

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

**BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION**

**FISCAL YEAR ENDED JUNE 30, 2016**

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## **FINANCIAL SECTION**



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## INDEPENDENT AUDITOR'S REPORT

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

### ***Report on the Financial Statements***

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, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type 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, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information, and supplementary pension information on pages 4 through 12 and 50 through 54 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.

### ***Other Information***

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

The 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2016 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in

accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Harper, Poston & Moree, P.A.

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

Pawleys Island, South Carolina  
November 22, 2016

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) YEAR ENDED JUNE 30, 2016**

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, 2016. 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 liabilities of the District exceeded its total assets at the close of the most recent fiscal year by \$10,781,491 (net position). The reason for this change is the GASB 68 requirement for recording the retirement liability. Because of this requirement, the District's unrestricted net position is now a negative total of (\$29,481,554).
- The District's total net position for the current fiscal year decreased by \$113,248. Net position now includes the net pension liability of \$32,399,112 per the GASB 68 requirement.
- Revenues totaled \$30,035,492. This is an increase of \$354,440 or 1.2% from fiscal year 2015.
- Expenses totaled \$30,148,740. This is a decrease of \$563,618 or 1.87% from fiscal year 2015.
- Our principal operating fund, the General Fund, had \$21,728,795 in fiscal year 2016 revenues, which primarily consisted of state aid and property taxes, and \$22,674,423 in expenditures. The General Fund's fund balance decreased from \$4,698,845 as of June 30, 2015 to \$4,419,084 as of June 30, 2016.
- The District's total bonded debt, including issuance premiums and deferred amounts on refunding, decreased by \$267,810 during FY 2016. The District did not issue a Tax Anticipation Note for the 2015 – 2016 fiscal year.



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

Statement of Activities: The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes 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 and pension schedules related to GASB 68 implementation.

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.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities exceeded assets creating a net position of (\$10,781,491) as of June 30, 2016. The reason for this is due to the reporting of the net pension liability of \$32,399,112 for our District in 2016 due to the GASB 68 requirement.

A large portion of the District's net position (\$13,570,676) 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 position for the past two fiscal years. Amounts are expressed in thousands of dollars.

	Governmental Activities		Business – Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and Other Assets	\$ 15,256	\$ 19,666	\$ 294	\$ (10)	\$ 15,550	\$ 19,656
Capital Assets, Net	25,459	20,041	142	143	25,601	20,184
Total Assets	\$ 40,715	\$ 39,707	\$ 436	\$ 133	\$ 41,151	\$ 39,840
Total Outflows of Resources	\$ 2,529	\$ 2,597	\$ -0-	\$ -0-	\$ 2,529	\$ 2,597
Current Liabilities	\$ 6,268	\$ 4,706	\$ -0-	\$ -0-	\$ 6,268	\$ 4,706
Long-Term Liabilities	47,620	45,861	-0-	-0-	47,620	45,861
Total Liabilities	\$ 53,888	\$ 50,567	\$ -0-	\$ -0-	\$ 53,888	\$ 50,567
Total Inflows of Resources	\$ 573	\$ 2,538	\$ -0-	\$ -0-	\$ 573	\$ 2,538
Net Position:						
Net Investment in Capital Assets	\$ 13,429	\$ 12,970	\$ 142	\$ 143	\$ 13,571	\$ 13,113
Restricted	5,129	10,619	-0-	-0-	5,129	10,619
Unrestricted	(29,775)	(34,390)	294	(10)	(29,481)	(34,400)
Total Net Position	\$ (11,217)	\$ (10,801)	\$ 436	\$ 133	\$ (10,781)	\$ (10,668)

The following are significant current year transactions that have an impact on the Statement of Net Position for 2016:

- The net pension liability amount of \$32,399,112 created a negative net position for 2016.

The District's total revenues for the fiscal year ended June 30, 2016 were \$30,035,492. The total cost of all programs and services was \$30,148,740 for a decrease in net position of \$113,248.

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

	Governmental Activities		Business – Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues:						
Charges for Services	\$ 96	\$ 166	\$ 86	\$ 99	\$ 182	\$ 265
Operating Grants	12,177	12,089	1,709	1,627	13,886	13,716
Capital Grants	84	29	11	-0-	95	29
General Revenues:						
Property Taxes	10,261	10,120	-0-	-0-	10,261	10,120
Investment Income	72	16	-0-	-0-	72	16
State Aid/Formula Grants	5,526	5,478	-0-	-0-	5,526	5,478
Miscellaneous and Other	13	57	-0-	-0-	13	57
Total Revenues	\$ 28,229	\$ 27,955	\$ 1,806	\$ 1,726	\$ 30,035	\$ 29,681
Expenses:						
Instruction	\$ 15,640	\$ 16,644	\$ -0-	\$ -0-	\$ 15,640	\$ 16,644
Support Services	12,123	11,870	-0-	-0-	12,123	11,870
Community Services	2	11	-0-	-0-	2	11
Intergovernmental	57	89	-0-	-0-	57	89
Interest	624	379	-0-	-0-	624	379
Depreciation - Unallocated	7	7	-0-	-0-	7	7
Food Service	-0-	-0-	1,695	1,712	1,695	1,712
Total Expenses	\$ 28,453	\$ 29,000	\$ 1,695	\$ 1,712	\$ 30,148	\$ 30,712
Net Before Transfers	\$ (224)	\$ (1,045)	\$ 111	\$ 14	\$ (113)	\$ (1,031)
Transfers In(Out)	(192)	-0-	192	-0-	-0-	-0-
Change in Net Position	\$ (416)	\$ (1,045)	\$ 303	\$ 14	\$ (113)	\$ (1,031)
Net Position - Beginning	(10,801)	19,868	133	119	(10,668)	19,987
Prior Period Adjustment	-0-	(29,624)	-0-	-0-	-0-	(29,624)
Net Position - Ending	\$ (11,217)	\$ (10,801)	\$ 436	\$ 133	\$ (10,781)	\$ (10,668)

**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	
	2016	2015	2016	2015
Instruction	\$ 15,640,320	\$ 16,644,305	\$ (4,834,138)	\$ (5,927,388)
Support Services	12,123,155	11,869,917	(10,604,650)	(10,359,119)
Community Services	1,997	11,281	(1,997)	(11,281)
Intergovernmental	56,689	88,952	(25,000)	(33,096)
Interest	624,437	379,410	(624,437)	(379,410)
Depreciation – Unallocated	6,527	6,511	(6,527)	(6,511)
Total Expenses	\$ 28,453,125	\$ 29,000,376	\$ (16,096,749)	\$ (16,716,805)

- The cost of all governmental activities this year was \$28,453,125. This was a decrease of \$547,251 from fiscal year 2015's total of \$29,000,376.
- Federal and state governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$12,356,376 for fiscal year 2016. This is an increase of \$72,805 from the total of \$12,283,571 for the 2015 fiscal year.
- Net cost of governmental activities (\$16,096,749), was financed by general revenues, which are made up of primarily property taxes \$10,261,595, state aid \$5,526,354 and other miscellaneous general revenues of \$13,168. Investment earnings accounted for \$71,656 of funding. All of these components contributed to an overall decrease in net position for governmental activities of \$416,356. The net cost of governmental activities for fiscal year 2015 was (\$16,716,805) and was financed by general revenues consisting of \$10,120,316 in property taxes, \$5,477,517 in state aid, and \$57,081 in other miscellaneous revenue. Investment earnings contributed \$16,366 which produced an overall decrease in net position of \$1,045,525 in 2015.

Business-Type Activities: Net position of business-type activities increased by \$303,108 for the current fiscal year. This increase was primarily a result of the District's election not to make the allowable annual fringe benefits transfer to the Food Service Fund. In addition, the District began participation in the USDA Community Eligibility Program. The Community Eligibility Program allows the District to provide free meals to all of the District's students. As a result, meal sales decreased for the current fiscal year. Conversely, grant reimbursements from USDA increased to compensate for the free meals served.

## **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 \$10,480,918 a decrease of \$5,772,048 in comparison with the prior year. Of this amount, \$4,226,704 constitutes an unrestricted, unassigned fund balance and is available for spending at the District's discretion. The remainder of fund balance is reported as nonspendable, 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 \$279,761. 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 \$240,762 from the prior year. The net change in fund balance in the Building Fund from the prior year was a decrease of \$5,251,525. This was due to the payments for construction projects funded by the \$10 million bond referendum that was passed in 2014.

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.

As previously discussed above, the Food Service Fund showed an increase in fund balance of \$303,108 for fiscal year 2016. This was due in part to the reduction of the amount due to General Fund for fringe benefit costs.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

There were no changes made to the original budget approved for 2016. 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 \$1,844,166 from its fund balance due to the decrease in local funding.

There were no significant variances between budgeted and actual results in the General Fund. Total expenditures for General Fund were \$297,882 below budget for the current fiscal year, primarily resulting from cost savings in the instructional and supporting functions.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets: As of June 30, 2016, the District had invested \$25,600,712 (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 \$843,801 and \$22,417 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:

	2016	2015	Difference
Land	\$ 310,640	\$ 310,640	\$ -0-
Buildings and Additions	18,271,836	19,034,169	(762,333)
Machinery, Equipment and Vehicles	175,220	227,566	(52,346)
Construction in Progress	6,700,868	468,330	6,232,538
Total	<u>\$ 25,458,564</u>	<u>\$ 20,040,705</u>	<u>\$ 5,417,859</u>

Net capital assets of business-type activities amounted to \$142,148 and \$143,340 for 2016 and 2015, respectively, and included machinery and equipment used in school cafeterias.

In November of 2014, the District issued \$10,000,000 in general obligation bonds to finance facilities improvement projects. As of June 30, 2016, \$6,700,868 has been spent for construction in progress on these projects. Contractual commitments for these construction projects total \$10,936,601.

Additional information on the District's capital assets and construction commitments can be found in Note 5 and Note 18 of this report.

Debt Administration: At year-end, the District had \$16,158,000 in bonded debt outstanding, of which \$1,372,000 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, 2016, as compared to 2015:

	2016	2015
8% General Obligation Debt	\$ 1,980,000	\$ 1,435,000
Referendum General Obligation Debt	13,630,000	14,160,000
SCAGO Equipment Lease	548,000	804,000
Total	<u>\$ 16,158,000</u>	<u>\$ 16,399,000</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 \$4,496,472 based on an assessed valuation of \$56,205,898 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 \$2,350 when projecting Education Finance Act funding for the 2016-2017 fiscal year. By utilizing our fund balance, we were able to provide all of our employees with a step increase for an additional year 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 2016-2017 but that could always change.

Funding for school districts continues to be a major issue for fiscal year 2017. Existing state funds were moved to EFA in order to fund the increase. This is the fifth consecutive year that we have obligated a portion of our fund balance in order to balance our General Fund budget. Because of this, the district authorized a Tax Anticipation Note in the amount of \$1,375,000. As of the date of this report, no amounts have been drawn on the Tax Anticipation Note.

Work continues on the facility projects that were approved in our 2014 referendum. This referendum includes additional classrooms to be built at Clay Hill Elementary, Woodland High School, Williams Memorial Elementary, Harleyville Elementary and Harleyville-Ridgeville Middle School. Also included is a gymnasium for Clay Hill as well as additions to the football field house at Woodland and construction of a new field house for baseball, softball and tennis. We are currently using the new classrooms at Williams Memorial Elementary and Harleyville Elementary and Harleyville-Ridgeville Middle School. We are hoping to be able to utilize the Woodland High School additions as well as the Clay Hill addition by January 2017.

## **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 POSITION**  
**JUNE 30, 2016**

	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Cash	\$ 183,639	\$ 517,540	\$ 701,179
Taxes Receivable (Net of Allowance)	574,364	-	574,364
Due From County Treasurer	13,011,554	-	13,011,554
Due From Other Agencies	57,417	-	57,417
Due From State Department of Education	286,526	-	286,526
Due From Federal Government	749,157	138,964	888,121
Internal Balances	393,423	(393,423)	-
Inventories	-	30,764	30,764
Capital Assets (Net of Accumulated Depreciation):			
Land (Non-Depreciable)	310,640	-	310,640
Construction in Progress (Non-Depreciable)	6,700,868	-	6,700,868
Building and Improvements	18,271,836	-	18,271,836
Vehicles, Machinery, and Equipment	175,220	142,148	317,368
<b>TOTAL ASSETS</b>	<b>\$ 40,714,644</b>	<b>\$ 435,993</b>	<b>\$ 41,150,637</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows of Resources Related to Pension	\$ 2,528,686	\$ -	\$ 2,528,686
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 2,528,686</b>	<b>\$ -</b>	<b>\$ 2,528,686</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 2,019,788	\$ -	\$ 2,019,788
Accrued Interest Payable	196,971	-	196,971
Withholding and Benefits Payable	647,491	-	647,491
Accrued Salaries	1,420,847	-	1,420,847
Due To State Department of Education	17,129	-	17,129
Unearned Grant Revenues	314,310	-	314,310
Noncurrent Liabilities:			
Due Within One Year	1,651,486	-	1,651,486
Due In More Than One Year	47,620,322	-	47,620,322
<b>TOTAL LIABILITIES</b>	<b>\$ 53,888,344</b>	<b>\$ -</b>	<b>\$ 53,888,344</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Gain on Bond Refunding	\$ 3,343	\$ -	\$ 3,343
Deferred Inflows of Resources Related to Pension	569,127	-	569,127
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 572,470</b>	<b>\$ -</b>	<b>\$ 572,470</b>
<b>NET POSITION</b>			
Net Investment In Capital Assets	\$ 13,428,528	\$ 142,148	\$ 13,570,676
Restricted For:			
Debt Service	815,245	-	815,245
Capital Projects	4,314,142	-	4,314,142
Unrestricted	(29,775,399)	293,845	(29,481,554)
<b>TOTAL NET POSITION</b>	<b>\$ (11,217,484)</b>	<b>\$ 435,993</b>	<b>\$ (10,781,491)</b>

