

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

**BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

FISCAL YEAR ENDED JUNE 30, 2012

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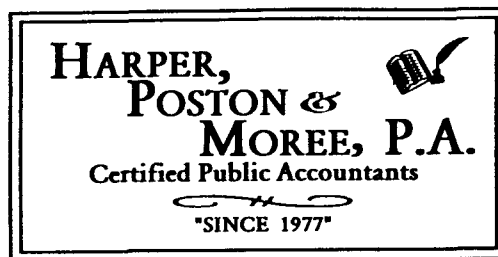
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FINANCIAL SECTION



Robert D. Harper, Jr. CPA
Stacey C. Moree CPA
P. O. Box 1550
106 Wall Street, Litchfield
Pawleys Island, SC 29585
Tel (843) 237-9125
Fax (843) 237-1621
E-mail: HPM@sc.rr.com

Robin B. Poston CPA
P. O. Box 576
307 Church Street
Georgetown, SC 29442
Tel (843) 527-3413
Fax (843) 546-7277
E-mail: hpm2@sc.rr.com

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, 2012, 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.

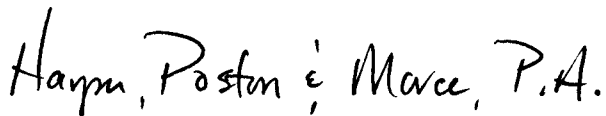
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and 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, 2012, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2012 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 45 through 46 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.
Certified Public Accountants

Pawleys Island, South Carolina
November 20, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

YEAR ENDED JUNE 30, 2012

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, 2012. 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 \$21,095,428 (net assets). Of this amount, \$8,482,258 (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 \$425,731, which represents a 2.1% increase from fiscal year 2011. The District's total unrestricted net assets decreased \$1,201,835 from fiscal year 2011.
- Revenues totaled \$28,383,623. This is a decrease of \$1,117,065 or 3.8% from fiscal year 2011.
- Expenses totaled \$27,957,892. This is an increase of \$582,146 or 2.1% from fiscal year 2011.
- Our principal operating fund, the General Fund, had \$19,755,451 in fiscal year 2012 revenues, which primarily consisted of state aid and property taxes, and \$20,600,288 in expenditures. The General Fund's fund balance decreased from \$7,538,102 as of June 30, 2011 to \$6,302,874 as of June 30, 2012.
- The District's total bonded debt, including issuance premiums and deferred amounts on refunding, decreased by \$3,172 during FY 2012. The District issued a GOB in the amount of \$2,850,000 during the year but the payment schedule for the bond was set up so the district could make a large principal payment during the first year. The additional decrease reflects 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 2012.

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 13 and 14 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 \$21,095,428 as of June 30, 2012.

A large portion of the District's net assets (50%) 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	
	2012	2011	2012	2011	2012	2011
Current and Other Assets	\$ 14,748	\$ 15,916	\$ 64	\$ 223	\$ 14,812	\$ 16,139
Capital Assets, Net	20,294	18,840	167	107	20,461	18,947
Total Assets	<u>\$ 35,042</u>	<u>\$ 34,756</u>	<u>\$ 231</u>	<u>\$ 330</u>	<u>\$ 35,273</u>	<u>\$ 35,086</u>
Current Liabilities	\$ 4,875	\$ 5,093	\$ -0-	\$ -0-	\$ 4,875	\$ 5,093
Long-Term Liabilities	9,302	9,323	-0-	-0-	9,302	9,323
Total Liabilities	<u>\$ 14,177</u>	<u>\$ 14,416</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 14,177</u>	<u>\$ 14,416</u>
Net Assets:						
Invested in Capital Assets,						
Net of Related Debt	\$ 10,470	\$ 8,389	\$ 167	\$ 107	\$ 10,637	\$ 8,496
Restricted	1,976	2,490	-0-	-0-	1,976	2,490
Unrestricted	8,419	9,461	64	223	8,483	9,684
Total Net Assets	<u>\$ 20,865</u>	<u>\$ 20,340</u>	<u>\$ 231</u>	<u>\$ 330</u>	<u>\$ 21,096</u>	<u>\$ 20,670</u>

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

- Various school re-roofing and renovation projects with related construction-in-progress costs of \$1,844,682.
- The principal retirement of \$2,854,000 of bonded debt and the issuance of \$2,850,000 in new 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, 2012 were \$28,383,623. The total cost of all programs and services was \$27,957,892 for an increase in net assets of \$425,731.

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	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program Revenues:						
Charges for Services	\$ 281	\$ 381	\$ 175	\$ 173	\$ 456	\$ 554
Operating Grants	10,766	11,575	1,447	1,437	12,213	13,012
Capital Grants	151	102	9	-0-	160	102
General Revenues:						
Property Taxes	9,842	9,980	-0-	-0-	9,842	9,980
Investment Income	36	34	1	1	37	35
State Aid/Formula Grants	5,646	5,744	-0-	-0-	5,646	5,744
Miscellaneous and Other	28	74	2	-0-	30	74
Total Revenues	\$ 26,750	\$ 27,890	\$ 1,634	\$ 1,611	\$ 28,384	\$ 29,501
Expenses:						
Instruction	\$ 14,560	\$ 14,728	\$ -0-	\$ -0-	\$ 14,560	\$ 14,728
Support Services	11,147	10,566	-0-	-0-	11,147	10,566
Community Services	2	1	-0-	-0-	2	1
Intergovernmental	91	66	-0-	-0-	91	66
Interest	417	437	-0-	-0-	417	437
Depreciation - Unallocated	8	6	-0-	-0-	8	6
Food Service	-0-	-0-	1,733	1,571	1,733	1,571
Total Expenses	\$ 26,225	\$ 25,804	\$ 1,733	\$ 1,571	\$ 27,958	\$ 27,375
Increase in Net Assets	\$ 525	\$ 2,086	\$ (99)	\$ 40	\$ 426	\$ 2,126
Net Assets - Beginning	20,340	18,264	330	290	20,670	18,554
Prior Period Adjustment	-0-	(10)	-0-	-0-	-0-	(10)
Net Assets - Ending	\$ 20,865	\$ 20,340	\$ 231	\$ 330	\$ 21,096	\$ 20,670

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	
	2012	2011	2012	2011
Instruction	\$ 14,560,161	\$ 14,728,165	\$ (5,111,404)	\$ (4,515,149)
Support Services	11,147,317	10,565,945	(9,438,997)	(8,822,753)
Community Services	1,344	1,166	(1,344)	(1,166)
Intergovernmental	91,160	66,334	(49,637)	(32,174)
Interest	417,126	437,007	(417,126)	(369,370)
Depreciation – Unallocated	8,094	5,583	(8,094)	(5,583)
Total Expenses	\$ 26,225,202	\$ 25,804,200	\$ (15,026,602)	\$ (13,746,195)

- The cost of all governmental activities this year was \$26,225,202. This was an increase of \$421,002 from fiscal year 2011's total of \$25,804,200.
- Federal and state governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$11,198,600 for fiscal year 2012. This is a decrease of \$859,405 from the total of \$12,058,005 for the 2011 fiscal year. This decrease is primarily due to the loss of Stimulus funding that was previously available.
- Net cost of governmental activities (\$15,026,602), was financed by general revenues, which are made up of primarily property taxes \$9,841,895, state aid \$5,645,764 and other miscellaneous general revenues of \$27,656. Investment earnings accounted for \$36,143 of funding. All of these components contributed to an overall increase in net assets for governmental activities of \$524,856. The net cost of governmental activities for fiscal year 2011 was (\$13,746,195) and was financed by general revenues consisting of \$9,979,258 in property taxes, \$5,744,034 in state aid, and \$74,347 in other miscellaneous revenue. Investment earnings contributed \$34,082 which produced an overall increase in net assets of \$2,085,526 in 2011.

Business-Type Activities: Net assets of business-type activities decreased by \$99,125 for the current fiscal year. The Office of School Food Services with the S.C. Department of Education has restrictions on the amount of cash fund balance that a school district is allowed to maintain. As a result, additional equipment was purchased for our schools in order to have an operating balance that was within the allowable guidelines.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$10,957,270 a decrease of \$956,176 in comparison with the prior year. Of this amount, \$6,302,874 constitutes an unrestricted, unassigned fund balance and is available for spending at the District's discretion. The remainder of fund balance is restricted or assigned to indicate that it is not available for new spending because it has already been committed to pay debt service as well as future facility upgrades.

The General Fund is the principal operating fund of the District. The net change in fund balance in the General Fund for the fiscal year was a decrease of \$1,235,228. The reason for this decrease was a decrease in the operational millage for the school district as levied by Dorchester County Council, as well as, local legislation that restricts the amount of fund balance the district can maintain. The Debt Service fund balance showed a decrease of \$382,302 from the prior year. The net change in fund balance in the Building Fund from the prior year was an increase of \$661,354.

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 a decrease in fund balance of \$99,125 for fiscal year 2012. This decrease was the result of the district purchasing additional equipment for the program in order to bring the fund balance in line with State Department guidelines.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were no changes made to the original budget approved for 2012. 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 budgeted \$1,078,531 from its fund balance due to a decrease in local funding.

The most significant variances between budget and actual results for the General Fund were 1) an increase in unexpected local tax revenues due to growth in assessed taxable values and 2) the unbudgeted transfer of funds from Operations to Debt Service in order to comply with local legislation regarding the district's fund balance total.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets: As of June 30, 2012, the District had invested \$20,461,242 (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 \$754,622 and \$16,027 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:

	2012	2011	Difference
Land	\$ 310,640	\$ 310,640	\$ -0-
Buildings and Additions	17,714,911	18,224,754	(509,843)
Machinery, Equipment and Vehicles	270,414	150,784	119,630
Construction in Progress	1,998,189	153,507	1,844,682
Total	<u>\$ 20,294,154</u>	<u>\$ 18,839,685</u>	<u>\$ 1,454,469</u>

Net capital assets of business-type activities amounted to \$167,088 and \$106,536 for 2012 and 2011, respectively, and included machinery and equipment used in school cafeterias.

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

Debt Administration: At year-end, the District had \$10,301,000 in bonded debt outstanding, of which \$1,432,000 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, 2012, as compared to 2011:

	2012	2011
8% General Obligation Debt	\$ 2,423,500	\$ 1,228,750
Referendum General Obligation Debt	6,451,500	7,376,250
SCAGO Equipment Lease	1,426,000	1,700,000
Total	<u>\$ 10,301,000</u>	<u>\$ 10,305,000</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 \$4,188,666 based on an assessed valuation of \$52,358,327, which is significantly in excess of the District's current outstanding non-referendum general obligation debt.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Dorchester School District Four used a base student cost of \$2,012 when projecting Education Finance Act funding for the 2012-2013 fiscal year. By utilizing our fund balance, we were able to provide all of our employees with a step increase for additional years experience. 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 2012-2013 but that could always change.

Funding for school districts continues to be a major issue for fiscal year 2013. While the base student cost for 2012 did increase, funding for school districts is far less than what is needed. There have been many attempts to have the legislature look at restructuring the funding for school districts but at this time, no changes have been made. Locally, the district has had to use portions of the fund balance to satisfy local legislation that restricts the amount of fund balance that can be maintained. This is the second consecutive year that we have obligated a portion of our fund balance in order to balance our General Fund budget.

The district continues to work on upgrading our facilities and keeping them in good condition. We have completed re-roofing three of our schools and did administrative office renovations to two of our schools. We have opened a new facility which houses our Alternative School program this year. We have made grade level changes at two of our schools to better serve the students in these areas.

