

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

**BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

FISCAL YEAR ENDED JUNE 30, 2010

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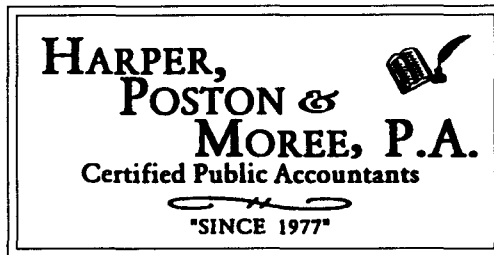
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FINANCIAL SECTION



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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, 2010, 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2010 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 23, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) YEAR ENDED JUNE 30, 2010

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, 2010. 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 \$18,554,390 (net assets). Of this amount, \$8,392,316 (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 \$2,084,064, which represents a 12.7% increase from fiscal year 2009. The District's total unrestricted net assets increased \$831,065 from fiscal year 2009.
- Revenues totaled \$29,489,618. This is an increase of \$705,311 or 2.4% from fiscal year 2009.
- Expenses totaled \$27,405,554. This is a decrease of \$225,272 or .81% from fiscal year 2009.
- Our principal operating fund, the General Fund, had \$19,593,553 in fiscal year 2010 revenues, which primarily consisted of state aid and property taxes, and \$18,688,368 in expenditures. The General Fund's fund balance increased from \$5,003,002 as of June 30, 2009 to \$6,352,580 as of June 30, 2010.
- The District's total bonded debt, including issuance premiums and deferred amounts on refunding, decreased by \$1,222,479 during FY 2010 primarily 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 2010.

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 \$18,554,390 as of June 30, 2010.

A large portion of the District's net assets (39%) 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	
	2010	2009	2010	2009	2010	2009
Current and Other Assets	\$ 16,525	\$ 16,162	\$ 186	\$ 189	\$ 16,711	\$ 16,351
Capital Assets, Net	17,800	16,662	104	91	17,904	16,753
Total Assets	\$ 34,325	\$ 32,824	\$ 290	\$ 280	\$ 34,615	\$ 33,104
Current Liabilities	\$ 5,380	\$ 4,680	\$ -0-	\$ -0-	\$ 5,380	\$ 4,680
Long-Term Liabilities	10,681	11,954	-0-	-0-	10,681	11,954
Total Liabilities	\$ 16,061	\$ 16,634	\$ -0-	\$ -0-	\$ 16,061	\$ 16,634
Net Assets:						
Invested in Capital Assets, Net of Related Debt	\$ 7,150	\$ 5,829	\$ 105	\$ 91	\$ 7,255	\$ 5,920
Restricted	2,907	2,989	-0-	-0-	2,907	2,989
Unrestricted	8,207	7,372	185	189	8,392	7,561
Total Net Assets	\$ 18,264	\$ 16,190	\$ 290	\$ 280	\$ 18,554	\$ 16,470

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

- Capitalized construction costs related to facilities improvement projects of \$1,766,087.
- The principal retirement of \$1,253,000 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, 2010 were \$29,489,618. The total cost of all programs and services was \$27,405,554 for an increase in net assets of \$2,084,064.

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	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program Revenues:						
Charges for Services	\$ 407	\$ 389	\$ 195	\$ 197	\$ 602	\$ 586
Operating Grants	11,597	12,134	1,465	1,231	13,062	13,365
Capital Grants	188	137	25	-0-	213	137
General Revenues:						
Property Taxes	10,148	9,689	-0-	-0-	10,148	9,689
Investment Income	48	122	1	1	49	123
State Aid/Formula Grants	5,345	4,845	-0-	-0-	5,345	4,845
Miscellaneous and Other	71	39	-0-	-0-	71	39
Total Revenues	\$ 27,804	\$ 27,355	\$ 1,686	\$ 1,429	\$ 29,490	\$ 28,784
Expenses:						
Instruction	\$ 14,570	\$ 15,015	\$ -0-	\$ -0-	\$ 14,570	\$ 15,015
Support Services	10,604	10,575	-0-	-0-	10,604	10,575
Community Services	3	1	-0-	-0-	3	1
Intergovernmental	56	63	-0-	-0-	56	63
Interest	490	574	-0-	-0-	490	574
Depreciation - Unallocated	7	7	-0-	-0-	7	7
Food Service	-0-	-0-	1,676	1,396	1,676	1,396
Total Expenses	\$ 25,730	\$ 26,235	\$ 1,676	\$ 1,396	\$ 27,406	\$ 27,631
Increase in Net Assets	\$ 2,074	\$ 1,120	\$ 10	\$ 33	\$ 2,084	\$ 1,153
Net Assets - Beginning	16,190	14,734	280	247	16,470	14,981
Prior Period Adjustment	-0-	366	-0-	-0-	-0-	336
Net Assets - Ending	\$ 18,264	\$ 16,190	\$ 290	\$ 280	\$ 18,554	\$ 16,470

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	
	2010	2009	2010	2009
Instruction	\$ 14,569,878	\$ 15,015,585	\$ (4,696,615)	\$ (4,568,419)
Support Services	10,604,116	10,575,275	(8,317,063)	(8,381,935)
Community Services	2,434	1,367	(2,434)	(1,367)
Intergovernmental	56,403	62,605	(25,234)	(43,128)
Interest	489,979	573,763	(489,979)	(573,763)
Depreciation – Unallocated	6,448	6,918	(6,448)	(6,918)
Total Expenses	\$ 25,729,258	\$ 26,235,513	\$ (13,537,773)	\$ (13,575,530)

- The cost of all governmental activities this year was \$25,729,258. This was a decrease of \$506,255 from fiscal year 2009's total of \$26,235,513.
- Federal and state governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$12,191,485 for fiscal year 2010. This is a decrease of \$468,498 from the total of \$12,659,983 for the 2009 fiscal year. This decrease is primarily a result of decreases in State funding.
- Net cost of governmental activities (\$13,537,773), was financed by general revenues, which are made up of primarily property taxes \$10,148,373, state aid \$5,345,109 and other miscellaneous general revenues of \$70,979. Investment earnings accounted for \$47,780 of funding. All of these components contributed to an overall increase in net assets for governmental activities of \$2,074,468. The net cost of governmental activities for fiscal year 2009 was (\$13,575,530) and was financed by general revenues consisting of \$9,689,347 in property taxes, \$4,845,146 in state aid, and \$38,725 in other miscellaneous revenue. Investment earnings contributed \$122,351 which produced an overall increase in net assets of \$1,120,039 in 2009.

Business-Type Activities: Net assets of business-type activities increased by \$9,596 for the current fiscal year. This was due to an increase non-operating grant revenues.

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, unreserved 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 \$12,269,322 a decrease of \$229,911 in comparison with the prior year. Of this amount, \$6,352,580 constitutes an unreserved, undesignated fund balance and is available for spending at the District's discretion. The remainder of fund balance is reserved or designated 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 \$1,349,578. The reason for this increase was an increase in revenue received for Fee in Lieu of Taxes. The Debt Service fund balance showed a net change of \$7,590 from the prior year. The net change in fund balance in the Building Fund from the prior year was a decrease of \$1,587,079 which was related to the expenditures for the facility upgrade.

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 \$9,596 for fiscal year 2010. This increase was due to an increase in non-operating grant revenues.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were no changes made to the original budget approved for 2010. 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, 2010, the District had invested \$17,904,632 (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 \$627,714 and \$35,777 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:

	2010	2009	Difference
Land	\$ 293,140	\$ 293,140	\$ -0-
Buildings and Additions	16,056,460	16,130,752	(74,292)
Machinery, Equipment and Vehicles	128,321	152,685	(24,364)
Construction in Progress	1,322,081	85,240	1,236,841
Total	<u>\$ 17,800,002</u>	<u>\$ 16,661,817</u>	<u>\$ 1,138,185</u>

Construction began during the year on additional facility improvements that had been approved by the school board. Construction in progress as of the close of the fiscal year had reached \$1,322,081 and represented architect fees and expenditures for classroom renovations and additions.

Net capital assets of business-type activities amounted to \$104,630 and \$91,444 for 2010 and 2009, respectively, and included machinery and equipment used in school cafeterias.

Additional information on the District's capital assets can be found in Note 4 of this report.

Debt Administration: At year-end, the District had \$11,644,000 in bonded debt outstanding, of which \$1,339,000 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, 2010, as compared to 2009:

	2010	2009
8% General Obligation Debt	\$ 1,515,000	\$ 1,737,250
Referendum General Obligation Debt	8,170,000	8,987,750
SCAGO Equipment Lease	1,959,000	2,172,000
Total	\$ <u>11,644,000</u>	\$ <u>12,897,000</u>

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 \$4,189,657 based on an assessed valuation of \$52,370,718, which is significantly in excess of the District's current outstanding non-referendum general obligation debt.

During the current fiscal year, the District refinanced \$1,425,000 of general obligation bonds to take advantage of lower interest rates. The result is expected to be a decrease in future debt service payments of \$77,925.

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 \$1,630 when projecting Education Finance Act funding for the 2010-2011 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 2010-2011 but that could always change.

Funding for school districts continues to be a major issue for fiscal year 2011. State funding for fiscal year 2011 is at the same level as it was over 10 years ago. Stimulus funding that was provided to all school districts will not be available after September, 2011. The loss of these funds will create even more financial hardship for school districts. Our fund balance will help us to absorb some of these expenses during the

2011-2012 school 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 will 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. This past summer, we implemented the second phase of our facility improvement plan by renovating and energy retrofitting some of our older classrooms. We also completed the addition of new classrooms for our high school. We completed projects that placed HVAC units in three of our older gymnasiums last year. We will be reviewing additional plans with our school board over the next few months to designate the next projects to be completed. We will use the remaining funds from the SCAGO Equipment Lease as well as funds that were transferred to our Building Fund during 2008-2009 to assist in funding 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, 2010

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash	\$ 78,058	\$ 518,218	\$ 596,276
Accounts Receivable	9,543	-0-	9,543
Taxes Receivable (Net of Allowance)	697,019	-0-	697,019
Due From County Treasurer	12,031,428	-0-	12,031,428
Due From Other State Agencies	93,537	-0-	93,537
Due From State Department of Education	70,448	-0-	70,448
Due From Federal Government	1,569,373	250,047	1,819,420
Internal Balances	619,461	(619,461)	-0-
Inventories	-0-	36,893	36,893
Deferred Charges	210,307	-0-	210,307
Cash - Restricted	1,145,742	-0-	1,145,742
Capital Assets (Not Being Depreciated):			
Land	293,140	-0-	293,140
Construction in Progress	1,322,081	-0-	1,322,081
Capital Assets (Net of Accumulated Depreciation):			
Building and Improvements	16,056,460	-0-	16,056,460
Vehicles, Machinery, and Equipment	128,321	104,630	232,951
TOTAL ASSETS	\$ 34,324,918	\$ 290,327	\$ 34,615,245
LIABILITIES			
Accounts Payable	\$ 925,481	\$ -0-	\$ 925,481
Accrued Interest Payable	151,278	-0-	151,278
Withholding and Benefits Payable	948,759	-0-	948,759
Accrued Salaries	1,399,088	-0-	1,399,088
Due To State Department of Education	18,240	-0-	18,240
Deferred (Unearned) Grant Revenues	494,815	-0-	494,815
Noncurrent Liabilities:			
Due Within One Year	1,442,694	-0-	1,442,694
Due In More Than One Year	10,680,500	-0-	10,680,500
TOTAL LIABILITIES	\$ 16,060,855	\$ -0-	\$ 16,060,855
NET ASSETS			
Invested In Capital Assets, Net of Related Debt	\$ 7,150,046	\$ 104,630	\$ 7,254,676
Restricted For:			
Debt Service	2,907,398	-0-	2,907,398
Unrestricted	8,206,619	185,697	8,392,316
TOTAL NET ASSETS	\$ 18,264,063	\$ 290,327	\$ 18,554,390

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, 2010**

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	\$ 14,569,878	\$ 73,116	\$ 9,773,477	\$ 26,670	\$ (4,696,615)	\$ -0-	\$ (4,696,615)
Supporting Services	10,604,116	302,894	1,823,159	161,000	(8,317,063)	-0-	(8,317,063)
Community Services	2,434	-0-	-0-	-0-	(2,434)	-0-	(2,434)
Intergovernmental	56,403	31,169	-0-	-0-	(25,234)	-0-	(25,234)
Interest and Other Charges*	489,979	-0-	-0-	-0-	(489,979)	-0-	(489,979)
Depreciation - Unallocated**	6,448	-0-	-0-	-0-	(6,448)	-0-	(6,448)
Total Governmental Activities	\$ 25,729,258	\$ 407,179	\$ 11,596,636	\$ 187,670	\$ (13,537,773)	\$ -0-	\$ (13,537,773)
Business-Type Activities:							
Food Service	\$ 1,676,296	\$ 195,099	\$ 1,464,827	\$ 25,584	\$ -0-	\$ 9,214	\$ 9,214
Total Business-Type Activities	\$ 1,676,296	\$ 195,099	\$ 1,464,827	\$ 25,584	\$ -0-	\$ 9,214	\$ 9,214
TOTALS	\$ 27,405,554	\$ 602,278	\$ 13,061,463	\$ 213,254	\$ (13,537,773)	\$ 9,214	\$ (13,528,559)
GENERAL REVENUES							
Taxes:							
Property Taxes, Levied for General Purposes					\$ 8,743,947	\$ -0-	\$ 8,743,947
Property Taxes, Levied for Debt Service					1,404,426	-0-	1,404,426
Unrestricted State Aid and Grants					5,345,109	-0-	5,345,109
Unrestricted Investment Earnings					47,780	382	48,162
Other Miscellaneous Revenues					70,979	-0-	70,979
TOTAL GENERAL REVENUES					\$ 15,612,241	\$ 382	\$ 15,612,623
CHANGE IN NET ASSETS					\$ 2,074,468	\$ 9,596	\$ 2,084,064
NET ASSETS BEGINNING OF YEAR					16,189,595	280,731	16,470,326
NET ASSETS END OF YEAR					\$ 18,264,063	\$ 290,327	\$ 18,554,390

* Excludes interest of \$6,001 that is included in the direct expenses of the various functions.