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

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
STATEMENT OF ACTIVITIES  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction	\$ 15,640,320	\$ 22,937	\$ 10,721,455	\$ 61,790	\$ (4,834,138)	\$ -	\$ (4,834,138)
Supporting Services	12,123,155	49,908	1,446,622	21,975	(10,604,650)	-	(10,604,650)
Community Services	1,997	-	-	-	(1,997)	-	(1,997)
Intergovernmental	56,689	22,998	8,691	-	(25,000)	-	(25,000)
Interest and Other Charges	624,437	-	-	-	(624,437)	-	(624,437)
Depreciation - Unallocated*	6,527	-	-	-	(6,527)	-	(6,527)
Total Governmental Activities	\$ 28,453,125	\$ 95,843	\$ 12,176,768	\$ 83,765	\$ (16,096,749)	\$ -	\$ (16,096,749)
Business-Type Activities:							
Food Service	\$ 1,695,615	\$ 86,239	\$ 1,709,082	\$ 11,016	\$ -	\$ 110,722	\$ 110,722
Total Business-Type Activities	\$ 1,695,615	\$ 86,239	\$ 1,709,082	\$ 11,016	\$ -	\$ 110,722	\$ 110,722
<b>TOTALS</b>	\$ 30,148,740	\$ 182,082	\$ 13,885,850	\$ 94,781	\$ (16,096,749)	\$ 110,722	\$ (15,986,027)
<b>GENERAL REVENUES &amp; TRANSFERS</b>							
Taxes:							
Property Taxes, Levied for General Purposes					\$ 8,743,707	\$ -	\$ 8,743,707
Property Taxes, Levied for Debt Service					1,517,888	-	1,517,888
Unrestricted State Aid and Grants					5,526,354	-	5,526,354
Investment Earnings					71,656	6	71,662
Other Miscellaneous Revenues					13,168	-	13,168
Transfers					(192,380)	192,380	-
<b>TOTAL GENERAL REVENUES &amp; TRANSFERS</b>					\$ 15,680,393	\$ 192,386	\$ 15,872,779
<b>CHANGE IN NET POSITION</b>					\$ (416,356)	\$ 303,108	\$ (113,248)
<b>NET POSITION BEGINNING OF YEAR</b>					(10,801,128)	132,885	(10,668,243)
<b>NET POSITION END OF YEAR</b>					\$ (11,217,484)	\$ 435,993	\$ (10,781,491)

\* Excludes depreciation of \$837,274 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, 2016**

	<b>GENERAL</b>	<b>SPECIAL PROJECTS</b>
<b>ASSETS</b>		
Cash	\$ 183,639	\$ -
Taxes Receivable (Net of Allowance for Uncollectibles)	498,285	-
Due From County Treasurer	5,469,593	-
Due From Other Funds	1,996,672	-
Due From Other Agencies	14,133	43,284
Due From State Department of Education	260,658	25,868
Due From Federal Government	-	749,157
Advances To Other Funds	192,380	-
	<u>8,615,360</u>	<u>818,309</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>8,615,360</u></b>	<b>\$ <u>818,309</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<b>Liabilities</b>		
Accounts Payable	\$ 1,818,481	\$ -
Accrued Payroll Liabilities	647,491	-
Accrued Salaries	1,420,847	-
Compensated Absences Payable	3,220	-
Due To Other Funds	-	624,276
Due To State Department of Education	-	8,438
Unearned Grant Revenue	-	185,595
	<u>3,890,039</u>	<u>818,309</u>
<b>Total Liabilities</b>	<b>\$ <u>3,890,039</u></b>	<b>\$ <u>818,309</u></b>
<b>Deferred Inflows of Resources</b>		
Unavailable Tax Revenue	\$ 306,237	\$ -
	<u>306,237</u>	<u>-</u>
<b>Total Deferred Inflows of Resources</b>	<b>\$ <u>306,237</u></b>	<b>\$ <u>-</u></b>
<b>Fund Balances</b>		
Nonspendable For Advances	\$ 192,380	\$ -
Restricted For:		
Debt Service	-	-
Capital Projects - Facilities Improvements	-	-
Assigned To:		
Debt Service	-	-
Capital Projects - Facilities Improvements	-	-
Unassigned	4,226,704	-
	<u>4,419,084</u>	<u>-</u>
<b>Total Fund Balances</b>	<b>\$ <u>4,419,084</u></b>	<b>\$ <u>-</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ <u>8,615,360</u></b>	<b>\$ <u>818,309</u></b>

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

<u>EDUCATION IMPROVEMENT ACT</u>	<u>DEBT SERVICE</u>	<u>SCHOOL BUILDING</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ -	\$ -	\$ -	\$ 183,639
-	76,079	-	574,364
-	1,729,648	5,812,313	13,011,554
137,406	-	-	2,134,078
-	-	-	57,417
-	-	-	286,526
-	-	-	749,157
-	-	-	192,380
<u>\$ 137,406</u>	<u>\$ 1,805,727</u>	<u>\$ 5,812,313</u>	<u>\$ 17,189,115</u>
\$ -	\$ -	\$ 201,307	\$ 2,019,788
-	-	-	647,491
-	-	-	1,420,847
-	-	-	3,220
-	190,482	1,118,277	1,933,035
8,691	-	-	17,129
128,715	-	-	314,310
<u>\$ 137,406</u>	<u>\$ 190,482</u>	<u>\$ 1,319,584</u>	<u>\$ 6,355,820</u>
<u>\$ -</u>	<u>\$ 46,140</u>	<u>\$ -</u>	<u>\$ 352,377</u>
<u>\$ -</u>	<u>\$ 46,140</u>	<u>\$ -</u>	<u>\$ 352,377</u>
\$ -	\$ -	\$ -	\$ 192,380
-	769,105	-	769,105
-	-	4,314,142	4,314,142
-	800,000	-	800,000
-	-	178,587	178,587
-	-	-	4,226,704
<u>\$ -</u>	<u>\$ 1,569,105</u>	<u>\$ 4,492,729</u>	<u>\$ 10,480,918</u>
<u>\$ 137,406</u>	<u>\$ 1,805,727</u>	<u>\$ 5,812,313</u>	<u>\$ 17,189,115</u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET POSITION  
JUNE 30, 2016**

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

Ending fund balances - governmental funds balance sheet	\$	10,480,918
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		25,458,564
Other long-term assets are not available to pay for current period expenditures and, therefore, are not recognized as revenues in the funds.		352,377
Long-term liabilities, including bonds payable (net of premiums and deferred gains), capital leases, net pension liability, compensated absences, and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds.		<u>(47,509,343)</u>
Net position of governmental activities	\$	<u><u>(11,217,484)</u></u>

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

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR FISCAL YEAR ENDED JUNE 30, 2016**

	<b>GENERAL</b>	<b>SPECIAL PROJECTS</b>
<b>REVENUES</b>		
Local	\$ 9,978,964	\$ 249,457
State	11,679,133	660,767
Federal	-	2,060,363
Intergovernmental	70,698	37,405
<b>TOTAL REVENUES</b>	<b>\$ 21,728,795</b>	<b>\$ 3,007,992</b>
<b>EXPENDITURES</b>		
Current		
Instructional Services	\$ 11,909,589	\$ 1,523,825
Supporting Services	10,636,172	1,098,408
Community Services	1,952	-
Intergovernmental Expenditures	25,000	22,998
Debt Service		
Redemption of Principal	65,793	118,385
Interest and Fiscal Agent Fees	13,561	15,444
Issuance Costs	-	-
Capital Outlay	22,356	19,495
<b>TOTAL EXPENDITURES</b>	<b>\$ 22,674,423</b>	<b>\$ 2,798,555</b>
Excess Revenues Over (Under) Expenditures	<b>\$ (945,628)</b>	<b>\$ 209,437</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Proceeds of General Obligation Bonds	\$ -	\$ -
Sale of Fixed Assets	1,075	-
Transfers From Other Funds	857,172	-
Transfers To Other Funds	(192,380)	(209,437)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 665,867</b>	<b>\$ (209,437)</b>
Net Change in Fund Balances	\$ (279,761)	\$ -
<b>FUND BALANCE BEGINNING OF YEAR</b>	<b>4,698,845</b>	<b>-</b>
<b>FUND BALANCE END OF YEAR</b>	<b>\$ 4,419,084</b>	<b>\$ -</b>

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

<b>EDUCATION IMPROVEMENT ACT</b>	<b>DEBT SERVICE</b>	<b>SCHOOL BUILDING</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
\$ -	\$ 1,685,729	\$ 48,797	\$ 11,962,947
1,606,928	130,540	-	14,077,368
-	-	-	2,060,363
-	-	-	108,103
<u>\$ 1,606,928</u>	<u>\$ 1,816,269</u>	<u>\$ 48,797</u>	<u>\$ 28,208,781</u>
\$ 1,108,125	\$ -	\$ -	\$ 14,541,539
74,832	-	368,760	12,178,172
-	-	-	1,952
8,691	-	-	56,689
-	1,241,000	-	1,425,178
-	513,442	-	542,447
-	-	25,416	25,416
<u>64,718</u>	<u>-</u>	<u>5,911,562</u>	<u>6,018,131</u>
<u>\$ 1,256,366</u>	<u>\$ 1,754,442</u>	<u>\$ 6,305,738</u>	<u>\$ 34,789,524</u>
<u>\$ 350,562</u>	<u>\$ 61,827</u>	<u>\$ (6,256,941)</u>	<u>\$ (6,580,743)</u>
\$ -	\$ -	\$ 1,000,000	\$ 1,000,000
-	-	-	1,075
131,813	-	302,589	1,291,574
<u>(482,375)</u>	<u>(302,589)</u>	<u>(297,173)</u>	<u>(1,483,954)</u>
<u>\$ (350,562)</u>	<u>\$ (302,589)</u>	<u>\$ 1,005,416</u>	<u>\$ 808,695</u>
\$ -	\$ (240,762)	\$ (5,251,525)	\$ (5,772,048)
-	1,809,867	9,744,254	16,252,966
<u>\$ -</u>	<u>\$ 1,569,105</u>	<u>\$ 4,492,729</u>	<u>\$ 10,480,918</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, 2016**

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

Net change in fund balances - total governmental funds	\$	(5,772,048)
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 difference between depreciation expense and capital outlays in the current period.		5,419,588
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position.		(1,729)
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.		20,368
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 position. Also, governmental funds report the effect of premiums and discounts 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.		425,178
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>(507,713)</u>
Change in net position of governmental activities	\$	<u><u>(416,356)</u></u>

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

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2016**

		<b>BUSINESS-TYPE ACTIVITY ENTERPRISE FUND (FOOD SERVICE)</b>
<b>ASSETS</b>		
Current Assets		
Cash	\$	517,540
Due From Federal Government		138,964
Inventories		30,764
Total Current Assets	\$	<u>687,268</u>
Noncurrent Assets		
Equipment	\$	637,028
Less: Accumulated Depreciation		(494,880)
Total Noncurrent Assets	\$	<u>142,148</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>829,416</u></b>
<b>LIABILITIES</b>		
Current Liabilities		
Due To Other Funds	\$	201,043
Total Current Liabilities	\$	<u>201,043</u>
Noncurrent Liabilities		
Advances From Other Funds	\$	192,380
Total Noncurrent Liabilities	\$	<u>192,380</u>
<b>TOTAL LIABILITIES</b>	<b>\$</b>	<b><u>393,423</u></b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$	142,148
Unrestricted		<u>293,845</u>
<b>TOTAL NET POSITION</b>	<b>\$</b>	<b><u><u>435,993</u></u></b>

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

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	<b>BUSINESS-TYPE ACTIVITY ENTERPRISE FUND (FOOD SERVICE)</b>
<b>OPERATING REVENUES</b>	
Proceeds from Sales of Meals	\$ <u>86,240</u>
<b>TOTAL OPERATING REVENUES</b>	<b>\$ <u>86,240</u></b>
<b>OPERATING EXPENSES</b>	
Food Costs	\$ 851,526
Salaries and Employee Benefits	556,758
Utilities	6,186
Depreciation	22,417
Supplies and Materials	121,865
Other Operating Costs	<u>136,863</u>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ <u>1,695,615</u></b>
Operating Income (Loss)	<u>\$ (1,609,375)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest	\$ 5
USDA Reimbursements	1,610,798
Commodities Received From USDA	102,992
Other Federal and State Aid	<u>6,308</u>
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>\$ <u>1,720,103</u></b>
Income (Loss) Before Transfers	\$ 110,728
<b>TRANSFERS IN (OUT)</b>	<b>\$ <u>192,380</u></b>
Change in Net Position	\$ 303,108
<b>NET POSITION BEGINNING OF YEAR</b>	<u>132,885</u>
<b>NET POSITION END OF YEAR</b>	<b>\$ <u><u>435,993</u></u></b>

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, 2016**

	<b>BUSINESS-TYPE ACTIVITY ENTERPRISE FUND (FOOD SERVICE)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Patrons	\$ 86,240
Cash Payments to Suppliers for Goods and Services	(1,172,728)
Cash Payments to Employees for Services	<u>(567,774)</u>
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>\$ <u>(1,654,262)</u></b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Other Federal and State Aid	\$ 6,308
USDA Federal Reimbursements	1,730,215
Transfers from Other Funds	<u>192,380</u>
<b>Net Cash Provided (Used) By Non-Capital Financing Activities</b>	<b>\$ <u>1,928,903</u></b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchases of Capital Assets	<u>\$ (21,225)</u>
<b>Net Cash Provided (Used) By Capital and Related Financing Activities</b>	<b>\$ <u>(21,225)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest on Investments	<u>\$ 5</u>
<b>Net Cash Provided (Used) By Investing Activities</b>	<b>\$ <u>5</u></b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>\$ 253,421</b>
<b>CASH AND CASH EQUIVALENTS BEGINNING OF YEAR</b>	<u>264,119</u>
<b>CASH AND CASH EQUIVALENTS END OF YEAR</b>	<b><u><u>\$ 517,540</u></u></b>

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, 2016**

		<b>BUSINESS-TYPE ACTIVITY ENTERPRISE FUND (FOOD SERVICE)</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$	(1,609,375)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:		
Depreciation		22,417
Non-Cash Commodities Used		102,992
Changes in Assets and Liabilities		
(Increase) Decrease in Inventory		7,994
Increase (Decrease) in Due To Other Funds		(178,290)
		(178,290)
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>\$</b>	<b>(1,654,262)</b>
		(1,654,262)
 <b>Supplemental Non-Cash Financing and Investing Information:</b>		
Non-Cash Commodities Received from USDA	\$	102,992
		102,992

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

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2016**

	<u>AGENCY FUND</u>
<b>ASSETS</b>	
Cash	\$ <u>149,134</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>149,134</u></b>
<b>LIABILITIES</b>	
Due To Third Parties	\$ <u>149,134</u>
<b>TOTAL LIABILITIES</b>	<b>\$ <u>149,134</u></b>
<b>NET POSITION</b>	<b>\$ <u><u>-</u></u></b>

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

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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. 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 position, revenues, expenses and changes in net position 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 District implemented the provisions of GASB Statement No. 72 *Fair Value Measurement and Application*. This statement enhances comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. There was no effect on the financial statements as a result of implementation.

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) 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.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

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.

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.



**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

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 position, 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.

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.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

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.

**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, liabilities, and deferred outflows and inflows of resources 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, 2016**

**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 their acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

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

Asset	Years
Buildings & Improvements	10 - 40
Machinery & Equipment	3 - 12
Vehicles	5

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

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**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.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

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.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**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 position. Bond premiums and discounts 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.

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 Position/Fund Balances**

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

*Net Investment in Capital Assets:* 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 net investment in capital assets.

*Restricted Net Position:* 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 Position:* Any remaining balance of net position is reported as unrestricted, including management designations.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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 a resolution. Assigned fund balance is established by the Board through adoption or amendment of the budget as intended for a specific purpose.

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

**Property Taxes**

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

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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 unearned 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.

**Fair Value**

The fair value measurement and disclosure framework provides for a three-tier fair value hierarchy that gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are described below:

*Level 1* – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District can access at the measurement date.

