL ASSETS</b>	\$ <u>116,109</u>
<b>LIABILITIES</b>	
Due To Third Parties	\$ <u>116,109</u>
<b>TOTAL LIABILITIES</b>	\$ <u>116,109</u>
<b>NET ASSETS</b>	\$ <u><u>-</u></u>

The accompanying notes are an integral part of these financial statements.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Dorchester County School District Number Four (the District) conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies:

**Reporting Entity**

The District is a Local Education Agency empowered by State law with the responsibility to oversee and control activities related to public school education in a portion of Dorchester County, South Carolina. The Board receives state, local and federal government funding and must adhere to the legal requirements of each funding entity. The District operates under the direction of an elected Board of Education. A Superintendent, hired by the Board, serves as the chief administrative officer of the District.

The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. Based on this criteria, the District has determined there were no separate governmental units or other organizations meeting the criteria for inclusion in the reporting entity.

**Government-Wide and Fund Financial Statements**

The financial statement presentation for the District meets the requirements of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* and related amendments, pronouncements, and interpretations. The financial statement presentation provides a comprehensive, entity-wide perspective of the District's net assets, revenues, expenses and changes in net assets and cash flows that replaces the fund-group perspective previously required and provides for the inclusion of Management's Discussion and Analysis as required supplementary information.

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the District as a whole. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Indirect expense allocations that have been made in the funds have been eliminated for the statement of activities. *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*. Internally dedicated resources are also reported as general revenues.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and demonstrate legal compliance. Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Each major fund is determined in accordance with criteria established by the Governmental Accounting Standards Board. All non-major funds are aggregated and reported in a single column of the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund 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. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental fund 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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund are charges to customers for food sales and services. Operating expenses for enterprise funds include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The focus of proprietary fund measurement focus is upon determination of operating income, changes in net assets, financial position, and cash flows. Proprietary funds are similar to businesses operating in the private sector where fees are charged to external users for goods and services provided.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

Fiduciary funds are used to report assets held in a trustee capacity for others. Since by definition these assets are being held for the benefit of a third party and cannot be used to finance activities or obligations of the District, these funds are not incorporated into the government-wide statements. The funds are, however, reported in the fund financial statements.

The District utilizes the following governmental funds:

*General Fund:* The general fund is the primary operating fund of the District. The general fund accounts for all financial resources except those that are required to be reported in another fund.

*Special Revenue Fund - Special Projects Fund:* Accounts for the proceeds of specific revenue sources that are legally or contractually restricted to expenditures for specified purposes.

*Special Revenue Fund - Education Improvement Act Fund:* Accounts for the proceeds of the additional one percent sales and use tax that are restricted to expenditures for the Education Improvement Act strategies.

*Debt Service Fund:* Accounts for the accumulation of resources for and the payment of general long-term debt, principal and interest.

*Capital Projects Fund - School Building Fund:* Accounts for major capital expenditures other than the acquisition of machinery, furniture, and vehicles which is usually accounted for in the fund responsible for financing the expenditures.

The District utilizes the following proprietary fund:

*Enterprise Fund - Food Service Fund:* Accounts for the operations of the breakfast and lunch food service programs within the District.

Additionally, the District utilizes the following fiduciary fund:

*Agency Fund - Pupil Activity Fund:* Reports resources held by the District in a custodial capacity for students and student organizations.

The District reports the General Fund, Special Revenue Fund - Special Projects Fund, Special Revenue Fund - Education Improvement Act Fund, the Debt Service Fund, and the Capital Projects Fund - School Building Fund as major governmental funds. The District reports the Enterprise - Food Service Fund as a major proprietary fund.



**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and revenues, expenditures/expenses, and other sources and uses recognized during the reporting period. Actual results could differ from those amounts.

**Deposits and Investments**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the District to invest in obligations of the United States and its agencies, general obligations of the State of South Carolina and its subdivisions, savings and loan associations to the extent of federal depository insurance, certificates of deposit collaterally secured, and repurchase agreements secured by the foregoing obligations.

**Receivables**

All receivables are shown at their gross value and where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Such allowances are estimated based upon such factors as length of delinquency, historical analysis, and available means for collection enforcement.

**Interfund Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources. Interfund receivables and payables are eliminated in the government-wide financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

**Inventories and Prepaid Items**

Inventory in the food service fund (enterprise fund) consists of food and supplies held for resale. Inventories are valued at cost using the first-in/first-out (FIFO) method except for commodities received from the United States Department of Agriculture which are stated at values assigned by the USDA.

Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings & Improvements	10 - 40
Machinery & Equipment	3 - 12
Vehicles	5

Depreciation for capital assets that can be specifically identified with a function is included in the direct expenses for that function. Depreciation for capital assets that serve essentially all functions is included in the statement of activities as a separate line item "depreciation - unallocated."

**Compensated Absences**

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District, unless as a result of retirement.

All vacation pay and salary related expenses are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Employees can earn up to 45 vacation days for subsequent use. The portion of time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide statements.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Deferred Revenues**

Deferred revenues arise when a potential revenue does not meet the criteria for recognition in the current period. In subsequent periods, when revenue recognition criteria are met, the government has a legal claim to the resources, or the revenue has been earned, the liability is removed and revenue is recognized.

**Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund 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 debt service expenditures.

**Net Assets/Fund Balances**

The District's net assets in the government-wide financial statements and proprietary fund financial statements are classified as follows:

*Invested in Capital Assets, Net of Related Debt:* This represents the District's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

*Restricted Net Assets:* This represents resources in which the District is legally or contractually obligated to spend in accordance with restrictions externally imposed by third parties or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted Net Assets:* Any remaining balance of net assets is reported as unrestricted, including management designations.

In the governmental fund financial statements, equity is classified as fund balance. During the current fiscal year, the District implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions". The objective of this Statement is 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. The categories of fund balance presented in the District's financial statements have changed as a result of implementing this statement.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The following classifications describe the relative strength of spending constraints placed on the purposes for which resources can be used:

*Nonspendable Fund Balance:* Consists of amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.

*Restricted Fund Balance:* Consists of amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

*Committed Fund Balance:* Consists of amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

*Assigned Fund Balance:* Consists of amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

*Unassigned Fund Balance:* Consists of amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Board establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. Assigned fund balance is established by the Board through adoption or amendment of the budget as intended for a specific purpose.

When fund balance resources are available for a specific purpose in more than one classification, it is the District's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

**Property Taxes**

Property taxes are assessed and collected under a joint billing and collection agreement with Dorchester County. The District's property taxes are levied each October (except for vehicles which are annually assessed on the first day of the month the automobiles are registered) on the assessed value listed as of the prior January 1<sup>st</sup> for all real and personal property located in the County. The tax levy is considered due upon receipt by the taxpayer, however, the actual due date is January 15<sup>th</sup>. All unpaid taxes become delinquent on January 16<sup>th</sup> and are put into execution on March 15<sup>th</sup>. Vehicle taxes are levied monthly and are due within the period they are levied. Property taxes are recognized under the standards established by GASB Statement No. 33 for imposed nonexchange revenues.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Nonexchange Transactions**

The standards established by GASB Statement No. 33, "*Accounting and Financial Reporting for Nonexchange Transactions*", provide accounting and reporting for the following four categories of nonexchange transactions: 1) Derived tax revenues, 2) Imposed nonexchange revenues, 3) Government-mandated nonexchange transactions, and 4) Voluntary nonexchange transactions. Nonexchange transactions involve financial or capital resources in which the government either gives value to another party or receives value from another party without directly receiving equal value in exchange.

Assets from derived tax revenues are recognized when the underlying exchange has occurred or when the resources are received, whichever first. Revenues are recognized when the underlying exchange has occurred and resources are available to the government.

Assets from imposed nonexchange revenues are recognized when an enforceable legal claim has arisen or when resources are received, whichever occurs first. Revenues are recognized when resources are required to be used or the first period that use is permitted. Resources must also be available to the government.

Assets, liabilities, revenues, and expenditures from government-mandated and voluntary nonexchange transactions are generally recognized when all eligibility requirements have been met. Resources received before the eligibility requirements are fulfilled are reported as deferred revenues. Eligibility requirements can include one or more of the following:

1. The recipient has the characteristics specified by the provider.
2. Time requirements specified by the provider have been met.
3. The provider offers resources on a reimbursement basis and allowable costs have been incurred under the applicable program.
4. The provider's offer of resources is contingent upon a specified action and that action has occurred.

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Section 3 of Act 593 of 1992, as amended on March 16, 2011 states that the District may maintain a limited cash reserve (fund balance) not exceeding 15% of the total operating budget for its next fiscal year. At June 30, 2011 the District's operating fund balance was \$7,538,102 which exceeded the 15% maximum limitation by \$4,542,850. The District has adopted a millage reduction plan that has been approved by Dorchester County Council that will remain in effect until the District is in compliance with the 15% limitation.

**NOTE 3 - DEPOSITS AND INVESTMENTS**

At year end, the District's carrying amount of deposits was \$917,132, included agency fund cash of \$116,109, and the corresponding bank balance was \$1,119,537.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 3 - DEPOSITS AND INVESTMENTS (continued)**

*Custodial Credit Risk - Deposits:* Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a policy for custodial credit risk, but follows the investment policy statutes of the State of South Carolina. As of June 30, 2011, \$494,320 of the District's bank balances of \$1,119,537 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the District's name.

Cash with Fiscal Agent - The Dorchester County Treasurer's Office collects the District's taxes, as well as federal and state revenues. The County Treasurer invests the District's monies with the South Carolina Local Government Investment Pool until the District submits a claim voucher. The pool is insured for both principal and interest. At year end the County Treasurer was responsible for \$11,907,090.

**NOTE 4 - RECEIVABLES**

Receivables as of the year end for individual major governmental funds, including applicable allowances for uncollectible accounts, are as follows:

	General	Special Projects	EIA	Debt Service	Total
Receivables:					
Reimbursements	\$ -	\$ 1,729	\$ -	\$ 6,200	\$ 7,929
Taxes	829,154	-	-	129,202	958,356
State & Federal	82,885	1,955,380	390,933	-	2,429,198
Other Agencies	-	62,830	-	-	62,830
Gross Receivables	\$ 912,039	\$ 2,019,939	\$ 390,933	\$ 135,402	\$ 3,458,313
Less: Allowance for Uncollectibles	(297,255)	-	-	(48,081)	(345,336)
Net Receivables	\$ <u>614,784</u>	\$ <u>2,019,939</u>	\$ <u>390,933</u>	\$ <u>87,321</u>	\$ <u>3,112,977</u>

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 the end of the current fiscal year, deferred revenues in the governmental funds consisted of \$369,416 for property taxes which are considered unavailable to liquidate current liabilities and \$585,112 for grant resources that have been received, but not yet expended.

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**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 5 - CAPITAL ASSETS**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets, not Being Depreciated:				
Land	\$ 293,140	\$ 17,500	\$ -	\$ 310,640
Construction in Progress	<u>1,322,081</u>	<u>1,599,931</u>	<u>(2,768,505)</u>	<u>153,507</u>
Total Capital Assets, not Being Depreciated	\$ <u>1,615,221</u>	\$ <u>1,617,431</u>	\$ <u>(2,768,505)</u>	\$ <u>464,147</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	\$ 25,226,315	\$ 2,768,505	\$ -	\$ 27,994,820
Vehicles	266,879	-	-	266,879
Machinery and Equipment	<u>257,374</u>	<u>74,761</u>	<u>(99,298)</u>	<u>232,837</u>
Total Capital Assets Being Depreciated	\$ <u>25,750,568</u>	\$ <u>2,843,266</u>	\$ <u>(99,298)</u>	\$ <u>28,494,536</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ (9,169,855)	\$ (600,211)	\$ -	\$ (9,770,066)
Vehicles	(212,818)	(19,752)	-	(232,570)
Machinery and Equipment	<u>(183,114)</u>	<u>(32,546)</u>	<u>99,298</u>	<u>(116,362)</u>
Total Accumulated Depreciation	\$ <u>(9,565,787)</u>	\$ <u>(652,509)</u>	\$ <u>99,298</u>	\$ <u>(10,118,998)</u>
Total Capital Assets, Being Depreciated, Net	\$ <u>16,184,781</u>	\$ <u>2,190,757</u>	\$ <u>-</u>	\$ <u>18,375,538</u>
Governmental Activities Capital Assets, Net	\$ <u><u>17,800,002</u></u>	\$ <u><u>3,808,188</u></u>	\$ <u><u>(2,768,505)</u></u>	\$ <u><u>18,839,685</u></u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Vehicles	\$ -	\$ 10,500	\$ -	\$ 10,500
Machinery and Equipment	<u>463,203</u>	<u>28,146</u>	<u>-</u>	<u>491,349</u>
Total Capital Assets Being Depreciated	\$ <u>463,203</u>	\$ <u>38,646</u>	\$ <u>-</u>	\$ <u>501,849</u>
Less Accumulated Depreciation for:				
Vehicles	\$ -	\$ (138)	\$ -	\$ (138)
Machinery and Equipment	<u>(358,573)</u>	<u>(36,602)</u>	<u>-</u>	<u>(395,175)</u>
Total Accumulated Depreciation	\$ <u>(358,573)</u>	\$ <u>(36,740)</u>	\$ <u>-</u>	\$ <u>(395,313)</u>
Total Capital Assets, Being Depreciated, Net	\$ <u>104,630</u>	\$ <u>1,906</u>	\$ <u>-</u>	\$ <u>106,536</u>
Business-Type Activities Capital Assets, Net	\$ <u><u>104,630</u></u>	\$ <u><u>1,906</u></u>	\$ <u><u>-</u></u>	\$ <u><u>106,536</u></u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 5 - CAPITAL ASSETS (continued)**