** Excludes depreciation of \$621,266 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, 2010**

	GENERAL	SPECIAL PROJECTS
ASSETS		
Cash	\$ 78,058	\$ -0-
Cash - Restricted	-0-	-0-
Accounts Receivable	-0-	3,343
Taxes Receivable (Net of Allowance for Uncollectibles)	626,968	-0-
Due From County Treasurer	6,859,804	-0-
Due From Other Funds	2,228,366	-0-
Due From Other State Agencies	-0-	93,537
Due From State Department of Education	60,611	2,876
Due From Federal Government	-0-	1,569,373
	\$ 9,853,807	\$ 1,669,129
TOTAL ASSETS	\$ 9,853,807	\$ 1,669,129
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	\$ 925,481	\$ -0-
Accrued Payroll Liabilities	552,037	-0-
Accrued Retirement	396,722	-0-
Accrued Salaries	1,399,088	-0-
Due To Other Funds	-0-	1,440,511
Due To State Department of Education	-0-	9,316
Deferred Tax Revenue	227,899	-0-
Deferred Grant Revenue	-0-	219,302
	\$ 3,501,227	\$ 1,669,129
Total Liabilities	\$ 3,501,227	\$ 1,669,129
 Fund Balances		
Reserved For:		
Debt Service	\$ -0-	\$ -0-
Facilities Improvements	-0-	-0-
Unreserved, Reported In:		
General Fund		
Undesignated	6,352,580	-0-
Capital Projects Fund		
Designated For Facilities Improvements	-0-	-0-
	\$ 6,352,580	\$ -0-
Total Fund Balances	\$ 6,352,580	\$ -0-
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,853,807	\$ 1,669,129

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>
\$ -0-	\$ -0-	\$ -0-	\$ 78,058
-0-	-0-	1,145,742	1,145,742
-0-	6,200	-0-	9,543
-0-	70,051	-0-	697,019
-0-	3,021,629	2,149,995	12,031,428
277,476	-0-	-0-	2,505,842
-0-	-0-	-0-	93,537
6,961	-0-	-0-	70,448
-0-	-0-	-0-	1,569,373
<u>\$ 284,437</u>	<u>\$ 3,097,880</u>	<u>\$ 3,295,737</u>	<u>\$ 18,200,990</u>
\$ -0-	\$ -0-	\$ -0-	\$ 925,481
-0-	-0-	-0-	552,037
-0-	-0-	-0-	396,722
-0-	-0-	-0-	1,399,088
-0-	190,482	255,388	1,886,381
8,924	-0-	-0-	18,240
-0-	31,005	-0-	258,904
275,513	-0-	-0-	494,815
<u>\$ 284,437</u>	<u>\$ 221,487</u>	<u>\$ 255,388</u>	<u>\$ 5,931,668</u>
\$ -0-	\$ 2,876,393	\$ -0-	\$ 2,876,393
-0-	-0-	1,377,563	1,377,563
-0-	-0-	-0-	6,352,580
-0-	-0-	1,662,786	1,662,786
<u>\$ -0-</u>	<u>\$ 2,876,393</u>	<u>\$ 3,040,349</u>	<u>\$ 12,269,322</u>
<u>\$ 284,437</u>	<u>\$ 3,097,880</u>	<u>\$ 3,295,737</u>	<u>\$ 18,200,990</u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS
JUNE 30, 2010**

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

Ending fund balances - governmental funds balance sheet	\$	12,269,322
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		17,800,002
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		258,904
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>(12,064,165)</u>
Net assets of governmental activities	\$	<u><u>18,264,063</u></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, 2010

	GENERAL	SPECIAL PROJECTS
REVENUES		
Local	\$ 10,367,704	\$ 410,800
State	9,225,849	349,004
Federal	-0-	3,651,476
Intergovernmental	-0-	69,052
TOTAL REVENUES	\$ 19,593,553	\$ 4,480,332
EXPENDITURES		
Current		
Instructional Services	\$ 9,736,605	\$ 2,810,609
Supporting Services	8,769,597	1,507,464
Community Services	2,434	-0-
Intergovernmental Expenditures	25,234	31,169
Debt Service		
Redemption of Bonds	-0-	-0-
Interest and Fiscal Agent Fees	-0-	-0-
Bond Issuance Costs	-0-	-0-
Capital Outlay	154,498	26,670
TOTAL EXPENDITURES	\$ 18,688,368	\$ 4,375,912
Excess Revenues Over (Under) Expenditures	\$ 905,185	\$ 104,420
OTHER FINANCING SOURCES (USES)		
Capital Lease	\$ 21,500	\$ -0-
Proceeds from Long Term Notes	-0-	24,446
Premium on Bonds Sold	-0-	-0-
Proceeds of Refunding Debt	-0-	-0-
Payments of Refunded Debt Principal	-0-	-0-
Transfers From Other Funds	422,893	-0-
Transfers To Other Funds	-0-	(128,866)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 444,393	\$ (104,420)
Net Change in Fund Balances	\$ 1,349,578	\$ -0-
FUND BALANCE BEGINNING OF YEAR	5,003,002	-0-
FUND BALANCE END OF YEAR	\$ 6,352,580	\$ -0-

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>
\$ -0-	\$ 1,602,399	\$ 13,565	\$ 12,394,468
1,839,285	124,072	161,000	11,699,210
-0-	-0-	-0-	3,651,476
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>69,052</u>
\$ <u>1,839,285</u>	\$ <u>1,726,471</u>	\$ <u>174,565</u>	\$ <u>27,814,206</u>
\$ 1,331,881	\$ -0-	\$ -0-	\$ 13,879,095
213,377	-0-	130,489	10,620,927
-0-	-0-	-0-	2,434
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>56,403</u>
-0-	1,253,000	-0-	1,253,000
-0-	483,377	-0-	483,377
-0-	35,306	-0-	35,306
<u>-0-</u>	<u>-0-</u>	<u>1,631,155</u>	<u>1,812,323</u>
\$ <u>1,545,258</u>	\$ <u>1,771,683</u>	\$ <u>1,761,644</u>	\$ <u>28,142,865</u>
\$ <u>294,027</u>	\$ <u>(45,212)</u>	\$ <u>(1,587,079)</u>	\$ <u>(328,659)</u>
\$ -0-	\$ -0-	\$ -0-	\$ 21,500
-0-	-0-	-0-	24,446
-0-	52,802	-0-	52,802
-0-	1,425,000	-0-	1,425,000
-0-	(1,425,000)	-0-	(1,425,000)
-0-	-0-	-0-	422,893
<u>(294,027)</u>	<u>-0-</u>	<u>-0-</u>	<u>(422,893)</u>
\$ <u>(294,027)</u>	\$ <u>52,802</u>	\$ <u>-0-</u>	\$ <u>98,748</u>
\$ -0-	\$ 7,590	\$ (1,587,079)	\$ (229,911)
<u>-0-</u>	<u>2,868,803</u>	<u>4,627,428</u>	<u>12,499,233</u>
\$ <u>-0-</u>	\$ <u>2,876,393</u>	\$ <u>3,040,349</u>	\$ <u>12,269,322</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, 2010**

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

Net change in fund balances - total governmental funds	\$	(229,911)
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.		1,138,372
In the statement of activities, the gain or loss on disposition of capital assets is reported. Thus, the change in net assets differs from the change in fund balances by the net book value of the capital assets disposed of.		(187)
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.		4,348
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.		1,197,731
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>(35,885)</u>
Change in net assets of governmental activities	\$	<u><u>2,074,468</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, 2010**

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

ASSETS

Current Assets

Cash	\$ 518,218
Due From Federal Government	250,047
Inventories	36,893
Total Current Assets	\$ <u>805,158</u>

Noncurrent Assets

Equipment	\$ 463,203
Less: Accumulated Depreciation	(358,573)
Total Noncurrent Assets	\$ <u>104,630</u>

TOTAL ASSETS

\$ 909,788

LIABILITIES

Current Liabilities

Due To Other Funds	\$ <u>619,461</u>
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TOTAL LIABILITIES

\$ 619,461

NET ASSETS

Invested in Capital Assets

\$ 104,630

Unrestricted

185,697

TOTAL NET ASSETS

\$ 290,327

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, 2010**

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

OPERATING REVENUES

Proceeds from Sales of Meals \$ 195,099

TOTAL OPERATING REVENUES \$ 195,099

OPERATING EXPENSES

Food Costs \$ 710,458
Salaries and Employee Benefits 608,711
Utilities 7,051
Depreciation 35,777
Supplies and Materials 162,549
Other Operating Costs 140,538

TOTAL OPERATING EXPENSES \$ 1,665,084

Operating Income (Loss) \$ (1,469,985)

NONOPERATING REVENUES (EXPENSES)

Interest \$ 382
USDA Reimbursements 1,109,787
Commodities Received From USDA 69,905
Other Federal and State Aid 310,719
Loss on Disposal of Assets (11,212)

TOTAL NONOPERATING REVENUES (EXPENSES) \$ 1,479,581

Change in Net Assets \$ 9,596

NET ASSETS BEGINNING OF YEAR 280,731

NET ASSETS END OF YEAR \$ 290,327

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, 2010**

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

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Patrons	\$ 195,099
Cash Payments to Suppliers for Goods and Services	(815,375)
Cash Payments to Employees for Services	<u>(608,435)</u>
Net Cash Provided (Used) By Operating Activities	\$ <u>(1,228,711)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Other Federal and State Aid	\$ 310,719
USDA Federal Reimbursements	<u>988,013</u>
Net Cash Provided (Used) By Non-Capital Financing Activities	\$ <u>1,298,732</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchases of Capital Assets	\$ <u>(60,175)</u>
Net Cash Provided (Used) By Capital and Related Financing Activities	\$ <u>(60,175)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on Investments	\$ <u>382</u>
Net Cash Provided (Used) By Investing Activities	\$ <u>382</u>

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS \$ 10,228

CASH AND CASH EQUIVALENTS BEGINNING OF YEAR 507,990

CASH AND CASH EQUIVALENTS END OF YEAR \$ 518,218

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, 2010**

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

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

Operating Income (Loss)	\$	(1,469,985)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:		
Depreciation		35,777
Non-Cash Commodities Used		69,905
Changes in Assets and Liabilities		
(Increase) Decrease in Inventory		(8,153)
Increase (Decrease) in Due To Other Funds		<u>143,745</u>
Net Cash Provided (Used) By Operating Activities	\$	<u><u>(1,228,711)</u></u>

Supplemental Non-Cash Financing and Investing Information:

Non-Cash Commodities Received from USDA	\$	<u>69,905</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, 2010**

	<u>AGENCY FUND</u>
ASSETS	
Cash	\$ <u>105,179</u>
TOTAL ASSETS	\$ <u>105,179</u>
LIABILITIES	
Due To Third Parties	\$ <u>105,179</u>
TOTAL LIABILITIES	\$ <u>105,179</u>
NET ASSETS	\$ <u><u>-0-</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, 2010

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, 2010

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, 2010

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, 2010

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, 2010

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:

Asset	Years
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, 2010

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. As of June 30, 2010, \$2,907,398 of the District's net assets were restricted by enabling legislation for future debt service.

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

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

At June 30, 2010, the District had a reservation in the Debt Service Fund of \$2,876,393 which legally restricts debt service resources to be used for the payment of long-term debt principal and interest maturing in future years. The District had a reservation in the School Building Fund of \$1,377,563 for the amount of executed construction contracts for certain facilities improvement projects. The School Building Fund's remaining fund balance of \$1,662,786 has been designated for tentative future facilities improvement projects.

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 1st 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 15th. All unpaid taxes become delinquent on January 16th and are put into execution on March 15th. 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.

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.

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 2 - DEPOSITS AND INVESTMENTS

At year end, the District's carrying amount of deposits was \$1,847,197, included agency fund cash of \$105,179, and the corresponding bank balance was \$2,393,126.

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, 2010, \$295,197 of the District's bank balances of \$2,393,126 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 \$12,031,428.

Restricted Cash - At year end, the District held \$1,145,742 in cash that is restricted by the SCAGO Equipment Acquisition Lease Program to be used towards future facilities improvements.