*Level 2* – Inputs to the valuation methodology, other than quoted prices included in Level 1, that are observable for an asset or liability either directly or indirectly and include:

- Quoted prices for similar assets and liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted market prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

*Level 3* – Inputs to the valuation methodology that are unobservable for an asset or liability and include:

- Fair value is often based on developed models in which there are few, if any, observable inputs.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The District believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no significant changes from the prior year in the methodologies used to measure fair value.

**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, 2016 the District's operating fund balance was \$4,419,084 which exceeded the 15% maximum limitation by \$839,567. 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 \$850,313, including agency fund cash of \$149,134, and the corresponding bank balance was \$1,050,906.

*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, 2016, \$313,253 of the District's bank balances of \$1,050,906 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.

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 holds the District's monies until the District submits a claim voucher. At year end the County Treasurer was responsible for \$13,011,554.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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	Debt Service	Total
Receivables:				
Taxes	\$ 781,206	\$ -	\$ 122,052	\$ 903,258
State & Federal	260,658	775,025	-	1,035,683
Other Agencies	14,133	43,284	-	57,417
Gross Receivables	\$ 1,055,997	\$ 818,309	\$ 122,052	\$ 1,996,358
Less: Allowance for Uncollectibles	(282,921)	-	(45,973)	(328,894)
Net Receivables	\$ <u>773,076</u>	\$ <u>818,309</u>	\$ <u>76,079</u>	\$ <u>1,667,464</u>

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets, not Being Depreciated:				
Land	\$ 310,640	\$ -	\$ -	\$ 310,640
Construction in Progress	468,330	6,232,538	-	6,700,868
Total Capital Assets, not Being Depreciated	\$ <u>778,970</u>	\$ <u>6,232,538</u>	\$ <u>-</u>	\$ <u>7,011,508</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	\$ 31,729,496	\$ -	\$ -	\$ 31,729,496
Vehicles	392,319	6,999	-	399,318
Machinery and Equipment	540,325	23,852	(6,466)	557,711
Total Capital Assets Being Depreciated	\$ <u>32,662,140</u>	\$ <u>30,851</u>	\$ <u>(6,466)</u>	\$ <u>32,686,525</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ (12,695,327)	\$ (762,333)	\$ -	\$ (13,457,660)
Vehicles	(364,256)	(26,327)	-	(390,583)
Machinery and Equipment	(340,822)	(55,141)	4,737	(391,226)
Total Accumulated Depreciation	\$ <u>(13,400,405)</u>	\$ <u>(843,801)</u>	\$ <u>4,737</u>	\$ <u>(14,239,469)</u>
Total Capital Assets, Being Depreciated, Net	\$ <u>19,261,735</u>	\$ <u>(812,950)</u>	\$ <u>(1,729)</u>	\$ <u>18,447,056</u>
Governmental Activities Capital Assets, Net	\$ <u>20,040,705</u>	\$ <u>5,419,588</u>	\$ <u>(1,729)</u>	\$ <u>25,458,564</u>



**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Vehicles	\$ 10,500	\$ -	\$ -	\$ 10,500
Machinery and Equipment	<u>605,303</u>	<u>21,225</u>	<u>-</u>	<u>626,528</u>
Total Capital Assets Being Depreciated	\$ <u>615,803</u>	\$ <u>21,225</u>	\$ <u>-</u>	\$ <u>637,028</u>
Less Accumulated Depreciation for:				
Vehicles	\$ (8,544)	\$ (1,956)	\$ -	\$ (10,500)
Machinery and Equipment	<u>(463,919)</u>	<u>(20,461)</u>	<u>-</u>	<u>(484,380)</u>
Total Accumulated Depreciation	\$ <u>(472,463)</u>	\$ <u>(22,417)</u>	\$ <u>-</u>	\$ <u>(494,880)</u>
Total Capital Assets, Being Depreciated, Net	\$ <u>143,340</u>	\$ <u>(1,192)</u>	\$ <u>-</u>	\$ <u>142,148</u>
Business-Type Activities Capital Assets, Net	<u>\$ 143,340</u>	<u>\$ (1,192)</u>	<u>\$ -</u>	<u>\$ 142,148</u>

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

**Governmental Activities:**

Instruction	\$ 772,571
Supporting Services	64,703
Unallocated	<u>6,527</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 843,801</u>

**Business-Type Activities:**

Food Service	<u>\$ 22,417</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 22,417</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, 2016, are as follows:

<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Original Issue</u>	<u>Outstanding June 30, 2016</u>
2009	3.00 - 4.00%	March 1, 2022	\$ 7,000,000	\$ 3,630,000
2011	1.00 - 2.00%	March 1, 2018	2,850,000	980,000
2015	2.25 - 5.00%	March 1, 2035	10,000,000	10,000,000
2016	1.40%	March 1, 2021	<u>1,000,000</u>	<u>1,000,000</u>
Totals			<u>\$ 20,850,000</u>	<u>\$ 15,610,000</u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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
2017	\$ 1,104,000	\$ 548,239	\$ 1,652,239
2018	1,154,000	514,764	1,668,764
2019	902,000	480,628	1,382,628
2020	930,000	452,660	1,382,660
2021	930,000	423,780	1,353,780
2022-2026	3,295,000	1,676,213	4,971,213
2027-2031	3,770,000	1,025,575	4,795,575
2032-2035	3,525,000	328,768	3,853,768
Totals	\$ <u>15,610,000</u>	\$ <u>5,450,627</u>	\$ <u>21,060,627</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, 2016, are as follows:

Date of Issue	Interest Rate	Maturity	Original Issue	Outstanding June 30, 2016
2009	4.63%	December 1, 2017	\$ 2,342,000	\$ 548,000
Totals			\$ <u>2,342,000</u>	\$ <u>548,000</u>

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

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2017	\$ 268,000	\$ 25,372	\$ 293,372
2018	280,000	12,964	292,964
Totals	\$ <u>548,000</u>	\$ <u>38,336</u>	\$ <u>586,336</u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

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

**Capital Leases**

The District has entered into lease agreements as lessee for financing the acquisition of various copiers and computer equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the net present value of their future minimum lease payments as of the inception date. The gross amount of assets (machinery and equipment) recorded under capital leases at June 30, 2016 for governmental activities is \$124,826 with corresponding accumulated depreciation of \$108,952. Assets of \$511,051 not meeting the capitalization policy of \$5,000 have been recorded as expenditures as incurred.

Future lease payments due at June 30, 2016 are as follows:

Year Ending June 30	<u>Total</u>
2017	\$ 198,538
2018	<u>4,352</u>
Total Minimum Lease Payments	\$ 202,890
Amount Representing Interest	<u>(13,334)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 189,556</u>

The following is a summary of changes in long-term obligations and balances for June 30, 2016:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 15,595,000	\$ 1,000,000	\$ (985,000)	\$ 15,610,000	\$ 1,104,000
Plus Issuance Premiums	<u>189,579</u>	<u>-</u>	<u>(25,319)</u>	<u>164,260</u>	<u>-</u>
Total Bonds Payable	\$ 15,784,579	\$ 1,000,000	\$ (1,010,319)	\$ 15,774,260	\$ 1,104,000
SCAGO Equipment Lease	804,000	-	(256,000)	548,000	268,000
Capital Leases	373,733	-	(184,178)	189,555	185,455
Net Pension Liability	30,047,936	5,517,651	(3,166,475)	32,399,112	-
Compensated Absences	<u>364,378</u>	<u>84,979</u>	<u>(88,476)</u>	<u>360,881</u>	<u>94,031</u>
Totals	<u>\$ 47,374,626</u>	<u>\$ 6,602,630</u>	<u>\$ (4,705,448)</u>	<u>\$ 49,271,808</u>	<u>\$ 1,651,486</u>

For governmental activities, the general fund typically liquidates other long-term liabilities.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 7 – SHORT-TERM DEBT**

On September 17, 2015 the District issued a short-term general obligation bond in the amount of \$300,000 to finance technology expenditures. The maturity date was March 1, 2016 and it carried an interest rate of 2.00%. The debt was retired on February 29, 2016.

	Outstanding June 30, 2015	Issued	Retired	Outstanding June 30, 2016
General Obligation Bond	\$ -	\$ 300,000	\$ (300,000)	\$ -
Plus Issuance Premium	-	2,589	(2,589)	-
Totals	\$ -	\$ 302,589	\$ (302,589)	\$ -

**NOTE 8 – OPERATING LEASES**

The District leases office equipment under noncancelable operating leases. Total costs for such leases were \$59,798 for the year ended June 30, 2016. The future minimum lease payments for these leases are as follows:

Year Ending June 30	Amount
2017	\$ 58,088
2018	53,026
2019	45,906
2020	20,254
2021	11,510
Total	\$ 188,784

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

Outstanding balances between funds result mainly from the time lag between the dates the (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. At June 30, 2016, interfund receivables and payables resulting from various interfund transactions were as follows:

	Due From Other Funds	Due To Other Funds	Advances To Other Funds	Advances From Other Funds
General Fund	\$ 1,996,672	\$ -	\$ 192,380	\$ -
Special Projects	-	624,276	-	-
EIA	137,406	-	-	-
Debt Service Fund	-	190,482	-	-
School Building Fund	-	1,118,277	-	-
Food Service Fund	-	201,043	-	192,380
Total	\$ 2,134,078	\$ 2,134,078	\$ 192,380	\$ 192,380

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
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**NOTE 9 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (continued)**

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	\$ 857,172	\$ 192,380
Special Projects	-	209,437
EIA	131,813	482,375
Debt Service Fund	-	302,589
School Building Fund	302,589	297,173
Food Service Fund	192,380	-
Total	\$ 1,483,954	\$ 1,483,954

During the current fiscal year, the District made a non-routine transfer of \$297,173 financed from short-term bond proceeds from the Building Fund to the General Fund to cover the cost of technology expenditures recorded in the General Fund. The District also made a non-routine transfer of \$192,380 from the General Fund to the Food Service Fund to forgive a portion of unreimbursed fringe benefits owed to the General Fund.

**NOTE 10 – POSTEMPLOYMENT BENEFITS**

**Plan Description**

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

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

**Funding Policy**

Sections 1-11-705 and 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires these postemployment healthcare and long-term disability benefits be funded through annual appropriations by the General Assembly for active employees to the EIP and participating retirees to the SBCB except the portion funded through the pension surcharge and provided from other applicable sources of the EIP for its active employees who are not funded by State General Fund appropriations. Employers participating in the healthcare plan are mandated by State statute to contribute at a rate assessed each year by the Office of the State Budget, 5.33% of annual covered payroll for fiscal year 2015-2016. The EIP sets the employer contribution rate based on a pay-as-you-go basis.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 10 – POSTEMPLOYMENT BENEFITS (continued)**

The District recorded fringe benefit expenses for insurance benefits for active employees in the amount of \$2,019,530 for the year ended June 30, 2016. The District also paid \$850,611 applicable to the 5.33% surcharge included with the employer contributions for retirement benefits. (The District paid \$811,309 and \$787,263 in 2015 and 2014, respectively.) These amounts were remitted to the South Carolina Retirement Systems for distribution to the Division of Insurance Services for retiree health and dental insurance benefits. Information regarding the cost of insurance benefits applicable to the District's retirees is not available. By State law, the District has no liability for retirement benefits. Accordingly, the cost of providing these benefits for retirees is not included in the accompanying financial statements.

**NOTE 11 – PENSION AND RETIREMENT PLAN**

**Plan Description**

*South Carolina Retirement System* – District employees participate in the South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, administered by the South Carolina Public Employee Benefit Authority (PEBA). The plan was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public school districts, and political subdivisions.

*State Optional Retirement Program* – Certain employees may elect to participate in the State Optional Retirement Program (State ORP), a defined contribution plan. It is offered as an alternative to certain newly hired state, public school, and higher education employees. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers.

**Membership**

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirement under each system is presented below.

*SCRS* – Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

*State ORP* – As an alternative to membership in SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the S.C. General Assembly beginning with the November 2012 general election have the option to participate in the State ORP, which is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers. For this reason, State ORP programs are not considered part of the retirement systems for financial statement purposes.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 11 – PENSION AND RETIREMENT PLAN (continued)**

Employee and Employer contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employers to the member's account with investment providers for the employee contribution (8.16 percent) and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution (5.91 percent) and an incidental death benefit contribution (.15 percent), if applicable, which is retained by SCRS.

**Benefits**

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation.

*SCRS* – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable services equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active or retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

**Contributions**

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. Upon recommendation by the actuary in the annual actuarial valuation, the PEBA Board may adopt and present to the Budget and Control Board for approval an increase in the SCRS employer and employee contribution rates, but any such increase may not result in a differential between the employee and employer contribution rate that exceeds 2.9 percent of earnable compensation. An increase in the contribution rates adopted by the board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the board are insufficient to maintain a thirty year amortization schedule of the unfunded liabilities of the plans, the board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty-year amortization period; and, this increase is not limited to one-half of one percent per year.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 11 – PENSION AND RETIREMENT PLAN (continued)**

- Required employee contribution rates<sup>1</sup> for fiscal year 2015-2016 are as follows:

**SCRS**

Employee Class Two	8.16% of earnable compensation
Employee Class Three	8.16% of earnable compensation

<b>State ORP Employee</b>	8.16% of earnable compensation
---------------------------	--------------------------------

- Required employer contribution rates<sup>1</sup> for fiscal year 2015-2016 are as follows:

**SCRS**

Employer Class Two	10.91% of earnable compensation
Employer Class Three	10.91% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation

**State ORP**

Employer Contribution <sup>2</sup>	10.91% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation

<sup>1</sup>Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

<sup>2</sup>Of this employer contribution, 5% of earnable compensation must be remitted by the employer directly to the ORP vendor to be allocated to the member's account with the remainder of the employer contribution remitted to the SCRS.

Contributions to the pension plan from the District were as follows for the year ended June 30, 2016:

SCRS	\$	1,701,226
ORP - Remitted to SCRS	\$	34,975
ORP - Remitted to Vendor	\$	28,857

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2016, the District reported a liability of \$30,399,112 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 that was projected forward to the measurement date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. The District's proportionate share at June 30, 2016 was .1708329%, which was a .003696% decrease from its proportionate share at June 30, 2015.

For the year ended June 30, 2016, the District recognized pension expense of \$2,191,906. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:



**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 11 – PENSION AND RETIREMENT PLAN (continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 575,622	\$ 57,940
Net difference between projected and actual earnings on pension plan investments	216,863	-
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	-	511,187
District contributions subsequent to the measurement date	1,736,201	-
Total	\$ 2,528,686	\$ 569,127

District contributions subsequent of the measurement date of \$1,736,201 reported as deferred outflows will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2017	\$ (22,856)
2018	(22,856)
2019	(220,573)
2020	489,644
Thereafter	-
	\$ 223,359

**Actuarial Assumptions and Methods**

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through June 30, 2010, and the next experience performed on data through June 30, 2015 is currently underway. The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2014 valuations for SCRS.

Actuarial cost method	Entry age normal
Actuarial assumptions:	
Investment rate of return <sup>1</sup>	7.5%
Projected salary increases	3.5% to 12.5% (varies by service) <sup>1</sup>
Benefit adjustments	lesser of 1% or \$500 annually

<sup>1</sup>Includes inflation at 2.75%

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 11 – PENSION AND RETIREMENT PLAN (continued)**

The post-retiree mortality assumption is dependent upon the member’s job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000. Assumptions used in the July 1, 2014, valuations for SCRS are follows.