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

**Governmental Activities:**

Instruction	\$ 615,058
Supporting Services	31,868
Unallocated	<u>5,583</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 652,509</u>

**Business-Type Activities:**

Food Service	\$ <u>36,740</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 36,740</u>

At June 30, 2011, the District had outstanding contracts related to its facilities improvement projects with an estimated completion date of August 2012. The commitments are as follows:

Commitment - Design Roofing Project	\$ 178,000
Expenditures Incurred through June 30, 2011	<u>(133,507)</u>
Remaining Commitment	<u>\$ 44,493</u>

**NOTE 6 - LONG-TERM DEBT**

**General Obligation Bonds**

General obligation bonds are direct obligations issued on a pledge of the general taxing power for the payment of the debt obligations. The bonds have been issued to provide funds for the acquisition and construction of major facilities and improvements. General obligation bonds issued for governmental activities and currently outstanding at June 30, 2011, are as follows:

<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Original Issue</u>	<u>Outstanding June 30, 2011</u>
2005	3.00 - 3.50%	March 1, 2014	\$ 2,955,000	\$ 1,265,000
2009	3.00 - 4.00%	March 1, 2022	7,000,000	6,120,000
2010	3.00%	March 1, 2016	<u>1,425,000</u>	<u>1,220,000</u>
Totals			<u>\$ 11,380,000</u>	<u>\$ 8,605,000</u>



**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 6 - LONG-TERM DEBT (continued)**

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2012	\$ 1,115,000	\$ 304,675	\$ 1,419,675
2013	1,160,000	269,150	1,429,150
2014	1,180,000	232,225	1,412,225
2015	745,000	194,700	939,700
2016	775,000	171,100	946,100
2017-2021	2,965,000	496,600	3,461,600
2022	665,000	26,600	691,600
Totals	<u>\$ 8,605,000</u>	<u>\$ 1,695,050</u>	<u>\$ 10,300,050</u>

**SCAGO Equipment Acquisition Lease Program**

The South Carolina Association of Governmental Organizations (SCAGO) has established a leasing program (the SCAGO Equipment Acquisition Lease Program) to facilitate the issuance of leases by South Carolina School Districts. The purpose of the leasing program is to reduce the cost and improve the ease of entering into leases for School Districts in South Carolina. Eligible project expenditures for the leasing program include energy savings, debt refinancing, computers and office equipment, and activity buses. SCAGO leases issued for governmental activities and currently outstanding at June 30, 2011, are as follows:

<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Original Issue</u>	<u>Outstanding June 30, 2011</u>
2009	4.63%	December 1, 2017	\$ 2,342,000	\$ 1,700,000
Totals			<u>\$ 2,342,000</u>	<u>\$ 1,700,000</u>

Annual debt service requirements to maturity for the SCAGO Equipment Lease are as follows:

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2012	\$ 274,000	\$ 78,710	\$ 352,710
2013	272,000	66,024	338,024
2014	105,000	53,430	158,430
2015	245,000	48,569	293,569
2016	256,000	37,225	293,225
2017-2018	548,000	38,336	586,336
Totals	<u>\$ 1,700,000</u>	<u>\$ 322,294</u>	<u>\$ 2,022,294</u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 6 - LONG-TERM DEBT (continued)**

**Notes Payable**

During the year ended June 30, 2010, the District was awarded \$97,784 in State Energy Program ARRA funding from the South Carolina Energy Office (SCEO) for energy efficiency and renewable energy improvements. The SCEO issued 25% of the total award amount as a loan at zero percent interest which will be paid back from energy savings recognized from the grant award. Repayment of the loan is to be made in annual installments beginning November 1, 2011.

<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Original Issue</u>	<u>Outstanding June 30, 2011</u>
2010	0%	November 1, 2012	\$ 24,446	\$ 24,446
Totals			\$ 24,446	\$ 24,446

Annual debt service requirements to maturity for the SCEO note payable are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 12,223	\$ -	\$ 12,223
2013	12,223	-	12,223
Totals	\$ 24,446	\$ -	\$ 24,446

**Advance Refunding**

On June 29, 2005, the District issued \$2,955,000 of general obligation refunding bonds to provide resources to purchase government securities that were placed in an irrevocable trust for the purpose of generating revenues for all future debt service payments of \$2,800,000 of the general obligation bonds of 1997. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. The reacquisition price exceeded the carrying value of the old debt by \$117,107. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next nine years by \$144,273 and resulted in an economic gain of \$120,141. At June 30, 2011, \$1,325,000 of the defeased debt is still outstanding.

**Capital Leases**

The District has entered into lease agreements as lessee for financing the acquisition of various copiers and computer equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the net present value of their future minimum lease payments as of the inception date. The gross amount of assets (machinery and equipment) recorded under capital leases at June 30, 2011 for governmental activities is \$55,302 with corresponding accumulated depreciation of \$17,669.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 6 - LONG-TERM DEBT (continued)**

Future lease payments due at June 30, 2011 are as follows:

Year Ending June 30	<u>Total</u>
2012	\$ 15,806
2013	15,806
2014	13,365
2015	4,530
2016	<u>638</u>
Total Minimum Lease Payments	\$ 50,145
Amount Representing Interest	<u>(12,110)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 38,035</u>

The following is a summary of changes in long-term obligations and balances for June 30, 2011:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 9,685,000	\$ -	\$ (1,080,000)	\$ 8,605,000	\$ 1,115,000
Plus Issuance Premiums	152,621	-	(17,457)	135,164	-
Less Deferred Amounts:					
On Refunding	<u>(39,520)</u>	<u>-</u>	<u>11,481</u>	<u>(28,039)</u>	<u>-</u>
Total Bonds Payable	\$ 9,798,101	\$ -	\$ (1,085,976)	\$ 8,712,125	\$ 1,115,000
SCAGO Equipment Lease	1,959,000	-	(259,000)	1,700,000	274,000
Notes Payable	24,446	-	-	24,446	12,223
Capital Leases	38,597	10,210	(10,772)	38,035	9,975
Compensated Absences	<u>303,050</u>	<u>136,269</u>	<u>(96,158)</u>	<u>343,161</u>	<u>83,014</u>
Totals	<u>\$ 12,123,194</u>	<u>\$ 146,479</u>	<u>\$ (1,451,906)</u>	<u>\$ 10,817,767</u>	<u>\$ 1,494,212</u>

The general fund typically liquidates other long-term liabilities such as compensated absences.

**NOTE 7 - SHORT-TERM DEBT**

On September 15, 2010, the District issued a short-term general obligation bond in the amount of \$800,000 to finance capital projects. The maturity date was March 1, 2011 and it carried an interest rate of 2.00%. The debt was retired on February 28, 2011.

	<u>Outstanding June 30, 2010</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding June 30, 2011</u>
General Obligation Bond	\$ -	\$ 800,000	\$ (800,000)	\$ -

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 8 - OPERATING LEASES**

The District leases office equipment under noncancelable operating leases. Total costs for such leases were \$74,715 for the year ended June 30, 2011. The future minimum lease payments for these leases are as follows:

Year Ending June 30	<u>Amount</u>
2012	\$ 58,306
2013	51,125
2014	25,319
2015	18,510
2016	<u>18,510</u>
Total	<u>\$ 171,770</u>

**NOTE 9 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Outstanding balances between funds result mainly from the time lag between the dates the (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. At June 30, 2011, interfund receivables and payables resulting from various interfund transactions were as follows. All balances are expected to be repaid within the following year.

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 2,393,419	\$ -
Special Projects	-	1,812,568
EIA	8,448	-
Debt Service Fund	-	175,229
School Building Fund	215,436	-
Food Service Fund	<u>-</u>	<u>629,506</u>
Total	<u>\$ 2,617,303</u>	<u>\$ 2,617,303</u>

Transfers are used to move certain revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including indirect cost allocations. A schedule of operating transfers is as follows:

	<u>Transfers From Other Funds</u>	<u>Transfers To Other Funds</u>
General Fund	\$ 364,435	\$ -
Special Projects	-	82,295
EIA	-	417,414
Debt Service Fund	417,339	806,336
School Building Fund	<u>873,973</u>	<u>349,702</u>
Total	<u>\$ 1,655,747</u>	<u>\$ 1,655,747</u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 10 - POSTEMPLOYMENT BENEFITS**

**Plan Description**

In accordance with the South Carolina Code of Laws and the Annual Appropriations Act, the State of South Carolina provides certain health care, dental, life insurance, and long-term disability (OPEB) benefits to certain retired State and school district employees and their covered dependents. All permanent full-time and certain permanent part-time employees of the District are eligible to receive these benefits.

The State created two postemployment benefit trust funds, the South Carolina Retiree Health Insurance Trust (SCRHITF) and the Long Term Disability Insurance Trust (LTDITF), to account for postemployment benefits. The State issues a publically available financial report that includes financial statements and required supplementary information for these trusts. That report may be obtained by writing to Employee Insurance Program, 1201 Main Street, Suite 360, Columbia, South Carolina 29201.

**Funding Policy**

Sections 1-11-705 and 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires these postemployment healthcare and long-term disability benefits be funded through annual appropriations by the General Assembly for active employees to the EIP and participating retirees to the SBCB except the portion funded through the pension surcharge and provided from other applicable sources of the EIP for its active employees who are not funded by State General Fund appropriations. Employers participating in the healthcare plan are mandated by State statute to contribute at a rate assessed each year by the Office of the State Budget, 3.90% of annual covered payroll for fiscal year 2010-2011. The EIP sets the employer contribution rate based on a pay-as-you-go basis.

The District recorded fringe benefit expenses for insurance benefits for active employees in the amount of \$1,311,848 for the year ended June 30, 2011. The District also paid \$579,314 applicable to the 3.90% surcharge included with the employer contributions for retirement benefits. (The District paid \$517,821 and \$529,051 in 2010 and 2009, respectively.) These amounts were remitted to the South Carolina Retirement Systems for distribution to the Division of Insurance Services for retiree health and dental insurance benefits.

Information regarding the cost of insurance benefits applicable to the District's retirees is not available. By State law, the District has no liability for retirement benefits. Accordingly, the cost of providing these benefits for retirees is not included in the accompanying financial statements.

**NOTE 11 - RETIREMENT PLAN**

***South Carolina Retirement System***

**Plan Description**

District employees participate in a plan administered by the South Carolina Retirement Systems (SCRS) which is classified as a cost-sharing multiple-employer public employee retirement system (PERS). The plan provides retirement, disability and death benefits to plan members and beneficiaries. Benefit provisions are established under authority of Title 9 of the South Carolina Code of Laws.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 11 - RETIREMENT PLAN (continued)**

The South Carolina Retirement Systems issues a Comprehensive Annual Financial Report which discloses detailed information regarding benefit provisions and actuarial information. That report is available to the public and may be obtained by writing to South Carolina Retirement Systems, Post Office Box 11960, Capital Station, Columbia, South Carolina 29211-1960 or by accessing their website at [www.retirement.sc.gov](http://www.retirement.sc.gov).

**Funding Policy**

Members of the SCRS are required to contribute at the rate of 6.50% of their covered wages. The District is required to contribute at actuarially determined rates, currently 9.39% of SCRS member wages, which includes a .15% group life contribution. The contribution requirements of plan members and the District are established by the South Carolina Retirement Systems under authority of Title 9 of the South Carolina Code of Laws. The District's contributions to the SCRS for the plan years ending June 30, 2011, 2010, and 2009 were \$1,374,148, \$1,378,845, and \$1,406,169, respectively. Actual contributions were equal to the required contributions each year.

***South Carolina Police Officers Retirement System***

**Plan Description**

During the year ended June 30, 2006, certain District employees began participation in a plan administered by the South Carolina Police Officers Retirement Systems (PORS) which is classified as a cost-sharing multiple-employer public employee retirement system (PERS). The plan provides retirement, disability and death benefits to plan members and beneficiaries. Benefit provisions are established under authority of Title 9 of the South Carolina Code of Laws.

Detailed information regarding benefit provisions and actuarial information for the PORS is also included in The South Carolina Retirement Systems' Comprehensive Annual Financial Report.