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, 2012

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
ASSETS			
Cash	\$ 83,085	\$ 477,065	\$ 560,150
Accounts Receivable	6,200	-	6,200
Taxes Receivable (Net of Allowance)	628,407	-	628,407
Due From County Treasurer	11,743,505	-	11,743,505
Due From Other State Agencies	69,805	-	69,805
Due From State Department of Education	170,340	-	170,340
Due From Federal Government	1,192,035	226,318	1,418,353
Internal Balances	686,191	(686,191)	-
Inventories	-	46,338	46,338
Deferred Charges	168,518	-	168,518
Capital Assets (Not Being Depreciated):			
Land	310,640	-	310,640
Construction in Progress	1,998,189	-	1,998,189
Capital Assets (Net of Accumulated Depreciation):			
Building and Improvements	17,714,911	-	17,714,911
Vehicles, Machinery, and Equipment	270,414	167,088	437,502
TOTAL ASSETS	\$ 35,042,240	\$ 230,618	\$ 35,272,858
LIABILITIES			
Accounts Payable	\$ 526,105	\$ -	\$ 526,105
Accrued Interest Payable	136,913	-	136,913
Withholding and Benefits Payable	883,619	-	883,619
Accrued Salaries	1,424,448	-	1,424,448
Due To State Department of Education	22,945	-	22,945
Deferred (Unearned) Grant Revenues	342,881	-	342,881
Noncurrent Liabilities:			
Due Within One Year	1,538,621	-	1,538,621
Due In More Than One Year	9,301,898	-	9,301,898
TOTAL LIABILITIES	\$ 14,177,430	\$ -	\$ 14,177,430
NET ASSETS			
Invested In Capital Assets, Net of Related Debt	\$ 10,470,424	\$ 167,088	\$ 10,637,512
Restricted For:			
Debt Service	1,314,304	-	1,314,304
Capital Projects - Facilities Improvements	661,354	-	661,354
Unrestricted	8,418,728	63,530	8,482,258
TOTAL NET ASSETS	\$ 20,864,810	\$ 230,618	\$ 21,095,428

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, 2012

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	\$ 14,560,161	\$ 73,062	\$ 9,353,319	\$ 22,376	\$ (5,111,404)	\$ -	\$ (5,111,404)
Supporting Services	11,147,317	166,797	1,412,416	129,107	(9,438,997)	-	(9,438,997)
Community Services	1,344	-	-	-	(1,344)	-	(1,344)
Intergovernmental	91,160	41,523	-	-	(49,637)	-	(49,637)
Interest and Other Charges*	417,126	-	-	-	(417,126)	-	(417,126)
Depreciation - Unallocated**	8,094	-	-	-	(8,094)	-	(8,094)
Total Governmental Activities	\$ 26,225,202	\$ 281,382	\$ 10,765,735	\$ 151,483	\$ (15,026,602)	\$ -	\$ (15,026,602)
Business-Type Activities:							
Food Service	\$ 1,732,690	\$ 175,354	\$ 1,447,154	\$ 8,694	\$ -	\$ (101,488)	\$ (101,488)
Total Business-Type Activities	\$ 1,732,690	\$ 175,354	\$ 1,447,154	\$ 8,694	\$ -	\$ (101,488)	\$ (101,488)
TOTALS	\$ 27,957,892	\$ 456,736	\$ 12,212,889	\$ 160,177	\$ (15,026,602)	\$ (101,488)	\$ (15,128,090)

GENERAL REVENUES

Taxes:			
Property Taxes, Levied for General Purposes	\$ 8,440,171	\$ -	\$ 8,440,171
Property Taxes, Levied for Debt Service	1,401,724	-	1,401,724
Unrestricted State Aid and Grants	5,645,764	-	5,645,764
Investment Earnings	36,143	63	36,206
Other Miscellaneous Revenues	27,656	2,300	29,956
TOTAL GENERAL REVENUES	\$ 15,551,458	\$ 2,363	\$ 15,553,821
CHANGE IN NET ASSETS	\$ 524,856	\$ (99,125)	\$ 425,731
NET ASSETS BEGINNING OF YEAR	20,339,954	329,743	20,669,697
NET ASSETS END OF YEAR	\$ 20,864,810	\$ 230,618	\$ 21,095,428

* Excludes interest of \$9,502 that is included in the direct expenses of the various functions.

** Excludes depreciation of \$746,528 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, 2012

	<u>GENERAL</u>	<u>SPECIAL PROJECTS</u>
ASSETS		
Cash	\$ 83,085	\$ -
Accounts Receivable	-	-
Taxes Receivable (Net of Allowance for Uncollectibles)	546,338	-
Due From County Treasurer	6,845,263	-
Due From Other Funds	1,961,532	-
Due From Other State Agencies	-	69,805
Due From State Department of Education	70,220	2,664
Due From Federal Government	-	1,192,035
	<hr/>	<hr/>
TOTAL ASSETS	\$ 9,506,438	\$ 1,264,504
	<hr/>	<hr/>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	\$ 526,105	\$ -
Accrued Payroll Liabilities	443,580	-
Accrued Retirement	440,039	-
Accrued Salaries	1,424,448	-
Compensated Absences Payable	13,021	-
Due To Other Funds	-	1,145,901
Due To State Department of Education	-	12,800
Deferred Tax Revenue	356,371	-
Deferred Grant Revenue	-	105,803
	<hr/>	<hr/>
Total Liabilities	\$ 3,203,564	\$ 1,264,504
	<hr/>	<hr/>
Fund Balances		
Restricted For:		
Debt Service	\$ -	\$ -
Capital Projects - Facilities Improvements	-	-
Assigned To:		
Debt Service	-	-
Capital Projects - Facilities Improvements	-	-
Unassigned	6,302,874	-
	<hr/>	<hr/>
Total Fund Balances	\$ 6,302,874	\$ -
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,506,438	\$ 1,264,504
	<hr/>	<hr/>

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

EDUCATION IMPROVEMENT ACT	DEBT SERVICE	SCHOOL BUILDING	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ -	\$ -	\$ 83,085
-	6,200	-	6,200
-	82,069	-	628,407
-	2,268,902	2,629,340	11,743,505
149,767	-	-	2,111,299
-	-	-	69,805
97,456	-	-	170,340
-	-	-	1,192,035
<u>\$ 247,223</u>	<u>\$ 2,357,171</u>	<u>\$ 2,629,340</u>	<u>\$ 16,004,676</u>

\$ -	\$ -	\$ -	\$ 526,105
-	-	-	443,580
-	-	-	440,039
-	-	-	1,424,448
-	-	-	13,021
-	242,867	36,340	1,425,108
10,145	-	-	22,945
-	52,908	-	409,279
237,078	-	-	342,881
<u>\$ 247,223</u>	<u>\$ 295,775</u>	<u>\$ 36,340</u>	<u>\$ 5,047,406</u>

\$ -	\$ 1,261,396	\$ -	\$ 1,261,396
-	-	661,354	661,354
-	800,000	-	800,000
-	-	1,931,646	1,931,646
-	-	-	6,302,874
<u>\$ -</u>	<u>\$ 2,061,396</u>	<u>\$ 2,593,000</u>	<u>\$ 10,957,270</u>
<u>\$ 247,223</u>	<u>\$ 2,357,171</u>	<u>\$ 2,629,340</u>	<u>\$ 16,004,676</u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS
JUNE 30, 2012**

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

Ending fund balances - governmental funds balance sheet	\$ 10,957,270
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	20,294,154
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	409,279
Long-term liabilities, including bonds payable (net of premiums and deferred costs), capital leases, notes payable, compensated absences, and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(10,795,893)</u>
Net assets of governmental activities	<u>\$ 20,864,810</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, 2012

	<u>GENERAL</u>	<u>SPECIAL PROJECTS</u>
REVENUES		
Local	\$ 10,020,864	\$ 466,596
State	9,707,282	341,890
Federal	-	2,595,125
Intergovernmental	<u>27,305</u>	<u>62,840</u>
TOTAL REVENUES	\$ 19,755,451	\$ 3,466,451
EXPENDITURES		
Current		
Instructional Services	\$ 10,425,446	\$ 2,222,943
Supporting Services	9,795,443	1,131,666
Community Services	1,344	-
Intergovernmental Expenditures	49,637	41,523
Debt Service		
Redemption of Principal	12,223	-
Interest and Fiscal Agent Fees	-	-
Bond Issuance Costs	-	-
Capital Outlay	<u>316,195</u>	<u>22,376</u>
TOTAL EXPENDITURES	\$ 20,600,288	\$ 3,418,508
Excess Revenues Over (Under) Expenditures	<u>\$ (844,837)</u>	<u>\$ 47,943</u>
OTHER FINANCING SOURCES (USES)		
Sale of Fixed Assets	\$ 3,493	\$ -
Lease Purchase	49,186	-
Premium on Bonds Sold	-	-
Proceeds of General Obligation Bonds	-	-
Transfers From Other Funds	388,501	31,571
Transfers To Other Funds	<u>(831,571)</u>	<u>(79,514)</u>
TOTAL OTHER FINANCING SOURCES (USES)	\$ (390,391)	\$ (47,943)
Net Change in Fund Balances	\$ (1,235,228)	\$ -
FUND BALANCE BEGINNING OF YEAR	<u>7,538,102</u>	<u>-</u>
FUND BALANCE END OF YEAR	\$ <u>6,302,874</u>	\$ <u>-</u>

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

<u>EDUCATION IMPROVEMENT ACT</u>	<u>DEBT SERVICE</u>	<u>SCHOOL BUILDING</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ -	\$ 1,597,065	\$ 10,475	\$ 12,095,000
1,622,016	126,137	129,107	11,926,432
-	-	-	2,595,125
-	-	-	90,145
<u>1,622,016</u>	<u>1,723,202</u>	<u>139,582</u>	<u>26,706,702</u>
\$ 1,194,316	\$ -	\$ -	\$ 13,842,705
118,713	-	104,873	11,150,695
-	-	-	1,344
-	-	-	91,160
-	2,854,000	-	2,866,223
-	404,214	-	404,214
-	-	17,576	17,576
-	-	1,868,216	2,206,787
<u>1,313,029</u>	<u>3,258,214</u>	<u>1,990,665</u>	<u>30,580,704</u>
<u>308,987</u>	<u>(1,535,012)</u>	<u>(1,851,083)</u>	<u>(3,874,002)</u>
\$ -	\$ -	\$ -	\$ 3,493
-	-	-	49,186
-	-	15,147	15,147
-	-	2,850,000	2,850,000
-	1,152,710	-	1,572,782
<u>(308,987)</u>	<u>-</u>	<u>(352,710)</u>	<u>(1,572,782)</u>
<u>(308,987)</u>	<u>1,152,710</u>	<u>2,512,437</u>	<u>2,917,826</u>
\$ -	\$ (382,302)	\$ 661,354	\$ (956,176)
-	2,443,698	1,931,646	11,913,446
<u>-</u>	<u>2,061,396</u>	<u>2,593,000</u>	<u>10,957,270</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, 2012**

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

Net change in fund balances - total governmental funds	\$ (956,176)
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.	1,454,469
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.	39,863
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.	(16,410)
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>3,110</u>
Change in net assets of governmental activities	\$ <u><u>524,856</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, 2012

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

ASSETS

Current Assets	
Cash	\$ 477,065
Due From Federal Government	226,318
Inventories	46,338
Total Current Assets	<u>\$ 749,721</u>
Noncurrent Assets	
Equipment	\$ 578,428
Less: Accumulated Depreciation	(411,340)
Total Noncurrent Assets	<u>\$ 167,088</u>
TOTAL ASSETS	<u>\$ 916,809</u>

LIABILITIES

Current Liabilities	
Due To Other Funds	\$ <u>686,191</u>
TOTAL LIABILITIES	<u>\$ 686,191</u>

NET ASSETS

Invested in Capital Assets	\$ 167,088
Unrestricted	<u>63,530</u>
TOTAL NET ASSETS	<u>\$ 230,618</u>

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, 2012**

	BUSINESS-TYPE ACTIVITY ENTERPRISE FUND (FOOD SERVICE)
OPERATING REVENUES	
Proceeds from Sales of Meals	\$ 175,354
TOTAL OPERATING REVENUES	<u>\$ 175,354</u>
OPERATING EXPENSES	
Food Costs	\$ 687,931
Salaries and Employee Benefits	618,878
Utilities	9,143
Depreciation	16,027
Supplies and Materials	90,856
Other Operating Costs	<u>309,855</u>
TOTAL OPERATING EXPENSES	<u>\$ 1,732,690</u>
Operating Income (Loss)	<u>\$ (1,557,336)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest	\$ 63
USDA Reimbursements	1,110,612
Commodities Received From USDA	96,476
Other Federal and State Aid	247,107
Miscellaneous Revenue	1,653
Gain on Disposal of Assets	<u>2,300</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>\$ 1,458,211</u>
Change in Net Assets	\$ (99,125)
NET ASSETS BEGINNING OF YEAR	<u>329,743</u>
NET ASSETS END OF YEAR	<u><u>\$ 230,618</u></u>

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, 2012**

	BUSINESS-TYPE ACTIVITY ENTERPRISE FUND (FOOD SERVICE)
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Patrons	\$ 175,354
Cash Payments to Suppliers for Goods and Services	(959,487)
Cash Payments to Employees for Services	<u>(613,863)</u>
Net Cash Provided (Used) By Operating Activities	\$ <u>(1,397,996)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Other Federal and State Aid	\$ 247,107
USDA Federal Reimbursements	984,685
Other Miscellaneous Receipts	<u>1,653</u>
Net Cash Provided (Used) By Non-Capital Financing Activities	\$ <u>1,233,445</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of Capital Assets	\$ (76,579)
Proceeds from Disposal of Assets	<u>2,300</u>
Net Cash Provided (Used) By Capital and Related Financing Activities	\$ <u>(74,279)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Investments	\$ <u>63</u>
Net Cash Provided (Used) By Investing Activities	\$ <u>63</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (238,767)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	<u>715,832</u>
CASH AND CASH EQUIVALENTS END OF YEAR	\$ <u><u>477,065</u></u>

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, 2012**

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

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

Operating Income (Loss)	\$ (1,557,336)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:	
Depreciation	16,027
Non-Cash Commodities Used	96,476
Changes in Assets and Liabilities	
(Increase) Decrease in Inventory	(9,848)
Increase (Decrease) in Due To Other Funds	56,685
	<hr/>
Net Cash Provided (Used) By Operating Activities	\$ <u>(1,397,996)</u>

Supplemental Non-Cash Financing and Investing Information:

Non-Cash Commodities Received from USDA	\$ <u>96,476</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, 2012**

	<u>AGENCY FUND</u>
ASSETS	
Cash	\$ <u>127,402</u>
TOTAL ASSETS	\$ <u>127,402</u>
LIABILITIES	
Due To Third Parties	\$ <u>127,402</u>
TOTAL LIABILITIES	\$ <u>127,402</u>
NET ASSETS	\$ <u><u>-</u></u>

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

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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, 2012

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, 2012

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, 2012

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 nonspendable fund balance 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, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets

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

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

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

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

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

Compensated Absences

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

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

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

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Revenues

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

Long-Term Obligations

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

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

Net Assets/Fund Balances

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

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

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

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

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DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In the governmental fund financial statements, equity is classified as fund balance. The following classifications describe the relative strength of spending constraints placed on the purposes for which resources can be used:

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

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

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

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

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

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

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

Property Taxes

Property taxes are assessed and collected under a joint billing and collection agreement with Dorchester County. The District's property taxes are levied each October (except for vehicles which are annually assessed on the first day of the month the automobiles are registered) on the assessed value listed as of the prior January 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.