Former Job Class	Males	Females
Educators	RP-2000 Males (with White Collar adjustment) multiplied by 110%	RP-2000 Females (with White Collar adjustment) multiplied by 95%
General Employees	RP-2000 Males multiplied by 100%	RP-2000 Females multiplied by 90%

The long-term expected rate of return on pension plan investments, as used in the July 1, 2014 valuations, was based on 30 year capital market outlook at the end of the fourth quarter 2013, as developed by the Retirement System Investment Commission (RSIC) in collaboration with its investment consultant, Aon Hewitt. The long-term expected rates of returns represent assumptions developed using an arithmetic building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. Long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted annually by the RSIC for the fiscal year 2015. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and by adding the expected inflation and is summarized in the table below. For actuarial purposes, the 7.50 percent assumed annual investment rate of return set in statute and used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.75 percent inflation component.

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
<b>Short Term</b>	<b>5.0%</b>		
Cash	2.0%	1.90%	0.04%
Short Duration	3.0%	2.00%	0.06%
<b>Domestic Fixed Income</b>	<b>13.0%</b>		
Core Fixed Income	7.0%	2.70%	0.19%
Mixed Credit	6.0%	3.80%	0.23%
<b>Global Fixed Income</b>	<b>9.0%</b>		
Global Fixed Income	3.0%	2.80%	0.08%
Emerging Markets Debt	6.0%	5.10%	0.31%
<b>Global Public Equity</b>	<b>31.0%</b>	7.10%	2.20%
<b>Global Tactical Asset Allocation</b>	<b>10.0%</b>	4.90%	0.49%
<b>Alternatives</b>	<b>32.0%</b>		
Hedge Funds (Low Beta)	8.0%	4.30%	0.34%
Private Debt	7.0%	9.90%	0.69%
Private Equity	9.0%	9.90%	0.89%
Real Estate (Broad Market)	5.0%	6.00%	0.30%
Commodities	3.0%	5.90%	0.18%
Total Expected Real Return	<u>100.0%</u>		<u>6.00%</u>
Inflation for Actual Purposes			<u>2.75%</u>
Total Expected Nominal Return			<u>8.75%</u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 11 – PENSION AND RETIREMENT PLAN (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that the funding policy specified in the South Carolina Code of Laws will remain unchanged in future years. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the sensitivity of the District’s proportionate share of the net pension liability to the changes in the discount rate.

	1.00% Decrease (6.50%)	Current Discount Rate (7.50%)	1.00% Increase (8.50%)
District's proportionate share of the net pension liability	\$ 40,846,023	\$ 32,399,112	\$ 25,319,528

**Pension Plan Fiduciary Net Position**

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for SCRS. The CAFR of the Pension Trust Funds is publically available through the Retirement Benefits’ link on PEBA’s website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960.

**Payables to the Pension Plan**

At June 30, 2016, the District had \$337,288 in outstanding payables to the plan for legally required contributions. This amount is reported in the statement of net position and the balance sheet with withholdings and benefits payable.

**NOTE 12 – DEFERRED COMPENSATION PLAN**

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

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 12 – DEFERRED COMPENSATION PLAN (continued)**

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

**NOTE 13 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District pays an annual premium to the South Carolina School Board Insurance Trust for its general insurance. The South Carolina School Board Insurance Trust reinsures through commercial companies for certain claims. There were no significant reductions in insurance coverage from the previous year and no settlements have exceeded insurance coverage for the past three fiscal years ended June 30, 2016, 2015, and 2014.

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

**NOTE 14 – CONTINGENCIES**

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 15 – RELATED ORGANIZATIONS**

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

**NOTE 16 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND STATEMENTS**

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

Long-Term Assets Not Available to Pay Current Expenditures:	
Property Taxes	\$ <u>352,377</u>
Total	\$ <u><u>352,377</u></u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 16 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND STATEMENTS**  
**(continued)**

Long-Term Liabilities Not Reported in the Funds:	
Bonds Payable	\$ (16,158,000)
Plus: Premium on Bonds Payable (to be amortized as interest expense)	(164,260)
Plus: Deferred Gain on Refunding (to be amortized as interest expense)	(3,343)
Capital Lease Payable	(189,555)
Net Pension Liability	(32,399,112)
Deferred Outflows of Resources Related to Pension	2,528,686
Deferred Inflows of Resources Related to Pension	(569,127)
Accrued Interest Payable	(196,971)
Compensated Absences Payable	<u>(357,661)</u>
Total	<u>\$ (47,509,343)</u>

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

Capital Outlays:	
Depreciation Expense	\$ (843,801)
Capital Outlays	<u>6,263,389</u>
Total	<u>\$ 5,419,588</u>

Revenues and Other Items Not Recognized in the Funds:	
Property Taxes	<u>\$ 20,368</u>
Total	<u>\$ 20,368</u>

Issuance and Repayment of Long-Term Debt:	
Issuance of General Obligation Debt	\$ (1,000,000)
Principal Repayments on General Obligation Debt	985,000
Principal Repayments on SCAGO Leases	256,000
Principal Repayments on Capital Leases	<u>184,178</u>
Total	<u>\$ 425,178</u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 16 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND STATEMENTS**  
**(continued)**

Reduction of Liabilities and Other Expenses Not Recognized in the Funds:	
Compensated Absences	\$ 3,482
Accrued Interest on Long-Term Debt	(83,384)
Amortization of Bond Premiums	25,319
Amortization of Net Deferred (Charge)/Gain on Refunding	1,491
Pension Expense	<u>(454,621)</u>
Total	<u><u>\$ (507,713)</u></u>

**NOTE 17 – RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS**

GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This standard significantly expands the financial accounting and reporting for OPEB and is intended to give a clearer picture of the cost of providing these benefits to employees upon retirement. This statement is effective for fiscal years beginning after June 15, 2017. The District has not yet determined the impact implementation of this statement will have on its financial statements.

**NOTE 18 – COMMITMENTS**

At June 30, 2016, 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, 2016
Harleyville - Ridgeville Elementary School	August 2016	\$ 919,866	\$ (685,981)	\$ 233,885
Williams Memorial Elementary School	August 2016	2,377,040	(1,904,107)	472,933
Woodland High School	December 2016	3,141,344	(2,023,734)	1,117,610
Clay Hill Elementary School	December 2016	3,578,486	(1,290,400)	2,288,086
Harleyville - Ridgeville Middle School	August 2016	<u>919,865</u>	<u>(685,981)</u>	<u>233,884</u>
Total		<u><u>\$ 10,936,601</u></u>	<u><u>\$ (6,590,203)</u></u>	<u><u>\$ 4,346,398</u></u>

**NOTE 19 – SUBSEQUENT EVENTS**

In June of 2016, the District authorized the issuance of SCAGO Tax Anticipation Notes in an amount not to exceed \$1,400,000. The maximum amount approved by SCAGO was \$1,375,000. As of the date of this report, the District has not drawn any funds related to these notes.

Also, in June of 2016, the District authorized the issuance of General Obligation Bonds not to exceed \$900,000 to finance various capital projects. As of the date of this report, these bonds have not been issued.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Local	\$ 8,991,645	\$ 8,991,645	\$ 9,978,964	\$ 987,319
State	11,392,040	11,392,040	11,679,133	287,093
Intergovernmental	64,700	64,700	70,698	5,998
<b>TOTAL REVENUES</b>	<u>\$ 20,448,385</u>	<u>\$ 20,448,385</u>	<u>\$ 21,728,795</u>	<u>\$ 1,280,410</u>
<b>EXPENDITURES</b>				
Current				
Instructional Services	\$ 12,073,187	\$ 12,073,187	\$ 11,909,589	\$ 163,598
Supporting Services	10,767,764	10,767,764	10,636,172	131,592
Community Services	-	-	1,952	(1,952)
Intergovernmental Expenditures	25,000	25,000	25,000	-
Debt Service				
Redemption of Principal	65,793	65,793	65,793	-
Interest and Other Charges	13,561	13,561	13,561	-
Capital Outlay	27,000	27,000	22,356	4,644
<b>TOTAL EXPENDITURES</b>	<u>\$ 22,972,305</u>	<u>\$ 22,972,305</u>	<u>\$ 22,674,423</u>	<u>\$ 297,882</u>
Excess Revenues Over (Under) Expenditures	<u>\$ (2,523,920)</u>	<u>\$ (2,523,920)</u>	<u>\$ (945,628)</u>	<u>\$ 1,578,292</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Fixed Assets	\$ -	\$ -	\$ 1,075	\$ 1,075
Transfers From Other Funds	679,754	679,754	857,172	177,418
Transfers To Other Funds	-	-	(192,380)	(192,380)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ 679,754</u>	<u>\$ 679,754</u>	<u>\$ 665,867</u>	<u>\$ (13,887)</u>
Net Change in Fund Balance	\$ (1,844,166)	\$ (1,844,166)	\$ (279,761)	\$ 1,564,405
<b>FUND BALANCE BEGINNING OF YEAR</b>	<u>4,698,845</u>	<u>4,698,845</u>	<u>4,698,845</u>	<u>-</u>
<b>FUND BALANCE END OF YEAR</b>	<u><u>\$ 2,854,679</u></u>	<u><u>\$ 2,854,679</u></u>	<u><u>\$ 4,419,084</u></u>	<u><u>\$ 1,564,405</u></u>



**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
NOTES TO BUDGETARY COMPARISON SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

**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.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
SOUTH CAROLINA RETIREMENT SYSTEMS  
LAST 10 FISCAL YEARS**

*South Carolina Retirement System (SCRS)*

Fiscal Year

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
District's proportion of the net pension liability (asset)	0.170832%	0.174528%								
District's proportionate share of the net pension liability (asset)	\$ 32,399,112	\$ 30,047,936								
District's covered employee payroll	\$ 12,880,726	\$ 12,975,843								
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	251.53%	231.57%								
Plan fiduciary net position as a percentage of the total pension liability	57.00%	59.90%								

Notes: The amounts presented above for each fiscal year were determined as of the measurement date of the plan's fiscal year end.

The District is retroactively reporting data back to the year of GASB Statement 68 implementation, which was fiscal year ending 2015. Information on the proportionate share of net pension liability is not available prior to that fiscal year.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT CONTRIBUTIONS  
SOUTH CAROLINA RETIREMENT SYSTEMS  
LAST 10 FISCAL YEARS**

*South Carolina Retirement System (SCRS)*

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	\$ 1,736,201	\$ 1,744,832	\$ 1,679,457	\$ 1,650,940	\$ 1,427,192	\$ 1,383,808	\$ 1,389,239	\$ 1,417,976	\$ 1,328,153	\$ 1,160,858
Contributions in relation to the contractually required contribution	(1,736,201)	(1,744,832)	(1,679,457)	(1,650,940)	(1,427,192)	(1,383,808)	(1,389,239)	(1,417,976)	(1,328,153)	(1,160,858)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 15,958,933	\$ 16,226,184	\$ 16,001,277	\$ 15,721,528	\$ 15,067,147	\$ 14,854,208	\$ 14,929,327	\$ 15,253,643	\$ 14,568,215	\$ 14,225,993
Contributions as a percentage of covered-employee payroll	10.88%	10.75%	10.50%	10.50%	9.47%	9.32%	9.31%	9.30%	9.12%	8.16%

*Police Officers Retirement System (PORS)*

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	\$	\$	\$	\$	\$	\$	\$	\$ 1,636	\$ 1,624	\$ 1,416
Contributions in relation to the contractually required contribution								(1,636)	(1,624)	(1,416)
Contribution deficiency (excess)	\$	\$	\$	\$	\$	\$	\$	\$ -	\$ -	\$ -
District's covered-employee payroll	\$	\$	\$	\$	\$	\$	\$	\$ 14,805	\$ 15,178	\$ 13,234
Contributions as a percentage of covered-employee payroll								11.05%	10.70%	10.70%

Notes: Contractually required contributions as presented in the SCRS table above include employer contributions remitted to the SCRS for ORP participants and exclude employer ORP contributions remitted directly to the ORP vendor.

The District has not had any participants in PORS since the fiscal year ending 2009.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
NOTES TO THE PENSION PLAN SCHEDULES  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 - ACTUARIAL METHODS & ASSUMPTIONS USED**

The table below provides a summary of the actuarial methods and assumptions used in calculations of the actuarially determined contributions for the South Carolina Retirement System (SCRS). This information was obtained from the financial statements of the SCRS, which is administered by the retirement division of the South Carolina Public Employee Benefit Authority (PEBA) for the year ended June 30, 2015.

<b>Summary of Actuarial Methods and Significant Assumptions</b>	
Valuation date	07/01/14
Actuarial cost method	Entry age normal
Amortization method	Level percent open
Amortization period	30 years
Asset Valuation method	5-year smoothed market
Inflation rate	2.75%
Projected salary increases	3.5% to 12.5% (varies by service) <sup>1</sup>
Investment rate of return	7.50%
Benefit adjustments	lesser of 1% or \$500 annually

<sup>1</sup>*Includes inflation at 2.75%*

**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, 2016**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
<b>1000 Revenue from Local Sources</b>			
1100 Taxes			
1110 Ad Valorem Taxes - Including Delinquent Taxes	\$ 7,960,189	\$ 8,725,659	\$ 765,470
1200 Revenue From Local Governmental Units Other Than LEAs			
1280 Revenue in Lieu of Taxes	1,026,456	1,221,479	195,023
1300 Tuition			
1310 Tuition from Patrons for Regular Day School	-	3,000	3,000
1500 Earnings on Investments			
1510 Interest on Investments	5,000	11,749	6,749
1900 Other Revenue from Local Sources			
1910 Rentals	-	3,514	3,514
1920 Contributions & Donations Private Sources	-	212	212
1930 Special Needs Transportation	-	3,697	3,697
1950 Refund of Prior Year's Expenditures	-	7,592	7,592
1990 Miscellaneous Local Revenue			
1999 Revenue from Other Local Sources	-	2,062	2,062
<b>Total Local Sources</b>	<u>\$ 8,991,645</u>	<u>\$ 9,978,964</u>	<u>\$ 987,319</u>
<b>2000 Intergovernmental Revenue</b>			
2100 Payments from Other Governments	\$ 64,700	\$ 70,698	\$ 5,998
<b>Total Intergovernmental Revenue</b>	<u>\$ 64,700</u>	<u>\$ 70,698</u>	<u>\$ 5,998</u>
<b>3000 Revenue from State Sources</b>			
3100 Restricted State Funding			
3130 Special Programs			
3131 Handicapped Transportation	\$ -	\$ 8,347	\$ 8,347
3160 School Bus Driver's Salary	188,194	210,089	21,895
3161 EAA Bus Driver Salary and Fringe	-	1,183	1,183
3162 Transportation Workers' Compensation	18,505	19,141	636
3180 Fringe Benefits Employer Contributions	1,958,331	2,055,185	96,854
3181 Retiree Insurance	676,425	610,872	(65,553)
3199 Other Restricted State Grants	-	55	55
3300 Education Finance Act			
3310 Full-Time Programs			
3311 Kindergarten	237,718	194,905	(42,813)
3312 Primary	697,742	702,183	4,441
3313 Elementary	1,003,571	970,045	(33,526)
3314 High School	505,114	391,513	(113,601)