NOTE 3 - 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	\$ -0-	\$ 3,343	\$ -0-	\$ 6,200	\$ 9,543
Taxes	1,027,977	-0-	-0-	135,405	1,163,382
State & Federal	60,611	1,572,249	6,961	-0-	1,639,821
Other Agencies	-0-	93,537	-0-	-0-	93,537
Gross Receivables	\$ 1,088,588	\$ 1,669,129	\$ 6,961	\$ 141,605	\$ 2,906,283
Less: Allowance for Uncollectibles	(401,009)	-0-	-0-	(65,354)	(466,363)
Net Receivables	\$ <u>687,579</u>	\$ <u>1,669,129</u>	\$ <u>6,961</u>	\$ <u>76,251</u>	\$ <u>2,439,920</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 \$258,904 for property taxes which are considered unavailable to liquidate current liabilities and \$494,815 for grant resources that have been received, but not yet expended.

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets, not Being Depreciated:				
Land	\$ 293,140	\$ -0-	\$ -0-	\$ 293,140
Construction in Progress	<u>85,240</u>	<u>1,744,587</u>	<u>(507,746)</u>	<u>1,322,081</u>
Total Capital Assets, not Being Depreciated	\$ <u>378,380</u>	\$ <u>1,744,587</u>	\$ <u>(507,746)</u>	\$ <u>1,615,221</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	\$ 24,718,569	\$ 507,746	\$ -0-	\$ 25,226,315
Vehicles	266,879	-0-	-0-	266,879
Machinery and Equipment	<u>244,899</u>	<u>21,500</u>	<u>(9,025)</u>	<u>257,374</u>
Total Capital Assets Being Depreciated	\$ <u>25,230,347</u>	\$ <u>529,246</u>	\$ <u>(9,025)</u>	\$ <u>25,750,568</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ (8,587,817)	\$ (582,038)	\$ -0-	\$ (9,169,855)
Vehicles	(193,066)	(19,752)	-0-	(212,818)
Machinery and Equipment	<u>(166,028)</u>	<u>(25,924)</u>	<u>8,838</u>	<u>(183,114)</u>
Total Accumulated Depreciation	\$ <u>(8,946,911)</u>	\$ <u>(627,714)</u>	\$ <u>8,838</u>	\$ <u>(9,565,787)</u>
Total Capital Assets, Being Depreciated, Net	\$ <u>16,283,436</u>	\$ <u>(98,468)</u>	\$ <u>(187)</u>	\$ <u>16,184,781</u>
Governmental Activities Capital Assets, Net	\$ <u><u>16,661,816</u></u>	\$ <u><u>1,646,119</u></u>	\$ <u><u>(507,933)</u></u>	\$ <u><u>17,800,002</u></u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ <u>443,199</u>	\$ <u>60,175</u>	\$ <u>(40,171)</u>	\$ <u>463,203</u>
Total Capital Assets Being Depreciated	\$ <u>443,199</u>	\$ <u>60,175</u>	\$ <u>(40,171)</u>	\$ <u>463,203</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	\$ <u>(351,755)</u>	\$ <u>(35,777)</u>	\$ <u>28,959</u>	\$ <u>(358,573)</u>
Total Accumulated Depreciation	\$ <u>(351,755)</u>	\$ <u>(35,777)</u>	\$ <u>28,959</u>	\$ <u>(358,573)</u>
Total Capital Assets, Being Depreciated, Net	\$ <u>91,444</u>	\$ <u>24,398</u>	\$ <u>(11,212)</u>	\$ <u>104,630</u>
Business-Type Activities Capital Assets, Net	\$ <u><u>91,444</u></u>	\$ <u><u>24,398</u></u>	\$ <u><u>(11,212)</u></u>	\$ <u><u>104,630</u></u>

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 4 - CAPITAL ASSETS (continued)

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

Governmental Activities:

Instruction	\$ 599,868
Supporting Services	21,398
Unallocated	<u>6,448</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 627,714</u>

Business-Type Activities:

Food Service	\$ <u>35,777</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 35,777</u>

At June 30, 2010, the District had construction contracts for a facilities improvement project with a completion date of August 2010. The construction commitments are as follows:

Construction Commitment	\$ 2,549,431
Expenditures Incurred through June 30, 2010	<u>(1,171,868)</u>
Remaining Commitment	<u>\$ 1,377,563</u>

NOTE 5 - 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, 2010, are as follows:

Date of Issue	Interest Rate	Maturity	Original Issue	Outstanding June 30, 2010
2005	3.00 - 3.50%	March 1, 2014	\$ 2,955,000	\$ 1,690,000
2009	3.00 - 4.00%	March 1, 2022	7,000,000	6,570,000
2010	3.00%	March 1, 2016	<u>1,425,000</u>	<u>1,425,000</u>
Totals			<u>\$ 11,380,000</u>	<u>\$ 9,685,000</u>

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 5 - LONG-TERM DEBT (continued)

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

Year Ending June 30	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 1,080,000	\$ 325,787	\$ 1,405,787
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 - 2020	3,105,000	615,700	3,720,700
2021 - 2022	<u>1,300,000</u>	<u>78,600</u>	<u>1,378,600</u>
Totals	<u>\$ 9,685,000</u>	<u>\$ 2,020,837</u>	<u>\$ 11,705,837</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, 2010, are as follows:

<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Original Issue</u>	<u>Outstanding June 30, 2010</u>
2009	4.63%	December 1, 2017	\$ <u>2,342,000</u>	\$ <u>1,959,000</u>

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

Year Ending June 30	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 259,000	\$ 90,702	\$ 349,702
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 - 2018	<u>804,000</u>	<u>75,562</u>	<u>879,562</u>
Totals	<u>\$ 1,959,000</u>	<u>\$ 412,997</u>	<u>\$ 2,371,997</u>

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 5 - LONG-TERM DEBT (continued)

Notes Payable

During the current year, 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.

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

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

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2011	\$ -0-	\$ -0-	\$ -0-
2012	12,223	-0-	12,223
2013	<u>12,223</u>	<u>-0-</u>	<u>12,223</u>
Totals	\$ <u>24,446</u>	\$ <u>-0-</u>	\$ <u>24,446</u>

Advance and Current 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, 2010, \$1,725,000 of the defeased debt is still outstanding.

On June 15, 2010, the District issued \$1,425,000 of general obligation bonds for a current refunding of \$1,425,000 of 1999 general obligation bonds. The refunding was undertaken to reduce the total future debt service payments. The net carrying value of the old debt exceeded the reacquisition price by \$5,725. This amount is being netted with the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. The transaction reduced future debt service payments by \$77,925 and also resulted in an economic gain of \$74,960.

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 5 - LONG-TERM DEBT (continued)

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, 2010 for governmental activities is \$134,390 with corresponding accumulated depreciation of \$98,492.

Future lease payments due at June 30, 2010 are as follows:

Year Ending June 30	Total
2011	\$ 13,253
2012	13,253
2013	13,253
2014	10,813
2015	1,977
Total Minimum Lease Payments	\$ 52,549
Amount Representing Interest	(13,952)
Present Value of Future Minimum Lease Payments	\$ 38,597

The following is a summary of changes in long-term obligations and balances for June 30, 2010:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 10,725,000	\$ 1,425,000	\$ (2,465,000)	\$ 9,685,000	\$ 1,080,000
Plus Issuance Premiums	140,220	105,946	(93,545)	152,621	-0-
Less Deferred Amounts:					
On Refunding	(57,640)	5,725	12,395	(39,520)	-0-
Total Bonds Payable	\$ 10,807,580	\$ 1,536,671	\$ (2,546,150)	\$ 9,798,101	\$ 1,080,000
SCAGO Equipment Lease	2,172,000	-0-	(213,000)	1,959,000	259,000
Notes Payable	-0-	24,446	-0-	24,446	-0-
Capital Leases	25,270	21,500	(8,173)	38,597	7,536
Compensated Absences	273,728	93,912	(64,590)	303,050	96,158
Totals	\$ 13,278,578	\$ 1,676,529	\$ (2,831,913)	\$ 12,123,194	\$ 1,442,694

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

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 6 - OPERATING LEASES

The District leases office equipment under noncancelable operating leases. Total costs for such leases were \$34,231 for the year ended June 30, 2010. The future minimum lease payments for these leases are as follows:

Year Ending June 30	<u>Amount</u>
2011	\$ 34,231
2012	32,960
2013	27,636
2014	<u>3,767</u>
Total	<u>\$ 98,594</u>

NOTE 7 - 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, 2010, 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	\$ 2,228,366	\$ -0-
Special Projects	-0-	1,440,511
EIA	277,476	-0-
Debt Service Fund	-0-	190,482
School Building Fund	-0-	255,388
Food Service Fund	<u>-0-</u>	<u>619,461</u>
Total	<u>\$ 2,505,842</u>	<u>\$ 2,505,842</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	\$ 422,893	\$ -0-
Special Projects	-0-	128,866
EIA	<u>-0-</u>	<u>294,027</u>
Total	<u>\$ 422,893</u>	<u>\$ 422,893</u>

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 8 - 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, 3.50% of annual covered payroll for fiscal year 2009-2010. 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 \$1,393,211 for the year ended June 30, 2010. The District also paid \$517,821 applicable to the 3.50% surcharge included with the employer contributions for retirement benefits. (The District paid \$529,051 and \$493,710 in 2009 and 2008, 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 9 - 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, 2010

NOTE 9 - 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.

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, 2010, 2009, and 2008 were \$1,378,845, \$1,406,169, and \$1,316,322, 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 11.05% 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 year ended June 30, 2010, none of the District's employees participated in the PORS. Contributions to the PORS for the plan years ending June 30, 2010, 2009, and 2008, were \$-0-, \$1,636, and \$1,624, respectively. Actual contributions were equal to required contributions.

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 9 - 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, 2010 were \$10,394, excluding the 3.50% 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, 2010

NOTE 10 - 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 11 - 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, 2010, 2009, and 2008.

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 12 - 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 13 - 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, 2010

NOTE 14 - 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 Period Expenditures:

Property Taxes	\$ 258,904
Total	\$ <u>258,904</u>

Long-Term Liabilities Not Reported in the Funds:

Bonds Payable	\$ (11,644,000)
Plus: Premiums on Bonds Payable (to be amortized as interest expense)	(152,621)
Less: Deferred Charge on Refunding (to be amortized as interest expense)	39,520
Less: Deferred Charge for Issuance Costs (to be amortized over life of debt)	210,307
Long Term Notes Payable	(24,446)
Capital Leases Payable	(38,597)
Accrued Interest Payable	(151,278)
Compensated Absences Payable	(303,050)
Total	\$ <u>(12,064,165)</u>

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	\$ (627,714)
Capital Outlays	<u>1,766,086</u>
Total	\$ <u>1,138,372</u>

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 14 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND STATEMENTS (continued)

Loss on Disposition of Capital Assets:

Original Cost	\$ (9,025)
Accumulated Depreciation	8,838
Total	\$ <u>(187)</u>

Revenues and Other Items Not Recognized in the Funds:

Property Taxes	\$ <u>4,348</u>
Total	\$ <u><u>4,348</u></u>

Issuance and Repayment of Long-Term Debt:

Issuance of General Obligation Debt	\$ (1,425,000)
Issuance of Long Term Notes Payable	(24,446)
Issuance of Capital Leases	(21,500)
Premium on Issuance of General Obligation Debt	(52,802)
Issuance Costs of General Obligation Debt	35,306
Principal Repayments on General Obligation Debt	2,465,000
Principal Repayments on SCAGO Leases	213,000
Principal Repayments on Capital Leases	8,173
Total	\$ <u><u>1,197,731</u></u>

Reduction of Liabilities and Other Expenses Not Recognized in the Funds:

Compensated Absences	\$ (29,322)
Accrued Interest on Long-Term Debt	18,728
Amortization of Issuance Costs	(26,431)
Amortization of Bond Premiums	13,535
Amortization of Deferred Charge on Refunding	(12,395)
Total	\$ <u><u>(35,885)</u></u>

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 15 - RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions” which is effective for the District’s year ending June 30, 2011. This statement redefines the components of fund balance and establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in the governmental funds. The effect of implementation of this statement has not been determined.

NOTE 16 - SUBSEQUENT EVENTS

Subsequent to year end, on August 30, 2010, the District purchased property near Woodland High School for \$17,500.

In August 2010, the Board of Directors approved the issuance of \$800,000 General Obligation Bonds, Series 2010A. The bonds were issued on September 15, 2010.