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Nonexchange Transactions

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

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

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

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

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Section 3 of Act 593 of 1992, as amended on March 16, 2011 states that the District may maintain a limited cash reserve (fund balance) not exceeding 15% of the total operating budget for its next fiscal year. At June 30, 2012 the District's operating fund balance was \$6,302,874 which exceeded the 15% maximum limitation by \$3,094,545. The District has adopted a millage reduction plan that has been approved by Dorchester County Council that will remain in effect until the District is in compliance with the 15% limitation.

NOTE 3 - DEPOSITS AND INVESTMENTS

At year end, the District's carrying amount of deposits was \$687,552, included agency fund cash of \$127,402, and the corresponding bank balance was \$1,616,421.

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk - Deposits: Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a policy for custodial credit risk, but follows the investment policy statutes of the State of South Carolina. As of June 30, 2012, the District's bank balances subject to risk categorization was \$909,503. Of this amount \$894,398 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging bank's trust department or agent, in the District's name and \$15,105 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Cash with Fiscal Agent - The Dorchester County Treasurer's Office collects the District's taxes, as well as federal and state revenues. The County Treasurer invests the District's monies with the South Carolina Local Government Investment Pool until the District submits a claim voucher. The pool is insured for both principal and interest. At year end the County Treasurer was responsible for \$11,743,505.

NOTE 4 - RECEIVABLES

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

	General	Special Projects	EIA	Debt Service	Total
Receivables:					
Reimbursements	\$ -	\$ -	\$ -	\$ 6,200	\$ 6,200
Taxes	890,896	-	-	136,500	1,027,396
State & Federal	70,220	1,194,699	97,456	-	1,362,375
Other Agencies	-	69,805	-	-	69,805
Gross Receivables	\$ 961,116	\$ 1,264,504	\$ 97,456	\$ 142,700	\$ 2,465,776
Less: Allowance for Uncollectibles	(344,558)	-	-	(54,431)	(398,989)
Net Receivables	<u>\$ 616,558</u>	<u>\$ 1,264,504</u>	<u>\$ 97,456</u>	<u>\$ 88,269</u>	<u>\$ 2,066,787</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 \$409,279 for property taxes which are considered unavailable to liquidate current liabilities and \$342,881 for grant resources that have been received, but not yet expended.

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DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, not Being Depreciated:				
Land	\$ 310,640	\$ -	\$ -	\$ 310,640
Construction in Progress	153,507	1,844,682	-	1,998,189
Total Capital Assets, not Being Depreciated	\$ 464,147	\$ 1,844,682	\$ -	\$ 2,308,829
Capital Assets, Being Depreciated:				
Buildings and Improvements	\$ 27,994,820	\$ 157,695	\$ -	\$ 28,152,515
Vehicles	266,879	125,440	-	392,319
Machinery and Equipment	232,837	81,274	-	314,111
Total Capital Assets Being Depreciated	\$ 28,494,536	\$ 364,409	\$ -	\$ 28,858,945
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ (9,770,066)	\$ (667,538)	\$ -	\$ (10,437,604)
Vehicles	(232,570)	(41,919)	-	(274,489)
Machinery and Equipment	(116,362)	(45,165)	-	(161,527)
Total Accumulated Depreciation	\$ (10,118,998)	\$ (754,622)	\$ -	\$ (10,873,620)
Total Capital Assets, Being Depreciated, Net	\$ 18,375,538	\$ (390,213)	\$ -	\$ 17,985,325
Governmental Activities Capital Assets, Net	\$ 18,839,685	\$ 1,454,469	\$ -	\$ 20,294,154
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Vehicles	\$ 10,500	\$ -	\$ -	\$ 10,500
Machinery and Equipment	491,349	76,579	-	567,928
Total Capital Assets Being Depreciated	\$ 501,849	\$ 76,579	\$ -	\$ 578,428
Less Accumulated Depreciation for:				
Vehicles	\$ (138)	\$ (2,106)	\$ -	\$ (2,244)
Machinery and Equipment	(395,175)	(13,921)	-	(409,096)
Total Accumulated Depreciation	\$ (395,313)	\$ (16,027)	\$ -	\$ (411,340)
Total Capital Assets, Being Depreciated, Net	\$ 106,536	\$ 60,552	\$ -	\$ 167,088
Business-Type Activities Capital Assets, Net	\$ 106,536	\$ 60,552	\$ -	\$ 167,088

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 5 - CAPITAL ASSETS (continued)

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

Governmental Activities:

Instruction	\$ 678,847
Supporting Services	67,681
Unallocated	<u>8,094</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 754,622</u>

Business-Type Activities:

Food Service	\$ <u>16,027</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 16,027</u>

At June 30, 2012, the District had outstanding contracts related to its facilities improvement projects. The commitments are as follows:

	Estimated Completion Date	Commitment	Expenditures Incurred	Remaining Commitment June 30, 2012
Renovation Project - HRES	July 2012	\$ 249,016	\$ (122,924)	\$ 126,092
Renovation Project - SGMS	July 2012	261,989	(131,940)	130,049
Roofing Projects	August 2012	2,017,378	(1,691,275)	326,103
Alternative School Project	August 2012	<u>425,650</u>	<u>(47,287)</u>	<u>378,363</u>
Total		<u>\$ 2,954,033</u>	<u>\$ (1,993,426)</u>	<u>\$ 960,607</u>

NOTE 6 - LONG-TERM DEBT

General Obligation Bonds

General obligation bonds are direct obligations issued on a pledge of the general taxing power for the payment of the debt obligations. The bonds have been issued to provide funds for the acquisition and construction of major facilities and improvements. General obligation bonds issued for governmental activities and currently outstanding at June 30, 2012, are as follows:

Date of Issue	Interest Rate	Maturity	Original Issue	Outstanding June 30, 2012
2005	3.00 - 3.50%	March 1, 2014	\$ 2,955,000	\$ 850,000
2009	3.00 - 4.00%	March 1, 2022	7,000,000	5,650,000
2010	3.00%	March 1, 2016	1,425,000	990,000
2011	1.00 - 2.00%	March 1, 2018	<u>2,850,000</u>	<u>1,385,000</u>
Totals			<u>\$ 14,230,000</u>	<u>\$ 8,875,000</u>

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 6 - LONG-TERM DEBT (continued)

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

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2013	\$ 1,160,000	\$ 296,850	\$ 1,456,850
2014	1,180,000	259,925	1,439,925
2015	940,000	222,400	1,162,400
2016	985,000	194,900	1,179,900
2017	1,030,000	164,800	1,194,800
2018-2022	<u>3,580,000</u>	<u>388,100</u>	<u>3,968,100</u>
Totals	<u>\$ 8,875,000</u>	<u>\$ 1,526,975</u>	<u>\$ 10,401,975</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, 2012, are as follows:

<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Original Issue</u>	<u>Outstanding June 30, 2012</u>
2009	4.63%	December 1, 2017	\$ <u>2,342,000</u>	\$ <u>1,426,000</u>
Totals			<u>\$ 2,342,000</u>	<u>\$ 1,426,000</u>

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

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2013	\$ 272,000	\$ 66,024	\$ 338,024
2014	105,000	53,430	158,430
2015	245,000	48,569	293,569
2016	256,000	37,225	293,225
2017	268,000	25,372	293,372
2018	<u>280,000</u>	<u>12,964</u>	<u>292,964</u>
Totals	<u>\$ 1,426,000</u>	<u>\$ 243,584</u>	<u>\$ 1,669,584</u>

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 6 - LONG-TERM DEBT (continued)

Notes Payable

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

<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Original Issue</u>	<u>Outstanding June 30, 2012</u>
2010	0%	November 1, 2012	\$ 24,446	\$ 12,223
Totals			\$ 24,446	\$ 12,223

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

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

Advance Refunding

On June 29, 2005, the District issued \$2,955,000 of general obligation refunding bonds to provide resources to purchase government securities that were placed in an irrevocable trust for the purpose of generating revenues for all future debt service payments of \$2,800,000 of the general obligation bonds of 1997. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. The reacquisition price exceeded the carrying value of the old debt by \$117,107. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next nine years by \$144,273 and resulted in an economic gain of \$120,141. At June 30, 2012, \$900,000 of the defeased debt is still outstanding.

Capital Leases

The District has entered into lease agreements as lessee for financing the acquisition of various copiers and computer equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the net present value of their future minimum lease payments as of the inception date. The gross amount of assets (machinery and equipment) recorded under capital leases at June 30, 2012 for governmental activities is \$100,198 with corresponding accumulated depreciation of \$33,631.

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 6 - LONG-TERM DEBT (continued)

Future lease payments due at June 30, 2012 are as follows:

Year Ending June 30	<u>Total</u>
2013	\$ 30,123
2014	27,683
2015	17,641
2016	13,346
2017	<u>6,354</u>
Total Minimum Lease Payments	\$ 95,147
Amount Representing Interest	<u>(22,050)</u>
Present Value of Future Minimum Lease Payments	<u><u>\$ 73,097</u></u>

The following is a summary of changes in long-term obligations and balances for June 30, 2012:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 8,605,000	\$ 2,850,000	\$ (2,580,000)	\$ 8,875,000	\$ 1,160,000
Plus Issuance Premiums	135,164	15,147	(19,456)	130,855	-
Less Deferred Amounts:					
On Refunding	<u>(28,039)</u>	<u>-</u>	<u>11,481</u>	<u>(16,558)</u>	<u>-</u>
Total Bonds Payable	\$ 8,712,125	\$ 2,865,147	\$ (2,587,975)	\$ 8,989,297	\$ 1,160,000
SCAGO Equipment Lease	1,700,000	-	(274,000)	1,426,000	272,000
Notes Payable	24,446	-	(12,223)	12,223	12,223
Capital Leases	38,035	49,186	(14,124)	73,097	20,299
Compensated Absences	<u>343,161</u>	<u>79,755</u>	<u>(83,014)</u>	<u>339,902</u>	<u>74,099</u>
Totals	<u><u>\$ 10,817,767</u></u>	<u><u>\$ 2,994,088</u></u>	<u><u>\$ (2,971,336)</u></u>	<u><u>\$ 10,840,519</u></u>	<u><u>\$ 1,538,621</u></u>

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

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DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 7 - OPERATING LEASES

The District leases office equipment under noncancelable operating leases. Total costs for such leases were \$75,079 for the year ended June 30, 2012. The future minimum lease payments for these leases are as follows:

Year Ending June 30	Amount
2013	\$ 41,768
2014	27,726
2015	18,510
2016	18,510
2017	3,767
Total	\$ <u>110,281</u>

NOTE 8 - 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, 2012, interfund receivables and payables resulting from various interfund transactions were as follows. All balances are expected to be repaid within the following year.

	Due From Other Funds	Due To Other Funds
General Fund	\$ 1,961,532	\$ -
Special Projects	-	1,145,901
EIA	149,767	-
Debt Service Fund	-	242,867
School Building Fund	-	36,340
Food Service Fund	-	686,191
Total	\$ <u>2,111,299</u>	\$ <u>2,111,299</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:

	Transfers From Other Funds	Transfers To Other Funds
General Fund	\$ 388,501	\$ 831,571
Special Projects	31,571	79,514
EIA	-	308,987
Debt Service Fund	1,152,710	-
School Building Fund	-	352,710
Total	\$ <u>1,572,782</u>	\$ <u>1,572,782</u>

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 8 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (continued)

During the current fiscal year, the following one-time transfers occurred:

Board approved transfer of \$800,000 from the General Fund to the Debt Service Fund for future debt service payments.