**Funding Policy**

Members of the PORS are required to contribute at the rate of 6.50% of their covered wages. The District is required to contribute at actuarially determined rates, currently 11.53% of PORS member wages, which includes a .20% group life contribution and .20% accidental death contribution. The contribution requirements of plan members and the District are established by the South Carolina Retirement Systems under authority of Title 9 of the South Carolina Code of Laws. For the years ended June 30, 2011 and 2010, none of the District's employees participated in the PORS. Contributions to the PORS for the second preceding plan year June 30, 2009 were \$1,636. Actual contributions were equal to required contributions.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 11 - RETIREMENT PLAN (continued)**

***Optional Retirement Program***

**Plan Description**

Certain employees may elect to participate in the Optional Retirement Program (ORP), a defined contribution plan. The ORP was established in 1987 under Title 9, Chapter 17, of the South Carolina Code of Laws. The ORP provides retirement and death benefits through the purchase of individual fixed or variable annuity contracts which are issued to, and become the property of, the participants. The state assumes no liability for this plan other than for payment of contributions to designated insurance companies. ORP participation is limited to personnel who meet all eligibility requirements for membership in the SCRS. To elect participation in the ORP, eligible employees must irrevocably waive SCRS membership within the first ninety days of employment.

**Funding Policy**

Under state law, contributions to the ORP are required at the same rates as for the SCRS. A direct remittance is required from the employer to the investment provider for the employee contribution and a portion of the employer contribution (5.00%). Also, a direct remittance is required to the SCRS for a portion of the employer contribution (4.24%), which must be retained by the SCRS. The District's contributions to the ORP for the year ended June 30, 2011 were \$9,660, excluding the 3.90% health surcharge.

***Teacher and Employee Retention Incentive Program***

**Plan Description**

The Teacher and Employee Retention Incentive Program (TERI), is a deferred retirement option program offered under the SCRS. Upon reaching normal retirement eligibility, a member can elect to retire and continue working under the TERI program for a maximum of five years, after which employment will cease. During the TERI period, retirement annuity is not paid to retirees, but monthly benefits are accumulated in TERI accounts and distributed to members upon termination of employment.

**Funding Policy - Teacher and Employee Retention Incentive Program**

TERI participants who entered the program after June 30, 2005, must continue to contribute at the same rate as active plan members of the SCRS. Those participants who entered the TERI program prior to July 1, 2005, make no employee contributions while participating in the program. The District is required to contribute at the current actuarially determined rates of the SCRS for all TERI participants.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 12 - DEFERRED COMPENSATION PLAN**

The District offers a deferred compensation plan to all its employees under a plan administered by the South Carolina Deferred Compensation Commission, and established in accordance with Internal Revenue Code Section 457. Employees are permitted to defer portions of their salaries until future years. Only upon termination, retirement, disability, death or an approved hardship is the deferred compensation available to an employee. In 1996, Congress passed new legislation to govern IRC section 457 plans. Specifically, the new legislation concludes that a plan shall not be treated as an eligible deferred compensation plan unless all assets and income of the plan are held in trust for the exclusive benefit of participants and their beneficiaries. During the year ended June 30, 1999, the South Carolina Deferred Compensation Commission modified their plan to comply with the new legislative requirements.

GASB Statement No. 32 was issued to address the financial reporting ramifications of the new federal legislation and states that a fiduciary relationship must exist for a governmental entity to report the balances and transactions related to the plan in its financial statements. According to the provisions of the statement, it was determined that a fiduciary relationship did not exist for the District's IRC section 457 plan.

**NOTE 13 - RISK MANAGEMENT**

The 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 District pays an annual premium to the South Carolina School Board Insurance Trust for its general insurance. The South Carolina School Board Insurance Trust reinsures through commercial companies for certain claims. There were no significant reductions in insurance coverage from the previous year and no settlements have exceeded insurance coverage for the past three fiscal years ended June 30, 2011, 2010, and 2009.

The District also acquires insurance from the South Carolina School Board Insurance Trust for job related injury and illness (workers' compensation) for its employees. Workers' compensation is insured under a retrospectively rated policy where premiums paid are estimated throughout the year and adjusted subsequent to the policy period based on actual experience.

**NOTE 14 - CONTINGENCIES**

At year end, litigation was pending against the District for which the outcome cannot be determined at the present time. However, management believes any cost of the litigation would be covered by insurance. The District also participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

**NOTE 15 - RELATED ORGANIZATIONS**

GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, requires certain legally separate tax-exempt organizations for which the primary government is not financially accountable to be included in the financial reporting entity if certain criteria are met. The standard is directed principally toward fund-raising organizations, such as foundations, parent teacher organizations, and booster clubs. The District reviewed its relationship with its related organizations and determined they should not be included in the reporting entity because their economic resources are not significant to the District.



**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 16 - NET ASSET RESTATEMENT**

During the year ended June 30, 2011, the following items were corrected by restating the amount of governmental net assets and governmental fund balances. The effect of these items overstated the change in net assets of governmental activities and the change in fund balances of governmental funds for the year ended June 30, 2010 by \$9,635.

	<u>Governmental Net Assets</u>	<u>Governmental Fund Balances</u>
As Originally Reported	\$ 18,264,063	\$ 12,269,322
Uncollected Grant Receivables	<u>(9,635)</u>	<u>(9,635)</u>
As Restated	<u>\$ 18,254,428</u>	<u>\$ 12,259,687</u>

**NOTE 17 – ACCOUNTING & REPORTING CHANGES**

It is the District's policy to periodically review the estimated uncollectible portion of receivables. This review, which was based on additional information obtained from Dorchester County who assesses and collects taxes as agent for the District, indicated that actual collections for taxes were greater than originally estimated. As a result, management revised its previous estimate of determining uncollectible receivables for taxes. The effect of this change in accounting estimate increased the change in net assets of governmental activities by \$126,342 during the current year.

**NOTE 18 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND STATEMENTS**

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental fund* and *net assets - governmental activities* as reported in the government-wide statement of net assets. The following explains certain elements of that reconciliation:

Long-Term Assets Not Available to Pay Current Expenditures:	
Property Taxes	\$ <u>369,416</u>
Total	\$ <u><u>369,416</u></u>
Long-Term Liabilities Not Reported in the Funds:	
Bonds Payable	\$ (10,305,000)
Plus: Premium on Bonds Payable (to be amortized as interest expense)	(135,164)
Less: Deferred Charge on Refunding (to be amortized as interest expense)	28,039
Less: Deferred Charge for Issuance Costs (to be amortized over life of debt)	181,784
Long-Term Notes Payable	(24,446)
Capital Lease Payable	(38,035)
Accrued Interest Payable	(146,610)
Compensated Absences Payable	<u>(343,161)</u>
Total	\$ <u><u>(10,782,593)</u></u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 18 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND STATEMENTS**  
**(continued)**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. The following explains certain elements of that reconciliation:

Capital Outlays:	
Depreciation Expense	\$ (652,509)
Capital Outlays	<u>1,692,192</u>
Total	<u>\$ 1,039,683</u>
Revenues and Other Items Not Recognized in the Funds:	
Property Taxes	\$ <u>110,512</u>
Total	<u>\$ 110,512</u>
Issuance and Repayment of Long-Term Debt:	
Issuance of Capital Leases	\$ (10,210)
Principal Repayments on General Obligation Debt	1,080,000
Principal Repayments on SCAGO Leases	259,000
Principal Repayments on Capital Leases	<u>10,772</u>
Total	<u>\$ 1,339,562</u>
Reduction of Liabilities and Other Expenses Not Recognized in the Funds:	
Compensated Absences	\$ (40,111)
Accrued Interest on Long-Term Debt	4,668
Amortization of Issuance Costs	(28,523)
Amortization of Bond Premiums	17,457
Amortization of Deferred Charge on Refunding	<u>(11,481)</u>
Total	<u>\$ (57,990)</u>

**NOTE 19 - SUBSEQUENT EVENTS**

In August 2011, the Board of Directors approved the issuance and sale a of \$3,000,000 General Obligation Bond, Series 2011 and authorized The South Carolina Association of Government Organizations (SCAGO) to facilitate the sale of the bond under its general obligation debt program.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**REQUIRED SUPPLEMENTARY INFORMATION  
DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Local	\$ 9,653,831	\$ 9,653,831	\$ 10,299,986	\$ 646,155
State	9,022,146	9,022,146	9,203,306	181,160
TOTAL REVENUES	\$ 18,675,977	\$ 18,675,977	\$ 19,503,292	\$ 827,315
EXPENDITURES				
Current				
Instructional Services	\$ 10,164,686	\$ 10,164,686	\$ 9,408,281	\$ 756,405
Supporting Services	8,830,220	8,830,220	9,182,809	(352,589)
Community Services	-	-	1,166	(1,166)
Intergovernmental Expenditures	28,207	28,207	25,000	3,207
Capital Outlay	57,500	57,500	65,524	(8,024)
TOTAL EXPENDITURES	\$ 19,080,613	\$ 19,080,613	\$ 18,682,780	\$ 397,833
Excess Revenues Over (Under) Expenditures	\$ (404,636)	\$ (404,636)	\$ 820,512	\$ 1,225,148
OTHER FINANCING SOURCES (USES)				
Capital Lease	\$ -	\$ -	\$ 10,210	\$ 10,210
Transfers From Other Funds	404,636	404,636	364,435	(40,201)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 404,636	\$ 404,636	\$ 374,645	\$ (29,991)
Net Change in Fund Balance	\$ -	\$ -	\$ 1,195,157	\$ 1,195,157
FUND BALANCE BEGINNING OF YEAR	6,352,580	6,352,580	6,352,580	-
Adjustment to Fund Balance	-	-	(9,635)	(9,635)
FUND BALANCE END OF YEAR	\$ 6,352,580	\$ 6,352,580	\$ 7,538,102	\$ 1,185,522

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING**

Annual budgets are prepared and legally adopted on a basis consistent with generally accepted accounting principles (GAAP) as applicable to governments for the general fund. Amounts presented in the “*Original*” budget column in the budgetary comparison schedule reflect amounts originally adopted. Amounts presented in the “*Final*” budget column include any amendments or supplemental appropriations formally authorized by the District’s Board of Education. All annual appropriations lapse at fiscal year-end.

The annual budget is prepared by the District and approved by the Board of Education. Prior to July 1, the budget is legally enacted through the passage of a resolution by the Board. The budget is prepared by function, object, and location as dictated by the S.C. State Department of Education. District administration has discretionary authority to make transfers of appropriations between and within functions; however, the total budget cannot be increased without approval by the Board. The legal level of control is at the fund level.

Formal budgetary accounting is employed as a management control for the District. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of money are recorded in order to reserve that portion of the applicable appropriations, is not utilized by the District.

**NOTE 2 - PRESENTATION**

The budgetary comparison schedule presents the general fund and each major individual special revenue fund for which an annual budget is legally adopted. Budgets are not legally adopted for the *Special Projects and Education Improvement Act* special revenue funds. As such, they have been excluded from the budgetary comparison presentation.

**COMBINING AND INDIVIDUAL  
FUND STATEMENTS AND SCHEDULES**

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR FISCAL YEAR ENDED JUNE 30, 2011**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
<b>1000 Revenue from Local Sources</b>			
1100 Taxes			
1110 Ad Valorem Taxes -			
Including Delinquent Taxes	\$ 7,995,735	8,490,661	\$ 494,926
1200 Revenue From Local Governmental Units			
Other Than LEAs			
1280 Revenue in Lieu of Taxes	1,216,453	1,711,470	495,017
1300 Tuition			
1310 From Patrons for Regular Day School	-	1,100	1,100
1320 From Other LEAs for Regular Day School	-	4,317	4,317
1350 From Patrons for Summer School	5,000	-	(5,000)
1500 Earnings on Investments			
1510 Interest on Investments	40,000	17,865	(22,135)
1900 Other Revenue from Local Sources			
1910 Rentals	-	49,766	49,766
1920 Contributions & Donations Private Sources	-	226	226
1950 Refund of Prior Year's Expenditures	-	23,583	23,583
1990 Miscellaneous Local Revenue	-	998	998
1999 Revenue from Other Local Sources	396,643	-	(396,643)
<b>Total Local Sources</b>	<b>\$ 9,653,831</b>	<b>\$ 10,299,986</b>	<b>\$ 646,155</b>
<b>3000 Revenue from State Sources</b>			
3100 Restricted State Funding			
3129 Consolidated Funding	\$ 69,217	\$ 67,700	\$ (1,517)
3130 Special Programs			
3131 Handicapped Transportation	-	6,065	6,065
3132 Home Schooling	-	1,211	1,211
3160 School Bus Driver's Salary	234,361	260,957	26,596
3162 Transportation Workers' Compensation	-	19,645	19,645
3180 Fringe Benefits Employer Contributions	1,570,283	1,565,321	(4,962)
3181 Retiree Insurance	296,445	388,650	92,205
3197 Textbook Cost Savings	-	50,095	50,095
3199 Other Restricted State Grants	-	7,773	7,773
3300 Education Finance Act			
3310 Full-Time Programs			
3311 Kindergarten	223,957	228,085	4,128
3312 Primary	650,785	620,403	(30,382)
3313 Elementary	835,260	773,742	(61,518)
3314 High School	400,808	285,428	(115,380)
3315 Trainable Mentally Handicapped	41,240	40,840	(400)
3316 Speech Handicapped (Part-Time Program)	176,495	149,989	(26,506)
3317 Homebound	14,338	16,866	2,528