REQUIRED SUPPLEMENTARY INFORMATION

**REQUIRED SUPPLEMENTARY INFORMATION
DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR FISCAL YEAR ENDED JUNE 30, 2010**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Local	\$ 9,409,885	\$ 9,409,885	\$ 10,367,704	\$ 957,819
State	8,946,951	8,946,951	9,225,849	278,898
TOTAL REVENUES	\$ 18,356,836	\$ 18,356,836	\$ 19,593,553	\$ 1,236,717
EXPENDITURES				
Current				
Instructional Services	\$ 9,961,006	\$ 9,961,006	\$ 9,736,605	\$ 224,401
Supporting Services	8,624,343	8,624,343	8,769,597	(145,254)
Community Services	-0-	-0-	2,434	(2,434)
Intergovernmental Expenditures	55,000	55,000	25,234	29,766
Capital Outlay	57,500	57,500	154,498	(96,998)
TOTAL EXPENDITURES	\$ 18,697,849	\$ 18,697,849	\$ 18,688,368	\$ 9,481
Excess Revenues Over (Under) Expenditures	\$ (341,013)	\$ (341,013)	\$ 905,185	\$ 1,246,198
OTHER FINANCING SOURCES (USES)				
Capital Lease	\$ -0-	\$ -0-	\$ 21,500	\$ 21,500
Transfers From Other Funds	408,550	408,550	422,893	14,343
Transfers To Other Funds	(67,537)	(67,537)	-0-	67,537
TOTAL OTHER FINANCING SOURCES (USES)	\$ 341,013	\$ 341,013	\$ 444,393	\$ 103,380
Net Change in Fund Balance	\$ -0-	\$ -0-	\$ 1,349,578	\$ 1,349,578
FUND BALANCE BEGINNING OF YEAR	5,003,002	5,003,002	5,003,002	-0-
FUND BALANCE END OF YEAR	\$ 5,003,002	\$ 5,003,002	\$ 6,352,580	\$ 1,349,578

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR FISCAL YEAR ENDED JUNE 30, 2010**

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, 2010**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
1000 Revenue from Local Sources			
1100 Taxes			
1110 Ad Valorem Taxes - Including Delinquent Taxes	\$ 8,629,885	8,735,975	\$ 106,090
1200 Revenue From Local Governmental Units Other Than LEAs			
1280 Revenue in Lieu of Taxes	700,000	1,509,585	809,585
1300 Tuition			
1320 From Other LEAs for Regular Day School	-0-	7,870	7,870
1350 From Patrons for Summer School	5,000	2,880	(2,120)
1500 Earnings on Investments			
1510 Interest on Investments	75,000	19,686	(55,314)
1900 Other Revenue from Local Sources			
1910 Rentals	-0-	64,754	64,754
1930 Medicaid	-0-	5,901	5,901
1990 Miscellaneous Local Revenue	-0-	2,426	2,426
1993 Receipt of Insurance Proceeds	-0-	14,828	14,828
1994 Receipt of Legal Settlements	-0-	2,799	2,799
1999 Revenue from Other Local Sources	-0-	1,000	1,000
Total Local Sources	\$ 9,409,885	\$ 10,367,704	\$ 957,819
3000 Revenue from State Sources			
3100 Restricted State Funding			
3130 Special Programs			
3131 Handicapped Transportation	\$ -0-	\$ 5,819	\$ 5,819
3132 Home Schooling	-0-	878	878
3160 School Bus Driver's Salary	254,465	270,150	15,685
3162 Transportation Workers' Compensation	-0-	20,018	20,018
3180 Fringe Benefits Employer Contributions	1,617,156	1,601,187	(15,969)
3181 Retiree Insurance	315,409	296,445	(18,964)
3300 Education Finance Act			
3310 Full-Time Programs			
3311 Kindergarten	281,786	241,074	(40,712)
3312 Primary	834,131	700,526	(133,605)
3313 Elementary	1,087,583	913,775	(173,808)
3314 High School	446,863	431,443	(15,420)
3315 Trainable Mentally Handicapped	42,588	44,392	1,804
3316 Speech Handicapped (Part-Time Program)	189,004	189,984	980
3317 Homebound	24,370	15,461	(8,909)

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2010**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
3000 Revenue from State Sources (continued)			
3300 Education Finance Act (continued)			
3320 Part-time Programs			
3321 Emotionally Handicapped	36,232	24,792	(11,440)
3322 Educable Mentally Handicapped	64,243	69,276	5,033
3323 Learning Disabilities	364,457	301,386	(63,071)
3324 Hearing Handicapped	7,738	6,710	(1,028)
3325 Visually Handicapped	17,484	6,676	(10,808)
3326 Orthopedically Handicapped	5,988	2,849	(3,139)
3327 Vocational	633,679	526,852	(106,827)
3330 Other EFA Programs			
3331 Autism	28,006	24,524	(3,482)
3800 State Revenue in Lieu of Taxes			
3810 Reimbursement for Local Property Tax Relief	875,501	907,670	32,169
3820 Homestead Exemption	199,819	-0-	(199,819)
3825 Reimbursement for Property Tax Relief	1,570,412	2,212,534	642,122
3830 Merchant's Inventory Tax	50,037	50,037	-0-
3890 Other State Property Tax Revenues	-0-	361,391	361,391
Total State Sources	\$ 8,946,951	\$ 9,225,849	\$ 278,898
TOTAL REVENUE ALL SOURCES	\$ 18,356,836	\$ 19,593,553	\$ 1,236,717
EXPENDITURES			
100 Instruction			
110 General Instruction			
111 Kindergarten Programs			
100 Salaries	\$ 423,589	\$ 468,366	\$ (44,777)
200 Employee Benefits	145,075	170,510	(25,435)
300 Purchased Services	3,500	3,045	455
400 Supplies and Materials	10,358	10,193	165
500 Capital Outlay	-0-	4,500	(4,500)
112 Primary Programs			
100 Salaries	1,392,144	1,481,692	(89,548)
200 Employee Benefits	444,303	455,834	(11,531)
300 Purchased Services	12,500	10,984	1,516
400 Supplies and Materials	31,953	22,394	9,559
500 Capital Outlay	-0-	4,500	(4,500)
113 Elementary Programs			
100 Salaries	2,506,822	2,429,861	76,961
200 Employee Benefits	779,487	722,983	56,504
300 Purchased Services	63,500	75,873	(12,373)
400 Supplies and Materials	51,652	32,895	18,757
500 Capital Outlay	-0-	20,922	(20,922)

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2010**

EXPENDITURES (continued)	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
100 Instruction (continued)			
110 General Instruction (continued)			
114 High School Programs			
100 Salaries	1,356,734	1,295,654	61,080
200 Employee Benefits	429,890	371,485	58,405
300 Purchased Services	292,500	333,186	(40,686)
400 Supplies and Materials	26,949	36,511	(9,562)
500 Capital Outlay	-0-	55,848	(55,848)
115 Career and Technology Education Programs			
100 Salaries	108,611	113,236	(4,625)
200 Employee Benefits	34,111	35,229	(1,118)
400 Supplies and Materials	14,018	8,688	5,330
120 Exceptional Programs			
121 Educable Mentally Handicapped			
100 Salaries	211,666	213,806	(2,140)
200 Employee Benefits	48,111	47,491	620
300 Purchased Services	-0-	47,992	(47,992)
400 Supplies and Materials	1,118	656	462
122 Trainable Mentally Handicapped			
100 Salaries	124,248	188,812	(64,564)
200 Employee Benefits	38,821	58,746	(19,925)
400 Supplies and Materials	602	229	373
123 Orthopedically Handicapped			
200 Employee Benefits	-0-	300	(300)
300 Purchased Services	93,500	100,495	(6,995)
124 Visually Handicapped			
300 Purchased Services	27,500	11,320	16,180
400 Supplies and Materials	172	-0-	172
126 Speech Handicapped			
100 Salaries	54,865	54,865	-0-
200 Employee Benefits	15,272	15,302	(30)
300 Purchased Services	60,400	43,092	17,308
400 Supplies and Materials	2,881	2,778	103
127 Learning Disabilities			
100 Salaries	321,112	105,306	215,806
200 Employee Benefits	108,447	30,591	77,856
300 Purchased Services	900	859	41
400 Supplies and Materials	5,891	4,061	1,830

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2010**

EXPENDITURES (continued)	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
100 Instruction (continued)			
120 Exceptional Programs			
128 Emotionally Handicapped			
400 Supplies and Materials	645	254	391
130 Pre-School Programs			
133 Pre-School Handicapped -Self-Contained (5-yr. olds)			
100 Salaries	67,854	25,590	42,264
200 Employee Benefits	24,729	6,981	17,748
137 Pre-School Handicapped - Self-Contained (3 & 4 yr.-olds)			
100 Salaries	31,751	36,927	(5,176)
200 Employee Benefits	13,828	9,916	3,912
139 Early Childhood Programs			
100 Salaries	168,852	243,701	(74,849)
200 Employee Benefits	48,369	73,951	(25,582)
140 Special Programs			
141 Gifted and Talented - Academic			
100 Salaries	77,965	-0-	77,965
200 Employee Benefits	23,047	-0-	23,047
145 Homebound			
100 Salaries	20,000	14,450	5,550
200 Employee Benefits	4,330	3,047	1,283
300 Purchased Services	16,000	10,402	5,598
149 Other Special Programs			
100 Salaries	130,845	166,582	(35,737)
200 Employee Benefits	38,726	41,472	(2,746)
400 Supplies and Materials	-0-	43	(43)
500 Capital Outlay	-0-	8,000	(8,000)
160 Other Exceptional Programs			
161 Autism			
400 Supplies and Materials	301	202	99
170 Summer School Programs			
173 High School Summer School			
100 Salaries	-0-	11,640	(11,640)
200 Employee Benefits	-0-	2,471	(2,471)

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2010**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES (continued)			
100 Instruction (continued)			
170 Summer School Programs (continued)			
175 Instructional Programs Beyond Regular School Day			
200 Employee Benefits	-0-	1,350	(1,350)
180 Adult/Continuing Education Programs			
188 Parenting/Family Literacy			
100 Salaries	12,019	35,871	(23,852)
200 Employee Benefits	19,143	20,962	(1,819)
190 Instructional Pupil Activity			
100 Salaries	-0-	7,850	(7,850)
200 Employee Benefits	-0-	1,662	(1,662)
400 Supplies and Materials	9,600	6,161	3,439
600 Other Objects	9,800	9,800	-0-
Total Instruction	\$ 9,961,006	\$ 9,830,375	\$ 130,631
200 Supporting Services			
210 Pupil Services			
211 Attendance and Social Work Services			
100 Salaries	\$ -0-	\$ 55,201	\$ (55,201)
200 Employee Benefits	-0-	15,059	(15,059)
212 Guidance Services			
100 Salaries	216,617	334,904	(118,287)
200 Employee Benefits	71,242	100,921	(29,679)
300 Purchased Services	64,634	63,864	770
400 Supplies and Materials	3,750	4,129	(379)
213 Health Services			
100 Salaries	102,647	121,605	(18,958)
200 Employee Benefits	33,210	37,878	(4,668)
300 Purchased Services	23,000	4,825	18,175
400 Supplies and Materials	5,000	4,267	733
600 Other Objects	250	90	160
214 Psychological Services			
100 Salaries	50,712	50,712	-0-
200 Employee Benefits	10,978	10,870	108

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2010**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES (continued)			
200 Supporting Services (continued)			
210 Pupil Services (continued)			
217 Career Specialist Services			
100 Salaries	25,895	31,314	(5,419)
200 Employee Benefits	7,065	8,245	(1,180)
220 Instructional Staff Services			
221 Improvement of Instruction - Curriculum Development			
100 Salaries	122,793	80,975	41,818
200 Employee Benefits	36,359	20,535	15,824
300 Purchased Services	11,300	11,014	286
400 Supplies and Materials	9,000	8,676	324
600 Other Objects	500	393	107
222 Library and Media Services			
100 Salaries	295,219	296,768	(1,549)
200 Employee Benefits	88,725	87,332	1,393
300 Purchased Services	2,500	-0-	2,500
400 Supplies and Materials	36,353	26,271	10,082
223 Supervision of Special Programs			
100 Salaries	193,163	230,966	(37,803)
200 Employee Benefits	47,497	57,445	(9,948)
300 Purchased Services	3,500	3,003	497
400 Supplies and Materials	3,500	3,286	214
600 Other Objects	350	200	150
224 Improvement of Instruction - Inservice Training			
100 Salaries	60,000	166,409	(106,409)
200 Employee Benefits	5,130	28,567	(23,437)
300 Purchased Services	4,000	1,746	2,254
400 Supplies and Materials	3,300	3,395	(95)
600 Other Objects	500	304	196
230 General Administration Services			
231 Board of Education			
100 Salaries	70,100	34,359	35,741
200 Employee Benefits	15,178	4,107	11,071
300 Purchased Services	60,000	40,041	19,959
318 Audit Services	22,100	21,500	600
400 Supplies and Materials	20,000	20,075	(75)
600 Other Objects	9,000	7,766	1,234

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2010**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES (continued)			
200 Supporting Services (continued)			
230 General Administration Services (continued)			
232 Office of the Superintendent			
100 Salaries	128,587	128,587	-0-
200 Employee Benefits	35,435	33,589	1,846
300 Purchased Services	7,500	4,181	3,319
400 Supplies and Materials	13,000	15,378	(2,378)
600 Other Objects	2,800	1,698	1,102
233 School Administration			
100 Salaries	1,170,473	1,249,065	(78,592)
200 Employee Benefits	349,634	351,986	(2,352)
300 Purchased Services	8,400	2,397	6,003
400 Supplies and Materials	13,603	11,964	1,639
600 Other Objects	10,250	7,627	2,623
250 Finance and Operations Services			
252 Fiscal Services			
100 Salaries	274,725	279,725	(5,000)
200 Employee Benefits	85,097	81,952	3,145
300 Purchased Services	33,500	26,869	6,631
400 Supplies and Materials	6,000	5,898	102
500 Capital Outlay	2,500	1,508	992
600 Other Objects	2,000	815	1,185
254 Operation and Maintenance of Plant			
100 Salaries	562,654	542,298	20,356
200 Employee Benefits	223,089	188,538	34,551
300 Purchased Services	920,567	905,382	15,185
321 Public Utilities	46,000	34,191	11,809
400 Supplies and Materials	109,000	122,454	(13,454)
470 Energy	562,150	524,596	37,554
500 Capital Outlay	55,000	52,135	2,865
255 Student Transportation			
100 Salaries	881,231	860,916	20,315
200 Employee Benefits	275,718	262,892	12,826
300 Purchased Services	34,500	35,209	(709)
400 Supplies and Materials	3,000	3,206	(206)
256 Food Services			
100 Salaries	-0-	2,652	(2,652)
200 Employee Benefits	176,391	125,232	51,159