Transfer of \$352,710 from the Building Fund to the Debt Service Fund for debt service payment as required by the 2011 bond issue.

NOTE 9 - 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, 4.30% of annual covered payroll for fiscal year 2011-2012. 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 \$1,502,745 for the year ended June 30, 2012. The District also paid \$647,887 applicable to the 4.30% surcharge included with the employer contributions for retirement benefits. (The District paid \$579,314 and \$517,821 in 2011 and 2010, 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.

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 10 - 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.

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 9.535% 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, 2012, 2011, and 2010 were \$1,418,611, \$1,374,148, and \$1,378,845, respectively. Actual contributions were equal to the required contributions each year.

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 (4.385%), which must be retained by the SCRS. The District's contributions to the ORP for the year ended June 30, 2012 were \$8,581, excluding the 4.30% health surcharge.

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 10 - RETIREMENT PLAN (continued)

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.

NOTE 11 - 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 12 - 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, 2012, 2011, and 2010.

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.

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 13 - CONTINGENCIES

The District 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 14 - 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.

NOTE 15 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND STATEMENTS

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

Long-Term Assets Not Available to Pay Current Expenditures:	
Property Taxes	\$ <u>409,279</u>
Total	\$ <u><u>409,279</u></u>
Long-Term Liabilities Not Reported in the Funds:	
Bonds Payable	\$ (10,301,000)
Plus: Premium on Bonds Payable (to be amortized as interest expense)	(130,855)
Less: Deferred Charge on Refunding (to be amortized as interest expense)	16,558
Less: Deferred Charge for Issuance Costs (to be amortized over life of debt)	168,518
Long-Term Notes Payable	(12,223)
Capital Lease Payable	(73,097)
Accrued Interest Payable	(136,913)
Compensated Absences Payable	<u>(326,881)</u>
Total	\$ <u><u>(10,795,893)</u></u>

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 15 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND STATEMENTS
(continued)

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

Capital Outlays:	
Depreciation Expense	\$ (754,622)
Capital Outlays	<u>2,209,091</u>
Total	<u>\$ 1,454,469</u>
Revenues and Other Items Not Recognized in the Funds:	
Property Taxes	\$ <u>39,863</u>
Total	<u>\$ 39,863</u>
Issuance and Repayment of Long-Term Debt:	
Issuance of General Obligation Debt	\$ (2,850,000)
Issuance of Capital Leases	(49,186)
Premium on Issuance of General Obligation Debt	(15,147)
Issuance Costs of General Obligation Debt	17,576
Principal Repayments on General Obligation Debt	2,580,000
Principal Repayments on SCAGO Leases	274,000
Principal Repayments on Notes Payable	12,223
Principal Repayments on Capital Leases	<u>14,124</u>
Total	<u>\$ (16,410)</u>
Reduction of Liabilities and Other Expenses Not Recognized in the Funds:	
Compensated Absences	\$ 16,280
Accrued Interest on Long-Term Debt	9,697
Amortization of Issuance Costs	(30,842)
Amortization of Bond Premiums	19,456
Amortization of Deferred Charge on Refunding	<u>(11,481)</u>
Total	<u>\$ 3,110</u>

REQUIRED SUPPLEMENTARY INFORMATION

**REQUIRED SUPPLEMENTARY INFORMATION
DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR FISCAL YEAR ENDED JUNE 30, 2012**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Local	\$ 8,862,423	\$ 8,862,423	\$ 10,020,864	\$ 1,158,441
State	9,401,730	9,401,730	9,707,282	305,552
Intergovernmental	52,331	52,331	27,305	(25,026)
TOTAL REVENUES	\$ 18,316,484	\$ 18,316,484	\$ 19,755,451	\$ 1,438,967
EXPENDITURES				
Current				
Instructional Services	\$ 10,690,142	\$ 10,690,142	\$ 10,425,446	\$ 264,696
Supporting Services	9,230,708	9,230,708	9,795,443	(564,735)
Community Services	-	-	1,344	(1,344)
Intergovernmental Expenditures	25,000	25,000	49,637	(24,637)
Debt Service				
Redemption of Principal	-	-	12,223	(12,223)
Capital Outlay	22,500	22,500	316,195	(293,695)
TOTAL EXPENDITURES	\$ 19,968,350	\$ 19,968,350	\$ 20,600,288	\$ (631,938)
Excess Revenues Over (Under) Expenditures	\$ (1,651,866)	\$ (1,651,866)	\$ (844,837)	\$ 807,029
OTHER FINANCING SOURCES (USES)				
Sale of Fixed Assets	\$ -	\$ -	\$ 3,493	\$ 3,493
Lease Purchase	-	-	49,186	49,186
Transfers From Other Funds	573,335	573,335	388,501	(184,834)
Transfers To Other Funds	-	-	(831,571)	(831,571)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 573,335	\$ 573,335	\$ (390,391)	\$ (963,726)
Net Change in Fund Balance	\$ (1,078,531)	\$ (1,078,531)	\$ (1,235,228)	\$ (156,697)
FUND BALANCE BEGINNING OF YEAR	7,538,102	7,538,102	7,538,102	-
FUND BALANCE END OF YEAR	\$ 6,459,571	\$ 6,459,571	\$ 6,302,874	\$ (156,697)

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR FISCAL YEAR ENDED JUNE 30, 2012

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.

NOTE 3 - EXPENDITURES IN EXCESS OF BUDGET

For the fiscal year ended June 30, 2012, actual expenditures in the general fund exceeded budgeted appropriations by \$631,938.

**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, 2012

	<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	\$ 7,342,360	8,407,371	\$ 1,065,011
1200 Revenue From Local Governmental Units Other Than LEAs			
1280 Revenue in Lieu of Taxes	1,495,063	1,571,662	76,599
1300 Tuition			
1350 From Patrons for Summer School	5,000	-	(5,000)
1500 Earnings on Investments			
1510 Interest on Investments	20,000	17,668	(2,332)
1900 Other Revenue from Local Sources			
1910 Rentals	-	22,587	22,587
1990 Miscellaneous Local Revenue			
1999 Revenue from Other Local Sources	-	1,576	1,576
Total Local Sources	<u>\$ 8,862,423</u>	<u>\$ 10,020,864</u>	<u>\$ 1,158,441</u>
2000 Intergovernmental Revenue			
2100 Payments from Other Governments	\$ 52,331	\$ 27,305	\$ (25,026)
Total Intergovernmental Revenue	<u>\$ 52,331</u>	<u>\$ 27,305</u>	<u>\$ (25,026)</u>
3000 Revenue from State Sources			
3100 Restricted State Funding			
3130 Special Programs			
3131 Handicapped Transportation	\$ -	\$ 9,970	\$ 9,970
3160 School Bus Driver's Salary	212,152	251,063	38,911
3162 Transportation Workers' Compensation	-	19,858	19,858
3180 Fringe Benefits Employer Contributions	1,563,229	1,613,522	50,293
3181 Retiree Insurance	388,650	477,780	89,130
3199 Other Restricted State Grants	-	335	335
3200 Unrestricted Grants			
3230 Reimbursements for District Services	-	1,000	1,000
3300 Education Finance Act			
3310 Full-Time Programs			
3311 Kindergarten	265,024	273,450	8,426
3312 Primary	724,079	664,573	(59,506)
3313 Elementary	899,048	920,346	21,298
3314 High School	331,653	348,896	17,243

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2012**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES (continued)			
3000 Revenue from State Sources (continued)			
3300 Education Finance Act (continued)			
3310 Full-Time Programs (continued)			
3315 Trainable Mentally Handicapped	47,454	38,865	(8,589)
3316 Speech Handicapped (Part-Time Program)	174,279	178,459	4,180
3317 Homebound	19,598	17,484	(2,114)
3320 Part-time Programs			
3321 Emotionally Handicapped	23,952	15,389	(8,563)
3322 Educable Mentally Handicapped	85,406	90,307	4,901
3323 Learning Disabilities	370,028	404,067	34,039
3324 Hearing Handicapped	10,648	16,250	5,602
3325 Visually Handicapped	3,537	7,050	3,513
3326 Orthopedically Handicapped	4,605	2,798	(1,807)
3327 Vocational	639,396	564,013	(75,383)
3330 Other EFA Programs			
3331 Autism	28,335	38,246	9,911
3800 State Revenue in Lieu of Taxes			
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	875,501	904,965	29,464
3820 Homestead Exemption (Tier 2)	421,454	549,424	127,970
3825 Reimbursement for Property Tax Relief (Tier 3)	1,960,967	1,884,252	(76,715)
3830 Merchant's Inventory Tax	50,000	50,037	37
3890 Other State Property Tax Revenues	302,735	364,883	62,148
Total State Sources	\$ 9,401,730	\$ 9,707,282	\$ 305,552
TOTAL REVENUE ALL SOURCES	\$ 18,316,484	\$ 19,755,451	\$ 1,438,967

EXPENDITURES

100 Instruction

 110 General Instruction

 111 Kindergarten Programs

100 Salaries	\$ 531,099	\$ 522,395	\$ 8,704
200 Employee Benefits	198,086	192,731	5,355
300 Purchased Services	3,500	2,927	573
400 Supplies and Materials	10,707	10,895	(188)

 112 Primary Programs

100 Salaries	1,670,570	1,619,094	51,476
200 Employee Benefits	546,544	528,442	18,102
300 Purchased Services	12,500	10,958	1,542
400 Supplies and Materials	30,421	37,655	(7,234)
500 Capital Outlay	-	2,224	(2,224)

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2012**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES (continued)			
100 Instruction (continued)			
110 General Instruction (continued)			
113 Elementary Programs			
100 Salaries	2,554,575	2,461,316	93,259
200 Employee Benefits	835,578	774,079	61,499
300 Purchased Services	27,000	88,376	(61,376)
400 Supplies and Materials	47,322	54,089	(6,767)
500 Capital Outlay	-	2,365	(2,365)
114 High School Programs			
100 Salaries	1,537,833	1,511,287	26,546
200 Employee Benefits	556,648	427,340	129,308
300 Purchased Services	88,000	138,471	(50,471)
400 Supplies and Materials	28,296	51,530	(23,234)
500 Capital Outlay	-	42,581	(42,581)
115 Career and Technology Education Programs			
100 Salaries	114,371	115,785	(1,414)
200 Employee Benefits	40,855	40,653	202
400 Supplies and Materials	15,480	10,394	5,086
120 Exceptional Programs			
121 Educable Mentally Handicapped			
100 Salaries	381,172	235,383	145,789
200 Employee Benefits	128,504	72,620	55,884
300 Purchased Services	45,000	-	45,000
400 Supplies and Materials	1,505	1,235	270
122 Trainable Mentally Handicapped			
100 Salaries	179,880	178,682	1,198
200 Employee Benefits	65,112	59,881	5,231
400 Supplies and Materials	731	195	536
123 Orthopedically Handicapped			
100 Salaries	-	50,676	(50,676)
200 Employee Benefits	-	16,860	(16,860)
300 Purchased Services	103,750	25,011	78,739
400 Supplies and Materials	172	126	46
124 Visually Handicapped			
300 Purchased Services	18,500	18,181	319
400 Supplies and Materials	43	43	-
125 Hearing Handicapped			
400 Supplies and Materials	129	76	53

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2012**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES (continued)			
100 Instruction (continued)			
120 Exceptional Programs (continued)			
126 Speech Handicapped			
100 Salaries	91,314	88,014	3,300
200 Employee Benefits	33,848	24,684	9,164
300 Purchased Services	400	4,487	(4,087)
400 Supplies and Materials	2,881	2,776	105
127 Learning Disabilities			
100 Salaries	173,727	183,589	(9,862)
200 Employee Benefits	59,094	55,562	3,532
300 Purchased Services	28,945	28,676	269
400 Supplies and Materials	6,665	4,657	2,008
128 Emotionally Handicapped			
400 Supplies and Materials	387	301	86
130 Pre-School Programs			
133 Pre-School Handicapped -Self-Contained (5-yr. olds)			
100 Salaries	49,934	59,770	(9,836)
200 Employee Benefits	19,871	21,912	(2,041)
137 Pre-School Handicapped - Self-Contained (3 & 4 yr.-olds)			
100 Salaries	25,234	23,790	1,444
200 Employee Benefits	7,704	7,445	259
139 Early Childhood Programs			
100 Salaries	196,669	252,657	(55,988)
200 Employee Benefits	72,671	90,957	(18,286)
140 Special Programs			
145 Homebound			
100 Salaries	20,000	20,200	(200)
200 Employee Benefits	4,398	4,290	108
300 Purchased Services	16,000	1,385	14,615
149 Other Special Programs			
100 Salaries	55,422	157,355	(101,933)
200 Employee Benefits	12,185	39,004	(26,819)
300 Purchased Services	-	4,786	(4,786)
400 Supplies and Materials	-	1,096	(1,096)