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>3000 Revenue from State Sources (continued)</b>			
3300 Education Finance Act (continued)			
3320 Part-time Programs			
3321 Emotionally Handicapped	23,007	20,613	(2,394)
3322 Educable Mentally Handicapped	64,357	73,502	9,145
3323 Learning Disabilities	279,986	318,455	38,469
3324 Hearing Handicapped	6,233	9,164	2,931
3325 Visually Handicapped	6,202	3,044	(3,158)
3326 Orthopedically Handicapped	2,622	3,963	1,341
3327 Vocational	489,443	550,278	60,835
3330 Other EFA Programs			
3331 Autism	22,782	24,386	1,604
3800 State Revenue in Lieu of Taxes			
3810 Reimbursement for Local Property Tax Relief	875,501	907,303	31,802
3820 Homestead Exemption	473,231	-	(473,231)
3825 Reimbursement for Property Tax Relief	1,901,268	2,383,679	482,411
3830 Merchant's Inventory Tax	50,000	50,037	37
3890 Other State Property Tax Revenues	314,325	365,776	51,451
3900 Other State Revenues			
3999 Revenue from Other State Sources	-	10,336	10,336
<b>Total State Sources</b>	<u>\$ 9,022,146</u>	<u>\$ 9,203,306</u>	<u>\$ 181,160</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<u>\$ 18,675,977</u>	<u>\$ 19,503,292</u>	<u>\$ 827,315</u>

**EXPENDITURES**

**100 Instruction**

    110 General Instruction

        111 Kindergarten Programs

100 Salaries	\$ 495,590	\$ 528,279	\$ (32,689)
200 Employee Benefits	167,762	176,127	(8,365)
300 Purchased Services	3,500	2,420	1,080
400 Supplies and Materials	10,227	9,701	526
500 Capital Outlay	-	3,403	(3,403)

        112 Primary Programs

100 Salaries	1,573,910	1,529,773	44,137
200 Employee Benefits	500,695	461,496	39,199
300 Purchased Services	12,500	8,832	3,668
400 Supplies and Materials	31,265	24,965	6,300
500 Capital Outlay	-	3,403	(3,403)



**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR FISCAL YEAR ENDED JUNE 30, 2011**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>EXPENDITURES (continued)</b>			
<b>100 Instruction (continued)</b>			
110 General Instruction (continued)			
113 Elementary Programs			
100 Salaries	2,502,221	2,545,258	(43,037)
200 Employee Benefits	793,031	756,192	36,839
300 Purchased Services	65,610	32,912	32,698
400 Supplies and Materials	49,926	32,160	17,766
500 Capital Outlay	-	3,403	(3,403)
114 High School Programs			
100 Salaries	1,393,517	967,354	426,163
200 Employee Benefits	440,678	313,998	126,680
300 Purchased Services	201,700	243,487	(41,787)
400 Supplies and Materials	28,374	31,423	(3,049)
115 Career and Technology Education Programs			
100 Salaries	113,383	114,622	(1,239)
200 Employee Benefits	35,096	37,706	(2,610)
400 Supplies and Materials	13,459	6,110	7,349
120 Exceptional Programs			
121 Educable Mentally Handicapped			
100 Salaries	299,737	301,765	(2,028)
200 Employee Benefits	81,094	67,263	13,831
300 Purchased Services	-	9,250	(9,250)
400 Supplies and Materials	1,333	903	430
122 Trainable Mentally Handicapped			
100 Salaries	181,712	180,822	890
200 Employee Benefits	62,062	56,843	5,219
400 Supplies and Materials	731	276	455
123 Orthopedically Handicapped			
300 Purchased Services	97,750	95,323	2,427
400 Supplies and Materials	43	43	-
124 Visually Handicapped			
300 Purchased Services	18,500	16,980	1,520
400 Supplies and Materials	43	43	-
125 Hearing Handicapped			
400 Supplies and Materials	43	-	43
126 Speech Handicapped			
100 Salaries	55,889	30,003	25,886
200 Employee Benefits	15,562	8,238	7,324
300 Purchased Services	45,400	43,167	2,233
400 Supplies and Materials	3,397	1,815	1,582

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>EXPENDITURES (continued)</b>			
<b>100 Instruction (continued)</b>			
120 Exceptional Programs (continued)			
127 Learning Disabilities			
100 Salaries	136,184	116,235	19,949
200 Employee Benefits	44,251	34,324	9,927
300 Purchased Services	29,945	25,058	4,887
400 Supplies and Materials	5,719	3,250	2,469
128 Emotionally Handicapped			
300 Purchased Services	-	605	(605)
400 Supplies and Materials	602	350	252
130 Pre-School Programs			
133 Pre-School Handicapped -Self-Contained (5-yr. olds)			
100 Salaries	60,684	46,897	13,787
200 Employee Benefits	21,486	15,052	6,434
137 Pre-School Handicapped - Self-Contained (3 & 4 yr.-olds)			
100 Salaries	24,764	23,535	1,229
200 Employee Benefits	8,939	6,984	1,955
139 Early Childhood Programs			
100 Salaries	237,177	214,287	22,890
200 Employee Benefits	73,169	67,672	5,497
140 Special Programs			
141 Gifted and Talented - Academic			
100 Salaries	19,282	-	19,282
200 Employee Benefits	5,673	-	5,673
145 Homebound			
100 Salaries	20,000	19,259	741
200 Employee Benefits	4,289	3,991	298
300 Purchased Services	16,000	9,359	6,641
149 Other Special Programs			
100 Salaries	56,122	50,921	5,201
200 Employee Benefits	11,453	11,156	297
160 Other Exceptional Programs			
161 Autism			
400 Supplies and Materials	344	175	169

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>EXPENDITURES (continued)</b>			
<b>100 Instruction (continued)</b>			
170 Summer School Programs			
173 High School Summer School			
100 Salaries	-	4,750	(4,750)
200 Employee Benefits	-	1,063	(1,063)
175 Instructional Programs Beyond Regular School Day			
100 Salaries	7,000	19,513	(12,513)
200 Employee Benefits	1,501	4,220	(2,719)
180 Adult/Continuing Education Programs			
188 Parenting/Family Literacy			
100 Salaries	41,584	44,442	(2,858)
200 Employee Benefits	23,378	21,936	1,442
190 Instructional Pupil Activity			
100 Salaries	-	6,975	(6,975)
200 Employee Benefits	-	1,504	(1,504)
400 Supplies and Materials	9,600	6,910	2,690
600 Other Objects	9,800	12,309	(2,509)
<b>Total Instruction</b>	<b>\$ 10,164,686</b>	<b>\$ 9,418,490</b>	<b>\$ 746,196</b>
<b>200 Supporting Services</b>			
210 Pupil Services			
211 Attendance and Social Work Services			
100 Salaries	\$ 56,282	56,282	\$ -
200 Employee Benefits	15,645	15,404	241
212 Guidance Services			
100 Salaries	360,884	366,249	(5,365)
200 Employee Benefits	117,349	102,126	15,223
400 Supplies and Materials	3,750	2,474	1,276
213 Health Services			
100 Salaries	119,208	106,237	12,971
200 Employee Benefits	23,726	31,469	(7,743)
300 Purchased Services	22,200	20,358	1,842
400 Supplies and Materials	5,000	2,957	2,043
600 Other Objects	250	-	250
214 Psychological Services			
100 Salaries	51,749	51,748	1
200 Employee Benefits	11,095	15,907	(4,812)

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>EXPENDITURES (continued)</b>			
<b>200 Supporting Services (continued)</b>			
210 Pupil Services (continued)			
217 Career Specialist Services			
100 Salaries	32,025	32,024	1
200 Employee Benefits	8,725	8,573	152
220 Instructional Staff Services			
221 Improvement of Instruction - Curriculum Development			
100 Salaries	84,420	169,905	(85,485)
200 Employee Benefits	24,615	51,270	(26,655)
300 Purchased Services	11,700	16,860	(5,160)
400 Supplies and Materials	9,000	9,175	(175)
600 Other Objects	650	611	39
222 Library and Media Services			
100 Salaries	298,960	290,750	8,210
200 Employee Benefits	89,827	88,247	1,580
300 Purchased Services	2,500	11,478	(8,978)
400 Supplies and Materials	36,046	34,021	2,025
223 Supervision of Special Programs			
100 Salaries	225,238	285,017	(59,779)
200 Employee Benefits	55,988	72,879	(16,891)
300 Purchased Services	4,150	2,091	2,059
400 Supplies and Materials	3,500	4,443	(943)
600 Other Objects	350	164	186
224 Improvement of Instruction - Inservice Training			
100 Salaries	150,000	127,574	22,426
200 Employee Benefits	28,003	25,819	2,184
300 Purchased Services	3,500	3,470	30
400 Supplies and Materials	3,300	3,641	(341)
600 Other Objects	500	536	(36)
230 General Administration Services			
231 Board of Education			
100 Salaries	73,000	50,842	22,158
200 Employee Benefits	14,903	6,082	8,821
300 Purchased Services	44,000	54,090	(10,090)
318 Audit Services	22,150	26,050	(3,900)
400 Supplies and Materials	20,000	20,876	(876)
600 Other Objects	9,000	9,000	-

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>EXPENDITURES (continued)</b>			
<b>200 Supporting Services (continued)</b>			
230 General Administration Services (continued)			
232 Office of the Superintendent			
100 Salaries	129,220	129,470	(250)
200 Employee Benefits	35,301	34,964	337
300 Purchased Services	7,500	3,087	4,413
400 Supplies and Materials	13,000	17,146	(4,146)
600 Other Objects	2,800	1,771	1,029
233 School Administration			
100 Salaries	1,147,784	1,203,513	(55,729)
200 Employee Benefits	333,885	347,572	(13,687)
300 Purchased Services	8,400	8,647	(247)
400 Supplies and Materials	13,486	12,213	1,273
600 Other Objects	10,250	10,019	231
250 Finance and Operations Services			
251 Student Transportation (Federal/District Mandated)			
100 Salaries	-	25,409	(25,409)
200 Employee Benefits	-	5,328	(5,328)
252 Fiscal Services			
100 Salaries	278,751	283,750	(4,999)
200 Employee Benefits	85,938	80,964	4,974
300 Purchased Services	33,500	30,572	2,928
400 Supplies and Materials	6,000	6,253	(253)
500 Capital Outlay	2,500	-	2,500
600 Other Objects	2,000	798	1,202
254 Operation and Maintenance of Plant			
100 Salaries	581,508	563,227	18,281
200 Employee Benefits	225,566	198,202	27,364
300 Purchased Services	921,065	1,075,941	(154,876)
321 Public Utilities	37,500	49,929	(12,429)
400 Supplies and Materials	106,000	97,085	8,915
470 Energy	566,820	564,120	2,700
500 Capital Outlay	55,000	51,542	3,458
255 Student Transportation			
100 Salaries	862,882	864,237	(1,355)
200 Employee Benefits	272,810	254,056	18,754
300 Purchased Services	37,700	80,413	(42,713)
400 Supplies and Materials	3,000	3,700	(700)
256 Food Services			
200 Employee Benefits	162,621	118,107	44,514