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2010**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES (continued)			
200 Supporting Services (continued)			
250 Finance and Operations Services (continued)			
257 Internal Services			
300 Purchased Services	38,000	38,910	(910)
258 Security			
100 Salaries	25,000	17,825	7,175
200 Employee Benefits	2,138	1,833	305
300 Purchased Services	117,700	141,621	(23,921)
260 Central Support Services			
263 Information Services			
300 Purchased Services	7,500	3,223	4,277
264 Staff Services			
100 Salaries	139,519	140,213	(694)
200 Employee Benefits	36,993	36,929	64
300 Purchased Services	21,000	15,948	5,052
400 Supplies and Materials	6,300	7,079	(779)
600 Other Objects	300	105	195
266 Technology and Data Processing Services			
100 Salaries	211,126	214,356	(3,230)
200 Employee Benefits	67,939	70,812	(2,873)
300 Purchased Services	56,150	23,687	32,463
400 Supplies and Materials	20,000	17,700	2,300
500 Capital Outlay	-0-	7,085	(7,085)
600 Other Objects	200	105	95
270 Supporting Services Pupil Activity			
271 Pupil Services Activities			
100 Salaries	123,400	136,216	(12,816)
200 Employee Benefits	26,716	28,510	(1,794)
300 Purchased Services	6,000	21,327	(15,327)
400 Supplies and Materials	32,000	27,267	4,733
600 Other Objects	15,991	17,617	(1,626)
Total Supporting Services	\$ 8,681,843	\$ 8,830,325	\$ (148,482)

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2010**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES (continued)			
300 Community Services			
390 Other Community Services			
100 Salaries	\$ -0-	\$ 2,010	\$ (2,010)
200 Employee Benefits	-0-	424	(424)
Total Community Service	\$ -0-	\$ 2,434	\$ (2,434)
400 Other Charges			
410 Intergovernmental Expenditures			
411 Payments to State Department of Education			
720 Transits	\$ 55,000	\$ 25,234	\$ 29,766
Total Intergovernmental Expenditures	\$ 55,000	\$ 25,234	\$ 29,766
TOTAL EXPENDITURES	\$ 18,697,849	\$ 18,688,368	\$ 9,481
Excess Revenues Over (Under) Expenditures	\$ (341,013)	\$ 905,185	\$ 1,246,198
OTHER FINANCING SOURCES (USES)			
5500 Capital Lease	\$ -0-	\$ 21,500	\$ 21,500
Interfund Transfers, From (To) Other Funds			
5220 Transfer from Special Revenue Fund	-0-	20,162	20,162
5230 Transfer from Special Revenue EIA Fund	303,550	294,027	(9,523)
5260 Transfer from Food Service Fund	55,000	-0-	(55,000)
5280 Transfer from Other Funds Indirect Costs	50,000	108,704	58,704
421-710 Transfer to Special Revenue Fund	(50,037)	-0-	50,037
423-710 Transfer to Debt Service Fund	(17,500)	-0-	17,500
TOTAL OTHER FINANCING SOURCES (USES)	\$ 341,013	\$ 444,393	\$ 103,380
Excess (Deficiency) of Revenues and Expenditures Over Other Financing Source (Uses)	\$ -0-	\$ 1,349,578	\$ 1,349,578
FUND BALANCE JULY 1, 2009		5,003,002	
FUND BALANCE JUNE 30, 2010		\$ 6,352,580	

**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, 2010**

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)
REVENUES			
1000 Revenue From Local Sources			
1900 Other Revenue From Local Sources			
1930 Medicaid	\$ -0-	\$ -0-	\$ -0-
1950 Refund of Prior Year's Expenditures	-0-	-0-	-0-
1999 Revenue from Other Local Sources	-0-	-0-	-0-
Total Local Sources	\$ -0-	\$ -0-	\$ -0-
2000 Intergovernmental Revenue			
2300 Payments from Non-Profit Entities (for First Steps)	\$ -0-	\$ -0-	\$ -0-
Total Intergovernmental Revenue	\$ -0-	\$ -0-	\$ -0-
3000 Revenue From State Sources			
3100 Restricted State Funding			
3110 Occupational Education			
3117 EEDA Middle and High School Career Awareness	\$ -0-	\$ -0-	\$ -0-
3118 EEDA Career Specialist	-0-	-0-	-0-
3120 General Education			
3123 Formative Assessment	-0-	-0-	-0-
3125 Career and Technology Education Equipment	-0-	-0-	-0-
3126 Refurbishment of K-8 Science Kits	-0-	-0-	-0-
3127 Student Health and Fitness - PE Teachers	-0-	-0-	-0-
3128 High Schools That Work/Making Middle Grades Work	-0-	-0-	-0-
3130 Special Programs			
3136 Student Health and Fitness - Nurses	-0-	-0-	-0-
3190 Miscellaneous Restricted State Grants			
3193 Education License Plates	-0-	-0-	-0-
3199 Other Restricted State Grants	-0-	-0-	-0-
3600 Education Lottery Act Revenue			
3607 6-8 Enhancement	-0-	-0-	-0-
3610 K-5 Enhancement	-0-	-0-	-0-
3900 Other State Revenue			
3991 ADEPT	-0-	-0-	-0-
3999 Revenue from Other State Sources	-0-	-0-	-0-
Total State Sources	\$ -0-	\$ -0-	\$ -0-
4000 Revenue From Federal Sources			
4200 Occupational Education			
4210 Vocational Aid, Title I	\$ -0-	\$ -0-	\$ -0-

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
\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 396,430	\$ 396,430
-0-	-0-	-0-	-0-	12,483	12,483
-0-	-0-	-0-	-0-	1,887	1,887
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 410,800</u>	<u>\$ 410,800</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 69,052</u>	<u>\$ -0-</u>	<u>\$ 69,052</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 69,052</u>	<u>\$ -0-</u>	<u>\$ 69,052</u>
\$ -0-	\$ -0-	\$ -0-	\$ 2,320	\$ -0-	\$ 2,320
-0-	-0-	-0-	79,757	-0-	79,757
-0-	-0-	-0-	10,416	-0-	10,416
-0-	-0-	-0-	25,802	-0-	25,802
-0-	-0-	-0-	2,421	-0-	2,421
-0-	-0-	-0-	22,605	-0-	22,605
-0-	-0-	-0-	2,515	-0-	2,515
-0-	-0-	-0-	60,742	-0-	60,742
-0-	-0-	-0-	500	-0-	500
-0-	-0-	-0-	-0-	6,488	6,488
-0-	-0-	-0-	6,697	-0-	6,697
-0-	-0-	-0-	122,954	-0-	122,954
-0-	-0-	-0-	4,337	-0-	4,337
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,450</u>	<u>1,450</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 341,066</u>	<u>\$ 6,488</u>	<u>\$ 349,004</u>
\$ 46,992	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 46,992

**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, 2010**

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)
REVENUES (continued)			
4000 Revenue From Federal Sources (continued)			
4300 Elementary and Secondary Education Act of 1965 (ESEA)			
4310 Title I	942,792	-0-	-0-
4312 Rural and Low-Income School Program, Title VI	-0-	-0-	-0-
4314 School Improvement Discretionary	-0-	-0-	-0-
4315 American Recovery and Reinvestment Act (ARRA) Title I Basic State Grant Programs	-0-	-0-	-0-
4318 SC Reading First - Local Reading Improvement	-0-	-0-	-0-
4331 Enhancing Education Through Technology, (E2T2), Title II	-0-	-0-	-0-
4333 Enhancing Education Through Technology, (E2T2), Title II (ARRA)	-0-	-0-	-0-
4340 Promoting Informed Parental Choice and Innovative Education Program Strategies, Title V	-0-	-0-	-0-
4350 State Fiscal Stabilization Fund (ARRA)	-0-	-0-	-0-
4351 Improving Teacher Quality	-0-	-0-	-0-
4500 Programs for Children with Disabilities			
4510 IDEA	-0-	493,654	-0-
4520 Pre-School Grants	-0-	-0-	24,345
4540 IDEA (ARRA 611)	-0-	-0-	-0-
4550 IDEA Preschool (ARRA 619)	-0-	-0-	-0-
4900 Other Federal Sources			
4920 Drug and Violence Prevention, Title IV	-0-	-0-	-0-
4924 21st Century Community Learning Centers Grants, Title IV	-0-	-0-	-0-
4930 WIA Summer Program	-0-	-0-	-0-
4999 Revenue from Other Federal Sources	-0-	-0-	-0-
Total Federal Sources	\$ 942,792	\$ 493,654	\$ 24,345
TOTAL REVENUE ALL SOURCES	\$ 942,792	\$ 493,654	\$ 24,345
EXPENDITURES			
100 Instruction			
110 General Instruction			
111 Kindergarten Programs			
100 Salaries	\$ -0-	\$ -0-	\$ -0-
200 Employee Benefits	-0-	-0-	-0-
112 Primary Programs			
100 Salaries	149,854	-0-	-0-
200 Employee Benefits	48,974	-0-	-0-
400 Supplies and Materials	-0-	-0-	-0-

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
-0-	-0-	-0-	-0-	111,181	1,053,973
-0-	-0-	-0-	-0-	60,047	60,047
-0-	-0-	-0-	-0-	311,604	311,604
-0-	-0-	-0-	-0-	329,344	329,344
-0-	-0-	-0-	-0-	31,282	31,282
-0-	-0-	-0-	-0-	8,507	8,507
-0-	-0-	-0-	-0-	117,092	117,092
-0-	-0-	-0-	-0-	1,442	1,442
-0-	-0-	-0-	-0-	323,190	323,190
-0-	-0-	-0-	-0-	171,079	171,079
-0-	-0-	-0-	-0-	2,734	496,388
-0-	-0-	-0-	-0-	-0-	24,345
-0-	-0-	-0-	-0-	324,552	324,552
-0-	-0-	-0-	-0-	9,607	9,607
-0-	9,546	-0-	-0-	-0-	9,546
-0-	-0-	-0-	-0-	161,103	161,103
-0-	-0-	-0-	-0-	6,101	6,101
-0-	-0-	-0-	-0-	189,728	189,728
<u>\$ 46,992</u>	<u>\$ 9,546</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 2,158,593</u>	<u>\$ 3,675,922</u>
<u>\$ 46,992</u>	<u>\$ 9,546</u>	<u>\$ -0-</u>	<u>\$ 410,118</u>	<u>\$ 2,575,881</u>	<u>\$ 4,504,778</u>
\$ -0-	\$ -0-	\$ -0-	\$ 1,200	\$ -0-	\$ 1,200
-0-	-0-	-0-	254	-0-	254
-0-	-0-	-0-	6,355	329,495	485,704
-0-	-0-	-0-	1,232	94,019	144,225
-0-	-0-	-0-	31,875	90,492	122,367

**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, 2010**

EXPENDITURES (continued)	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)
100 Instruction (continued)			
110 General Instruction (continued)			
113 Elementary Programs			
100 Salaries	201,837	-0-	-0-
200 Employee Benefits	67,640	-0-	-0-
300 Purchased Services	-0-	-0-	-0-
400 Supplies and Materials	13,171	-0-	-0-
500 Capital Outlay	-0-	-0-	-0-
114 High School Programs			
100 Salaries	-0-	-0-	-0-
200 Employee Benefits	-0-	-0-	-0-
400 Supplies and Materials	-0-	-0-	-0-
500 Capital Outlay	-0-	-0-	-0-
115 Career and Technology Education Programs			
400 Supplies and Materials	-0-	-0-	-0-
120 Exceptional Programs			
121 Educable Mentally Handicapped			
100 Salaries	-0-	35,514	-0-
200 Employee Benefits	-0-	15,285	-0-
400 Supplies and Materials	-0-	251	-0-
122 Trainable Mentally Handicapped			
100 Salaries	-0-	32,117	-0-
200 Employee Benefits	-0-	12,902	-0-
400 Supplies and Materials	-0-	684	-0-
123 Orthopedically Handicapped			
100 Salaries	-0-	10,115	-0-
200 Employee Benefits	-0-	942	-0-
300 Purchased Services	-0-	89	-0-
125 Hearing Handicapped			
300 Purchased Services	-0-	38,602	-0-
400 Supplies and Materials	-0-	5,716	-0-
126 Speech			
300 Purchased Services	-0-	-0-	-0-
400 Supplies and Materials	-0-	1,622	-0-
600 Other Objects	-0-	285	-0-
127 Learning Disabilities			
100 Salaries	-0-	102,787	-0-
200 Employee Benefits	-0-	31,846	-0-
300 Purchased Services	-0-	4,267	-0-
400 Supplies and Materials	-0-	327	-0-
600 Other Objects	-0-	139	-0-