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2012**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES (continued)			
100 Instruction (continued)			
160 Other Exceptional Programs			
161 Autism			
400 Supplies and Materials	344	154	190
170 Summer School Programs			
172 Elementary Summer School			
100 Salaries	-	20,088	(20,088)
200 Employee Benefits	-	4,761	(4,761)
173 High School Summer School			
100 Salaries	-	3,600	(3,600)
200 Employee Benefits	-	853	(853)
175 Instructional Programs Beyond Regular School Day			
100 Salaries	-	16,053	(16,053)
200 Employee Benefits	-	7,184	(7,184)
180 Adult/Continuing Education Programs			
188 Parenting/Family Literacy			
200 Employee Benefits	6,459	5,460	999
190 Instructional Pupil Activity			
100 Salaries	6,975	6,500	475
200 Employee Benefits	1,532	1,434	98
400 Supplies and Materials	9,600	10,580	(980)
600 Other Objects	14,000	14,000	-
Total Instruction	\$ 10,690,142	\$ 10,472,616	\$ 217,526
200 Supporting Services			
210 Pupil Services			
211 Attendance and Social Work Services			
100 Salaries	\$ 57,368	57,366	\$ 2
200 Employee Benefits	16,269	16,440	(171)
212 Guidance Services			
100 Salaries	373,095	415,058	(41,963)
200 Employee Benefits	126,122	120,015	6,107
300 Purchased Services	-	2,462	(2,462)
400 Supplies and Materials	3,750	3,703	47

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2012

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES (continued)			
200 Supporting Services (continued)			
210 Pupil Services (continued)			
213 Health Services			
100 Salaries	109,228	119,138	(9,910)
200 Employee Benefits	37,997	42,895	(4,898)
300 Purchased Services	22,000	19,453	2,547
400 Supplies and Materials	5,000	3,751	1,249
500 Capital Outlay	-	6,773	(6,773)
600 Other Objects	250	-	250
214 Psychological Services			
100 Salaries	52,886	52,886	-
200 Employee Benefits	17,324	20,296	(2,972)
217 Career Specialist Services			
100 Salaries	32,738	32,736	2
200 Employee Benefits	9,098	9,113	(15)
220 Instructional Staff Services			
221 Improvement of Instruction - Curriculum Development			
100 Salaries	148,583	140,513	8,070
200 Employee Benefits	39,979	38,329	1,650
300 Purchased Services	11,700	5,066	6,634
400 Supplies and Materials	9,000	8,704	296
600 Other Objects	500	516	(16)
222 Library and Media Services			
100 Salaries	293,532	298,777	(5,245)
200 Employee Benefits	94,209	95,693	(1,484)
300 Purchased Services	2,500	5,237	(2,737)
400 Supplies and Materials	35,232	66,724	(31,492)
223 Supervision of Special Programs			
100 Salaries	231,408	229,896	1,512
200 Employee Benefits	60,664	61,229	(565)
300 Purchased Services	4,150	2,165	1,985
400 Supplies and Materials	3,500	1,919	1,581
600 Other Objects	350	158	192
224 Improvement of Instruction - Inservice Training			
100 Salaries	150,000	161,234	(11,234)
200 Employee Benefits	36,634	33,707	2,927
300 Purchased Services	3,500	2,079	1,421
400 Supplies and Materials	3,300	3,031	269
600 Other Objects	500	337	163

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2012

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES (continued)			
200 Supporting Services (continued)			
230 General Administration Services			
231 Board of Education			
100 Salaries	70,000	23,598	46,402
140 Terminal Leave	-	89,933	(89,933)
200 Employee Benefits	15,389	16,280	(891)
300 Purchased Services	40,000	78,664	(38,664)
318 Audit Services	26,500	24,243	2,257
400 Supplies and Materials	20,000	19,699	301
600 Other Objects	9,000	8,084	916
232 Office of the Superintendent			
100 Salaries	129,864	129,899	(35)
200 Employee Benefits	37,377	37,394	(17)
300 Purchased Services	7,500	7,157	343
400 Supplies and Materials	14,500	16,433	(1,933)
600 Other Objects	2,800	1,631	1,169
233 School Administration			
100 Salaries	1,217,862	1,155,439	62,423
200 Employee Benefits	384,120	368,303	15,817
300 Purchased Services	19,425	14,267	5,158
400 Supplies and Materials	13,232	12,724	508
600 Other Objects	10,250	8,411	1,839
250 Finance and Operations Services			
251 Student Transportation (Federal/District Mandated)			
100 Salaries	-	15,013	(15,013)
200 Employee Benefits	-	3,478	(3,478)
252 Fiscal Services			
100 Salaries	285,889	287,887	(1,998)
200 Employee Benefits	86,306	86,554	(248)
300 Purchased Services	33,500	29,205	4,295
400 Supplies and Materials	6,500	6,763	(263)
500 Capital Outlay	2,500	-	2,500
600 Other Objects	2,000	798	1,202
254 Operation and Maintenance of Plant			
100 Salaries	559,707	559,379	328
200 Employee Benefits	216,029	207,541	8,488
300 Purchased Services	907,710	908,654	(944)
321 Public Utilities	41,900	48,289	(6,389)
400 Supplies and Materials	112,000	132,579	(20,579)
470 Energy	616,820	561,938	54,882
500 Capital Outlay	20,000	203,549	(183,549)

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2012**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES (continued)			
200 Supporting Services (continued)			
250 Finance and Operations Services (continued)			
255 Student Transportation			
100 Salaries	906,318	869,033	37,285
200 Employee Benefits	287,968	269,490	18,478
300 Purchased Services	44,050	44,378	(328)
400 Supplies and Materials	3,000	6,107	(3,107)
256 Food Services			
200 Employee Benefits	181,511	126,660	54,851
257 Internal Services			
300 Purchased Services	40,000	34,460	5,540
500 Capital Outlay	-	44,896	(44,896)
258 Security			
100 Salaries	20,000	15,425	4,575
200 Employee Benefits	1,710	1,294	416
300 Purchased Services	70,350	106,320	(35,970)
260 Central Support Services			
263 Information Services			
100 Salaries	2,500	14,960	(12,460)
200 Employee Benefits	549	4,857	(4,308)
300 Purchased Services	7,500	3,405	4,095
500 Capital Outlay	-	1,176	(1,176)
264 Staff Services			
100 Salaries	143,945	145,168	(1,223)
200 Employee Benefits	42,109	39,075	3,034
300 Purchased Services	26,500	26,166	334
400 Supplies and Materials	6,300	1,778	4,522
600 Other Objects	300	158	142
266 Technology and Data Processing Services			
100 Salaries	220,033	235,740	(15,707)
200 Employee Benefits	70,210	74,116	(3,906)
300 Purchased Services	34,200	90,720	(56,520)
400 Supplies and Materials	20,000	132,650	(112,650)
500 Capital Outlay	-	12,631	(12,631)
600 Other Objects	200	158	42

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2012

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES (continued)			
200 Supporting Services (continued)			
270 Supporting Services Pupil Activity			
271 Pupil Services Activities			
100 Salaries	138,073	188,264	(50,191)
200 Employee Benefits	30,356	36,261	(5,905)
300 Purchased Services	6,000	45,492	(39,492)
400 Supplies and Materials	30,000	333,842	(303,842)
600 Other Objects	18,480	18,603	(123)
Total Supporting Services	\$ 9,253,208	\$ 10,064,468	\$ (811,260)
300 Community Services			
390 Other Community Services			
100 Salaries	\$ -	\$ 1,110	\$ (1,110)
200 Employee Benefits	-	234	(234)
Total Community Service	\$ -	\$ 1,344	\$ (1,344)
400 Other Charges			
410 Intergovernmental Expenditures			
412 Payments to Other Governmental Units			
720 Transits	\$ 25,000	\$ 49,637	\$ (24,637)
Total Intergovernmental Expenditures	\$ 25,000	\$ 49,637	\$ (24,637)
500 Debt Service			
610 Redemption of Principal	\$ -	\$ 12,223	\$ (12,223)
Total Debt Service	\$ -	\$ 12,223	\$ (12,223)
TOTAL EXPENDITURES	\$ 19,968,350	\$ 20,600,288	\$ (631,938)
Excess Revenues Over (Under) Expenditures	\$ (1,651,866)	\$ (844,837)	\$ 807,029
OTHER FINANCING SOURCES (USES)			
5300 Sale of Fixed Assets	\$ -	\$ 3,493	\$ 3,493
5600 Lease Purchase	-	49,186	49,186
Interfund Transfers, From (To) Other Funds			
5230 Transfer from Special Revenue EIA Fund	433,335	308,987	(124,348)
5260 Transfer from Food Service Fund	65,000	-	(65,000)
5280 Transfer from Other Funds Indirect Costs	75,000	79,514	4,514

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2012**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
OTHER FINANCING SOURCES (USES) (continued)			
Interfund Transfers, From (To) Other Funds (continued)			
421-710 Transfer to Special Revenue Funds	-	(31,571)	(31,571)
423-710 Transfer to Debt Service Funds	-	(800,000)	(800,000)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 573,335	\$ (390,391)	\$ (963,726)
Excess (Deficiency) of Revenues and Expenditures Over Other Financing Source (Uses)	<u>\$ (1,078,531)</u>	<u>\$ (1,235,228)</u>	<u>\$ (156,697)</u>
FUND BALANCE JULY 1, 2011		<u>7,538,102</u>	
FUND BALANCE JUNE 30, 2012		<u><u>\$ 6,302,874</u></u>	

**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, 2012**

	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	\$ -	\$ -	\$ -
1950 Refund of Prior Year's Expenditures	-	-	-
1999 Revenue from Other Local Sources	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Local Sources	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
2000 Intergovernmental Revenue			
2300 Payments from Non-Profit Entities (for First Steps)	\$ -	\$ -	\$ -
	<u>-</u>	<u>-</u>	<u>-</u>
Total Intergovernmental Revenue	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
3000 Revenue From State Sources			
3100 Restricted State Funding			
3110 Occupational Education			
3118 EEDA Career Specialist	\$ -	\$ -	\$ -
3120 General Education			
3125 Career and Technology Education Equipment	-	-	-
3127 Student Health and Fitness - PE Teachers	-	-	-
3128 High Schools That Work/Making Middle Grades Work	-	-	-
3130 Special Programs			
3136 Student Health and Fitness - Nurses	-	-	-
3190 Miscellaneous Restricted State Grants			
3193 Education License Plates	-	-	-
3199 Other Restricted State Grants	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
3600 Education Lottery Act Revenue			
3607 6-8 Enhancement	-	-	-
3610 K-5 Enhancement	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
3900 Other State Revenue			
3991 ADEPT	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total State Sources	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
4000 Revenue From Federal Sources			
4200 Occupational Education			
4210 Vocational Aid, Title I	\$ -	\$ -	\$ -
	<u>-</u>	<u>-</u>	<u>-</u>

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
\$ -	\$ -	\$ -	\$ -	\$ 280,382	\$ 280,382
-	-	-	-	120,484	120,484
-	-	-	-	65,730	65,730
\$ -	\$ -	\$ -	\$ -	\$ 466,596	\$ 466,596
\$ -	\$ -	\$ -	\$ 62,840	\$ -	\$ 62,840
\$ -	\$ -	\$ -	\$ 62,840	\$ -	\$ 62,840
\$ -	\$ -	\$ -	\$ 43,792	\$ -	\$ 43,792
-	-	-	22,376	-	22,376
-	-	-	21,602	-	21,602
-	-	-	3,983	-	3,983
-	-	-	63,797	-	63,797
-	-	-	540	-	540
-	-	-	-	6,486	6,486
-	-	-	4,703	-	4,703
-	-	-	163,993	-	163,993
-	-	-	10,618	-	10,618
\$ -	\$ -	\$ -	\$ 335,404	\$ 6,486	\$ 341,890
\$ 39,803	\$ -	\$ -	\$ -	\$ -	\$ 39,803

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, 2012

	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	1,032,000	-	-
4312 Rural and Low-Income School Program, Title VI	-	-	-
4315 American Recovery and Reinvestment Act (ARRA)			
Title I Basic State Grant Programs	-	-	-
4348 Teacher Incentive Fund	-	-	-
4351 Improving Teacher Quality	-	-	-
4500 Programs for Children with Disabilities			
4510 IDEA	-	684,879	-
4520 Pre-School Grants	-	-	22,548
4540 IDEA (ARRA 611)	-	-	-
4900 Other Federal Sources			
4924 21st Century Community Learning Centers Grants, Title IV	-	-	-
4940 South Carolina School Climate Initiative	-	-	-
4999 Revenue from Other Federal Sources	-	-	-
Total Federal Sources	\$ 1,032,000	\$ 684,879	\$ 22,548
TOTAL REVENUE ALL SOURCES	\$ 1,032,000	\$ 684,879	\$ 22,548