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>EXPENDITURES (continued)</b>			
<b>200 Supporting Services (continued)</b>			
250 Finance and Operations Services (continued)			
257 Internal Services			
300 Purchased Services	38,000	39,831	(1,831)
258 Security			
100 Salaries	25,000	14,944	10,056
200 Employee Benefits	2,138	1,277	861
300 Purchased Services	67,700	119,787	(52,087)
260 Central Support Services			
263 Information Services			
100 Salaries	-	2,500	(2,500)
200 Employee Benefits	-	546	(546)
300 Purchased Services	7,500	5,774	1,726
264 Staff Services			
100 Salaries	141,709	133,615	8,094
200 Employee Benefits	37,536	34,866	2,670
300 Purchased Services	21,000	24,670	(3,670)
400 Supplies and Materials	6,300	6,996	(696)
600 Other Objects	300	158	142
266 Technology and Data Processing Services			
100 Salaries	215,745	212,577	3,168
200 Employee Benefits	68,852	66,381	2,471
300 Purchased Services	34,200	20,343	13,857
400 Supplies and Materials	20,000	11,671	8,329
500 Capital Outlay	-	3,773	(3,773)
600 Other Objects	200	158	42
270 Supporting Services Pupil Activity			
271 Pupil Services Activities			
100 Salaries	132,446	129,942	2,504
200 Employee Benefits	29,128	26,412	2,716
300 Purchased Services	6,000	15,599	(9,599)
400 Supplies and Materials	32,000	50,229	(18,229)
600 Other Objects	15,991	17,341	(1,350)
<b>Total Supporting Services</b>	<b>\$ 8,887,720</b>	<b>\$ 9,238,124</b>	<b>\$ (350,404)</b>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>EXPENDITURES (continued)</b>			
<b>300 Community Services</b>			
390 Other Community Services			
100 Salaries	\$ -	\$ 961	\$ (961)
200 Employee Benefits	-	205	(205)
<b>Total Community Service</b>	\$ -	\$ 1,166	\$ (1,166)
<b>400 Other Charges</b>			
<b>410 Intergovernmental Expenditures</b>			
412 Payments to Other Governmental Units			
720 Transits	\$ 28,207	\$ 25,000	\$ 3,207
<b>Total Intergovernmental Expenditures</b>	\$ 28,207	\$ 25,000	\$ 3,207
<b>TOTAL EXPENDITURES</b>	\$ 19,080,613	\$ 18,682,780	\$ 397,833
Excess Revenues Over (Under) Expenditures	\$ (404,636)	\$ 820,512	\$ 1,225,148
<b>OTHER FINANCING SOURCES (USES)</b>			
5500 Capital Lease	\$ -	\$ 10,210	\$ 10,210
<b>Interfund Transfers, From (To) Other Funds</b>			
5230 Transfer from Special Revenue EIA Fund	299,636	282,140	(17,496)
5260 Transfer from Food Service Fund	55,000	-	(55,000)
5280 Transfer from Other Funds Indirect Costs	50,000	82,295	32,295
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	\$ 404,636	\$ 374,645	\$ (29,991)
Excess (Deficiency) of Revenues and Expenditures Over Other Financing Source (Uses)	\$ -	\$ 1,195,157	\$ 1,195,157
<b>FUND BALANCE JULY 1, 2010</b>		6,352,580	
Adjustment to Fund Balance		(9,635)	
<b>FUND BALANCE JUNE 30, 2011</b>		\$ 7,538,102	

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
SPECIAL PROJECTS FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

	<b>TITLE I (BA Projects) (201/202)</b>	<b>IDEA (CA Projects) (203/204)</b>	<b>PRESCHOOL HANDICAPPED (CG Projects) (205/206)</b>
<b>REVENUES</b>			
<b>1000 Revenue From Local Sources</b>			
1900 Other Revenue From Local Sources			
1930 Medicaid	\$ -	\$ -	\$ -
1950 Refund of Prior Year's Expenditures	-	-	-
1999 Revenue from Other Local Sources	-	-	-
<b>Total Local Sources</b>	\$ -	\$ -	\$ -
<b>2000 Intergovernmental Revenue</b>			
2300 Payments from Non-Profit Entities (for First Steps)	\$ -	\$ -	\$ -
<b>Total Intergovernmental Revenue</b>	\$ -	\$ -	\$ -
<b>3000 Revenue From State Sources</b>			
3100 Restricted State Funding			
3110 Occupational Education			
3117 EEDA Middle and High School Career Awareness	\$ -	\$ -	\$ -
3118 EEDA Career Specialist	-	-	-
3120 General Education			
3123 Formative Assessment	-	-	-
3125 Career and Technology Education Equipment	-	-	-
3126 Refurbishment of K-8 Science Kits	-	-	-
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	-	-	-
3190 Miscellaneous Restricted State Grants			
3193 Education License Plates	-	-	-
3199 Other Restricted State Grants	-	-	-
3600 Education Lottery Act Revenue			
3607 6-8 Enhancement	-	-	-
3610 K-5 Enhancement	-	-	-
3900 Other State Revenue			
3991 ADEPT	-	-	-
<b>Total State Sources</b>	\$ -	\$ -	\$ -
<b>4000 Revenue From Federal Sources</b>			
4200 Occupational Education			
4210 Vocational Aid, Title I	\$ -	\$ -	\$ -



<b>OCCUPATIONAL EDUCATION (VA Projects) (207/208)</b>	<b>DRUG FREE (FP/FQ Projects) (209/210)</b>	<b>ADULT EDUCATION (EA Projects)</b>	<b>OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)</b>	<b>OTHER SPECIAL REVENUE PROGRAMS (200s/800s)</b>	<b>TOTAL</b>
\$ -	\$ -	\$ -	\$ -	\$ 375,108	\$ 375,108
-	-	-	-	12,357	12,357
-	-	-	-	75,089	75,089
\$ -	\$ -	\$ -	\$ -	\$ 462,554	\$ 462,554
\$ -	\$ -	\$ -	\$ 57,292	\$ -	\$ 57,292
\$ -	\$ -	\$ -	\$ 57,292	\$ -	\$ 57,292
\$ -	\$ -	\$ -	\$ 1,269	\$ -	\$ 1,269
-	-	-	81,445	-	81,445
-	-	-	10,390	-	10,390
-	-	-	30,137	-	30,137
-	-	-	7,620	-	7,620
-	-	-	22,474	-	22,474
-	-	-	1,835	-	1,835
-	-	-	49,420	-	49,420
-	-	-	823	-	823
-	-	-	-	5,395	5,395
-	-	-	1,071	-	1,071
-	-	-	289,060	-	289,060
-	-	-	14,331	-	14,331
\$ -	\$ -	\$ -	\$ 509,875	\$ 5,395	\$ 515,270
\$ 47,347	\$ -	\$ -	\$ -	\$ -	\$ 47,347

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
SPECIAL PROJECTS FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

	<b>TITLE I (BA Projects) (201/202)</b>	<b>IDEA (CA Projects) (203/204)</b>	<b>PRESCHOOL HANDICAPPED (CG Projects) (205/206)</b>
<b>REVENUES (continued)</b>			
<b>4000 Revenue From Federal Sources (continued)</b>			
4300 Elementary and Secondary Education Act of 1965 (ESEA)			
4310 Title I	917,033	-	-
4312 Rural and Low-Income School Program, Title VI	-	-	-
4314 School Improvement Discretionary	-	-	-
4315 American Recovery and Reinvestment Act (ARRA) Title I Basic State Grant Programs	-	-	-
4333 Enhancing Education Through Technology, (E2T2), Title II (ARRA)	-	-	-
4348 Teacher Incentive Fund	-	-	-
4350 State Fiscal Stabilization Fund (ARRA)	-	-	-
4351 Improving Teacher Quality	-	-	-
4500 Programs for Children with Disabilities			
4510 IDEA	-	416,228	-
4520 Pre-School Grants	-	-	22,059
4540 IDEA (ARRA 611)	-	-	-
4550 IDEA Preschool (ARRA 619)	-	-	-
4900 Other Federal Sources			
4920 Drug and Violence Prevention, Title IV	-	-	-
4924 21st Century Community Learning Centers Grants, Title IV	-	-	-
4999 Revenue from Other Federal Sources	-	-	-
<b>Total Federal Sources</b>	<b>\$ 917,033</b>	<b>\$ 416,228</b>	<b>\$ 22,059</b>
<b>TOTAL REVENUE ALL SOURCES</b>	<b>\$ 917,033</b>	<b>\$ 416,228</b>	<b>\$ 22,059</b>
<b>EXPENDITURES</b>			
<b>100 Instruction</b>			
110 General Instruction			
111 Kindergarten Programs			
100 Salaries	\$ -	\$ -	\$ -
200 Employee Benefits	-	-	-
400 Supplies and Materials	4,006	-	-
500 Capital Outlay	-	-	-
112 Primary Programs			
100 Salaries	195,911	-	-
200 Employee Benefits	57,866	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	15,783	-	-

OCCUPATIONAL EDUCATION (VA Projects) (207/208)	DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
-	-	-	-	64,743	981,776
-	-	-	-	53,499	53,499
-	-	-	-	112,858	112,858
-	-	-	-	193,751	193,751
-	-	-	-	82,908	82,908
-	-	-	-	114,102	114,102
-	-	-	-	959,803	959,803
-	-	-	-	207,431	207,431
-	-	-	-	2,602	418,830
-	-	-	-	-	22,059
-	-	-	-	274,930	274,930
-	-	-	-	18,210	18,210
-	6,557	-	-	-	6,557
-	-	-	-	168,021	168,021
-	-	-	-	73,870	73,870
\$ 47,347	\$ 6,557	\$ -	\$ -	\$ 2,326,728	\$ 3,735,952
\$ 47,347	\$ 6,557	\$ -	\$ 567,167	\$ 2,794,677	\$ 4,771,068
\$ -	\$ -	\$ -	\$ 1,250	\$ -	\$ 1,250
-	-	-	270	-	270
-	-	-	2,643	-	6,649
-	-	-	4,442	-	4,442
-	-	-	16,681	219,617	432,209
-	-	-	3,034	60,557	121,457
-	-	-	1,240	-	1,240
-	-	-	69,937	66,272	151,992

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
SPECIAL PROJECTS FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

	<b>TITLE I (BA Projects) (201/202)</b>	<b>IDEA (CA Projects) (203/204)</b>	<b>PRESCHOOL HANDICAPPED (CG Projects) (205/206)</b>
<b>EXPENDITURES (continued)</b>			
<b>100 Instruction (continued)</b>			
110 General Instruction (continued)			
113 Elementary Programs			
100 Salaries	261,299	-	-
200 Employee Benefits	76,391	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	18,288	-	-
114 High School Programs			
100 Salaries	56,505	-	-
200 Employee Benefits	18,805	-	-
400 Supplies and Materials	-	-	-
500 Capital Outlay	-	-	-
120 Exceptional Programs			
121 Educable Mentally Handicapped			
100 Salaries	-	40,628	-
200 Employee Benefits	-	15,478	-
400 Supplies and Materials	-	-	-
122 Trainable Mentally Handicapped			
100 Salaries	-	22,433	-
200 Employee Benefits	-	11,773	-
400 Supplies and Materials	-	181	-
123 Orthopedically Handicapped			
100 Salaries	-	26,338	-
200 Employee Benefits	-	2,213	-
125 Hearing Handicapped			
300 Purchased Services	-	24,888	-
126 Speech			
300 Purchased Services	-	-	-
400 Supplies and Materials	-	1,458	-
600 Other Objects	-	320	-
127 Learning Disabilities			
100 Salaries	-	65,664	-
200 Employee Benefits	-	25,415	-
300 Purchased Services	-	350	-
400 Supplies and Materials	-	4,912	-
600 Other Objects	-	139	-

<b>OCCUPATIONAL EDUCATION (VA Projects) (207/208)</b>	<b>DRUG FREE (FP/FQ Projects) (209/210)</b>	<b>ADULT EDUCATION (EA Projects)</b>	<b>OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)</b>	<b>OTHER SPECIAL REVENUE PROGRAMS (200s/800s)</b>	<b>TOTAL</b>
-	-	-	11,809	-	273,108
-	-	-	2,232	-	78,623
-	-	-	642	39,483	40,125
-	-	-	70,145	89,190	177,623
-	-	-	-	404,594	461,099
-	-	-	-	94,569	113,374
-	-	-	1,781	140,190	141,971
-	-	-	30,137	-	30,137
-	-	-	-	123,299	163,927
-	-	-	-	38,022	53,500
-	-	-	-	33,908	33,908
-	-	-	-	-	22,433
-	-	-	-	-	11,773
997	-	-	-	349	1,527
-	-	-	-	-	26,338
-	-	-	-	-	2,213
-	-	-	-	-	24,888
-	-	-	-	101,139	101,139
-	-	-	-	107	1,565
-	-	-	-	-	320
-	-	-	-	51,903	117,567
-	-	-	-	14,098	39,513
-	-	-	-	-	350
-	-	-	-	240,566	245,478
-	-	-	-	-	139

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
SPECIAL PROJECTS FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

	<b>TITLE I (BA Projects) (201/202)</b>	<b>IDEA (CA Projects) (203/204)</b>	<b>PRESCHOOL HANDICAPPED (CG Projects) (205/206)</b>
<b>EXPENDITURES (continued)</b>			
<b>100 Instruction (continued)</b>			
120 Exceptional Programs (continued)			
128 Emotionally Handicapped			
300 Purchased Services	-	661	-
400 Supplies and Materials	-	195	-
130 Pre-School Programs			
133 Pre-School Handicapped Self-Contained (5 Yr. Olds)			
100 Salaries	-	-	16,307
200 Employee Benefits	-	-	4,843
137 Pre-School Handicapped - Self-Contained (3&4-Yr. Olds)			
400 Supplies and Materials	-	-	-
139 Early Childhood Programs			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
160 Other Exceptional Programs			
161 Autism			
100 Salaries	-	44,818	-
200 Employee Benefits	-	3,926	-
170 Summer School Programs			
171 Primary Summer School			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
172 Elementary Summer School			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
175 Instructional Programs Beyond Regular School Day			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	31,120	-	-
400 Supplies and Materials	3,708	-	-