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	<b>BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
<b>REVENUES (continued)</b>			
<b>3000 Revenue from State Sources (continued)</b>			
3300 Education Finance Act (continued)			
3310 Full-Time Programs (continued)			
3315 Trainable Mentally Handicapped	29,404	22,339	(7,065)
3316 Speech Handicapped (Part-Time Program)	267,171	340,869	73,698
3317 Homebound	64	1,814	1,750
3320 Part-time Programs			
3321 Emotionally Handicapped	16,304	16,197	(107)
3322 Educable Mentally Handicapped	103,861	90,866	(12,995)
3323 Learning Disabilities	583,590	606,242	22,652
3324 Hearing Handicapped	20,051	17,374	(2,677)
3325 Visually Handicapped	19,923	16,881	(3,042)
3326 Orthopedically Handicapped	3,267	272	(2,995)
3327 Vocational	431,875	582,503	150,628
3330 Other EFA Programs			
3331 Autism	70,757	94,748	23,991
3332 High Achieving Students	31,711	22,195	(9,516)
3334 Limited English Proficiency	10,891	16,865	5,974
3350 Residential Treatment Facilities (RTF)			
3351 Academic Assistance	98,495	83,745	(14,750)
3352 Pupils in Poverty	595,137	587,420	(7,717)
3800 State Revenue in Lieu of Taxes			
3810 Reimbursement for Local Residential			
Property Tax Relief (Tier 1)	875,507	902,111	26,604
3820 Homestead Exemption (Tier 2)	453,792	547,691	93,899
3825 Reimbursement for Property			
Tax Relief (Tier 3)	2,182,265	2,140,924	(41,341)
3830 Merchant's Inventory Tax	50,036	50,037	1
3890 Other State Property Tax Revenues	262,339	374,522	112,183
<b>Total State Sources</b>	<b>\$ 11,392,040</b>	<b>\$ 11,679,133</b>	<b>\$ 287,093</b>
<b>TOTAL REVENUE ALL SOURCES</b>	<b>\$ 20,448,385</b>	<b>\$ 21,728,795</b>	<b>\$ 1,280,410</b>

**EXPENDITURES**

**100 Instruction**

110 General Instruction

111 Kindergarten Programs

100 Salaries	\$ 542,532	\$ 464,716	\$ 77,816
200 Employee Benefits	224,711	187,998	36,713
300 Purchased Services	6,550	5,781	769
400 Supplies and Materials	10,268	8,974	1,294

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

<b>EXPENDITURES (continued)</b>	<b>BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
<b>100 Instruction (continued)</b>			
110 General Instruction (continued)			
112 Primary Programs			
100 Salaries	1,753,381	1,748,920	4,461
200 Employee Benefits	680,895	678,836	2,059
300 Purchased Services	18,300	15,702	2,598
400 Supplies and Materials	53,688	47,505	6,183
113 Elementary Programs			
100 Salaries	2,728,151	2,666,871	61,280
200 Employee Benefits	1,022,095	960,462	61,633
300 Purchased Services	87,950	138,598	(50,648)
400 Supplies and Materials	85,704	79,691	6,013
114 High School Programs			
100 Salaries	1,573,718	1,665,259	(91,541)
200 Employee Benefits	539,965	535,505	4,460
300 Purchased Services	123,750	133,819	(10,069)
400 Supplies and Materials	40,992	27,461	13,531
500 Capital Outlay	-	4,123	(4,123)
115 Career and Technology Education Programs			
100 Salaries	121,969	121,599	370
200 Employee Benefits	49,748	47,367	2,381
400 Supplies and Materials	9,847	5,655	4,192
120 Exceptional Programs			
121 Educable Mentally Handicapped			
100 Salaries	566,054	531,514	34,540
200 Employee Benefits	207,434	203,809	3,625
300 Purchased Services	-	24	(24)
400 Supplies and Materials	1,591	424	1,167
122 Trainable Mentally Handicapped			
100 Salaries	153,975	122,972	31,003
200 Employee Benefits	68,661	48,119	20,542
400 Supplies and Materials	387	154	233
123 Orthopedically Handicapped			
100 Salaries	56,266	59,420	(3,154)
200 Employee Benefits	24,749	25,433	(684)
300 Purchased Services	34,000	31,101	2,899
400 Supplies and Materials	43	34	9
124 Visually Handicapped			
300 Purchased Services	28,500	14,347	14,153
400 Supplies and Materials	172	132	40



**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

<b>EXPENDITURES (continued)</b>	<b>BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
<b>100 Instruction (continued)</b>			
120 Exceptional Programs (continued)			
125 Hearing Handicapped			
400 Supplies and Materials	215	132	83
126 Speech Handicapped			
100 Salaries	44,489	152,874	(108,385)
200 Employee Benefits	15,544	27,845	(12,301)
300 Purchased Services	153,500	60,085	93,415
400 Supplies and Materials	3,741	2,826	915
127 Learning Disabilities			
100 Salaries	299,159	393,745	(94,586)
200 Employee Benefits	114,216	140,540	(26,324)
400 Supplies and Materials	8,643	6,491	2,152
128 Emotionally Handicapped			
400 Supplies and Materials	301	215	86
130 Pre-School Programs			
133 Pre-School Handicapped -Self-Contained (5-yr. olds)			
100 Salaries	63,259	116,947	(53,688)
200 Employee Benefits	22,612	49,941	(27,329)
140 Special Programs			
145 Homebound			
100 Salaries	20,000	17,254	2,746
200 Employee Benefits	5,004	4,017	987
300 Purchased Services	14,500	3,867	10,633
147 CDEPP			
100 Salaries	131,386	16,148	115,238
200 Employee Benefits	59,349	6,910	52,439
149 Other Special Programs			
100 Salaries	234,775	201,760	33,015
200 Employee Benefits	79,915	61,843	18,072
300 Purchased Services	4,000	4,151	(151)
400 Supplies and Materials	4,250	-	4,250
160 Other Exceptional Programs			
161 Autism			
100 Salaries	-	55,345	(55,345)
200 Employee Benefits	-	16,659	(16,659)
400 Supplies and Materials	774	688	86

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>EXPENDITURES (continued)</b>			
<b>100 Instruction (continued)</b>			
170 Summer School Program			
172 Elementary Summer School			
100 Salaries	-	600	(600)
200 Employee Benefits	-	150	(150)
175 Instructional Programs Beyond Regular School Day			
100 Salaries	-	5,909	(5,909)
200 Employee Benefits	-	1,460	(1,460)
180 Adult/Continuing Education Programs			
188 Parenting/Family Literacy			
200 Employee Benefits	6,445	6,670	(225)
190 Instructional Pupil Activity			
100 Salaries	-	4,900	(4,900)
200 Employee Benefits	-	1,238	(1,238)
300 Purchased Services	-	679	(679)
400 Supplies and Materials	13,750	11,734	2,016
600 Other Objects	17,029	17,479	(450)
<b>Total Instruction</b>	<b>\$ 12,132,902</b>	<b>\$ 11,973,427</b>	<b>\$ 159,475</b>
<b>200 Supporting Services</b>			
210 Pupil Services			
211 Attendance and Social Work Services			
100 Salaries	\$ 62,897	\$ 62,897	-
200 Employee Benefits	20,150	20,045	105
212 Guidance Services			
100 Salaries	421,543	435,278	(13,735)
200 Employee Benefits	141,894	144,482	(2,588)
300 Purchased Services	3,500	1,465	2,035
400 Supplies and Materials	4,750	3,961	789
213 Health Services			
100 Salaries	130,792	149,545	(18,753)
200 Employee Benefits	50,734	61,333	(10,599)
300 Purchased Services	28,000	36,007	(8,007)
400 Supplies and Materials	6,000	4,584	1,416
600 Other Objects	250	-	250
214 Psychological Services			
100 Salaries	67,561	93,977	(26,416)
200 Employee Benefits	27,575	27,207	368

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

<b>EXPENDITURES (continued)</b>	<b>BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
<b>200 Supporting Services (continued)</b>			
210 Pupil Services (continued)			
217 Career and Technical Education			
Placement Services			
100 Salaries	46,832	46,832	-
200 Employee Benefits	16,130	15,986	144
220 Instructional Staff Services			
221 Improvement of Instruction - Curriculum Development			
100 Salaries	91,800	-	91,800
200 Employee Benefits	27,473	-	27,473
300 Purchased Services	16,000	11,871	4,129
400 Supplies and Materials	9,000	10,478	(1,478)
500 Capital Outlay	-	1,657	(1,657)
600 Other Objects	550	172	378
222 Library and Media Services			
100 Salaries	293,338	294,913	(1,575)
200 Employee Benefits	102,133	99,525	2,608
400 Supplies and Materials	38,964	31,137	7,827
223 Supervision of Special Programs			
100 Salaries	157,412	157,411	1
200 Employee Benefits	45,274	46,019	(745)
300 Purchased Services	7,055	6,278	777
400 Supplies and Materials	3,500	3,347	153
600 Other Objects	1,350	906	444
224 Improvement of Instruction - Inservice Training			
100 Salaries	215,830	226,807	(10,977)
200 Employee Benefits	61,567	48,080	13,487
300 Purchased Services	4,500	8,300	(3,800)
400 Supplies and Materials	3,500	10,978	(7,478)
600 Other Objects	500	276	224
230 General Administration Services			
231 Board of Education			
100 Salaries	5,000	4,932	68
140 Terminal Leave	65,000	55,797	9,203
200 Employee Benefits	17,514	10,000	7,514
300 Purchased Services	84,000	83,081	919
318 Audit Services	24,550	24,550	-
400 Supplies and Materials	20,000	23,006	(3,006)
600 Other Objects	10,000	15,136	(5,136)

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

<b>EXPENDITURES (continued)</b>	<b>BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
<b>200 Supporting Services (continued)</b>			
230 General Administration Services (continued)			
232 Office of the Superintendent			
100 Salaries	147,302	147,302	-
200 Employee Benefits	56,086	55,361	725
300 Purchased Services	7,500	7,329	171
400 Supplies and Materials	14,500	18,418	(3,918)
600 Other Objects	2,800	2,467	333
233 School Administration			
100 Salaries	1,409,168	1,470,816	(61,648)
200 Employee Benefits	480,631	491,345	(10,714)
300 Purchased Services	14,000	15,803	(1,803)
400 Supplies and Materials	16,544	14,036	2,508
600 Other Objects	9,650	11,499	(1,849)
250 Finance and Operations Services			
252 Fiscal Services			
100 Salaries	312,947	305,651	7,296
200 Employee Benefits	106,622	107,981	(1,359)
300 Purchased Services	34,000	32,065	1,935
400 Supplies and Materials	7,500	6,415	1,085
500 Capital Outlay	2,500	-	2,500
600 Other Objects	2,500	2,488	12
254 Operation and Maintenance of Plant			
100 Salaries	596,855	562,388	34,467
200 Employee Benefits	282,211	247,630	34,581
300 Purchased Services	1,137,100	1,048,834	88,266
321 Public Utilities	51,750	53,958	(2,208)
400 Supplies and Materials	166,500	125,685	40,815
470 Energy	672,920	614,413	58,507
500 Capital Outlay	24,500	16,576	7,924
255 Student Transportation			
100 Salaries	883,654	851,830	31,824
200 Employee Benefits	332,595	333,511	(916)
300 Purchased Services	47,050	37,966	9,084
400 Supplies and Materials	3,500	3,774	(274)
256 Food Services			
200 Employee Benefits	204,612	219,596	(14,984)
257 Internal Services			
300 Purchased Services	44,000	32,162	11,838

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>EXPENDITURES (continued)</b>			
<b>200 Supporting Services (continued)</b>			
250 Finance and Operations Services (continued)			
258 Security			
100 Salaries	20,000	27,256	(7,256)
200 Employee Benefits	1,710	2,421	(711)
300 Purchased Services	216,414	188,967	27,447
260 Central Support Services			
263 Information Services			
100 Salaries	2,500	1,500	1,000
200 Employee Benefits	626	366	260
264 Staff Services			
100 Salaries	163,797	165,945	(2,148)
200 Employee Benefits	60,259	62,486	(2,227)
300 Purchased Services	29,500	22,648	6,852
400 Supplies and Materials	7,500	7,762	(262)
600 Other Objects	400	176	224
266 Technology and Data Processing Services			
100 Salaries	286,518	275,215	11,303
200 Employee Benefits	106,715	82,150	24,565
300 Purchased Services	44,000	125,751	(81,751)
400 Supplies and Materials	20,000	24,719	(4,719)
600 Other Objects	200	176	24
270 Supporting Services Pupil Activity			
271 Pupil Services Activities			
100 Salaries	308,516	367,465	(58,949)
200 Employee Benefits	81,640	82,571	(931)
300 Purchased Services	1,000	15,448	(14,448)
400 Supplies and Materials	40,000	88,274	(48,274)
600 Other Objects	17,193	17,193	-
<b>Total Supporting Services</b>	<b>\$ 10,814,403</b>	<b>\$ 10,674,044</b>	<b>\$ 140,359</b>
<b>300 Community Services</b>			
390 Other Community Services			
100 Salaries	-	1,565	(1,565)
200 Employee Benefits	-	387	(387)
<b>Total Community Service</b>	<b>\$ -</b>	<b>\$ 1,952</b>	<b>\$ (1,952)</b>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	<b>BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
<b>EXPENDITURES (continued)</b>			
<b>400 Other Charges</b>			
<b>410 Intergovernmental Expenditures</b>			
412 Payments to Other Governmental Units			
720 Transits	\$ 25,000	\$ 25,000	\$ -
<b>Total Intergovernmental Expenditures</b>	\$ 25,000	\$ 25,000	\$ -
<b>TOTAL EXPENDITURES</b>	\$ 22,972,305	\$ 22,674,423	\$ 297,882
Excess Revenues Over (Under) Expenditures	\$ (2,523,920)	\$ (945,628)	\$ 1,578,292
<b>OTHER FINANCING SOURCES (USES)</b>			
5300 Sale of Fixed Assets	\$ -	\$ 1,075	\$ 1,075
<b>Interfund Transfers, From (To) Other Funds</b>			
5230 Transfer from Special Revenue EIA Fund	494,754	482,375	(12,379)
5250 Transfer from School Building Fund	-	297,173	297,173
5260 Transfer from Food Service Fund	110,000	-	(110,000)
5280 Transfer from Other Funds Indirect Costs	75,000	77,624	2,624
425-710 Transfer to Food Service Fund	-	(192,380)	(192,380)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	\$ 679,754	\$ 665,867	\$ (13,887)
Excess (Deficiency) of Revenues and Expenditures Over Other Financing Source (Uses)	\$ (1,844,166)	\$ (279,761)	\$ 1,564,405
<b>FUND BALANCE JULY 1, 2015</b>		4,698,845	
<b>FUND BALANCE JUNE 30, 2016</b>		\$ 4,419,084	