EXPENDITURES

100 Instruction

110 General Instruction

111 Kindergarten Programs

100 Salaries	\$ -	\$ -	\$ -
200 Employee Benefits	-	-	-
400 Supplies and Materials	4,880	-	-

112 Primary Programs

100 Salaries	199,110	-	-
200 Employee Benefits	61,125	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	22,874	-	-

113 Elementary Programs

100 Salaries	268,246	-	-
200 Employee Benefits	82,038	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	22,016	-	-

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
-	-	-	-	35,020	1,067,020
-	-	-	-	58,344	58,344
-	-	-	-	66,797	66,797
-	-	-	-	197,033	197,033
-	-	-	-	201,079	201,079
-	-	-	-	-	684,879
-	-	-	-	-	22,548
-	-	-	-	34,654	34,654
-	-	-	-	129,988	129,988
-	-	-	-	12,947	12,947
-	-	-	-	80,033	80,033
\$ 39,803	\$ -	\$ -	\$ -	\$ 815,895	\$ 2,595,125
\$ 39,803	\$ -	\$ -	\$ 398,244	\$ 1,288,977	\$ 3,466,451

\$	-	\$	-	\$	4,377	\$	6,211	\$	10,588
	-		-		543		475		1,018
	-		-		240		-		5,120
	-		-		14,670		141,268		355,048
	-		-		1,947		35,492		98,564
	-		-		1,154		-		1,154
	-		-		16,055		8,746		47,675
	-		-		23,813		75,262		367,321
	-		-		4,163		19,766		105,967
	-		-		550		922		1,472
	-		-		29,027		94,875		145,918

**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, 2012**

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)
EXPENDITURES (continued)			
100 Instruction (continued)			
110 General Instruction (continued)			
114 High School Programs			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
500 Capital Outlay	-	-	-
120 Exceptional Programs			
121 Educable Mentally Handicapped			
100 Salaries	-	92,818	-
200 Employee Benefits	-	33,938	-
400 Supplies and Materials	-	2,005	-
122 Trainable Mentally Handicapped			
100 Salaries	-	21,355	-
200 Employee Benefits	-	13,079	-
400 Supplies and Materials	-	623	-
123 Orthopedically Handicapped			
100 Salaries	-	14,490	-
200 Employee Benefits	-	1,239	-
400 Supplies and Materials	-	2,185	-
125 Hearing Handicapped			
300 Purchased Services	-	327	-
400 Supplies and Materials	-	5,078	-
126 Speech			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	4,954	-
400 Supplies and Materials	-	748	-
127 Learning Disabilities			
100 Salaries	-	97,331	-
200 Employee Benefits	-	27,449	-
300 Purchased Services	-	536	-
400 Supplies and Materials	-	2,896	-
128 Emotionally Handicapped			
300 Purchased Services	-	670	-

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
-	-	-	-	7,325	7,325
-	-	-	-	1,403	1,403
-	-	-	540	4,990	5,530
-	-	-	22,376	-	22,376
-	-	-	-	-	92,818
-	-	-	-	-	33,938
-	-	-	-	1,389	3,394
-	-	-	-	-	21,355
-	-	-	-	-	13,079
109	-	-	-	4,417	5,149
-	-	-	-	-	14,490
-	-	-	-	-	1,239
-	-	-	-	-	2,185
-	-	-	-	-	327
-	-	-	-	-	5,078
-	-	-	-	55,295	55,295
-	-	-	-	16,766	16,766
-	-	-	-	-	4,954
-	-	-	-	337	1,085
-	-	-	-	-	97,331
-	-	-	-	-	27,449
-	-	-	-	-	536
-	-	-	-	28,511	31,407
-	-	-	-	-	670

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, 2012

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)
EXPENDITURES (continued)			
100 Instruction (continued)			
130 Pre-School Programs			
133 Pre-School Handicapped Self-Contained (5 Yr. Olds)			
100 Salaries	-	-	16,532
200 Employee Benefits	-	-	5,174
139 Early Childhood Programs			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
160 Other Exceptional Programs			
161 Autism			
100 Salaries	-	92,090	-
200 Employee Benefits	-	16,054	-
400 Supplies and Materials	-	557	-
170 Summer School Programs			
171 Primary Summer School			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
172 Elementary Summer School			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
175 Instructional Programs Beyond Regular School Day			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	149,681	-	-
400 Supplies and Materials	486	-	-
180 Adult/Continuing Educational Programs			
188 Parenting/Family Literacy			
100 Salaries	19,112	-	-
200 Employee Benefits	5,650	-	-
300 Purchased Services	13,785	-	-
400 Supplies and Materials	14,883	-	-
600 Other Objects	300	-	-

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
-	-	-	-	-	16,532
-	-	-	-	-	5,174
-	-	-	31,000	4,138	35,138
-	-	-	8,990	317	9,307
-	-	-	894	-	894
-	-	-	-	-	92,090
-	-	-	-	-	16,054
-	-	-	-	-	557
-	-	-	32,830	-	32,830
-	-	-	7,781	-	7,781
-	-	-	-	2,520	2,520
-	-	-	-	306	306
-	-	-	6,788	95,646	102,434
-	-	-	1,268	14,441	15,709
-	-	-	-	1,771	151,452
-	-	-	-	13,765	14,251
-	-	-	21,956	-	41,068
-	-	-	-	-	5,650
-	-	-	-	2,175	15,960
-	-	-	-	19,649	34,532
-	-	-	-	-	300

**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, 2012**

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)
EXPENDITURES (continued)			
100 Instruction (continued)			
190 Instructional Pupil Activity			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	1,000	-	-
400 Supplies and Materials	2,329	-	-
	<hr/>	<hr/>	<hr/>
Total Instruction	\$ 867,515	\$ 430,422	\$ 21,706
	<hr/>	<hr/>	<hr/>
200 Supporting Services			
210 Pupil Services			
211 Attendance and Social Work Services			
100 Salaries	\$ -	\$ -	\$ -
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
600 Other Objects	-	-	-
212 Guidance Services			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
213 Health Services			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	617	-
400 Supplies and Materials	-	8,297	-
600 Other Objects	-	60	-
214 Psychological Services			
100 Salaries	-	6,990	-
200 Employee Benefits	-	1,556	-
300 Purchased Services	-	17,077	-
400 Supplies and Materials	-	19,488	-
600 Other Objects	-	996	-
217 Career Specialist Services			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-

OCCUPATIONAL EDUCATION (VA Projects) (207/208)	DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
-	-	-	125	-	125
-	-	-	26	-	26
19,974	-	-	80	-	21,054
-	-	-	12,811	3,411	18,551
\$ 20,083	\$ -	\$ -	\$ 244,004	\$ 661,589	\$ 2,245,319

\$ -	\$ -	\$ -	\$ -	\$ 122,371	\$ 122,371
-	-	-	-	48,194	48,194
-	-	-	-	1,572	1,572
-	-	-	-	603	603
-	-	-	-	158	158
11,487	-	-	4,580	-	16,067
1,481	-	-	582	-	2,063
970	-	-	-	-	970
-	-	-	46,097	15,832	61,929
-	-	-	17,700	8,945	26,645
-	-	-	-	-	617
-	-	-	-	-	8,297
-	-	-	-	-	60
-	-	-	-	-	6,990
-	-	-	-	-	1,556
-	-	-	-	-	17,077
-	-	-	-	-	19,488
-	-	-	-	-	996
-	-	-	30,218	-	30,218
-	-	-	8,412	-	8,412

**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, 2012**

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)
EXPENDITURES (continued)			
200 Supporting (continued)			
220 Instructional Staff Services			
221 Improvement of Instruction - Curriculum Development			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
223 Supervision of Special Programs			
100 Salaries	43,949	104,190	-
200 Employee Benefits	10,787	32,233	-
300 Purchased Services	7,313	13,436	-
400 Supplies and Materials	8,196	14,940	-
600 Other Objects	312	807	-
224 Improvement of Instruction - Inservice Training			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	26,711	4,029	-
400 Supplies and Materials	7,580	322	-
230 General Administration Services			
233 School Administration			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
250 Finance and Operations Services			
254 Operation and Maintenance of Plant			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	8,856	-	-
400 Supplies and Materials			
470 Energy	2,634	-	-
255 Student Transportation			
400 Supplies and Materials	-	-	-
258 Security			
300 Purchased Services	418	-	-
260 Central Support Services			
264 Staff Services			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-

OCCUPATIONAL EDUCATION (VA Projects) (207/208)	DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
-	-	-	-	64,421	64,421
-	-	-	-	21,808	21,808
-	-	-	1,500	37,232	38,732
-	-	-	-	1,381	1,381
-	-	-	-	26,000	174,139
-	-	-	-	5,814	48,834
1,403	-	-	-	351	22,503
-	-	-	-	9,852	32,988
-	-	-	-	-	1,119
-	-	-	1,625	87,669	89,294
-	-	-	359	24,435	24,794
4,379	-	-	21,141	7,150	63,410
-	-	-	9,810	375	18,087
-	-	-	-	3,099	3,099
-	-	-	-	237	237
-	-	-	-	182	182
-	-	-	-	40	40
-	-	-	-	-	8,856
-	-	-	-	-	2,634
-	-	-	-	2,496	2,496
-	-	-	-	-	418
-	-	-	-	30,000	30,000
-	-	-	-	2,565	2,565

**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, 2012**

	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 (continued)			
266 Technology and Data Processing Services			
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
270 Support Services - Pupil Activity			
271 Pupil Service Activities			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	9,183	3,838	-
Total Supporting Services	\$ 125,939	\$ 228,876	\$ -
400 Other Charges			
410 Intergovernmental Expenditures			
414 Medicaid Payments to SDE			
720 Transits	\$ -	\$ -	\$ -
Total Intergovernmental Expenditures	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ 993,454	\$ 659,298	\$ 21,706
Excess Revenues Over (Under) Expenditures	\$ 38,546	\$ 25,581	\$ 842
OTHER FINANCING SOURCES (USES)			
Interfund Transfers From (To) Other Funds			
5210 Transfer from General Fund	\$ -	\$ -	\$ -
431-791 Special Revenue Fund Indirect Costs	(38,546)	(25,581)	(842)
TOTAL OTHER FINANCING SOURCES (USES)	\$ (38,546)	\$ (25,581)	\$ (842)
Excess Revenues and Expenditures Over (Under) Other Financing Sources (Uses)	\$ -	\$ -	\$ -
FUND BALANCE JULY 1, 2011	-	-	-
FUND BALANCE JUNE 30, 2012	\$ -	\$ -	\$ -

OCCUPATIONAL EDUCATION (VA Projects) (207/208)	DRUG FREE (FP/FQ Projects) (209/210)	ADULT EDUCATION (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
-	-	-	-	12,404	12,404
-	-	-	-	19,072	19,072
-	-	-	2,973	18,112	21,085
-	-	-	647	3,963	4,610
-	-	-	8,596	26,558	48,175
\$ 19,720	\$ -	\$ -	\$ 154,240	\$ 602,891	\$ 1,131,666
\$ -	\$ -	\$ -	\$ -	\$ 41,523	\$ 41,523
\$ -	\$ -	\$ -	\$ -	\$ 41,523	\$ 41,523
\$ 39,803	\$ -	\$ -	\$ 398,244	\$ 1,306,003	\$ 3,418,508
\$ -	\$ -	\$ -	\$ -	\$ (17,026)	\$ 47,943
\$ -	\$ -	\$ -	\$ -	\$ 31,571	\$ 31,571
-	-	-	-	(14,545)	(79,514)
\$ -	\$ -	\$ -	\$ -	\$ 17,026	\$ (47,943)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
SPECIAL PROJECTS FUND
SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS
FOR FISCAL YEAR ENDED JUNE 30, 2012**

SUBFUND CODE	REVENUE CODE	PROGRAMS	REVENUES
905	3125	Career and Education Technology Equipment	\$ 22,376
916	3991	ADEPT	10,618
919	3193	Education License Plates	540
928	3118	EEDA Career Specialist	43,792
936	3136	Student Health and Fitness - Nurses	63,797
937	3127	Student Health and Fitness - PE Teachers	21,602
938	3128	High Schools That Work/Making Middle Grades Work	3,983
960	3610	K-5 Enhancement	163,993
967	3607	6-8 Enhancement	4,703
981	2300	First Steps/Early Childhood	40,884
982	2300	First Steps/Parenting	21,956
TOTALS			\$ 398,244