<b>OCCUPATIONAL EDUCATION (VA Projects) (207/208)</b>	<b>DRUG FREE (FP/FQ Projects) (209/210)</b>	<b>ADULT EDUCATION (EA Projects)</b>	<b>OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)</b>	<b>OTHER SPECIAL REVENUE PROGRAMS (200s/800s)</b>	<b>TOTAL</b>
-	-	-	-	-	661
-	-	-	-	-	195
-	-	-	-	-	16,307
-	-	-	-	-	4,843
-	-	-	-	18,210	18,210
-	-	-	30,316	-	30,316
-	-	-	8,990	-	8,990
-	-	-	-	1,794	1,794
-	-	-	-	-	44,818
-	-	-	-	-	3,926
-	-	-	35,755	-	35,755
-	-	-	8,002	-	8,002
-	-	-	20,209	-	20,209
-	-	-	-	3,183	3,183
-	-	-	-	272	272
-	-	-	9,191	-	9,191
-	-	-	-	120,938	120,938
-	-	-	-	17,040	17,040
-	-	-	-	85,702	116,822
-	-	-	334	30,463	34,505

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
SPECIAL PROJECTS FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)
<b>EXPENDITURES (continued)</b>			
<b>100 Instruction (continued)</b>			
180 Adult/Continuing Educational Programs			
188 Parenting/Family Literacy			
100 Salaries	24,367	-	-
200 Employee Benefits	6,505	-	-
300 Purchased Services	2,165	-	-
400 Supplies and Materials	10,948	-	-
600 Other Objects	300	-	-
190 Instructional Pupil Activity			
300 Purchased Services	-	-	-
400 Supplies and Materials	245	-	-
<b>Total Instruction</b>	\$ 784,212	\$ 291,790	\$ 21,150
<b>200 Supporting Services</b>			
210 Pupil Services			
211 Attendance and Social Work Services			
100 Salaries	\$ -	\$ -	\$ -
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
600 Other Objects	-	-	-
212 Guidance Services			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
213 Health Services			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	4,851	-
214 Psychological Services			
100 Salaries	-	739	-
200 Employee Benefits	-	162	-
300 Purchased Services	-	3,869	-
400 Supplies and Materials	-	5,936	-
600 Other Objects	-	508	-
217 Career Specialist Services			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-



OCCUPATIONAL EDUCATION (VA Projects) (207/208)	DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
-	-	-	17,986	-	42,353
-	-	-	-	-	6,505
-	-	-	-	9,634	11,799
-	-	-	-	8,766	19,714
-	-	-	-	-	300
16,693	-	-	-	-	16,693
-	-	-	14,199	685	15,129
\$ 17,690	\$ -	\$ -	\$ 361,225	\$ 2,014,550	\$ 3,490,617

\$ -	\$ 1,000	\$ -	\$ -	\$ 147,961	\$ 148,961
-	86	-	-	54,520	54,606
-	525	-	-	7,290	7,815
-	1,510	-	-	447	1,957
-	-	-	-	158	158
11,794	-	-	35,968	-	47,762
4,223	-	-	8,001	-	12,224
1,444	-	-	-	-	1,444
-	1,490	-	1,269	-	2,759
-	-	-	35,758	15,522	51,280
-	-	-	13,663	8,067	21,730
-	-	-	-	-	4,851
-	-	-	-	-	739
-	-	-	-	-	162
-	-	-	-	-	3,869
-	-	-	-	-	5,936
-	-	-	-	-	508
-	-	-	29,561	-	29,561
-	-	-	7,914	-	7,914

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
SPECIAL PROJECTS FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

	<b>TITLE I (BA Projects) (201/202)</b>	<b>IDEA (CA Projects) (203/204)</b>	<b>PRESCHOOL HANDICAPPED (CG Projects) (205/206)</b>
<b>EXPENDITURES (continued)</b>			
<b>200 Supporting (continued)</b>			
220 Instructional Staff Services			
221 Improvement of Instruction - Curriculum Development			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
223 Supervision of Special Programs			
100 Salaries	43,616	50,436	-
200 Employee Benefits	10,056	13,375	-
300 Purchased Services	5,980	9,709	-
400 Supplies and Materials	6,844	10,474	-
600 Other Objects	275	547	-
224 Improvement of Instruction - Inservice Training			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	12,755	5,391	-
400 Supplies and Materials	3,499	26	-
230 General Administration Services			
233 School Administration			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
250 Finance and Operations Services			
251 Student Transportation			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
254 Operation and Maintenance of Plant			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	8,470	-	-
400 Supplies and Materials			
470 Energy	2,726	-	-
258 Security			
300 Purchased Services	793	-	-
260 Central Support Services			
264 Staff Services			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-

<b>OCCUPATIONAL EDUCATION (VA Projects) (207/208)</b>	<b>DRUG FREE (FP/FQ Projects) (209/210)</b>	<b>ADULT EDUCATION (EA Projects)</b>	<b>OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)</b>	<b>OTHER SPECIAL REVENUE PROGRAMS (200s/800s)</b>	<b>TOTAL</b>
-	-	-	8,070	42,690	50,760
-	-	-	1,751	5,328	7,079
-	-	-	-	73,223	73,223
-	-	-	5,314	29,715	35,029
-	-	-	-	26,250	120,302
-	-	-	-	5,875	29,306
1,555	1,676	-	-	2,513	21,433
-	-	-	-	2,524	19,842
-	-	-	-	-	822
-	-	-	9,754	87,122	96,876
-	-	-	2,161	23,541	25,702
10,641	-	-	26,994	37,423	93,204
-	-	-	1,700	-	5,225
-	-	-	1,948	-	1,948
-	-	-	422	-	422
-	-	-	-	1,914	1,914
-	-	-	-	428	428
-	-	-	-	209	209
-	-	-	-	43	43
-	-	-	-	-	8,470
-	-	-	-	-	2,726
-	-	-	-	-	793
-	-	-	-	29,333	29,333
-	-	-	-	2,379	2,379

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
SPECIAL PROJECTS FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

	<b>TITLE I (BA Projects) (201/202)</b>	<b>IDEA (CA Projects) (203/204)</b>	<b>PRESCHOOL HANDICAPPED (CG Projects) (205/206)</b>
<b>EXPENDITURES (continued)</b>			
<b>200 Supporting Services (continued)</b>			
260 Central Support Services (continued)			
266 Technology and Data Processing Services			
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
270 Support Services - Pupil Activity			
271 Pupil Service Activities			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	1,255	-
<b>Total Supporting Services</b>	<b>\$ 95,014</b>	<b>\$ 107,278</b>	<b>\$ -</b>
<b>400 Other Charges</b>			
<b>410 Intergovernmental Expenditures</b>			
411 Payments to State Department of Education			
720 Transits	\$ -	\$ -	\$ -
414 Medicaid Payments to SDE			
720 Transits	-	-	-
<b>Total Intergovernmental Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 879,226</b>	<b>\$ 399,068</b>	<b>\$ 21,150</b>
Excess Revenues Over (Under) Expenditures	\$ 37,807	\$ 17,160	\$ 909
<b>OTHER FINANCING SOURCES (USES)</b>			
<b>Interfund Transfers From (To) Other Funds</b>			
431-791 Special Revenue Fund Indirect Costs	\$ (37,807)	\$ (17,160)	\$ (909)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (37,807)</b>	<b>\$ (17,160)</b>	<b>\$ (909)</b>
Excess Revenues and Expenditures Over (Under) Other Financing Sources (Uses)	\$ -	\$ -	\$ -
<b>FUND BALANCE JULY 1, 2010</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE JUNE 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

OCCUPATIONAL EDUCATION (VA Projects) (207/208)	DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
-	-	-	-	12,357	12,357
-	-	-	-	55,000	55,000
-	-	-	2,605	24,456	27,061
-	-	-	561	5,020	5,581
-	-	-	12,528	11,336	25,119
\$ 29,657	\$ 6,287	\$ -	\$ 205,942	\$ 712,644	\$ 1,156,822
\$ -	\$ -	\$ -	\$ -	\$ 7,174	\$ 7,174
-	-	-	-	34,160	34,160
\$ -	\$ -	\$ -	\$ -	\$ 41,334	\$ 41,334
\$ 47,347	\$ 6,287	\$ -	\$ 567,167	\$ 2,768,528	\$ 4,688,773
\$ -	\$ 270	\$ -	\$ -	\$ 26,149	\$ 82,295
\$ -	\$ (270)	\$ -	\$ -	\$ (26,149)	\$ (82,295)
\$ -	\$ (270)	\$ -	\$ -	\$ (26,149)	\$ (82,295)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
SPECIAL PROJECTS FUND  
SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

<b>SUBFUND CODE</b>	<b>REVENUE CODE</b>	<b>PROGRAMS</b>	<b>REVENUES</b>
905	3125	Career and Education Technology Equipment	\$ 30,137
908	3126	Refurbishment of K-8 Science Kits	7,620
916	3991	ADEPT	14,331
919	3193	Education License Plates	823
927	3117	EEDA Middle and High School Career Awareness	1,269
928	3118	EEDA Career Specialist	81,445
933	3123	Formative Assessment	10,390
936	3136	Student Health and Fitness - Nurses	49,420
937	3127	Student Health and Fitness - PE Teachers	22,474
938	3128	High Schools That Work/Making Middle Grades Work	1,835
960	3610	K-5 Enhancement	289,060
967	3607	6-8 Enhancement	1,071
981	2300	First Steps/Early Childhood	39,306
982	2300	First Steps/Parenting	17,986
<b>TOTALS</b>			\$ <u>567,167</u>

<b>EXPENDITURES</b>	<b>SPECIAL PROJECTS INTERFUND TRANSFERS IN/(OUT)</b>	<b>OTHER FUND TRANSFERS IN/(OUT)</b>	<b>DEFERRED REVENUE</b>
\$ 30,137	\$ -	\$ -	\$ 8,843
7,620	-	-	-
14,331	-	-	10,618
823	-	-	-
1,269	-	-	-
81,445	-	-	5,163
10,390	-	-	-
49,420	-	-	9,515
22,474	-	-	21,602
1,835	-	-	3,983
289,060	-	-	38,616
1,071	-	-	4,703
39,306	-	-	-
17,986	-	-	-
<u>\$ 567,167</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,043</u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
EDUCATION IMPROVEMENT ACT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ALL PROGRAMS  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

	<u>ACTUAL</u>
<b>REVENUES</b>	
<b>3000 Revenue from State Sources</b>	
3500 Education Improvement Act	
3511 Professional Development	\$ 13,271
3526 Science Kit Refurbishment	4,873
3530 Trainable & Profoundly Mentally Disabled Student Services	16,191
3532 National Board Certification (NBC) Salary Supplement	150,927
3533 Teacher of the Year Awards	1,077
3538 Students At Risk of School Failure	684,425
3540 Early Childhood Program (4K Programs Serving Four-Year-Old Children)	116,676
3542 Preschool Programs for Children with Disabilities	11,328
3544 High Achieving Students	7,331
3550 Teacher Salary Increase	233,289
3555 School Employer Contributions	48,851
3558 Reading	13,965
3568 EAA Technical Assistance	296,967
3577 Teacher Supplies	47,300
3578 High Schools That Work/Making Middle Grades Work	2,983
3590 Reallocation of EIA Funds	135,274
3599 Other EIA Revenue	55
	<u>1,784,783</u>
<b>Total State Sources</b>	\$ <u>1,784,783</u>
<b>TOTAL REVENUE ALL SOURCES</b>	\$ <u>1,784,783</u>
<b>EXPENDITURES</b>	
<b>100 Instruction</b>	
110 General Instruction	
111 Kindergarten Programs	
100 Salaries	\$ 23,500
200 Employee Benefits	4,973
400 Supplies and Materials	2,200
112 Primary Programs	
100 Salaries	87,070
200 Employee Benefits	28,999
400 Supplies and Materials	16,288
113 Elementary Programs	
100 Salaries	195,565
200 Employee Benefits	53,528
300 Purchased Services	9,000
400 Supplies and Materials	37,990



**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
EDUCATION IMPROVEMENT ACT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ALL PROGRAMS  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

	<u><b>ACTUAL</b></u>
<b>EXPENDITURES (continued)</b>	
<b>100 Instruction (continued)</b>	
110 General Instruction (continued)	
114 High School Programs	
100 Salaries	132,643
200 Employee Benefits	41,367
300 Purchased Services	150
400 Supplies and Materials	52,555
115 Career and Technology Education Programs	
400 Supplies and Materials	550
120 Exceptional Programs	
121 Educable Mentally Handicapped	
400 Supplies and Materials	1,375
122 Trainable Mentally Handicapped	
100 Salaries	13,298
200 Employee Benefits	2,893
400 Supplies and Materials	825
126 Speech Handicapped	
100 Salaries	4,026
200 Employee Benefits	876
400 Supplies and Materials	275
127 Learning Disabilities	
400 Supplies and Materials	1,925
130 Pre-School Programs	
137 Pre-School Handicapped Self-Contained (3&4 Yr. Olds)	
100 Salaries	8,318
200 Employee Benefits	3,010
400 Supplies and Materials	275
139 Early Childhood Programs	
100 Salaries	85,560
200 Employee Benefits	28,347
400 Supplies and Materials	13,287
140 Special Programs	
149 Other Special Programs	
100 Salaries	175,751
200 Employee Benefits	51,542
300 Purchased Services	36,507
400 Supplies and Materials	17,068