**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, 2016**

	<b>TITLE I (BA Projects) (201/202)</b>	<b>IDEA (CA Projects) (203/204)</b>	<b>PRESCHOOL HANDICAPPED (CG Projects) (205/206)</b>
<b>REVENUES</b>			
<b>1000 Revenue From Local Sources</b>			
1900 Other Revenue From Local Sources			
1930 Medicaid	\$ -	\$ -	\$ -
1950 Refund of Prior Year's Expenditures	-	-	-
1999 Revenue from Other Local Sources	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Local Sources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>2000 Intergovernmental Revenue</b>			
2100 Payments from Other Governmental Units	\$ -	\$ -	\$ -
2300 Payments from Non-Profit Entities (for First Steps)	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Intergovernmental Revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>3000 Revenue From State Sources</b>			
3100 Restricted State Funding			
3110 Occupational Education			
3118 EEDA Career Specialist	\$ -	\$ -	\$ -
3120 General Education			
3127 Student Health and Fitness - PE Teachers	-	-	-
3130 Special Programs			
3134 CDEP Expansion	-	-	-
3135 Reading Coaches	-	-	-
3136 Student Health and Fitness - Nurses	-	-	-
3177 Summer Reading Camps	-	-	-
3190 Miscellaneous Restricted State Grants			
3193 Education License Plates	-	-	-
3198 Technology Professional Development	-	-	-
3199 Other Restricted State Grants	-	-	-
3600 Education Lottery Act Revenue			
3607 6-8 Enhancement	-	-	-
3610 K-5 Enhancement	-	-	-
3630 K-12 Technology Initiative	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total State Sources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>4000 Revenue From Federal Sources</b>			
4200 Occupational Education			
4210 Vocational Aid, Title I	\$ -	\$ -	\$ -
4300 Elementary and Secondary Education Act of 1965 (ESEA)			
4310 Title I	637,001	-	-
4312 Rural and Low-Income School Program, Title VI	-	-	-

<b>OCCUPATIONAL EDUCATION (VA Projects) (207/208)</b>	<b>OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)</b>	<b>OTHER SPECIAL REVENUE PROGRAMS (200s/800s)</b>	<b>TOTAL</b>
\$ -	\$ -	\$ 92,843	\$ 92,843
-	-	100,354	100,354
-	-	56,260	56,260
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 249,457</u>	<u>\$ 249,457</u>
\$ -	\$ -	\$ 10,492	\$ 10,492
-	26,913	-	26,913
<u>\$ -</u>	<u>\$ 26,913</u>	<u>\$ 10,492</u>	<u>\$ 37,405</u>
\$ -	\$ 47,147	\$ -	\$ 47,147
-	26,509	-	26,509
-	131,813	-	131,813
-	188,190	-	188,190
-	88,584	-	88,584
-	17,465	-	17,465
-	511	-	511
-	10,466	-	10,466
-	-	4,103	4,103
-	3,314	-	3,314
-	2,905	-	2,905
-	139,760	-	139,760
<u>\$ -</u>	<u>\$ 656,664</u>	<u>\$ 4,103</u>	<u>\$ 660,767</u>
\$ 31,956	\$ -	\$ -	\$ 31,956
-	-	-	637,001
-	-	43,091	43,091



**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, 2016**

	<u>TITLE I (BA Projects) (201/202)</u>	<u>IDEA (CA Projects) (203/204)</u>	<u>PRESCHOOL HANDICAPPED (CG Projects) (205/206)</u>
<b>REVENUES (continued)</b>			
<b>4000 Revenue From Federal Sources (continued)</b>			
4300 Elementary and Secondary Education Act of 1965 (ESEA) (continued)			
4342 Title II Teacher Advancement Program (TAP)	-	-	-
4348 Teacher Incentive Fund	-	-	-
4351 Improving Teacher Quality	-	-	-
4500 Programs for Children with Disabilities			
4510 IDEA	-	606,063	-
4520 Pre-School Grants	-	-	30,525
4900 Other Federal Sources			
4924 21st Century Community Learning Centers Grants	-	-	-
4940 South Carolina School Climate Initiative	-	-	-
4999 Revenue from Other Federal Sources	-	-	-
	<u>\$ 637,001</u>	<u>\$ 606,063</u>	<u>\$ 30,525</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<u>\$ 637,001</u>	<u>\$ 606,063</u>	<u>\$ 30,525</u>
<b>EXPENDITURES</b>			
<b>100 Instruction</b>			
110 General Instruction			
111 Kindergarten Programs			
100 Salaries	\$ 35,410	\$ -	\$ -
200 Employee Benefits	17,639	-	-
400 Supplies and Materials	2,768	-	-
112 Primary Programs			
100 Salaries	158,969	-	-
200 Employee Benefits	56,157	-	-
300 Purchased Services	5,964	-	-
400 Supplies and Materials	-	-	-
113 Elementary Programs			
100 Salaries	119,080	-	-
200 Employee Benefits	53,718	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	8,102	-	-
114 High School Programs			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
500 Capital Outlay	-	-	-

<b>OCCUPATIONAL EDUCATION (VA Projects) (207/208)</b>	<b>OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)</b>	<b>OTHER SPECIAL REVENUE PROGRAMS (200s/800s)</b>	<b>TOTAL</b>
-	-	34,588	34,588
-	-	359,718	359,718
-	-	132,225	132,225
-	-	4,078	610,141
-	-	-	30,525
-	-	105,588	105,588
-	-	22,184	22,184
-	-	53,346	53,346
<u>\$ 31,956</u>	<u>\$ -</u>	<u>\$ 754,818</u>	<u>\$ 2,060,363</u>
<u>\$ 31,956</u>	<u>\$ 683,577</u>	<u>\$ 1,018,870</u>	<u>\$ 3,007,992</u>
\$ -	\$ -	\$ 12,113	\$ 47,523
-	-	1,036	18,675
-	-	-	2,768
-	160,478	68,789	388,236
-	41,815	8,198	106,170
-	-	-	5,964
-	4,563	11,341	15,904
-	-	109,472	228,552
-	-	8,740	62,458
-	116,466	-	116,466
-	6,517	9,809	24,428
-	-	41,748	41,748
-	-	13,352	13,352
-	23,293	1,800	25,093
-	-	12,250	12,250
-	511	-	511

**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, 2016**

	<u>TITLE I (BA Projects) (201/202)</u>	<u>IDEA (CA Projects) (203/204)</u>	<u>PRESCHOOL HANDICAPPED (CG Projects) (205/206)</u>
<b>EXPENDITURES (continued)</b>			
<b>100 Instruction (continued)</b>			
120 Exceptional Programs			
121 Educable Mentally Handicapped			
100 Salaries	-	18,620	-
200 Employee Benefits	-	11,655	-
600 Other Objects	-	65	-
122 Trainable Mentally Handicapped			
300 Purchased Services	-	3,123	-
400 Supplies and Materials	-	-	-
123 Orthopedically Handicapped			
100 Salaries	-	1,190	-
200 Employee Benefits	-	159	-
126 Speech			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	120	-
127 Learning Disabilities			
100 Salaries	-	72,398	-
200 Employee Benefits	-	23,527	-
300 Purchased Services	-	27,504	-
400 Supplies and Materials	-	29,113	-
500 Capital Outlay	-	7,009	-
130 Pre-School Programs			
133 Pre-School Handicapped Self-Contained (5 Yr. Olds)			
100 Salaries	-	-	19,424
200 Employee Benefits	-	-	6,818
400 Supplies and Materials	-	-	2,669
140 Special Programs			
147 CDEPP			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
160 Other Exceptional Programs			
161 Autism			
100 Salaries	-	37,731	-
200 Employee Benefits	-	22,978	-
300 Purchased Services	-	2,833	-
400 Supplies and Materials	-	15,748	-

<b>OCCUPATIONAL EDUCATION (VA Projects) (207/208)</b>	<b>OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)</b>	<b>OTHER SPECIAL REVENUE PROGRAMS (200s/800s)</b>	<b>TOTAL</b>
-	-	7,878	26,498
-	-	674	12,329
-	-	-	65
-	-	-	3,123
-	-	236	236
-	-	-	1,190
-	-	-	159
-	-	896	896
-	-	20,014	20,014
-	-	-	120
-	-	12,271	84,669
-	-	1,034	24,561
-	-	-	27,504
-	-	-	29,113
-	-	-	7,009
-	-	2,645	22,069
-	-	226	7,044
-	-	-	2,669
-	-	11,512	11,512
-	-	960	960
-	-	-	37,731
-	-	-	22,978
-	-	-	2,833
-	-	-	15,748

**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, 2016**

	<u>TITLE I</u> <u>(BA Projects)</u> <u>(201/202)</u>	<u>IDEA</u> <u>(CA Projects)</u> <u>(203/204)</u>	<u>PRESCHOOL</u> <u>HANDICAPPED</u> <u>(CG Projects)</u> <u>(205/206)</u>
<b>EXPENDITURES (continued)</b>			
<b>100 Instruction (continued)</b>			
170 Summer School Programs			
171 Primary Summer School			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
175 Instructional Programs Beyond Regular School Day			
100 Salaries	300	1,600	-
200 Employee Benefits	75	382	-
400 Supplies and Materials	-	-	-
180 Adult/Continuing Educational Programs			
188 Parenting/Family Literacy			
100 Salaries	19,599	-	-
200 Employee Benefits	8,251	-	-
300 Purchased Services	9,836	-	-
400 Supplies and Materials	10,854	-	-
600 Other Objects	300	-	-
190 Instructional Pupil Activity			
300 Purchased Services	-	-	-
400 Supplies and Materials	919	-	-
<b>Total Instruction</b>	<u>\$ 507,941</u>	<u>\$ 275,755</u>	<u>\$ 28,911</u>
<b>200 Supporting Services</b>			
210 Pupil Services			
211 Attendance and Social Work Services			
100 Salaries	\$ -	\$ -	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	239	-	-
212 Guidance Services			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
213 Health Services			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	377	-

<b>OCCUPATIONAL EDUCATION (VA Projects) (207/208)</b>	<b>OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)</b>	<b>OTHER SPECIAL REVENUE PROGRAMS (200s/800s)</b>	<b>TOTAL</b>
-	11,918	-	11,918
-	3,032	-	3,032
-	-	51,261	53,161
-	-	11,308	11,765
-	-	6,822	6,822
-	25,000	-	44,599
-	1,913	-	10,164
-	-	-	9,836
-	-	65	10,919
-	-	-	300
20,844	-	3,697	24,541
-	-	3,313	4,232
<b>\$ 20,844</b>	<b>\$ 395,506</b>	<b>\$ 433,460</b>	<b>\$ 1,662,417</b>

\$ -	\$ -	\$ 2,100	\$ 2,100
-	-	516	516
-	-	-	239
4,000	-	-	4,000
1,000	-	-	1,000
-	63,632	-	63,632
-	24,952	-	24,952
-	-	-	377

**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, 2016**

	<u>TITLE I (BA Projects) (201/202)</u>	<u>IDEA (CA Projects) (203/204)</u>	<u>PRESCHOOL HANDICAPPED (CG Projects) (205/206)</u>
<b>EXPENDITURES (continued)</b>			
<b>200 Supporting Services (continued)</b>			
210 Pupil Services (continued)			
214 Psychological Services			
100 Salaries	-	7,628	-
200 Employee Benefits	-	1,902	-
300 Purchased Services	-	10,892	-
400 Supplies and Materials	-	9,233	-
600 Other Objects	-	853	-
217 Career Specialist Services			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
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	49,383	110,859	-
200 Employee Benefits	13,419	41,267	-
300 Purchased Services	9,729	17,292	-
400 Supplies and Materials	3,399	5,875	-
600 Other Objects	176	517	-
224 Improvement of Instruction - Inservice Training			
100 Salaries	-	60,981	-
200 Employee Benefits	-	22,279	-
300 Purchased Services	12,136	5,575	-
400 Supplies and Materials	659	603	-
600 Other Objects	-	3	-
230 General Administration Services			
233 School Administration			
200 Employee Benefits	-	-	-
250 Finance and Operations Services			
251 Student Transportation			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	1,897	-

<b>OCCUPATIONAL EDUCATION (VA Projects) (207/208)</b>	<b>OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)</b>	<b>OTHER SPECIAL REVENUE PROGRAMS (200s/800s)</b>	<b>TOTAL</b>
-	-	24,496	32,124
-	-	21,038	22,940
-	-	-	10,892
-	-	-	9,233
-	-	-	853
-	36,012	-	36,012
-	11,135	-	11,135
-	-	41,325	41,325
-	-	12,497	12,497
-	-	818	818
-	-	81	81
-	-	26,000	186,242
-	-	6,467	61,153
1,656	-	-	28,677
-	-	-	9,274
-	-	-	693
-	-	207,760	268,741
-	-	69,931	92,210
4,456	15,518	18,450	56,135
-	-	109	1,371
-	-	750	753
-	-	1,034	1,034
-	-	1,516	1,516
-	-	386	386
-	-	2,176	4,073



**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, 2016**

	<u>TITLE I (BA Projects) (201/202)</u>	<u>IDEA (CA Projects) (203/204)</u>	<u>PRESCHOOL HANDICAPPED (CG Projects) (205/206)</u>
<b>EXPENDITURES (continued)</b>			
<b>200 Supporting (continued)</b>			
250 Finance and Operations Services (continued)			
254 Operation and Maintenance of Plant			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	7,131	-	-
400 Supplies and Materials	224	-	-
470 Energy	2,259	-	-
256 Food Service			
400 Supplies and Materials	-	-	-
258 Security			
300 Purchased Services	506	-	-
260 Central Support Services			
264 Staff Services			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
266 Technology and Data Processing Services			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
500 Capital Outlay	-	-	-
270 Support Services - Pupil Activity			
271 Pupil Service Activities			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	104	-	-
<b>Total Supporting Services</b>	<b>\$ 99,364</b>	<b>\$ 298,033</b>	<b>\$ -</b>
<b>400 Other Charges</b>			
<b>410 Intergovernmental Expenditures</b>			
414 Medicaid Payments to SDE			
720 Transits	-	-	-
<b>Total Intergovernmental Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 607,305</b>	<b>\$ 573,788</b>	<b>\$ 28,911</b>
Excess Revenues Over (Under) Expenditures	\$ 29,696	\$ 32,275	\$ 1,614

<b>OCCUPATIONAL EDUCATION (VA Projects) (207/208)</b>	<b>OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)</b>	<b>OTHER SPECIAL REVENUE PROGRAMS (200s/800s)</b>	<b>TOTAL</b>
-	-	126	126
-	-	30	30
-	-	-	7,131
-	-	-	224
-	-	-	2,259
-	-	1,638	1,638
-	-	-	506
-	-	21,965	21,965
-	-	1,695	1,695
-	-	6,500	6,500
-	-	1,605	1,605
-	-	22,121	22,121
-	-	3,280	3,280
-	-	11,975	11,975
-	2,277	14,489	16,766
-	808	3,528	4,336
-	1,924	21,971	23,999
<u>\$ 11,112</u>	<u>\$ 156,258</u>	<u>\$ 548,373</u>	<u>\$ 1,113,140</u>