EXPENDITURES	SPECIAL PROJECTS INTERFUND TRANSFERS IN/(OUT)	OTHER FUND TRANSFERS IN/(OUT)	DEFERRED REVENUE
\$ 22,376	\$ -	\$ -	\$ 13,397
10,618	-	-	-
540	-	-	-
43,792	-	-	2,119
63,797	-	-	9,121
21,602	-	-	16,735
3,983	-	-	-
163,993	-	-	-
4,703	-	-	4,836
40,884	-	-	-
21,956	-	-	-
<u>\$ 398,244</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,208</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, 2012**

	<u>ACTUAL</u>
REVENUES	
3000 Revenue from State Sources	
3500 Education Improvement Act	
3511 Professional Development	\$ 10,161
3526 Science Kit Refurbishment	11,436
3530 Trainable & Profoundly Mentally Disabled Student Services	15,826
3532 National Board Certification (NBC) Salary Supplement	171,196
3533 Teacher of the Year Awards	1,077
3538 Students At Risk of School Failure	549,641
3540 Early Childhood Program (4K Programs Serving Four-Year-Old Children)	76,840
3542 Preschool Programs for Children with Disabilities	15,591
3544 High Achieving Students	11,594
3550 Teacher Salary Increase	254,342
3555 School Employer Contributions	54,645
3558 Reading	25,394
3568 EAA Technical Assistance	33,522
3577 Teacher Supplies	42,750
3578 High Schools That Work/Making Middle Grades Work	13,924
3588 IDEA MOE Special Allocation	253,961
3597 Aid to Districts	68,510
3598 Cost Savings Allocations	4,992
3599 Other EIA Revenue	6,614
	<hr/>
Total State Sources	\$ <u>1,622,016</u>
TOTAL REVENUE ALL SOURCES	\$ <u>1,622,016</u>
EXPENDITURES	
100 Instruction	
110 General Instruction	
111 Kindergarten Programs	
100 Salaries	\$ 22,500
200 Employee Benefits	4,852
400 Supplies and Materials	2,000
112 Primary Programs	
100 Salaries	92,971
200 Employee Benefits	33,019
400 Supplies and Materials	23,966
113 Elementary Programs	
100 Salaries	69,218
200 Employee Benefits	13,731
300 Purchased Services	12,032
400 Supplies and Materials	41,426

**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, 2012**

	<u>ACTUAL</u>
EXPENDITURES (continued)	
100 Instruction (continued)	
110 General Instruction (continued)	
114 High School Programs	
100 Salaries	111,504
200 Employee Benefits	31,903
400 Supplies and Materials	22,622
115 Career and Technology Education Programs	
400 Supplies and Materials	500
120 Exceptional Programs	
121 Educable Mentally Handicapped	
100 Salaries	93,075
200 Employee Benefits	30,856
300 Purchased Services	44,000
400 Supplies and Materials	900
122 Trainable Mentally Handicapped	
100 Salaries	12,945
200 Employee Benefits	2,881
400 Supplies and Materials	18,744
123 Orthopedically Handicapped	
400 Supplies and Materials	279
126 Speech Handicapped	
100 Salaries	6,039
200 Employee Benefits	1,291
300 Purchased Services	38,439
400 Supplies and Materials	2,134
127 Learning Disabilities	
400 Supplies and Materials	23,254
130 Pre-School Programs	
137 Pre-School Handicapped Self-Contained (3&4 Yr. Olds)	
100 Salaries	11,637
200 Employee Benefits	3,954
400 Supplies and Materials	250
139 Early Childhood Programs	
100 Salaries	58,995
200 Employee Benefits	19,520
400 Supplies and Materials	8,314

**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, 2012**

	<u>ACTUAL</u>
EXPENDITURES (continued)	
100 Instruction (continued)	
140 Special Programs	
141 Gifted and Talented - Academic	
400 Supplies and Materials	2
149 Other Special Programs	
100 Salaries	176,739
200 Employee Benefits	54,888
300 Purchased Services	8,044
400 Supplies and Materials	16,978
170 Summer School Program	
172 Elementary Summer School	
400 Supplies and Materials	1,280
175 Instructional Programs Beyond Regular School Day	
100 Salaries	1,150
200 Employee Benefits	255
300 Purchased Services	600
400 Supplies and Materials	463
180 Adult /Continuing Education Programs	
188 Parenting/Family Literacy	
100 Salaries	50,736
200 Employee Benefits	21,621
300 Purchased Services	1,077
190 Instructional Pupil Activity	
400 Supplies and Materials	<u>732</u>
Total Instruction	\$ <u>1,194,316</u>
200 Supporting Services	
210 Pupil Services	
212 Guidance Services	
400 Supplies and Materials	\$ 1,500
213 Health Services	
400 Supplies and Materials	6,461

**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, 2012**

	<u>ACTUAL</u>
EXPENDITURES (continued)	
200 Supporting Services (continued)	
220 Instructional Staff Services	
221 Improvement of Instruction - Curriculum Development	
100 Salaries	20,326
200 Employee Benefits	4,419
300 Purchased Services	6,247
400 Supplies and Materials	4,793
222 Library and Media	
100 Salaries	7,500
200 Employee Benefits	1,623
400 Supplies and Materials	1,250
223 Supervision of Special Programs	
300 Purchased Services	35,696
600 Other Objects	158
224 Improvement of Instruction - Inservice Training	
300 Purchased Services	14,465
400 Supplies and Materials	364
250 Finance and Operations Services	
251 Student Transportation (Federal/District Mandated)	
100 Salaries	11,414
200 Employee Benefits	2,497
Total Supporting Services	<u>\$ 118,713</u>
TOTAL EXPENDITURES	<u>\$ 1,313,029</u>
Excess Revenues Over (Under) Expenditures	<u>\$ 308,987</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers From (To) Other Funds	
420-710 Tranfer to General Fund (Excludes Indirect Costs)	<u>\$ (308,987)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (308,987)</u>
Excess Revenues and Expenditures Over (Under) Other Financing Sources (Uses)	<u>\$ -</u>
FUND BALANCE JULY 1, 2011	<u>-</u>
FUND BALANCE JUNE 30, 2012	<u><u>\$ -</u></u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
EDUCATION IMPROVEMENT ACT
SUMMARY SCHEDULE BY PROGRAM
FOR FISCAL YEAR ENDED JUNE 30, 2012**

PROGRAM	<u>REVENUES</u>
3500 Education Improvement Act:	
3502 ADEPT	\$ -
3511 Professional Development	10,161
3526 Science Kit Refurbishment	11,436
3530 Trainable & Profoundly Mentally Disabled Student Services	15,826
3532 National Board Certification (NBC) Salary Supplement	171,196
3533 Teacher of the Year Awards	1,077
3538 Students At Risk of School Failure	549,641
3540 Early Childhood Program (4K Programs Serving Four-Year-Old Children)	76,840
3542 Preschool Programs for Children with Disabilities	15,591
3544 High Achieving Students	11,594
3550 Teacher Salary Increase	254,342
3555 School Employer Contributions	54,645
3558 Reading	25,394
3568 EAA Technical Assistance	33,522
3577 Teacher Supplies	42,750
3578 High Schools That Work/Making Middle Grades Work	13,924
3585 Aid to Districts - Special Education	-
3588 IDEA MOE Special Allocation	253,961
3592 Work Based Learning	-
3597 Aid to Districts	68,510
3598 Cost Savings Allocations	4,992
3599 Other EIA Revenue	<u>6,614</u>
TOTALS	\$ <u><u>1,622,016</u></u>

<u>EXPENDITURES</u>	<u>EIA INTERFUND TRANSFERS IN/(OUT)</u>	<u>OTHER FUND TRANSFERS IN/(OUT)</u>	<u>DEFERRED REVENUE</u>
\$ -	\$ -	\$ -	\$ 4,201
10,161	-	-	14,592
11,436	-	-	7,381
15,826	-	-	6,777
171,196	-	-	-
1,077	-	-	-
549,641	-	-	-
76,840	-	-	2,431
15,591	-	-	1,135
11,594	-	-	18,999
-	-	(254,342)	-
-	-	(54,645)	-
25,394	-	-	11,473
33,522	-	-	-
42,750	-	-	-
13,924	-	-	7,112
-	-	-	150,676
253,961	-	-	-
-	-	-	7,925
68,510	-	-	-
4,992	-	-	4,376
6,614	-	-	-
<u>\$ 1,313,029</u>	<u>\$ -</u>	<u>\$ (308,987)</u>	<u>\$ 237,078</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, 2012**

	<u>ACTUAL</u>
REVENUES	
1000 Revenue From Local Sources	
1100 Taxes	
1110 Ad Valorem Taxes - Including Delinquent Taxes	\$ 1,394,661
1200 Revenue from Local Governmental Units Other than LEAs	
1280 Revenue in Lieu of Taxes	194,404
1500 Earnings on Investments	
1510 Interest on Investments	<u>8,000</u>
Total Local Sources	<u>\$ 1,597,065</u>
3000 Revenue From State Sources	
3800 State Revenue in Lieu of Taxes	
3820 Homestead Exemption (Tier 2)	\$ 77,017
3830 Merchant's Inventory Tax	4,765
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	<u>44,355</u>
Total State Sources	<u>\$ 126,137</u>
TOTAL REVENUE ALL SOURCES	<u>\$ 1,723,202</u>
EXPENDITURES	
500 Debt Service	
610 Redemption of Principal	\$ 2,854,000
620 Interest	402,913
690 Other Objects (Includes Fees for Servicing Bonds)	<u>1,301</u>
TOTAL EXPENDITURES	<u>\$ 3,258,214</u>
Excess Revenues Over (Under) Expenditures	<u>\$ (1,535,012)</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers From (To) Other Funds	
5210 Transfer from General Fund	\$ 800,000
5250 Transfer from School Building Fund	<u>352,710</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 1,152,710</u>
Excess (Deficiency) of Revenues and Expenditures Over Other Financing Sources (Uses)	\$ (382,302)
FUND BALANCE JULY 1, 2011	<u>2,443,698</u>
FUND BALANCE JUNE 30, 2012	<u><u>\$ 2,061,396</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, 2012**

	<u>ACTUAL</u>
REVENUES	
1000 Revenue From Local Sources	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 10,475
Total Local Sources	\$ 10,475
3000 Revenue From State Sources	
3100 Restricted State Funding	
3170 State School Building Fund	\$ 10,332
3172 Children's Education Endowment (Barnwell Facilities Fund)	118,775
Total State Sources	\$ 129,107
TOTAL REVENUE ALL SOURCES	\$ 139,582
EXPENDITURES	
200 Supporting Services	
250 Finance and Operations	
253 Facilities Acquisition & Construction	
300 Purchased Services	\$ 104,873
500 Capital Outlay	
520 Construction Services	1,741,301
530 Improvements Other Than Buildings	126,915
Total Supporting Services	\$ 1,973,089
500 Debt Service	
319 Legal Services	\$ 17,576
Total Debt Service	\$ 17,576
TOTAL EXPENDITURES	\$ 1,990,665
Excess Revenues Over (Under) Expenditures	\$ (1,851,083)
OTHER FINANCING SOURCES (USES)	
5110 Premium on Bonds Sold	\$ 15,147
5120 Proceeds of General Obligation Bonds	2,850,000
Interfund Transfers From (To) Other Funds	
423-710 Transfer to Debt Service Fund	(352,710)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 2,512,437

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
SCHOOL BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2012**

	<u>ACTUAL</u>
Excess (Deficiency) of Revenues and Expenditures Over Other Financing Sources (Uses)	\$ 661,354
FUND BALANCE JULY 1, 2011	<u>1,931,646</u>
FUND BALANCE JUNE 30, 2012	<u><u>\$ 2,593,000</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, 2012**

	<u>ACTUAL</u>
REVENUES	
1000 Revenue From Local Sources	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 63
1600 Food Service	
1610 Lunch Sales to Pupils	72,390
1630 Special Sales to Pupils	55,228
1640 Lunch Sales to Adults	36,391
1650 Breakfast Sales to Adults	5,729
1660 Special Sales to Adults	5,616
1900 Other Revenue From Local Sources	
1950 Refund of Prior Year's Expenditures	<u>1,653</u>
Total Local Sources	\$ <u>177,070</u>
3000 Revenue From State Sources	
3900 Other State Sources	
3999 Revenue from Other State Sources	\$ <u>4,025</u>
Total State Sources	\$ <u>4,025</u>
4000 Revenue From Federal Sources	
4800 USDA Reimbursement	
4810 School Lunch Program	\$ 752,550
4830 School Breakfast Program	334,562
4860 Fresh Fruits & Vegetables Program	23,500
4900 Other Federal Sources	
4991 USDA Commodities	96,476
4999 Revenue from Other Federal Sources	<u>243,082</u>
Total Federal Sources	\$ <u>1,450,170</u>
TOTAL REVENUE ALL SOURCES	\$ <u>1,631,265</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, 2012**