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
EDUCATION IMPROVEMENT ACT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ALL PROGRAMS  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

	<u><b>ACTUAL</b></u>
<b>EXPENDITURES (continued)</b>	
<b>100 Instruction (continued)</b>	
170 Summer School Program	
172 Elementary Summer School	
100 Salaries	14,880
200 Employee Benefits	3,331
400 Supplies and Materials	15,061
175 Instructional Programs Beyond Regular School Day	
100 Salaries	26,000
200 Employee Benefits	4,950
300 Purchased Services	150
400 Supplies and Materials	5,850
180 Adult /Continuing Education Programs	
188 Parenting/Family Literacy	
100 Salaries	8,183
200 Employee Benefits	2,734
300 Purchased Services	535
400 Supplies and Materials	1,550
190 Instructional Pupil Activity	
300 Purchased Services	1,475
400 Supplies and Materials	8,780
<b>Total Instruction</b>	<b>\$ 1,225,015</b>
<b>200 Supporting Services</b>	
210 Pupil Services	
212 Guidance Services	
300 Purchased Services	\$ 21,852
400 Supplies and Materials	7,460
220 Instructional Staff Services	
221 Improvement of Instruction - Curriculum Development	
100 Salaries	9,500
200 Employee Benefits	2,031
300 Purchased Services	16,087
400 Supplies and Materials	6,751
222 Library and Media	
100 Salaries	7,500
200 Employee Benefits	1,647
400 Supplies and Materials	1,375

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
EDUCATION IMPROVEMENT ACT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ALL PROGRAMS  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

	<u><b>ACTUAL</b></u>
<b>EXPENDITURES (continued)</b>	
<b>200 Supporting Services (continued)</b>	
220 Instructional Staff Services (continued)	
223 Supervision of Special Programs	
300 Purchased Services	30,156
600 Other Objects	315
224 Improvement of Instruction - Inservice Training	
100 Salaries	40
200 Employee Benefits	8
300 Purchased Services	22,182
400 Supplies and Materials	773
250 Finance and Operations Services	
251 Student Transportation (Federal/District Mandated)	
100 Salaries	357
200 Employee Benefits	78
270 Supporting Services Pupil Activity	
271 Pupil Service Activities	
100 Salaries	2,814
200 Employee Benefits	629
300 Purchased Services	10,799
<b>Total Supporting Services</b>	<b>\$ 142,354</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,367,369</b>
Excess Revenues Over (Under) Expenditures	<b>\$ 417,414</b>
<b>OTHER FINANCING SOURCES (USES)</b>	
<b>Interfund Transfers From (To) Other Funds</b>	
420-710 Tranfer to General Fund (Excludes Indirect Costs)	\$ (282,140)
423-710 Tranfer to Debt Service Fund	(67,637)
424-710 Tranfer to School Building Fund	(67,637)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (417,414)</b>
Excess Revenues and Expenditures Over (Under) Other Financing Sources (Uses)	<b>\$ -</b>
<b>FUND BALANCE JULY 1, 2010</b>	<b>-</b>
<b>FUND BALANCE JUNE 30, 2011</b>	<b>\$ -</b>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
EDUCATION IMPROVEMENT ACT  
SUMMARY SCHEDULE BY PROGRAM  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

<b>PROGRAM</b>	<b>REVENUES</b>
3500 Education Improvement Act:	
3511 Professional Development	\$ 13,271
3526 Science Kit Refurbishment	4,873
3530 Trainable & Profoundly Mentally Disabled Student Services	16,191
3532 National Board Certification (NBC) Salary Supplement	150,927
3533 Teacher of the Year Awards	1,077
3538 Students At Risk of School Failure	684,425
3540 Early Childhood Program (4K Programs Serving Four-Year-Old Children)	116,676
3542 Preschool Programs for Children with Disabilities	11,328
3544 High Achieving Students	7,331
3550 Teacher Salary Increase	233,289
3555 School Employer Contributions	48,851
3558 Reading	13,965
3568 EAA Technical Assistance	296,967
3577 Teacher Supplies	47,300
3578 High Schools That Work/Making Middle Grades Work	2,983
3588 IDEA Maintenance of Effort Special Allocation	-
3590 Reallocation of EIA Funds	135,274
3592 Work Based Learning	-
3598 Writing Assessment Cost	-
3599 Other EIA Revenue	55
<b>TOTALS</b>	<b>\$ 1,784,783</b>

<u>EXPENDITURES</u>	<u>EIA INTERFUND TRANSFERS IN/(OUT)</u>	<u>OTHER FUND TRANSFERS IN/(OUT)</u>	<u>DEFERRED REVENUE</u>
\$ 13,271	\$ -	\$ -	\$ 10,148
4,873	-	-	7,158
16,191	-	-	2,764
150,927	-	-	-
1,077	-	-	-
684,425	-	-	26,670
116,676	-	-	2,443
11,328	-	-	2,271
7,331	-	-	11,593
-	-	(233,289)	-
-	-	(48,851)	-
13,965	-	-	23,097
296,967	-	-	33,522
47,300	-	-	-
2,983	-	-	865
-	-	-	253,961
-	-	(135,274)	-
-	-	-	8,225
-	-	-	4,992
55	-	-	-
<u>\$ 1,367,369</u>	<u>\$ -</u>	<u>\$ (417,414)</u>	<u>\$ 387,709</u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

	<u><b>ACTUAL</b></u>
<b>REVENUES</b>	
<b>1000 Revenue From Local Sources</b>	
1100 Taxes	
1110 Ad Valorem Taxes - Including Delinquent Taxes	\$ 1,378,085
1200 Revenue from Local Governmental Units Other than LEAs	
1280 Revenue in Lieu of Taxes	200,993
1500 Earnings on Investments	
1510 Interest on Investments	<u>10,543</u>
<b>Total Local Sources</b>	<u><b>\$ 1,589,621</b></u>
<b>3000 Revenue From State Sources</b>	
3800 State Revenue in Lieu of Taxes	
3820 Homestead Exemption	\$ 77,105
3830 Merchant's Inventory Tax	4,765
3890 Other State Property Tax Revenues	<u>42,906</u>
<b>Total State Sources</b>	<u><b>\$ 124,776</b></u>
<b>TOTAL REVENUE ALL SOURCES</b>	<u><b>\$ 1,714,397</b></u>
<b>EXPENDITURES</b>	
<b>500 Debt Service</b>	
610 Redemption of Principal	\$ 1,339,000
620 Interest	417,531
690 Other Objects (Includes Fees for Servicing Bonds)	<u>1,564</u>
<b>TOTAL EXPENDITURES</b>	<u><b>\$ 1,758,095</b></u>
Excess Revenues Over (Under) Expenditures	<u><b>\$ (43,698)</b></u>
<b>OTHER FINANCING SOURCES (USES)</b>	
<b>Interfund Transfers From (To) Other Funds</b>	
5230 Transfer from Special Revenue EIA Fund	\$ 67,637
5250 Transfer from School Building Fund	349,702
424-710 Transfer to School Building Fund	<u>(806,336)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u><b>\$ (388,997)</b></u>
Excess (Deficiency) of Revenues and Expenditures Over Other Financing Sources (Uses)	<u><b>\$ (432,695)</b></u>
<b>FUND BALANCE JULY 1, 2010</b>	<u><b>2,876,393</b></u>
<b>FUND BALANCE JUNE 30, 2011</b>	<u><u><b>\$ 2,443,698</b></u></u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
SCHOOL BUILDING FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

	<u>ACTUAL</u>
<b>REVENUES</b>	
<b>1000 Revenue From Local Sources</b>	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 5,674
<b>Total Local Sources</b>	\$ 5,674
<b>TOTAL REVENUE ALL SOURCES</b>	\$ 5,674
<b>EXPENDITURES</b>	
<b>200 Supporting Services</b>	
250 Finance and Operations	
253 Facilities Acquisition & Construction	
300 Purchased Services	\$ 129,837
500 Capital Outlay	
510 Land	17,500
520 Construction Services	1,384,157
540 Equipment	106,891
600 Other Objects	
690 Other Objects	263
<b>TOTAL EXPENDITURES</b>	\$ 1,638,648
Excess Revenues Over (Under) Expenditures	\$ (1,632,974)
<b>OTHER FINANCING SOURCES (USES)</b>	
<b>Interfund Transfers From (To) Other Funds</b>	
5230 Transfer from Special Revenue EIA Fund	\$ 67,637
5240 Transfer from Debt Service Fund	806,336
423-710 Transfer to Debt Service Fund	(349,702)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	\$ 524,271
Excess (Deficiency) of Revenues and Expenditures Over Other Financing Sources (Uses)	\$ (1,108,703)
<b>FUND BALANCE JULY 1, 2010</b>	3,040,349
<b>FUND BALANCE JUNE 30, 2011</b>	\$ 1,931,646

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**FOOD SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**FOR FISCAL YEAR ENDED JUNE 30, 2011**

	<u>ACTUAL</u>
<b>REVENUES</b>	
<b>1000 Revenue From Local Sources</b>	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 342
1600 Food Service	
1610 Lunch Sales to Pupils	73,308
1630 Special Sales to Pupils	52,656
1640 Lunch Sales to Adults	35,558
1650 Breakfast Sales to Adults	6,511
1660 Special Sales to Adults	4,996
1900 Other Revenue From Local Sources	
1999 Revenue from Other Local Sources	<u>280</u>
<b>Total Local Sources</b>	<b>\$ <u>173,651</u></b>
<b>3000 Revenue From State Sources</b>	
3100 Restricted State Funding	
3140 School Lunch	
3142 Program Aid	\$ 1,475
3900 Other State Sources	
3999 Revenue from Other State Sources	<u>3,997</u>
<b>Total State Sources</b>	<b>\$ <u>5,472</u></b>
<b>4000 Revenue From Federal Sources</b>	
4800 USDA Reimbursement	
4810 School Lunch Program	\$ 744,639
4830 School Breakfast Program	314,681
4860 Fresh Fruits & Vegetables Program	24,000
4900 Other Federal Sources	
4991 USDA Commodities	93,490
4999 Revenue from Other Federal Sources	<u>255,029</u>
<b>Total Federal Sources</b>	<b>\$ <u>1,431,839</u></b>
<b>TOTAL REVENUE ALL SOURCES</b>	<b>\$ <u>1,610,962</u></b>



**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
FOOD SERVICE FUND  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

	<u>ACTUAL</u>
<b>EXPENSES</b>	
250 Finance and Operations	
256 Food Service	
100 Salaries	\$ 545,203
200 Employee Benefits	64,851
300 Purchased Services	112,055
400 Supplies and Materials	773,698
500 Capital Outlay	71,581
600 Other Objects	<u>4,158</u>
<b>TOTAL EXPENSES</b>	<b>\$ <u>1,571,546</u></b>
Change in Net Assets	\$ 39,416
<b>NET ASSETS JULY 1, 2010</b>	<u>290,327</u>
<b>NET ASSETS JUNE 30, 2011</b>	<b>\$ <u><u>329,743</u></u></b>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
PUPIL ACTIVITY FUND  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN AMOUNTS DUE TO THIRD PARTIES  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

	<u>ACTUAL</u>
<b>RECEIPTS</b>	
<b>1000 Receipts From Local Sources</b>	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 546
1700 Pupil Activities	
1740 Student Fees	19,463
1790 Other	<u>346,608</u>
<b>Total Receipts from Local Sources</b>	<u>\$ 366,617</u>
<b>TOTAL RECEIPTS ALL SOURCES</b>	<u>\$ 366,617</u>
<b>DISBURSEMENTS</b>	
190 Instructional Pupil Activity	
660 Pupil Activity	\$ 14,264
270 Supporting Services Pupil Activity	
271 Pupil Service Activities	
660 Pupil Activity	284,498
272 Enterprise Activities	
660 Pupil Activity	47,572
273 Trust and Agency Activities	
660 Pupil Activity	<u>9,353</u>
<b>TOTAL DISBURSEMENTS</b>	<u>\$ 355,687</u>
Excess Receipts Over (Under) Disbursements	\$ 10,930
<b>DUE TO THIRD PARTIES JULY 1, 2010</b>	<u>105,179</u>
<b>DUE TO THIRD PARTIES JUNE 30, 2011</b>	<u><u>\$ 116,109</u></u>

*Note: This schedule is presented as prescribed by the S.C. State Department of Education.*

**SUPPLEMENTAL SCHEDULES**  
**REQUIRED BY**  
**THE S.C. STATE DEPARTMENT OF EDUCATION**

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

<b>PROGRAM</b>	<b>PROJECT/GRANT NUMBER</b>	<b>REVENUE &amp; SUBFUND CODE</b>	<b>DESCRIPTION</b>	<b>AMOUNT DUE TO SDE/FED GOV'T</b>
21st Century Learning Centers	11CL031	4924/224	Overclaimed Costs	\$ 7,174
NBC Salary Supplement	N/A	3532/332	Unexpended Funds	3,272
School-To-Work Transition	N/A	3592/392	Unexpended Funds	8,400
Medicaid	N/A	1930/801	Local Match	<u>2,794</u>
<b>TOTALS</b>				<u><u>\$ 21,640</u></u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
LOCATION RECONCILIATION SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