\$ - \$ - \$ 22,998 \$ 22,998

\$ - \$ - \$ 22,998 \$ 22,998

\$ 31,956 \$ 551,764 \$ 1,004,831 \$ 2,798,555

\$ - \$ 131,813 \$ 14,039 \$ 209,437

**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, 2016**

	<u>TITLE I (BA Projects) (201/202)</u>	<u>IDEA (CA Projects) (203/204)</u>	<u>PRESCHOOL HANDICAPPED (CG Projects) (205/206)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
<b>Interfund Transfers From (To) Other Funds</b>			
422-710 Transfer to Special Revenue EIA Fund	\$ -	\$ -	\$ -
431-791 Special Revenue Fund Indirect Costs	<u>(29,696)</u>	<u>(32,275)</u>	<u>(1,614)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ (29,696)</u>	<u>\$ (32,275)</u>	<u>\$ (1,614)</u>
Excess Revenues and Expenditures Over (Under) Other Financing Sources (Uses)	\$ -	\$ -	\$ -
<b>FUND BALANCE JULY 1, 2015</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE JUNE 30, 2016</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

OCCUPATIONAL EDUCATION (VA Projects) (207/208)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
\$ -	\$ (131,813)	\$ -	\$ (131,813)
<u>-</u>	<u>-</u>	<u>(14,039)</u>	<u>(77,624)</u>
\$ -	\$ (131,813)	\$ (14,039)	\$ (209,437)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
SPECIAL PROJECTS FUND  
SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

<b>SUBFUND CODE</b>	<b>REVENUE CODE</b>	<b>PROGRAMS</b>	<b>REVENUES</b>
918	3198	Technology Professional Development	\$ 10,466
919	3193	Education License Plates	511
924	3134	CDEP Expansion	131,813
926	3177	Summer Reading Camp	17,465
928	3118	EEDA Career Specialist	47,147
935	3135	Reading Coaches	188,190
936	3136	Student Health and Fitness - Nurses	88,584
937	3127	Student Health and Fitness - PE Teachers	26,509
960	3610	K-5 Enhancement	2,905
963	3630	K-12 Technology Initiative	139,760
967	3607	6-8 Enhancement	3,314
982	2300	First Steps/Parenting	26,913
<b>TOTALS</b>			<b>\$ 683,577</b>

<u>EXPENDITURES</u>	<u>SPECIAL PROJECTS INTERFUND TRANSFERS IN/(OUT)</u>	<u>OTHER FUND TRANSFERS IN/(OUT)</u>	<u>UNEARNED REVENUE</u>
\$ 10,466	\$ -	\$ -	-
511	-	-	-
-	-	(131,813)	15,000
17,465	-	-	-
47,147	-	-	-
188,190	-	-	-
88,584	-	-	-
26,509	-	-	7,110
2,905	-	-	-
139,760	-	-	-
3,314	-	-	-
26,913	-	-	-
<u>\$ 551,764</u>	<u>\$ -</u>	<u>\$ (131,813)</u>	<u>\$ 22,110</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, 2016**

<b>REVENUES</b>	<u><b>ACTUAL</b></u>
<b>3000 Revenue from State Sources</b>	
3500 Education Improvement Act	
3502 ADEPT	\$ 5,118
3504 Level Data Reimbursement	6,093
3505 Technology Support	10,000
3511 Professional Development	17,765
3512 Technology Professional Development	4,573
3518 Formative Assessment	10,275
3525 Career and Technology Education Equipment	54,270
3526 Refurbishment of K-8 Science Kits	10,197
3532 National Board Certification (NBC) Salary Supplement	161,252
3533 Teacher of the Year Awards	1,076
3538 Students At Risk of School Failure	291,302
3541 Child Development Education Pilot Program (CDEPP)	442,585
3550 Teacher Salary Increase	419,464
3555 School Employer Contributions	62,911
3558 Reading	16,512
3577 Teacher Supplies	45,500
3578 High Schools That Work/Making Middle Grades Work	9,348
3592 Work-Based Learning	7,812
3595 EEDA - Supplies and Materials	3,756
3597 Aid to Districts	27,119
	<hr/>
<b>Total State Sources</b>	<b>\$ 1,606,928</b>
<b>TOTAL REVENUE ALL SOURCES</b>	<b>\$ 1,606,928</b>
 <b>EXPENDITURES</b>	
<b>100 Instruction</b>	
110 General Instruction	
111 Kindergarten Programs	
100 Salaries	\$ 8,500
200 Employee Benefits	1,939
400 Supplies and Materials	2,000
112 Primary Programs	
100 Salaries	24,743
200 Employee Benefits	6,079
400 Supplies and Materials	21,981
113 Elementary Programs	
100 Salaries	52,500
200 Employee Benefits	12,955
400 Supplies and Materials	37,828

**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, 2016**

<b>EXPENDITURES (continued)</b>	<u><b>ACTUAL</b></u>
<b>100 Instruction (continued)</b>	
110 General Instruction (continued)	
114 High School Programs	
100 Salaries	7,500
200 Employee Benefits	1,862
300 Purchased Services	3,000
400 Supplies and Materials	11,132
115 Career and Technology Education Programs	
400 Supplies and Materials	500
500 Capital Outlay	54,270
120 Exceptional Programs	
121 Educable Mentally Handicapped	
400 Supplies and Materials	4,500
122 Trainable Mentally Handicapped	
100 Salaries	5,700
200 Employee Benefits	1,238
123 Orthopedically Handicapped	
100 Salaries	8,031
200 Employee Benefits	1,568
126 Speech Handicapped	
400 Supplies and Materials	250
127 Learning Disabilities	
100 Salaries	4,300
200 Employee Benefits	395
400 Supplies and Materials	1,000
130 Pre-School Programs	
137 Pre-School Handicapped Self-Contained (3&4 Yr. Olds)	
400 Supplies and Materials	250
140 Special Programs	
147 CDEPP	
100 Salaries	426,295
200 Employee Benefits	162,103
400 Supplies and Materials	8,951



**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, 2016**

	<b>ACTUAL</b>
<b>EXPENDITURES (continued)</b>	
<b>100 Instruction (continued)</b>	
140 Special Programs	
149 Other Special Programs	
100 Salaries	145,588
200 Employee Benefits	50,785
400 Supplies and Materials	8,155
160 Other Exceptional Programs	
161 Autism	
100 Salaries	5,330
200 Employee Benefits	557
180 Adult/Continuing Educational Programs	
188 Parenting/Family Literacy	
100 Salaries	52,033
200 Employee Benefits	28,577
	<b>\$ 1,162,395</b>
<b>200 Supporting Services</b>	
210 Pupil Services	
212 Guidance Services	
300 Purchased Services	\$ 3,621
400 Supplies and Materials	1,885
220 Instructional Staff Services	
221 Improvement of Instruction - Curriculum Development	
100 Salaries	9,400
200 Employee Benefits	2,274
300 Purchased Services	14,723
400 Supplies and Materials	674
222 Library and Media	
100 Salaries	7,500
200 Employee Benefits	1,875
400 Supplies and Materials	1,250
224 Improvement of Instruction - Inservice and Staff Training	
100 Salaries	3,300
200 Employee Benefits	683
300 Purchased Services	13,639
500 Capital Outlay	448

**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, 2016**

	<b>ACTUAL</b>
<b>EXPENDITURES (continued)</b>	
<b>200 Supporting Services (continued)</b>	
250 Finance and Operations Services	
251 Student Transportation (Federal/District Mandated)	
100 Salaries	6,369
200 Employee Benefits	1,546
260 Central Support Services	
266 Technology and Data Processing Services	
300 Purchased Services	6,093
500 Capital Outlay	10,000
<b>Total Supporting Services</b>	<b>\$ 85,280</b>
<b>400 Other Charges</b>	
<b>410 Intergovernmental Expenditures</b>	
411 Payments to SDE	
720 Transits	\$ 8,691
<b>Total Intergovernmental Expenditures</b>	<b>\$ 8,691</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,256,366</b>
Excess Revenues Over (Under) Expenditures	<b>\$ 350,562</b>
<b>OTHER FINANCING SOURCES (USES)</b>	
<b>Interfund Transfers From (To) Other Funds</b>	
5220 Transfer from Special Revenue Fund (Excludes Indirect Costs)	\$ 131,813
420-710 Transfer to General Fund (Excludes Indirect Costs)	(482,375)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (350,562)</b>
Excess Revenues and Expenditures Over (Under) Other Financing Sources (Uses)	<b>\$ -</b>
<b>FUND BALANCE JULY 1, 2015</b>	<b>-</b>
<b>FUND BALANCE JUNE 30, 2016</b>	<b>\$ -</b>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
EDUCATION IMPROVEMENT ACT  
SUMMARY SCHEDULE BY PROGRAM  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

<b>PROGRAM</b>	<b><u>REVENUES</u></b>
3500 Education Improvement Act:	
3502 ADEPT	\$ 5,118
3504 Level Data Reimbursement	6,093
3505 Technology Support	10,000
3511 Professional Development	17,765
3512 Technology Professional Development	4,573
3518 Formative Assessment	10,275
3525 Career and Technology Education Equipment	54,270
3526 Refurbishment of K-8 Science Kits	10,197
3532 National Board Certification (NBC) Salary Supplement	161,252
3533 Teacher of the Year Awards	1,076
3535 Reading Coaches	-
3538 Students At Risk of School Failure	291,302
3541 Child Development Education Pilot Program (CDEPP)	442,585
3550 Teacher Salary Increase	419,464
3555 School Employer Contributions	62,911
3558 Reading	16,512
3577 Teacher Supplies	45,500
3578 High Schools That Work/Making Middle Grades Work	9,348
3592 Work-Based Learning	7,812
3595 EEDA - Supplies and Materials - Career Awareness	3,756
3597 Aid to Districts	27,119
	<hr/>
<b>TOTALS</b>	<b>\$ <u><u>1,606,928</u></u></b>

<u>EXPENDITURES</u>	<u>EIA INTERFUND TRANSFERS IN/(OUT)</u>	<u>OTHER FUND TRANSFERS IN/(OUT)</u>	<u>UNEARNED REVENUE</u>
\$ 5,118	\$ -	\$ -	-
6,093	-	-	-
10,000	-	-	-
17,765	-	-	6,931
4,573	-	-	6,996
10,275	-	-	-
54,270	-	-	39,385
10,197	-	-	10,764
161,252	-	-	-
1,076	-	-	-
-	-	-	8,000
291,302	-	-	3,606
574,398	-	131,813	30,985
-	-	(419,464)	-
-	-	(62,911)	-
16,512	-	-	5,161
45,500	-	-	-
9,348	-	-	5,553
7,812	-	-	7,644
3,756	-	-	3,690
27,119	-	-	-
<u>\$ 1,256,366</u>	<u>\$ -</u>	<u>\$ (350,562)</u>	<u>\$ 128,715</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, 2016**

	<b>ACTUAL</b>
<b>REVENUES</b>	
<b>1000 Revenue From Local Sources</b>	
1100 Taxes	
1110 Ad Valorem Taxes - Including Delinquent Taxes	\$ 1,515,568
1200 Revenue from Local Governmental Units Other than LEAs	
1280 Revenue in Lieu of Taxes	159,051
1500 Earnings on Investments	
1510 Interest on Investments	11,110
<b>Total Local Sources</b>	\$ 1,685,729
<b>3000 Revenue From State Sources</b>	
3800 State Revenue in Lieu of Taxes	
3820 Homestead Exemption	\$ 77,052
3830 Merchant's Inventory Tax	4,766
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	48,722
<b>Total State Sources</b>	\$ 130,540
<b>TOTAL REVENUE ALL SOURCES</b>	\$ 1,816,269
<b>EXPENDITURES</b>	
<b>500 Debt Service</b>	
610 Redemption of Principal	\$ 1,241,000
620 Interest	505,722
690 Other Objects (Includes Fees for Servicing Bonds)	7,720
<b>TOTAL EXPENDITURES</b>	\$ 1,754,442
Excess Revenues Over (Under) Expenditures	\$ 61,827
<b>OTHER FINANCING SOURCES (USES)</b>	
<b>Interfund Transfers From (To) Other Funds</b>	
424-710 Transfer to School Building Fund	\$ (302,589)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	\$ (302,589)
Excess Revenues Over (Under) Expenditures Over Other Financing Sources (Uses)	\$ (240,762)
<b>FUND BALANCE JULY 1, 2015</b>	1,809,867
<b>FUND BALANCE JUNE 30, 2016</b>	\$ 1,569,105

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
SCHOOL BUILDING FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	<b>ACTUAL</b>
<b>REVENUES</b>	
<b>1000 Revenue From Local Sources</b>	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 48,797
<b>Total Local Sources</b>	\$ 48,797
<b>TOTAL REVENUE ALL SOURCES</b>	\$ 48,797
<b>EXPENDITURES</b>	
<b>200 Supporting Services</b>	
250 Finance and Operations	
253 Facilities Acquisition & Construction	
300 Purchased Services	\$ 368,760
500 Capital Outlay	
525 Buildings	5,911,562
<b>Total Supporting Services</b>	\$ 6,280,322
<b>500 Debt Service</b>	
690 Other Objects	\$ 25,416
<b>Total Debt Service</b>	\$ 25,416
<b>TOTAL EXPENDITURES</b>	\$ 6,305,738
Excess Revenues Over (Under) Expenditures	\$ (6,256,941)
<b>OTHER FINANCING SOURCES (USES)</b>	
5120 Proceeds of General Obligation Bonds	\$ 1,000,000
<b>Interfund Transfers From (To) Other Funds</b>	
5240 Transfer from Debt Service Fund	302,589
420-710 Transfer to General Fund (Excludes Indirect Costs)	(297,173)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	\$ 1,005,416
Excess (Deficiency) of Revenues and Expenditures Over Other Financing Sources (Uses)	\$ (5,251,525)
<b>FUND BALANCE JULY 1, 2015</b>	9,744,254
<b>FUND BALANCE JUNE 30, 2016</b>	\$ 4,492,729