	<u>ACTUAL</u>
EXPENSES	
250 Finance and Operations	
256 Food Service	
100 Salaries	\$ 547,183
200 Employee Benefits	71,695
300 Purchased Services	99,300
400 Supplies and Materials	787,930
500 Capital Outlay	223,364
600 Other Objects	<u>3,218</u>
TOTAL EXPENSES	\$ <u>1,732,690</u>
Operating Income (Loss) Before Other Financing Sources (Uses)	\$ <u>(101,425)</u>
OTHER FINANCING SOURCES (USES)	
5300 Sale of Fixed Assets	\$ <u>2,300</u>
TOTAL OTHER FINANCING SOURCES (USES)	\$ <u>2,300</u>
Change in Net Assets	\$ (99,125)
NET ASSETS JULY 1, 2011	<u>329,743</u>
NET ASSETS JUNE 30, 2012	\$ <u><u>230,618</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, 2012**

	<u>ACTUAL</u>
RECEIPTS	
1000 Receipts From Local Sources	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 565
1700 Pupil Activities	
1740 Student Fees	15,459
1790 Other	<u>364,405</u>
Total Receipts from Local Sources	\$ <u>380,429</u>
TOTAL RECEIPTS ALL SOURCES	\$ <u>380,429</u>
DISBURSEMENTS	
190 Instructional Pupil Activity	
660 Pupil Activity	\$ 15,244
270 Supporting Services Pupil Activity	
271 Pupil Service Activities	
660 Pupil Activity	312,531
272 Enterprise Activities	
660 Pupil Activity	40,900
273 Trust and Agency Activities	
660 Pupil Activity	<u>461</u>
TOTAL DISBURSEMENTS	\$ <u>369,136</u>
Excess Receipts Over (Under) Disbursements	\$ 11,293
DUE TO THIRD PARTIES JULY 1, 2011	<u>116,109</u>
DUE TO THIRD PARTIES JUNE 30, 2012	\$ <u><u>127,402</u></u>

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

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

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT
FOR FISCAL YEAR ENDED JUNE 30, 2012**

PROGRAM	PROJECT/GRANT NUMBER	REVENUE & SUBFUND CODE	DESCRIPTION	AMOUNT DUE TO SDE/FED GOV'T
NBC Salary Supplement	N/A	3532/332	Overclaimed Funds	\$ 1,920
School-To-Work Transition	N/A	3592/392	Unexpended Funds	8,225
Medicaid	N/A	1930/801	Local Match	<u>12,800</u>
TOTALS				<u><u>\$ 22,945</u></u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
LOCATION RECONCILIATION SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2012**

LOCATION	LOCATION DESCRIPTION	EDUCATION LEVEL	COST TYPE	TOTAL EXPENDITURES
00	Districtwide	Non-Schools	Central	\$ 968
10	District Office	Non-Schools	Central	7,956,005
15	Office of Curriculum/OPEC	Non-Schools	Central	7,672
20	Harleyville-Ridgeville	Elementary Schools	School	5,271,202
30	Williams Memorial	Elementary Schools	School	6,686,782
40	St. George	Middle Schools	School	3,372,186
50	Woodland	High Schools	School	6,567,392
60	Clay Hill	Middle Schools	School	2,063,835
70	Odyssey Education Center	Other Schools	School	705,695
71	Clay Hill	Elementary Schools	School	307
72	Harleyville-Ridgeville	Middle Schools	School	1,081
80	Dorchester Academy	Other Schools	School	2,740
91	Family Literacy/Parenting	Non-Schools	Central	8,447
92	Adult Education	Other Schools	School	38,218
TOTAL EXPENDITURES/DISBURSEMENTS FOR ALL FUNDS				\$ 32,682,530

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

General Fund (Subfunds 100s)	\$ 20,600,288
Special Revenue Fund (Subfunds 200s, 800s, 900s)	3,418,508
Special Revenue EIA Fund (Subfunds 300s)	1,313,029
Debt Service Fund (Subfunds 400s)	3,258,214
Capital Projects Fund (School Building) (Subfunds 500s)	1,990,665
Proprietary Fund (Food Service) (Subfunds 600s)	1,732,690
Trust and Agency Fund (Pupil Activity) (Subfunds 700s)	369,136
TOTAL EXPENDITURES/DISBURSEMENTS FOR ALL FUNDS	\$ 32,682,530

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
SPECIAL PROJECTS FUND
SUBFUND CODE LIST
FOR FISCAL YEAR ENDED JUNE 30, 2012**

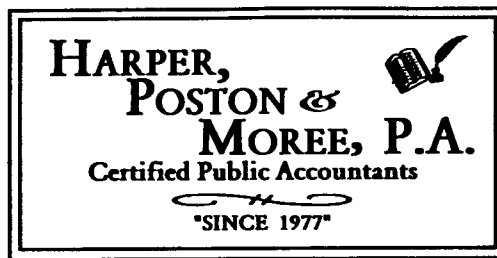
OTHER RESTRICTED STATE GRANTS

905	Career and Technology Education Equipment
916	ADEPT
919	Education License Plates
928	EEDA Career Specialist
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

215	IDEA (ARRA 611)
222	Title I (ARRA)
223	Title I School Improvement (ARRA)
224	21st Century Community Learning Centers Program
237	Title I School Improvement
240	South Carolina School Climate Initiative
251	Rural and Low-Income School Program, Title VI
267	Improving Teacher Quality
268	Teacher Incentive Grant
801	Medicaid - OPEC
803	Gear Up
804	SCEENS/EIC
813	Medicaid - Teen Companion
814	E-Rate
816	Character Education
818	Camp Friendship - Extended School Year
827	Sylvan Learning Transportation Services
834	Sprint-Lights of Character
840	Trident United Way
841	Academic Station
842	A+ Tutoring
844	Farm to School Grant
845	After School Plus
846	All Star Learning

SINGLE AUDIT SECTION



Robert D. Harper, Jr. CPA
Stacey C. Moree CPA
P. O. Box 1550
106 Wall Street, Litchfield
Pawleys Island, SC 29585
Tel (843) 237-9125
Fax (843) 237-1621
E-mail: HPM@sc.rr.com

Robin B. Poston CPA
P. O. Box 576
307 Church Street
Georgetown, SC 29442
Tel (843) 527-3413
Fax (843) 546-7277
E-mail: hpm2@sc.rr.com

**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, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 20, 2012. 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

Management of the District is responsible for establishing and maintaining effective 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 12-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.

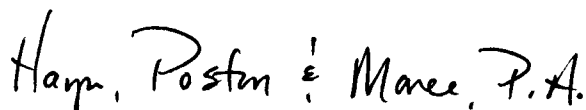
Compliance and Other Matters

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 12-B2.

We noted certain other matters that we reported to management of the District in a separate letter dated November 20, 2012.

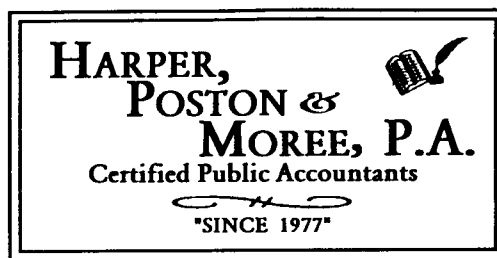
The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on it.

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.
Certified Public Accountants

Pawleys Island, South Carolina
November 20, 2012



Robert D. Harper, Jr. CPA
Stacey C. Moree CPA
P. O. Box 1550
106 Wall Street, Litchfield
Pawleys Island, SC 29585
Tel (843) 237-9125
Fax (843) 237-1621
E-mail: HPM@sc.rr.com

Robin B. Poston CPA
P. O. Box 576
307 Church Street
Georgetown, SC 29442
Tel (843) 527-3413
Fax (843) 546-7277
E-mail: hpm2@sc.rr.com

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

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

Compliance

We have audited Dorchester County School District Number Four's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2012. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

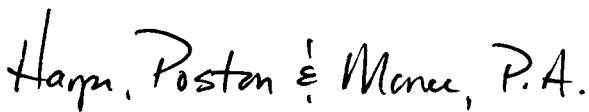
Internal Control Over Compliance

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

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

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

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


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

Pawleys Island, South Carolina
November 20, 2012

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR FISCAL YEAR ENDED JUNE 30, 2012**

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. One instance of noncompliance was 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>
Improving Teacher Quality	84.367
Child Nutrition Cluster:	
School Lunch Program	10.555
School Breakfast Program	10.553
Summer Food Service for Children	10.559

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

B. Findings - Financial Statement Audit

12-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.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR FISCAL YEAR ENDED JUNE 30, 2012**

B. Findings - Financial Statement Audit (continued)

12-B1 Segregation of Duties (continued)

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.

12-B2 Collateralization of Bank Deposits

Noncompliance Finding: Collateral pledged by one of the District's financial institutions was not sufficient at year end to cover balances in excess of FDIC limits.

Criteria: State law mandates that collateral be maintained on uninsured balances at financial institutions.

Cause: The amount of pledged collateral was not sufficient.

Effect: Risk of loss on uninsured balances.

Recommendation: Management should periodically review collateral pledged to ensure all funds are collateralized.

Management's Response: Management will review current collateral pledged by local financial institutions to determine it is sufficient.

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, 2012**

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	12BA031	\$ 1,032,000
222	ARRA - Title I	84.389	09SA031	28,470
223	ARRA - Title I - School Improvement	84.389	10SJ031	38,327
237	Title I - School Improvement	84.010	10BJ031	24,427
237	Title I - School Improvement	84.010	11BJ031	10,593
	Special Education Cluster:			
203	IDEA	84.027	12CA031	684,879
205	Preschool Grant	84.173	12CG031	22,548
215	ARRA - IDEA	84.391	11SC031	34,654
	Vocational Education (CATE):			
207	Subprogram 01	84.048	12VA031	2,487
207	Subprogram 04	84.048	12VA031	1,892
207	Subprogram 08	84.048	12VA031	109
207	Subprogram 09	84.048	12VA031	13,938
207	Subprogram 10	84.048	12VA031	19,975
207	Subprogram 15	84.048	12VA031	1,402
224	After School Learning Center	84.287	12CL031	129,988
240	School Climate Initiative	84.184Y	12CP031	12,947
251	Rural and Low-Income Schools, Title VI	84.358	12BS031	58,344
267	Improving Teacher Quality	84.367	12TQ031	201,079 *
268	Teacher Incentive - 3	84.374	11TT031	8,897
268	Teacher Incentive - 3	84.374	12TT031	188,136
	Passed Through SC Commission on Higher Ed:			
803	Gear Up	84.334	P334S110019	69,005
	Total U.S. Department of Education			\$ 2,584,097
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	\$ 96,476 *
	Cash Assistance:			
600	School Breakfast Program	10.553	N/A	334,562 *
600	School Lunch Program	10.555	N/A	752,550 *
600	School Lunch Program Aid	10.555	N/A	1,745 *
602	Fresh Fruits and Vegetables	10.582	12FF031	18,800
602	Fresh Fruits and Vegetables	10.582	12FV031	4,700
605	NSLP Discretionary Grants - Equipment	10.579	11NS031	8,694
	Passed Through SC Department of Social Services:			
	Child Nutrition Cluster:			
603	Summer Food Service for Children	10.559	SF-263	232,643 *
	Total U.S. Department of Agriculture		(See Disclosure)	\$ 1,450,170 **

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2012**

LEA SUBFUND CODE	FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	TOTAL EXPENDITURES
ENVIRONMENTAL PROTECTION AGENCY				
	Passed Through State Department of Education:			
	Environmental Education Grant -			
804	Project Indigo	66.951	12FC031	\$ <u>8,077</u>
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES				
	Passed Through State Department of Education:			
	Communities Putting Prevention to Work -			
844	Farm to School Grant	93.520	12FS031	\$ <u>2,951</u>
TOTAL FEDERAL AWARDS EXPENDED				\$ <u><u>4,045,295</u></u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2012**

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 \$181,095 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 \$96,476 in the form of federal non-cash USDA commodities for the year ended June 30, 2012. The School Breakfast Program, unlike the School Lunch Program, does not generate separate commodity entitlements; therefore, commodities used in the School Breakfast Program are deemed to be awarded under the School Lunch Program and reported as such in the Schedule of Expenditures of Federal Awards.
- 3. The District received \$24,446 during the year ended June 30, 2010 from the U.S. Department of Energy in the form of loan proceeds as part of the State Energy Program grant. The loan is a non-interest bearing loan repayable in two annual installments of \$12,223 beginning November 1, 2011. At June 30, 2012, the outstanding loan balance was \$12,223.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR FISCAL YEAR ENDED JUNE 30, 2012**

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, 2012.