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
-0-	-0-	-0-	15,283	49,567	266,687
-0-	-0-	-0-	3,220	14,372	85,232
-0-	-0-	-0-	-0-	577	577
-0-	-0-	-0-	40,394	127,019	180,584
-0-	-0-	-0-	500	368	868
-0-	-0-	-0-	-0-	62,540	62,540
-0-	-0-	-0-	-0-	20,224	20,224
-0-	-0-	-0-	4,367	62,886	67,253
-0-	-0-	-0-	25,802	-0-	25,802
-0-	-0-	-0-	-0-	35,920	35,920
-0-	-0-	-0-	-0-	155,880	191,394
-0-	-0-	-0-	-0-	49,480	64,765
-0-	-0-	-0-	-0-	37,019	37,270
-0-	-0-	-0-	-0-	-0-	32,117
-0-	-0-	-0-	-0-	-0-	12,902
1,500	-0-	-0-	-0-	-0-	2,184
-0-	-0-	-0-	-0-	-0-	10,115
-0-	-0-	-0-	-0-	-0-	942
-0-	-0-	-0-	-0-	-0-	89
-0-	-0-	-0-	-0-	-0-	38,602
-0-	-0-	-0-	-0-	-0-	5,716
-0-	-0-	-0-	-0-	62,366	62,366
-0-	-0-	-0-	-0-	-0-	1,622
-0-	-0-	-0-	-0-	-0-	285
-0-	-0-	-0-	-0-	135,541	238,328
-0-	-0-	-0-	-0-	32,426	64,272
-0-	-0-	-0-	-0-	-0-	4,267
-0-	-0-	-0-	-0-	9,400	9,727
-0-	-0-	-0-	-0-	-0-	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, 2010**

EXPENDITURES (continued)	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)
100 Instruction (continued)			
120 Exceptional Programs (continued)			
128 Emotionally Handicapped			
100 Salaries	-0-	875	-0-
200 Employee Benefits	-0-	103	-0-
300 Purchased Services	-0-	2,332	-0-
400 Supplies and Materials	-0-	43	-0-
130 Pre-School Programs			
133 Pre-School Handicapped Self-Contained (5 Yr. Olds)			
100 Salaries	-0-	-0-	15,740
200 Employee Benefits	-0-	-0-	5,564
400 Supplies and Materials	-0-	-0-	-0-
137 Pre-School Handicapped - Self-Contained (3&4-Yr. Olds)			
100 Salaries	-0-	11,895	1,740
200 Employee Benefits	-0-	1,063	264
400 Supplies and Materials	-0-	132	-0-
139 Early Childhood Programs			
100 Salaries	-0-	-0-	-0-
200 Employee Benefits	-0-	-0-	-0-
400 Supplies and Materials	-0-	-0-	-0-
140 Special Programs			
149 Other Special Programs			
400 Supplies and Materials	-0-	-0-	-0-
160 Other Exceptional Programs			
161 Autism			
100 Salaries	-0-	31,260	-0-
200 Employee Benefits	-0-	2,804	-0-
170 Summer School Programs			
171 Primary Summer School			
200 Employee Benefits	-0-	-0-	-0-
172 Elementary Summer School			
100 Salaries	-0-	-0-	-0-
200 Employee Benefits	-0-	-0-	-0-
173 High School Summer School			
100 Salaries	-0-	-0-	-0-
200 Employee Benefits	-0-	-0-	-0-
300 Purchased Services	-0-	-0-	-0-
400 Supplies and Materials	-0-	-0-	-0-

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
-0-	-0-	-0-	-0-	-0-	875
-0-	-0-	-0-	-0-	-0-	103
-0-	-0-	-0-	-0-	-0-	2,332
-0-	-0-	-0-	-0-	-0-	43
-0-	-0-	-0-	-0-	-0-	15,740
-0-	-0-	-0-	-0-	-0-	5,564
-0-	-0-	-0-	-0-	9,607	9,607
-0-	-0-	-0-	-0-	-0-	13,635
-0-	-0-	-0-	-0-	-0-	1,327
-0-	-0-	-0-	-0-	-0-	132
-0-	-0-	-0-	30,496	-0-	30,496
-0-	-0-	-0-	8,262	-0-	8,262
-0-	-0-	-0-	460	1,149	1,609
-0-	-0-	-0-	-0-	841	841
-0-	-0-	-0-	-0-	-0-	31,260
-0-	-0-	-0-	-0-	-0-	2,804
-0-	-0-	-0-	-0-	2,742	2,742
-0-	-0-	-0-	-0-	3,477	3,477
-0-	-0-	-0-	-0-	297	297
-0-	-0-	-0-	-0-	6,525	6,525
-0-	-0-	-0-	-0-	1,408	1,408
-0-	-0-	-0-	-0-	1,258	1,258
-0-	-0-	-0-	-0-	564	564

**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, 2010**

	<u>TITLE I</u> <u>(BA Projects)</u> <u>(201/202)</u>	<u>IDEA</u> <u>(CA Projects)</u> <u>(203/204)</u>	<u>PRESCHOOL</u> <u>HANDICAPPED</u> <u>(CG Projects)</u> <u>(205/206)</u>
EXPENDITURES (continued)			
100 Instruction (continued)			
170 Summer School Programs (continued)			
175 Instructional Programs Beyond Regular School Day			
100 Salaries	2,605	-0-	-0-
200 Employee Benefits	558	-0-	-0-
300 Purchased Services	182,443	-0-	-0-
400 Supplies and Materials	1,425	-0-	-0-
180 Adult/Continuing Educational Programs			
188 Parenting/Family Literacy			
100 Salaries	21,701	-0-	-0-
200 Employee Benefits	6,002	-0-	-0-
300 Purchased Services	11,796	-0-	-0-
400 Supplies and Materials	16,847	-0-	-0-
600 Other Objects	300	-0-	-0-
190 Instructional Pupil Activity			
300 Purchased Services	-0-	-0-	-0-
400 Supplies and Materials	5,335	-0-	-0-
Total Instruction	\$ 730,488	\$ 343,997	\$ 23,308
200 Supporting Services			
210 Pupil Services			
211 Attendance and Social Work Services			
100 Salaries	\$ -0-	\$ -0-	\$ -0-
200 Employee Benefits	-0-	-0-	-0-
300 Purchased Services	-0-	-0-	-0-
400 Supplies and Materials	896	-0-	-0-
600 Other Objects	-0-	-0-	-0-
212 Guidance Services			
100 Salaries	-0-	-0-	-0-
200 Employee Benefits	-0-	-0-	-0-
300 Purchased Services	-0-	-0-	-0-
400 Supplies and Materials	-0-	-0-	-0-
213 Health Services			
100 Salaries	-0-	-0-	-0-
200 Employee Benefits	-0-	-0-	-0-
400 Supplies and Materials	-0-	23,162	-0-
214 Psychological Services			
300 Purchased Services	-0-	5,290	-0-
400 Supplies and Materials	-0-	3,484	-0-
600 Other Objects	-0-	544	-0-

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
-0-	-0-	-0-	-0-	56,912	59,517
-0-	-0-	-0-	-0-	9,091	9,649
-0-	-0-	-0-	-0-	4,083	186,526
-0-	-0-	-0-	-0-	26,074	27,499
-0-	-0-	-0-	27,772	-0-	49,473
-0-	-0-	-0-	-0-	-0-	6,002
-0-	-0-	-0-	-0-	354	12,150
-0-	-0-	-0-	1,997	4,760	23,604
-0-	-0-	-0-	-0-	-0-	300
21,744	-0-	-0-	-0-	2,876	24,620
-0-	-0-	-0-	14,011	1,153	20,499
\$ 23,244	\$ -0-	\$ -0-	\$ 213,480	\$ 1,502,762	\$ 2,837,279

\$ -0-	\$ 2,573	\$ -0-	\$ -0-	\$ 157,907	\$ 160,480
-0-	430	-0-	-0-	59,059	59,489
-0-	-0-	-0-	-0-	6,918	6,918
-0-	1,280	-0-	-0-	1,300	3,476
-0-	-0-	-0-	-0-	105	105
6,906	-0-	-0-	35,312	-0-	42,218
2,036	-0-	-0-	7,717	-0-	9,753
806	-0-	-0-	-0-	-0-	806
-0-	2,372	-0-	2,320	-0-	4,692
-0-	-0-	-0-	45,779	39,157	84,936
-0-	-0-	-0-	14,963	14,163	29,126
-0-	-0-	-0-	-0-	-0-	23,162
-0-	-0-	-0-	-0-	1,222	6,512
-0-	-0-	-0-	-0-	-0-	3,484
-0-	-0-	-0-	-0-	-0-	544

**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, 2010**

EXPENDITURES (continued)	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)
200 Supporting (continued)			
210 Pupil Services (continued)			
215 Exceptional Program Services			
300 Purchased Services	-0-	1,238	-0-
217 Career Specialist Services			
100 Salaries	-0-	-0-	-0-
200 Employee Benefits	-0-	-0-	-0-
220 Instructional Staff Services			
221 Improvement of Instruction - Curriculum Development			
100 Salaries	51,477	-0-	-0-
200 Employee Benefits	14,361	-0-	-0-
300 Purchased Services	-0-	-0-	-0-
400 Supplies and Materials	-0-	-0-	-0-
222 Library and Media			
400 Supplies and Materials	2,245	-0-	-0-
223 Supervision of Special Programs			
100 Salaries	32,524	56,870	-0-
200 Employee Benefits	7,346	15,393	-0-
300 Purchased Services	23,033	9,229	-0-
400 Supplies and Materials	10,407	8,255	-0-
600 Other Objects	229	479	-0-
224 Improvement of Instruction - Inservice Training			
100 Salaries	-0-	-0-	-0-
200 Employee Benefits	-0-	-0-	-0-
300 Purchased Services	11,834	3,821	-0-
400 Supplies and Materials	2,150	87	-0-
250 Finance and Operations Services			
251 Student Transportation			
100 Salaries	-0-	-0-	-0-
200 Employee Benefits	-0-	-0-	-0-
254 Operation and Maintenance of Plant			
300 Purchased Services	8,950	-0-	-0-
400 Supplies and Materials			
470 Energy	2,283	-0-	-0-
258 Security			
300 Purchased Services	556	-0-	-0-

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
-0-	-0-	-0-	-0-	-0-	1,238
-0-	-0-	-0-	28,906	-0-	28,906
-0-	-0-	-0-	7,822	-0-	7,822
-0-	-0-	-0-	7,639	84,774	143,890
-0-	-0-	-0-	1,623	20,164	36,148
-0-	-0-	-0-	450	227,272	227,722
-0-	-0-	-0-	1,183	28,385	29,568
-0-	-0-	-0-	-0-	-0-	2,245
-0-	-0-	-0-	-0-	89,603	178,997
-0-	-0-	-0-	-0-	22,009	44,748
1,096	2,361	-0-	-0-	4,824	40,543
-0-	-0-	-0-	-0-	-0-	18,662
-0-	-0-	-0-	-0-	-0-	708
-0-	-0-	-0-	1,165	26,650	27,815
-0-	-0-	-0-	451	5,632	6,083
12,904	-0-	-0-	19,474	18,645	66,678
-0-	-0-	-0-	3,347	-0-	5,584
-0-	-0-	-0-	-0-	395	395
-0-	-0-	-0-	-0-	54	54
-0-	-0-	-0-	-0-	97,784	106,734
-0-	-0-	-0-	-0-	-0-	2,283
-0-	-0-	-0-	-0-	-0-	556

**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, 2010**

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)
EXPENDITURES (continued)			
200 Supporting Services (continued)			
260 Central Support Services			
264 Staff Services			
100 Salaries	-0-	-0-	-0-
200 Employee Benefits	-0-	-0-	-0-
266 Technology and Data Processing Services			
300 Purchased Services	-0-	-0-	-0-
400 Supplies and Materials	-0-	-0-	-0-
270 Support Services - Pupil Activity			
271 Pupil Service Activities			
100 Salaries	807	-0-	-0-
200 Employee Benefits	155	-0-	-0-
300 Purchased Services	2,884	773	-0-
Total Supporting Services	\$ 172,137	\$ 128,625	\$ -0-
400 Other Charges			
410 Intergovernmental Expenditures			
411 Payments to State Department of Education			
720 Transits	-0-	-0-	-0-
Total Intergovernmental Expenditures	\$ -0-	\$ -0-	\$ -0-
TOTAL EXPENDITURES	\$ 902,625	\$ 472,622	\$ 23,308
Excess Revenues Over (Under) Expenditures	\$ 40,167	\$ 21,032	\$ 1,037
OTHER FINANCING SOURCES (USES)			
Interfund Transfers From (To) Other Funds			
420-710 Transfer to General Fund	-0-	-0-	-0-
431-791 Special Revenue Fund Indirect Costs	(40,167)	(21,032)	(1,037)
TOTAL OTHER FINANCING SOURCES (USES)	\$ (40,167)	\$ (21,032)	\$ (1,037)
Excess Revenues and Expenditures Over (Under) Other Financing Sources (Uses)	\$ -0-	\$ -0-	\$ -0-
FUND BALANCE JULY 1, 2009	-0-	-0-	-0-
FUND BALANCE JUNE 30, 2010	\$ -0-	\$ -0-	\$ -0-