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
FOOD SERVICE FUND  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	<b>ACTUAL</b>
<b>REVENUES</b>	
<b>1000 Revenue From Local Sources</b>	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 5
1600 Food Service	
1630 Special Sales to Pupils	37,831
1640 Lunch Sales to Adults	38,496
1650 Breakfast Sales to Adults	4,772
1660 Special Sales to Adults	5,141
<b>Total Local Sources</b>	<b>\$ 86,245</b>
<b>3000 Revenue From State Sources</b>	
3100 Restricted State Funding	
3140 School Lunch	
3142 Program Aid	\$ 137
3900 Other State Sources	
3999 Revenue from Other State Sources	6,171
<b>Total State Sources</b>	<b>\$ 6,308</b>
<b>4000 Revenue From Federal Sources</b>	
4800 USDA Reimbursement	
4810 School Lunch Program	\$ 929,748
4830 School Breakfast Program	363,202
4860 Fresh Fruits & Vegetables Program	22,061
4870 School Food Service (Equipment)	10,000
4880 Summer Feeding Programs (SFSP)	285,787
4900 Other Federal Sources	
4991 USDA Commodities	102,992
<b>Total Federal Sources</b>	<b>\$ 1,713,790</b>
<b>TOTAL REVENUE ALL SOURCES</b>	<b>\$ 1,806,343</b>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
FOOD SERVICE FUND  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	<b>ACTUAL</b>
<b>EXPENSES</b>	
250 Finance and Operations	
256 Food Service	
100 Salaries	\$ 556,758
300 Purchased Services	93,327
393 Direct Purchased Services	33,813
400 Supplies and Materials	979,577
500 Capital Outlay	28,832
600 Other Objects	3,308
	\$ 1,695,615
<b>TOTAL EXPENSES</b>	<b>\$ 1,695,615</b>
Operating Income (Loss) Before Other Financing Sources (Uses)	\$ 110,728
<b>OTHER FINANCING SOURCES (USES)</b>	
<b>Interfund Transfers From (To) Other Funds</b>	
5210 Transfers from General Fund (Excludes Indirect Costs)	\$ 192,380
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 192,380</b>
Change in Net Position	\$ 303,108
<b>NET POSITION JULY 1, 2015</b>	<b>132,885</b>
<b>NET POSITION JUNE 30, 2016</b>	<b>\$ 435,993</b>



**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
PUPIL ACTIVITY FUND  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN AMOUNTS DUE TO THIRD PARTIES  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	<b>ACTUAL</b>
<b>RECEIPTS</b>	
<b>1000 Receipts From Local Sources</b>	
1500 Earnings on Investments	
1510 Interest on Investments	\$          39
1700 Pupil Activities	
1740 Student Fees	17,151
1790 Other	567,055
<b>Total Receipts from Local Sources</b>	<b>\$          584,245</b>
<b>TOTAL RECEIPTS ALL SOURCES</b>	<b>\$          584,245</b>
<b>DISBURSEMENTS</b>	
190 Instructional Pupil Activity	
660 Pupil Activity	\$          30,313
270 Supporting Services Pupil Activity	
271 Pupil Service Activities	
660 Pupil Activity	498,101
272 Enterprise Activities	
660 Pupil Activity	50,141
<b>TOTAL DISBURSEMENTS</b>	<b>\$          578,555</b>
Excess Receipts Over (Under) Disbursements	\$          5,690
<b>DUE TO THIRD PARTIES JULY 1, 2015</b>	<b>143,444</b>
<b>DUE TO THIRD PARTIES JUNE 30, 2016</b>	<b>\$          149,134</b>

*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, 2016**

<b>PROGRAM</b>	<b>PROJECT AND GRANT NUMBER</b>	<b>REVENUE &amp; SUBFUND CODE</b>	<b>DESCRIPTION</b>	<b>STATUS</b>	<b>AMOUNT DUE TO SDE OR FED GOV'T</b>
NBC Salary Supplement	16EIA	3532/332	Unexpended Funds	Unpaid	\$ 879
Work Based Learning	15EIA	3592/392	Unexpended Funds	Unpaid	7,812
Medicaid	N/A	1930/801	Local Match	Unpaid	<u>8,438</u>
<b>TOTALS</b>					<b>\$ <u><u>17,129</u></u></b>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
LOCATION RECONCILIATION SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

<u>LOCATION</u>	<u>LOCATION DESCRIPTION</u>	<u>EDUCATION LEVEL</u>	<u>COST TYPE</u>	<u>TOTAL EXPENDITURES</u>
10	District Office	Non-Schools	Central	\$ 6,259,548
15	Office of Curriculum/OPEC	Non-Schools	Central	8,024
20	Harleyville-Ridgeville	Elementary Schools	School	3,693,438
30	Williams Memorial	Elementary Schools	School	8,132,907
40	St. George	Middle Schools	School	3,173,604
50	Woodland	High Schools	School	8,246,725
70	Odyssey Education Center	Other Schools	School	721,866
71	Clay Hill	Elementary Schools	School	3,498,155
72	Harleyville-Ridgeville	Middle Schools	School	3,275,333
90	Alternative Schools	Other Schools	School	562
92	Adult Education	Other Schools	School	53,532
<b>TOTAL EXPENDITURES/DISBURSEMENTS FOR ALL FUNDS</b>				<b>\$ <u><u>37,063,694</u></u></b>

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

General Fund (Subfunds 100s)	\$ 22,674,423
Special Revenue Fund (Subfunds 200s, 800s, 900s)	2,798,555
Special Revenue EIA Fund (Subfunds 300s)	1,256,366
Debt Service Fund (Subfunds 400s)	1,754,442
Capital Projects Fund (School Building) (Subfunds 500s)	6,305,738
Proprietary Fund (Food Service) (Subfunds 600s)	1,695,615
Trust and Agency Fund (Pupil Activity) (Subfunds 700s)	578,555
<b>TOTAL EXPENDITURES/DISBURSEMENTS FOR ALL FUNDS</b>	<b>\$ <u><u>37,063,694</u></u></b>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
SPECIAL PROJECTS FUND  
SUBFUND CODE LIST  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

**OTHER RESTRICTED STATE GRANTS**

918	Technology Professional Development
919	Education License Plates
924	CDEP Expansion
926	Summer Reading Camp
928	EEDA Career Specialist
935	Reading Coaches
936	Student Health and Fitness - Nurses
937	Student Health and Fitness - PE Teachers
960	K-5 Enhancement
963	K-12 Technology Initiative
967	6-8 Enhancement
982	First Steps - Parenting

**OTHER SPECIAL REVENUE GRANTS**

212	IDEA Extended School Year
224	21st Century Community Learning Centers Program
240	South Carolina School Climate Initiative
245	Title II Teacher Advancement Program (TAP)
251	Rural and Low-Income School Program, Title VI
267	Improving Teacher Quality
268	Teacher Incentive Grant
801	Medicaid - OPEC
803	Gear Up
814	E-Rate
816	Character Education
822	Profoundly Mentally Disabled
834	Sprint-Lights of Character
840	Trident United Way
844	Farm To School Grant
847	Williams Memorial Elementary Homework Center
848	Project Lead the Way
851	Bosch Robotics Grant

## **SINGLE AUDIT SECTION**



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

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

We have audited, in accordance with the 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, 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, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 22, 2016.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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 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. A *significant deficiency* is a deficiency, or a 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.

Our consideration of internal control 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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain

deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. This deficiency is listed as item 2016-001.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of the District in a separate letter dated November 22, 2016.

### ***Auditee's Response to Findings***

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### ***Purpose of the Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

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

Pawleys Island, South Carolina  
November 22, 2016





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**INDEPENDENT AUDITOR'S REPORT  
ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

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

***Report on Compliance for Each Major Federal Program***

We have audited Dorchester County School District Number Four's compliance with the types of compliance requirements described in the *OMB 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, 2016. 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.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, contracts, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the District complied, in all material respects, with the types of 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, 2016.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2016-002. Our opinion on each major federal program is not modified with respect to these matters.

The District's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### ***Report on Internal Control Over Compliance***

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

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

Pawleys Island, South Carolina  
November 22, 2016

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

**A. Summary of Audit Results**

1. The auditor's report expresses an unmodified opinion on the basic financial statements.
2. One significant deficiency was disclosed during the audit of the basic financial statements. This deficiency is not reported as a material weakness.
3. No instances of noncompliance, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
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 unmodified opinion.
6. One instance of noncompliance that is required to be reported in accordance with 2 CFR Section 200.516(a) is reported in Part C of this schedule.
7. The following programs were tested as major programs:

<u>Program Title</u>	<u>CFDA No.</u>
Special Education Cluster:	
IDEA	84.027
IDEA – Extended School Year	84.027
Preschool Grant	84.173
Teacher Incentive	84.374A

8. The threshold for distinguishing types A and B programs was \$750,000.
9. The District was determined to be a low risk auditee.

**B. Findings - Financial Statement Audit**

***2016-001 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 with overlapping duties.

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, 2016**

**B. Findings - Financial Statement Audit (continued)**

*2016-001 Segregation of Duties (continued)*

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

Views of Responsible Officials and Planned Corrective Action: There are certain responsibilities which overlap because of the District's size. Management will continue to make improvements in controls when possible.

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

*2016-002 Allowable Costs – Time and Reporting Requirements for Payroll*

U.S. Department of Education  
Teacher Incentive Funds: CFDA No. 84.374A  
Grant No.: 15TIF3 & 16TIF3  
Grant Period: June 30, 2016

Noncompliance: Semi-annual payroll certifications were not maintained on employees with salary charged to the Teacher Incentive program.

Criteria: Employees funded in whole or in part by federal funds must sign either semi-annual payroll certifications or personnel activity reports (PAR) to support the amount of salary charged to federal programs.

Cause: Procedures are in place for obtaining semi-annual payroll certifications and personnel activity reports; however, District management did not obtain the required semi-annual payroll certifications for the Teacher Incentive program.

Effect: Failure to comply with the requirements could subject the District to claims for unallowable costs or place limitations on future funding.

Context: Salaries for two employees are charged to the Teacher Incentive program. One employee was selected for audit. The test found that semi-annual payroll certifications were not maintained for the selected employee.

Auditor's Recommendation: The District should obtain the required semi-annual payroll certifications and/or personnel activity reports to document compliance with allowable costs of federal programs.

Views of Responsible Officials and Planned Corrective Action: The District agrees with the finding and will obtain the required semi-annual payroll certifications and/or personnel activity reports for all salaries charged to federal programs. The District does obtain semi-annual payroll certifications for all federal programs; however, the Teacher Incentive program was overlooked because the majority of this grant was used to pay performance stipends. The District no longer has this grant.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

LEA SUBFUND CODE	FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	TOTAL EXPENDITURES
<b>U.S. DEPARTMENT OF EDUCATION</b>				
	Passed Through State Department of Education:			
201	Title I Grants to LEA's	84.010	16 Title I	\$ 637,001
	Special Education Cluster:			
203	IDEA	84.027	14CA031	26,440
203	IDEA	84.027	15 IDEA	263,534
203	IDEA	84.027	16 IDEA	316,089
205	Preschool Grant	84.173	14CG031	2,816
205	Preschool Grant	84.173	15 IDEA Preschool	37
205	Preschool Grant	84.173	16 IDEA Preschool	27,672
212	IDEA - Extended School Year	84.027	16 IDEA ESY	4,078
	Total Special Education Cluster			<u>640,666</u> *
	Vocational Education (CATE):			
207	Subprogram 01	84.048	16 CATE	919
207	Subprogram 04	84.048	16 CATE	3,537
207	Subprogram 09	84.048	16 CATE	5,000
207	Subprogram 10	84.048	16 CATE	20,844
207	Subprogram 15	84.048	16 CATE	1,656
	Total Vocational Education (CATE)			<u>31,956</u>
224	After School Learning Center	84.287	16 21st Century	105,588
240	School Climate Initiative	84.184Y	15 School Climate	22,184
	Title II:			
245	Title II - TAP	84.367	16 Title II -SC TAP	34,588
267	Title II - Improving Teacher Quality	84.367	15 Title II - ITQ	26,172
267	Title II - Improving Teacher Quality	84.367	16 Title II - ITQ	106,053
	Total Title II			<u>166,813</u>
	Title VI:			
251	Rural and Low-Income Schools, Title VI	84.358	15 REAP	4,695
251	Rural and Low-Income Schools, Title VI	84.358	16 REAP	38,396
	Total Title VI Rural and Low-Income Schools			<u>43,091</u>
	Teacher Incentive:			
268	Teacher Incentive Funds	84.374A	15 TIF 3	18,942
268	Teacher Incentive Funds	84.374A	16 TIF 3	340,776
	Total Teacher Incentive Funds			<u>359,718</u> *
	Passed Through SC Commission on Higher Ed:			
803	S.C. Gear Up	84.334S	P334S110019	<u>49,346</u>
	<b>Total U.S. Department of Education</b>			<u>\$ 2,056,363</u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

<b>LEA SUBFUND CODE</b>	<b>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</b>	<b>FEDERAL CFDA NUMBER</b>	<b>PASS-THROUGH GRANTOR'S NUMBER</b>	<b>TOTAL EXPENDITURES</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Passed Through State Department of Education:				
Child Nutrition Cluster:				
Non-Cash Assistance (Commodities):				
600	School Lunch Program	10.555	N/A	\$ 102,992
Cash Assistance:				
600	School Breakfast Program	10.553	N/A	363,202
600	School Lunch Program	10.555	N/A	929,748
603	Summer Food Service for Children	10.559	N/A	285,787
	Total Child Nutrition Cluster			<u>1,681,729</u>
602	Fresh Fruits and Vegetables	10.582	N/A	22,061
605	Child Nutrition Discretionary Grants	10.579	N/A	<u>10,000</u>
	<b>Total U.S. Department of Agriculture</b>		(See Disclosure)	<u>\$ 1,713,790</u> **
<b>U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</b>				
Passed Through Dorchester Children's Center:				
844	Communities Putting Prevention to Work	93.520	N/A	<u>\$ 4,000</u>
	<b>Total U.S. Department of Health &amp; Human Services</b>			<u>\$ 4,000</u>
<b>U.S. DEPARTMENT OF DEFENSE</b>				
Direct Program:				
100	ROTC	N/A	N/A	<u>\$ 70,698</u>
	<b>Total U.S. Department of Defense</b>			<u>\$ 70,698</u>
	<b>TOTAL FEDERAL AWARDS EXPENDED</b>			<u><u>\$ 3,844,851</u></u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

**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 \$92,553 of expenditures from state and local revenue sources. A detailed schedule of the Food Service Fund is included in this audit report.

1. The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of Dorchester County School District Number Four under programs of the federal government for the year ended June 30, 2016. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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, changes in net position, or cash flows of Dorchester County School District Number Four.
2. Expenditures reported in the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Expenditures of federal awards made prior to December 26, 2014 are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*.
3. Dorchester County School District Number Four has a restricted indirect cost rate that is used for its federal programs and did not elect to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance and covered in *2 CFR Part 200.414*.
4. 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 \$102,992 in the form of federal non-cash USDA commodities for the year ended June 30, 2016. 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.
5. Dorchester County School District Number Four did not provide any awards to subrecipients for the year ended June 30, 2016.
6. The District receives ROTC funding through a direct program with the U.S. Department of Defense. Amounts received for ROTC, as reported in the accompanying Schedule of Expenditures of Federal Awards, have been recorded as intergovernmental revenue sources in the District's financial statements.



**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR FISCAL YEAR ENDED JUNE 30, 2016**

**Findings – Financial Statement Audit**

*Finding 2015-001: Segregation of Duties*

Condition: This finding was a significant deficiency that the District does not maintain overall adequate segregation of duties.

Recommendation: The auditor recommended that different personnel, to the extent feasible, should be given the responsibility of authorizing transactions, recording transactions, and maintaining custody of assets. Management concurred with the recommendation and agreed to evaluate the cost/benefit of making improvements to maintain an overall adequate segregation of duties.

Current Status: This finding was reported as a significant deficiency for the year ended June 30, 2016. Due to cost/benefit considerations, the District has not taken corrective action.

**Findings – Major Federal Awards Program Audit**

None.