<b>LOCATION</b>	<b>LOCATION DESCRIPTION</b>	<b>EDUCATION LEVEL</b>	<b>COST TYPE</b>	<b>TOTAL EXPENDITURES</b>
00	Districtwide	Non-Schools	Central	\$ 625
10	District Office	Non-Schools	Central	6,029,790
15	Office of Curriculum/OPEC	Non-Schools	Central	6,376
20	Harleyville-Ridgeville	Elementary Schools	School	5,072,015
30	Williams Memorial	Elementary Schools	School	6,256,533
40	St. George	Middle Schools	School	3,398,825
50	Woodland	High Schools	School	6,076,512
60	Clay Hill	Middle Schools	School	2,647,001
70	Odyssey Education Center	Other Schools	School	504,185
80	Dorchester Academy	Other Schools	School	1,070
91	Family Literacy/Parenting	Non-Schools	Central	36,382
92	Adult Education	Other Schools	School	33,584
<b>TOTAL EXPENDITURES/DISBURSEMENTS FOR ALL FUNDS</b>				<b>\$ 30,062,898</b>

The above expenditures are reconciled to the district's financial statements as follows:

General Fund (Subfunds 100s)	\$ 18,682,780
Special Revenue Fund (Subfunds 200s, 800s, 900s)	4,688,773
Special Revenue EIA Fund (Subfunds 300s)	1,367,369
Debt Service Fund (Subfunds 400s)	1,758,095
Capital Projects Fund (School Building) (Subfunds 500s)	1,638,648
Proprietary Fund (Food Service) (Subfunds 600s)	1,571,546
Trust and Agency Fund (Pupil Activity) (Subfunds 700s)	355,687
<b>TOTAL EXPENDITURES/DISBURSEMENTS FOR ALL FUNDS</b>	<b>\$ 30,062,898</b>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
SPECIAL PROJECTS FUND  
SUBFUND CODE LIST  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

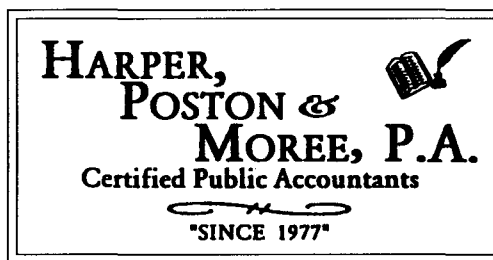
**OTHER RESTRICTED STATE GRANTS**

905	Career and Technology Education Equipment
908	Refurbishment of K-8 Science Kits
916	ADEPT
919	Education License Plates
927	EEDA Middle and High School Career Awareness
928	EEDA Career Specialist
933	Formative Assessment
936	Student Health and Fitness - Nurses
937	Student Health and Fitness - PE Teachers
938	High Schools That Work/Making Middle Grades Work
960	K-5 Enhancement
967	6-8 Enhancement
981	First Steps - Early Childhood
982	First Steps - Parenting

**OTHER SPECIAL REVENUE GRANTS**

212	IDEA - Extended School Year
215	IDEA (ARRA 611)
216	IDEA Preschool (ARRA 619)
222	Title I (ARRA)
223	Title I School Improvement (ARRA)
224	21st Century Community Learning Centers Program
234	School Improvement
237	Title I School Improvement
250	State Fiscal Stabilization (ARRA)
251	Rural and Low-Income School Program, Title VI
253	Enhancing Education Through Technology, Title II (ARRA)
267	Improving Teacher Quality
268	Teacher Incentive Grant
801	Medicaid - OPEC
803	Gear Up
804	SCEENS/EIC
813	Medicaid - Teen Companion
814	E-Rate
816	Character Education
818	Camp Friendship - Extended School Year
829	Learning Key Supplement
834	Sprint-Lights of Character
835	5-Star Learning
839	Project Indigo
840	Trident United Way
841	Academic Station
842	A+ Tutoring

## **SINGLE AUDIT SECTION**



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

To the Board of Trustees  
Dorchester County School District Number Four  
St. George, South Carolina

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Dorchester County School District Number Four as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 22, 2011. As described in Note 1 to the financial statements, the District adopted the provision of GASB Statement No. 54 in the current year. 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 District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the 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 a 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. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. This deficiency is listed as item 11-B1. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's 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 financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of the District in a separate letter dated November 22, 2011.

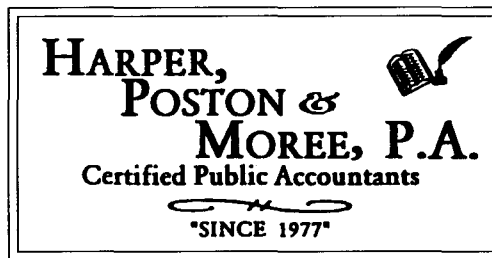
The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on it.

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

*Harper, Poston & Moree, P.A.*

Harper, Poston & Moree, P.A.  
Certified Public Accountants

Pawleys Island, South Carolina  
November 22, 2011



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

To the Board of Trustees  
Dorchester County School District Number Four  
St. George, South Carolina

**Compliance**

We have audited the compliance of Dorchester County School District Number Four with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2011. The District's major federal programs are identified in the summary of auditor's 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 District's management. Our responsibility is to express an opinion on the 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 identified in the accompanying schedule of findings and questioned costs occurred. An audit includes examining, on a test basis, evidence about the 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 District's compliance with those requirements.

In our opinion, the 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 identified in the accompanying schedule of findings and questioned costs for the year ended June 30, 2011.

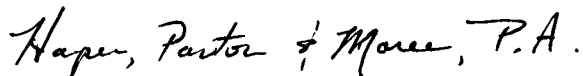
## Internal Control Over Compliance

Management of the 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 District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 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 would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance. 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, others within the entity, the Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Harper, Poston & Moree, P.A.  
Certified Public Accountants

Pawleys Island, South Carolina  
November 22, 2011

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

**A. Summary of Audit Results**

1. The auditor's report expresses an unqualified opinion on the basic financial statements.
2. One significant deficiency was disclosed during the audit of the basic financial statements. This deficiency is not reported as a material weakness.
3. No instances of noncompliance were disclosed during the audit of the basic financial statements.
4. No control deficiencies were disclosed during the audit of major federal award programs.
5. The auditor's report on compliance for major federal award programs expresses an unqualified opinion.
6. There are no audit findings relative to major federal award programs reported in Part C.
7. The following programs were tested as major programs:

<u>Program Title</u>	<u>CFDA No.</u>
Title I, Part A Cluster:	
Title I	84.010
ARRA - Title I	84.389
Title I School Improvement	84.010
ARRA - Title I School Improvement	84.389
Special Education Cluster:	
IDEA	84.027
IDEA - Extended School Year	84.027
Preschool Grant	84.173
ARRA - IDEA	84.391
ARRA - Preschool Grant	84.392
ARRA - State Fiscal Stabilization Education	84.394

8. The threshold for distinguishing types A and B programs was \$300,000.
9. The District was determined to be a low risk auditee.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

**B. Findings - Financial Statement Audit**

***11-B1 Segregation of Duties***

Significant Deficiency: The District does not maintain overall adequate segregation of duties.

Criteria: Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with management's assertions and that assets are safeguarded against loss or theft.

Cause: Limited Staff.

Effect: Errors may occur and may not be detected by management.

Recommendation: Different personnel, to the extent feasible, should be given the responsibility of authorizing transactions, recording transactions, and maintaining custody of assets.

Management's Response: There are certain responsibilities which overlap because of the District's size. Management will continue to make improvements in controls when possible.

**C. Findings and Questioned Costs - Major Federal Award Programs Audit**

None.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR FISCAL 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>TOTAL EXPENDITURES</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>				
	Passed Through State Department of Education:			
	Title I, Part A Cluster:			
201	Title I Grants to LEA's	84.010	11BA031	\$ 917,033 *
222	ARRA - Title I	84.389	09SA031	184,910 *
223	ARRA - Title I - School Improvement	84.389	10SJ031	8,841 *
237	Title I - School Improvement	84.010	09BJ031	19,630 *
237	Title I - School Improvement	84.010	10BJ031	45,113 *
	Special Education Cluster:			
203	IDEA	84.027	11CA031	416,228 *
212	IDEA - Extended School Year	84.027	N/A	2,602 *
205	Preschool Grant	84.173	11CG031	22,059 *
215	ARRA - IDEA	84.391	11SC031	274,930 *
216	ARRA - Preschool Grant	84.392	11SG031	18,210 *
	Vocational Education (CATE):			
207	Subprogram 01	84.048	11VA031	5,070
207	Subprogram 04	84.048	11VA031	5,570
207	Subprogram 08	84.048	11VA031	997
207	Subprogram 09	84.048	11VA031	17,017
207	Subprogram 10	84.048	11VA031	16,693
207	Subprogram 15	84.048	11VA031	2,000
209	Drug & Violence Prevention Program	84.186	11FQ031	6,557
224	After School Learning Center	84.287	10CL031	839
224	After School Learning Center	84.287	11CL031	167,182
234	School Improvement Grant	84.377	10BH031	112,858
250	ARRA - State Fiscal Stabilization Education	84.394	10SF031	274,752 *
250	ARRA - State Fiscal Stabilization Education	84.394	11SF031	685,051 *
251	Rural and Low-Income Schools, Title VI	84.358	11BS031	53,499
253	ARRA - Education Technology	84.386	10SS031	82,908
267	Improving Teacher Quality	84.367	11TQ031	207,431
268	Teacher Incentive - 3	84.374	11TT031	114,102
	Passed Through SC Commission on Higher Ed:			
803	Gear Up	84.334	P334S050009-10	70,532
	<b>Total U.S. Department of Education</b>			<b>\$ 3,732,614</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
	Passed Through State Department of Education:			
	Child Nutrition Cluster:			
	Non-Cash Assistance (Commodities):			
600	School Lunch Program	10.555	N/A	\$ 93,490
	Cash Assistance:			
600	School Breakfast Program	10.553	N/A	314,681
600	School Lunch Program	10.555	N/A	744,639
602	Fresh Fruits and Vegetables	10.582	11FF031	18,000
602	Fresh Fruits and Vegetables	10.582	11FV031	6,000
	Passed Through SC Department of Social Services:			
	Child Nutrition Cluster:			
603	Summer Food Service for Children	10.559	SF-263	250,584

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

<u>LEA SUBFUND CODE</u>	<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NUMBER</u>	<u>TOTAL EXPENDITURES</u>
<b>U.S. DEPARTMENT OF AGRICULTURE (continued)</b>				
600	Passed Through Rural Development Administration: Community Facilities Grant	10.766	N/A	<u>4,445</u>
	<b>Total U.S. Department of Agriculture</b>		(See Disclosure)	\$ <u>1,431,839</u> **
<b>ENVIRONMENTAL PROTECTION AGENCY</b>				
804	Passed Through State Department of Education: Environmental Education Grant	66.951	H63010012009	\$ <u>3,338</u>
	<b>TOTAL FEDERAL AWARDS EXPENDED</b>			\$ <u><u>5,167,791</u></u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

**Notes to Schedule of Expenditures of Federal Awards:**

\* Denotes a major program

\*\* The accounting system used by South Carolina LEAs does not allow for the segregation of expenditures by fund source in the Food Service Fund. The total amount displayed under "Total USDA" excludes \$179,123 of expenditures from state and local revenue sources. A detailed schedule of the Food Service Fund is included in this audit report.

1. The Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting and includes the federal grant activity of Dorchester County School District Number Four. The information in this schedule is presented in conformity with the requirements of OMB Circular A-133, *"Audits of States, Local Governments, and Non-Profit Organizations."* Because the Schedule presents only a selected portion of the operations of Dorchester County School District Number Four, it is not intended to and does not present financial position or changes in net assets.
2. Non-monetary assistance provided by the U.S. Department of Agriculture is reported in the schedule at the fair value of commodities received. Dorchester County School District Number Four received \$93,490 in the form of federal non-cash USDA commodities for the year ended June 30, 2011. The School Breakfast Program, unlike the School Lunch Program, does not generate separate commodity entitlements; therefore, commodities used in the School Breakfast Program are deemed to be awarded under the School Lunch Program and reported as such in the Schedule of Expenditures of Federal Awards.
3. The District received \$24,446 during the year ended June 30, 2010 from the U.S. Department of Energy in the form of loan proceeds as part of the State Energy Program grant. The loan is a non-interest bearing loan repayable in two annual installments of \$12,223 beginning November 1, 2011. At June 30, 2011, the outstanding loan balance remained at \$24,446.



**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR FISCAL YEAR ENDED JUNE 30, 2011**

There are no prior year audit findings relating to federal award programs that are required by Circular A-133 to be reported in the Summary Schedule of Prior Audit Findings for the year ended June 30, 2011.