<u>OCCUPATIONAL EDUCATION (VA Projects) (207/208)</u>	<u>DRUG FREE (FP/FQ Projects) (209/210)</u>	<u>ADULT EDUCATION (EA Projects)</u>	<u>OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)</u>	<u>OTHER SPECIAL REVENUE PROGRAMS (200s/800s)</u>	<u>TOTAL</u>
-0-	-0-	-0-	-0-	18,424	18,424
-0-	-0-	-0-	-0-	1,576	1,576
-0-	-0-	-0-	-0-	8,229	8,229
-0-	-0-	-0-	-0-	1,699	1,699
-0-	50	-0-	3,764	27,859	32,480
-0-	11	-0-	795	5,912	6,873
-0-	57	-0-	13,928	7,461	25,103
<u>\$ 23,748</u>	<u>\$ 9,134</u>	<u>\$ -0-</u>	<u>\$ 196,638</u>	<u>\$ 977,182</u>	<u>\$ 1,507,464</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 31,169</u>	<u>\$ 31,169</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 31,169</u>	<u>\$ 31,169</u>
<u>\$ 46,992</u>	<u>\$ 9,134</u>	<u>\$ -0-</u>	<u>\$ 410,118</u>	<u>\$ 2,511,113</u>	<u>\$ 4,375,912</u>
<u>\$ -0-</u>	<u>\$ 412</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 64,768</u>	<u>\$ 128,866</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (20,162)</u>	<u>\$ (20,162)</u>
<u>-0-</u>	<u>(412)</u>	<u>-0-</u>	<u>-0-</u>	<u>(46,056)</u>	<u>(108,704)</u>
<u>\$ -0-</u>	<u>\$ (412)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (66,218)</u>	<u>\$ (128,866)</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
SPECIAL PROJECTS FUND
SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS
FOR FISCAL YEAR ENDED JUNE 30, 2010**

<u>SUBFUND CODE</u>	<u>REVENUE CODE</u>	<u>PROGRAMS</u>	<u>REVENUES</u>
905	3125	Career and Education Technology Equipment	\$ 25,802
908	3126	Refurbishment of K-8 Science Kits	2,421
916	3991	ADEPT	4,337
919	3193	Education License Plates	500
927	3117	EEDA Middle and High School Career Awareness	2,320
928	3118	EEDA Career Specialist	79,757
933	3123	Formative Assessment	10,416
936	3136	Student Health and Fitness - Nurses	60,742
937	3127	Student Health and Fitness - PE Teachers	22,605
938	3128	High Schools That Work/Making Middle Grades Work	2,515
960	3610	K-5 Enhancement	122,954
967	3607	6-8 Enhancement	6,697
981	2300	First Steps/Early Childhood	39,283
982	2300	First Steps/Parenting	29,769
TOTALS			\$ <u>410,118</u>

<u>EXPENDITURES</u>	<u>SPECIAL PROJECTS INTERFUND TRANSFERS IN/(OUT)</u>	<u>OTHER FUND TRANSFERS IN/(OUT)</u>	<u>DEFERRED REVENUE</u>
\$ 25,802	\$ -0-	\$ -0-	\$ 7,121
2,421	-0-	-0-	7,620
4,337	-0-	-0-	14,331
500	-0-	-0-	-0-
2,320	-0-	-0-	1,269
79,757	-0-	-0-	5,113
10,416	-0-	-0-	-0-
60,742	-0-	-0-	-0-
22,605	-0-	-0-	22,474
2,515	-0-	-0-	5,818
122,954	-0-	-0-	134,339
6,697	-0-	-0-	364
39,283	-0-	-0-	-0-
29,769	-0-	-0-	-0-
<u>\$ 410,118</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 198,449</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, 2010**

ACTUAL

REVENUES

3000 Revenue from State Sources

3100 Restricted State Funding		
3161 EAA Bus Driver Salary and Fringe	\$	3,573
3500 Education Improvement Act		
3501 Increase High School Diploma Requirements		54,139
3511 Professional Development		9,936
3520 Gifted and Talented - Academic		28,652
3527 Critical Teaching Needs		1,610
3530 Trainable & Profoundly Mentally Disabled Student Services		15,144
3532 National Board Certification (NBC) Salary Supplement		141,504
3533 Teacher of the Year Awards		1,077
3534 Professional Development on Standards (PDSI)		26,230
3538 Students At Risk of School Failure		436,669
3540 Early Childhood Program (4K Programs Serving Four-Year-Old Children)		63,927
3542 Preschool Programs for Children with Disabilities		15,739
3544 High Achieving Students		8,659
3549 Academic Assistance Reading Recovery		9,138
3550 Teacher Salary Increase		243,925
3555 School Employer Contributions		50,102
3558 Reading		243
3568 EAA Technical Assistance		552,771
3577 Teacher Supplies		45,925
3578 High Schools That Work/Making Middle Grades Work		1,988
3582 Principal's Salary/Fringe Increase		7,003
3583 EAA Summer School/Comprehensive Remediation		76,992
3588 EAA Palmetto Gold and Silver Awards		5,239
3591 Excellence in Middle Schools		17,972
3593 EAA Reduce Class Size Grades 1 - 3		<u>21,128</u>

Total State Sources	\$	<u>1,839,285</u>
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TOTAL REVENUE ALL SOURCES	\$	<u>1,839,285</u>
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EXPENDITURES

100 Instruction

110 General Instruction		
111 Kindergarten Programs		
100 Salaries	\$	22,500
200 Employee Benefits		4,798
400 Supplies and Materials		1,925
112 Primary Programs		
100 Salaries		96,311
200 Employee Benefits		33,540
400 Supplies and Materials		10,175

**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, 2010**

EXPENDITURES (continued)	<u>ACTUAL</u>
100 Instruction (continued)	
110 General Instruction (continued)	
113 Elementary Programs	
100 Salaries	379,653
200 Employee Benefits	113,378
400 Supplies and Materials	46,230
114 High School Programs	
100 Salaries	125,962
200 Employee Benefits	49,148
400 Supplies and Materials	60,850
115 Career and Technology Education Programs	
400 Supplies and Materials	550
120 Exceptional Programs	
121 Educable Mentally Handicapped	
400 Supplies and Materials	1,650
122 Trainable Mentally Handicapped	
100 Salaries	12,486
200 Employee Benefits	2,658
400 Supplies and Materials	1,650
126 Speech Handicapped	
100 Salaries	7,500
200 Employee Benefits	1,601
400 Supplies and Materials	275
127 Learning Disabilities	
400 Supplies and Materials	2,200
130 Pre-School Programs	
137 Pre-School Handicapped Self-Contained (3&4 Yr. Olds)	
100 Salaries	10,436
200 Employee Benefits	5,304
400 Supplies and Materials	275
139 Early Childhood Programs	
100 Salaries	48,581
200 Employee Benefits	13,506
300 Purchased Services	29
400 Supplies and Materials	11,305

**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, 2010**

EXPENDITURES (continued)	<u>ACTUAL</u>
100 Instruction (continued)	
140 Special Programs	
141 Gifted and Talented - Academic	
100 Salaries	11,474
200 Employee Benefits	8,750
149 Other Special Programs	
100 Salaries	60,020
200 Employee Benefits	21,390
300 Purchased Services	7,578
400 Supplies and Materials	25,155
170 Summer School Program	
171 Primary Summer School	
100 Salaries	28,710
200 Employee Benefits	6,155
400 Supplies and Materials	3,628
172 Elementary Summer School	
100 Salaries	22,856
200 Employee Benefits	4,576
400 Supplies and Materials	1,480
175 Instructional Programs Beyond Regular School Day	
100 Salaries	38,350
200 Employee Benefits	6,647
300 Purchased Services	1,750
400 Supplies and Materials	3,610
180 Adult /Continuing Education Programs	
188 Parenting/Family Literacy	
100 Salaries	2,860
200 Employee Benefits	999
300 Purchased Services	28
400 Supplies and Materials	1,663
190 Instructional Pupil Activity	
400 Supplies and Materials	9,726
Total Instruction	<u>\$ 1,331,881</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, 2010**

EXPENDITURES (continued)	<u>ACTUAL</u>
200 Supporting Services	
210 Pupil Services	
212 Guidance Services	
100 Salaries	\$ 14,246
200 Employee Benefits	3,727
400 Supplies and Materials	1,650
220 Instructional Staff Services	
221 Improvement of Instruction - Curriculum Development	
100 Salaries	13,049
200 Employee Benefits	2,757
300 Purchased Services	28,599
400 Supplies and Materials	20,531
222 Library and Media	
400 Supplies and Materials	1,375
223 Supervision of Special Programs	
300 Purchased Services	19,414
600 Other Objects	210
224 Improvement of Instruction - Inservice Training	
100 Salaries	1,326
200 Employee Benefits	284
300 Purchased Services	22,853
400 Supplies and Materials	588
230 General Administration Services	
233 School Administration	
100 Salaries	6,260
200 Employee Benefits	743
300 Purchased Services	36,600
250 Finance and Operations Services	
251 Student Transportation (Federal/District Mandated)	
100 Salaries	21,955
200 Employee Benefits	4,611
260 Central Support Services	
264 Staff Services	
400 Supplies and Materials	2,073

**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, 2010**

	ACTUAL
EXPENDITURES (continued)	
200 Supporting Services	
270 Supporting Services Pupil Activity	
271 Pupil Service Activities	
100 Salaries	2,725
200 Employee Benefits	571
300 Purchased Services	7,230
Total Supporting Services	\$ 213,377
TOTAL EXPENDITURES	\$ 1,545,258
Excess Revenues Over (Under) Expenditures	\$ 294,027
OTHER FINANCING SOURCES (USES)	
Interfund Transfers From (To) Other Funds	
420-710 Transfer to General Fund (Excludes Indirect Costs)	\$ (294,027)
TOTAL OTHER FINANCING SOURCES (USES)	\$ (294,027)
Excess Revenues and Expenditures Over (Under) Other Financing Sources (Uses)	\$ -0-
FUND BALANCE JULY 1, 2009	-0-
FUND BALANCE JUNE 30, 2010	\$ -0-

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
EDUCATION IMPROVEMENT ACT
SUMMARY SCHEDULE BY PROGRAM
FOR FISCAL YEAR ENDED JUNE 30, 2010**

PROGRAM	<u>REVENUES</u>
3100 Restricted State Funding:	
3161 EAA Bus Driver Salary and Fringe	\$ 3,573
3500 Education Improvement Act:	
3501 Increase High School Diploma Requirements	54,139
3511 Professional Development	9,936
3520 Gifted and Talented - Academic	28,652
3527 Critical Teaching Needs	1,610
3530 Trainable & Profoundly Mentally Disabled Student Services	15,144
3532 National Board Certification (NBC) Salary Supplement	141,504
3533 Teacher of the Year Awards	1,077
3534 Professional Development on Standards	26,230
3538 Students At Risk of School Failure	436,669
3540 Early Childhood Program (4K Programs Serving Four-Year-Old Children)	63,927
3542 Preschool Programs for Children with Disabilities	15,739
3544 High Achieving Students	8,659
3549 Academic Assistance Reading Recovery	9,138
3550 Teacher Salary Increase	243,925
3555 School Employer Contributions	50,102
3558 Reading	243
3568 EAA Technical Assistance	552,771
3577 Teacher Supplies	45,925
3578 High Schools That Work/Making Middle Grades Work	1,988
3582 Principal Salary/Fringe Increase	7,003
3583 EAA Summer School/Comprehensive Remediation	76,992
3588 EAA Palmetto Gold and Silver Awards	5,239
3591 Excellence in Middle Schools	17,972
3592 Work Based Learning	-0-
3593 EAA Reduce Class Size Grades 1 -3	21,128
	<hr/>
TOTALS	\$ <u><u>1,839,285</u></u>

<u>EXPENDITURES</u>	<u>EIA INTERFUND TRANSFERS IN/(OUT)</u>	<u>OTHER FUND TRANSFERS IN/(OUT)</u>	<u>DEFERRED REVENUE</u>
\$ 3,573	\$ -0-	\$ -0-	\$ -0-
54,139	-0-	-0-	-0-
9,936	-0-	-0-	8,524
28,652	-0-	-0-	-0-
1,610	-0-	-0-	-0-
15,144	-0-	-0-	-0-
141,504	-0-	-0-	-0-
1,077	-0-	-0-	-0-
26,230	-0-	-0-	-0-
436,669	-0-	-0-	174,899
63,927	-0-	-0-	35,549
15,739	-0-	-0-	-0-
8,659	-0-	-0-	4,230
9,138	-0-	-0-	-0-
-0-	-0-	(243,925)	-0-
-0-	-0-	(50,102)	-0-
243	-0-	-0-	12,488
552,771	-0-	-0-	31,375
45,925	-0-	-0-	-0-
1,988	-0-	-0-	48
7,003	-0-	-0-	-0-
76,992	-0-	-0-	-0-
5,239	-0-	-0-	-0-
17,972	-0-	-0-	-0-
-0-	-0-	-0-	8,400
21,128	-0-	-0-	-0-
<u>\$ 1,545,258</u>	<u>\$ -0-</u>	<u>\$ (294,027)</u>	<u>\$ 275,513</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, 2010**

	ACTUAL
REVENUES	
1000 Revenue From Local Sources	
1100 Taxes	
1110 Ad Valorem Taxes - Including Delinquent Taxes	\$ 1,408,050
1200 Revenue from Local Governmental Units Other than LEAs	
1280 Revenue in Lieu of Taxes	179,820
1500 Earnings on Investments	
1510 Interest on Investments	<u>14,529</u>
Total Local Sources	\$ <u>1,602,399</u>
3000 Revenue From State Sources	
3800 State Revenue in Lieu of Taxes	
3820 Homestead Exemption	\$ 76,756
3830 Merchant's Inventory Tax	4,765
3890 Other State Property Tax Revenues	<u>42,551</u>
Total State Sources	\$ <u>124,072</u>
TOTAL REVENUE ALL SOURCES	\$ <u>1,726,471</u>
EXPENDITURES	
500 Debt Service	
610 Redemption of Principal	\$ 1,253,000
620 Interest	481,299
690 Other Objects (Includes Fees for Servicing Bonds)	<u>37,384</u>
TOTAL EXPENDITURES	\$ <u>1,771,683</u>
Excess Revenues Over (Under) Expenditures	<u>\$ (45,212)</u>
OTHER FINANCING SOURCES (USES)	
5110 Premium on Bonds Sold	\$ 52,802
5130 Proceeds of Refunding Debt	1,425,000
441-720 Payments of Refunded Debt Principal	<u>(1,425,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	\$ <u>52,802</u>
Excess (Deficiency) of Revenues and Expenditures Over Other Financing Sources (Uses)	<u>\$ 7,590</u>
FUND BALANCE JULY 1, 2009	<u>2,868,803</u>
FUND BALANCE JUNE 30, 2010	\$ <u><u>2,876,393</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, 2010**

	ACTUAL
REVENUES	
1000 Revenue From Local Sources	
1500 Earnings on Investments	
1510 Interest on Investments	\$ <u>13,565</u>
Total Local Sources	\$ <u>13,565</u>
3000 Revenue From State Sources	
3100 Restricted State Funding	
3172 Children's Education Endowment (Barnwell Facilities Fund)	\$ <u>161,000</u>
Total State Sources	\$ <u>161,000</u>
TOTAL REVENUE ALL SOURCES	\$ <u>174,565</u>
EXPENDITURES	
200 Supporting Services	
250 Finance and Operations	
253 Facilities Acquisition & Construction	
300 Purchased Services	\$ 130,103
500 Capital Outlay	
520 Construction Services	1,631,155
600 Other Objects	
690 Other Objects	<u>386</u>
TOTAL EXPENDITURES	\$ <u>1,761,644</u>
Excess Revenues Over (Under) Expenditures	\$ (1,587,079)
FUND BALANCE JULY 1, 2009	<u>4,627,428</u>
FUND BALANCE JUNE 30, 2010	<u><u>3,040,349</u></u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR FISCAL YEAR ENDED JUNE 30, 2010**

	ACTUAL
REVENUES	
1000 Revenue From Local Sources	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 382
1600 Food Service	
1610 Lunch Sales to Pupils	89,822
1630 Special Sales to Pupils	47,057
1640 Lunch Sales to Adults	36,063
1650 Breakfast Sales to Adults	7,898
1660 Special Sales to Adults	14,259
Total Local Sources	\$ 195,481
3000 Revenue From State Sources	
3100 Restricted State Funding	
3199 Other Restricted State Grants	\$ 1,510
Total State Sources	\$ 1,510
4000 Revenue From Federal Sources	
4800 USDA Reimbursement	
4810 School Lunch Program	\$ 737,109
4830 School Breakfast Program	322,494
4860 Fresh Fruits & Vegetables Program	24,600
4870 School Food Service Equipment	25,584
4900 Other Federal Sources	
4991 USDA Commodities	69,905
4999 Revenue from Other Federal Sources	309,209
Total Federal Sources	\$ 1,488,901
TOTAL REVENUE ALL SOURCES	\$ 1,685,892

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR FISCAL YEAR ENDED JUNE 30, 2010**

	<u>ACTUAL</u>
EXPENSES	
250 Finance and Operations	
256 Food Service	
100 Salaries	\$ 543,397
200 Employee Benefits	65,314
300 Purchased Services	93,515
400 Supplies and Materials	880,058
500 Capital Outlay	78,769
600 Other Objects	<u>4,031</u>
TOTAL EXPENSES	\$ <u>1,665,084</u>
Operating Income (Loss) Before Other Financing Sources (Uses)	\$ <u>20,808</u>
OTHER FINANCING SOURCES (USES)	
5300 Sale of Fixed Assets	\$ <u>(11,212)</u>
TOTAL OTHER FINANCING SOURCES (USES)	\$ <u>(11,212)</u>
Change in Net Assets	\$ 9,596
NET ASSETS JULY 1, 2009	<u>280,731</u>
NET ASSETS JUNE 30, 2010	\$ <u><u>290,327</u></u>

**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, 2010**

	ACTUAL
RECEIPTS	
1000 Receipts From Local Sources	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 468
1700 Pupil Activities	
1710 Admissions	107,866
1740 Student Fees	16,579
1790 Other	258,349
Total Receipts from Local Sources	\$ 383,262
TOTAL RECEIPTS ALL SOURCES	\$ 383,262
DISBURSEMENTS	
190 Instructional Pupil Activity	
600 Other Objects	\$ 9,993
270 Supporting Services Pupil Activity	
271 Pupil Service Activities	
600 Other Objects	309,940
272 Enterprise Activities	
600 Other Objects	51,361
273 Trust and Agency Activities	
600 Other Objects	12,483
TOTAL DISBURSEMENTS	\$ 383,777
Excess Receipts Over (Under) Disbursements	\$ (515)
DUE TO THIRD PARTIES JULY 1, 2009	105,694
DUE TO THIRD PARTIES JUNE 30, 2010	\$ 105,179

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, 2010**

PROGRAM	PROJECT/GRANT NUMBER	REVENUE & SUBFUND CODE	DESCRIPTION	AMOUNT DUE TO SDE/FED GOV'T
S.C. Reading First	09RC031	4318/218	Overclaimed Funds	\$ 7,650
School-To-Work Transition	N/A	3592/392	Unexpended Funds	8,924
Medicaid	N/A	1930/801	Local Match	<u>1,666</u>
TOTALS				\$ <u>18,240</u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
LOCATION RECONCILIATION SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2010**

<u>LOCATION</u>	<u>LOCATION DESCRIPTION</u>	<u>EDUCATION LEVEL</u>	<u>COST TYPE</u>	<u>TOTAL EXPENDITURES</u>
00	Districtwide	Non-Schools	Central	\$ 567
10	District Office	Non-Schools	Central	6,093,337
15	Office of Curriculum/OPEC	Non-Schools	School	6,710
20	Harleyville-Ridgeville	Elementary Schools	School	4,735,953
30	Williams Memorial	Elementary Schools	School	5,873,379
40	St. George	Middle Schools	School	3,900,083
50	Woodland	High Schools	School	6,909,552
60	Clay Hill	Middle Schools	School	2,158,362
70	Odyssey Education Center	Other Schools	School	475,408
80	Dorchester Academy	Other Schools	School	4,155
91	Family Literacy/Parenting	Non-Schools	Central	31,315
92	Adult Education	Other Schools	School	2,905
TOTAL EXPENDITURES/DISBURSEMENTS FOR ALL FUNDS				\$ <u>30,191,726</u>

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

General Fund (Subfunds 100s)	\$ 18,688,368
Special Revenue Fund (Subfunds 200s, 800s, 900s)	4,375,912
Special Revenue EIA Fund (Subfunds 300s)	1,545,258
Debt Service Fund (Subfunds 400s)	1,771,683
Capital Projects Fund (School Building) (Subfunds 500s)	1,761,644
Proprietary Fund (Food Service) (Subfunds 600s)	1,665,084
Trust and Agency Fund (Pupil Activity) (Subfunds 700s)	383,777
TOTAL EXPENDITURES/DISBURSEMENTS FOR ALL FUNDS	\$ <u>30,191,726</u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
SPECIAL PROJECTS FUND
SUBFUND CODE LIST
FOR FISCAL YEAR ENDED JUNE 30, 2010**

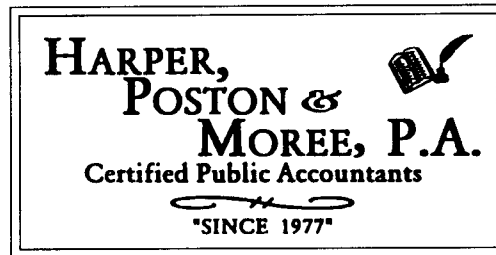
OTHER RESTRICTED STATE GRANTS

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)
218	S.C. Reading First
222	Title I (ARRA)
224	21st Century Community Learning Centers Program
230	WIA Summer Program
234	School Improvement
237	Title I School Improvement
241	Title V, Part A
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
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
820	Recycling Mini Grant
826	Bright Futures Transportation
829	Learning Key Supplement
834	Sprint-Lights of Character
835	5-Star Learning
837	MUSC Health Funding
838	Anytime Tutoring
839	Project Indigo

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, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 23, 2010. 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 10-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 23, 2010.

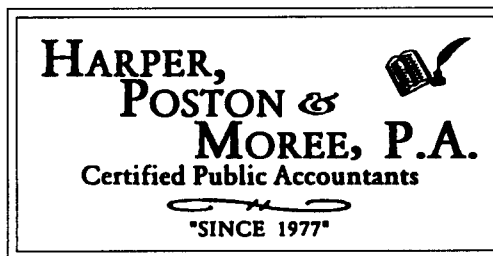
The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on it.

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 23, 2010



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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 are applicable to each of its major federal programs for the year ended June 30, 2010. 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 referred to above 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 are applicable to each of its major federal programs identified in the accompanying schedule of findings and questioned costs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. 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.

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

Pawleys Island, South Carolina
November 23, 2010

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR FISCAL YEAR ENDED JUNE 30, 2010**

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
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
School Improvement Grant	84.377
ARRA - State Fiscal Stabilization Education	84.394
Education Technology Cluster:	
Education Technology	84.318
ARRA - Education Technology	84.386

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, 2010**

B. Findings - Financial Statement Audit

10-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, 2010**

LEA SUBFUND CODE	FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	TOTAL EXPENDITURES
U.S. DEPARTMENT OF EDUCATION				
Passed Through State Department of Education:				
Title I, Part A Cluster:				
201	Title I Grants to LEA's	84.010	10BA031	\$ 942,792 *
222	ARRA - Title I	84.389	09SA031	329,344 *
237	Title I - School Improvement	84.010	08BJ031	66,565 *
237	Title I - School Improvement	84.010	09BJ031	44,616 *
Special Education Cluster:				
203	IDEA	84.027	10CA031	493,654 *
212	IDEA - Extended School Year	84.027	N/A	2,734 *
205	Preschool Grant	84.173	10CG031	24,345 *
215	ARRA - IDEA	84.391	10SC031	324,552 *
216	ARRA - Preschool Grant	84.392	10SG031	9,607 *
Vocational Education (CATE):				
207	Subprogram 01	84.048	10VA031	5,702
207	Subprogram 04	84.048	10VA031	7,202
207	Subprogram 08	84.048	10VA031	1,500
207	Subprogram 09	84.048	10VA031	9,747
207	Subprogram 10	84.048	10VA031	21,746
207	Subprogram 15	84.048	10VA031	1,095
209	Drug & Violence Prevention Program	84.186	10FQ031	9,546
218	S.C. Reading First	84.357	09RC031	31,282
224	After School Learning Center	84.287	10CL031	161,103
234	School Improvement Grant	84.377	10BH031	311,604 *
241	Title V	84.298	08BB031	1,442
250	ARRA - State Fiscal Stabilization Education	84.394	10SF031	323,190 *
251	Rural and Low-Income Schools, Title VI	84.358	10BS031	60,047
Educational Technology State Grants Cluster:				
253	Education Technology	84.318	10ET031	8,507 *
253	ARRA - Education Technology	84.386	10SS031	117,092 *
267	Improving Teacher Quality	84.367	10TQ031	171,079
Passed Through SC Commission on Higher Ed:				
803	Gear Up	84.334	P378A080048	3,000
803	Gear Up	84.334	P334S050009	86,068
Total U.S. Department of Education				\$ 3,569,161
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through State Department of Education:				
Child Nutrition Cluster:				
Non-Cash Assistance (Commodities):				
600	School Lunch Program	10.555	N/A	\$ 69,905
Cash Assistance:				
600	School Breakfast Program	10.553	N/A	322,494
600	School Lunch Program	10.555	N/A	737,109
602	Fresh Fruits and Vegetables	10.582	10FV031	24,600
604	ARRA - Child Nutrition Discretionary Grant	10.579	09SE031	25,584
Passed Through SC Department of Social Services:				
Child Nutrition Cluster:				
603	Summer Food Service for Children	10.559	SF-263	309,209
Total U.S. Department of Agriculture				\$ 1,488,901 **

(See Disclosure Below)

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2010**

<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>
U.S. DEPARTMENT OF ENERGY				
273	Passed Through S.C. Energy Office: ARRA - State Energy Program	81.041	S09-0066	\$ <u>97,784</u>
U.S. DEPARTMENT OF LABOR				
230	Passed Through State Department of Education: WIA Youth Activities	17.259	09SW031	\$ <u>6,101</u>
ENVIRONMENTAL PROTECTION AGENCY				
839	Passed Through State Department of Education: Environmental Education Grant	66.951	10FC031	\$ <u>2,876</u>
TOTAL FEDERAL AWARDS EXPENDED				\$ <u><u>5,164,823</u></u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2010**

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 \$196,991 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 \$69,905 in the form of federal non-cash USDA commodities for the year ended June 30, 2010. 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 in the current year 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, 2010, 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, 2010**

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, 2010.