

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA**

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**BASIC FINANCIAL STATEMENTS,  
REQUIRED SUPPLEMENTARY INFORMATION, AND  
OTHER SUPPLEMENTARY FINANCIAL INFORMATION**

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**YEAR ENDED JUNE 30, 2016**

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
YEAR ENDED JUNE 30, 2016**

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**DARLINGTON COUNTY SCHOOL DISTRICT  
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***Independent Auditors' Report***

Board of Trustees  
***Darlington County School District***  
Darlington, 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 the ***Darlington County School District*** (the School District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School 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.

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## **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 the School District, 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 the Management's Discussion and Analysis, budgetary comparison information, and schedules of pension liabilities and contributions on pages 3–10, 50–51 and 52-55 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 nonmajor fund financial 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 nonmajor fund financial 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 combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are 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 January 11, 2017 on our consideration of the School 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 School District's internal control over financial reporting and compliance.



Summerville, South Carolina  
January 11, 2017

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

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**Management's Discussion and Analysis**

Our discussion and analysis of the Darlington County School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2016.

Please read it in conjunction with the District's basic financial statements which begin on page 11.

**Financial Highlights**

Darlington County School District Superintendent and Board of Education have exercised a conservative approach to budgeting and expenditures. During the fiscal year 2014, the Board of Education voted to commit future fund balance to specific functions. The statements reflect progress towards these items: first was the commitment of \$6,900,000 of General Fund Balance to pay down the principal amount of the 2005 School Building Bonds (General Obligation Bonds). The second was the commitment of \$11,445,000 of General Fund Balance to address prior deferred maintenance. After the non-spendable, restricted, committed, and assigned fund balance, there is \$27,474,561 in unassigned fund balance at June 30, 2016. In 2009, the Government Finance Officer's Association approved a best practice for governmental entities, *at a minimum*, maintain in unrestricted (committed, assigned and unassigned) fund balance no less than three months of regular general fund operating expenses. The District chooses to focus on unassigned fund balance which, at June 30, 2016, yields at least three months balance of operating expenditures based on monthly average expenditures of the current fiscal year. General fund expenditures, before transfers in, exceeded revenues by \$4,833,407. After transfers in and out from other financing sources, the District's net change in general fund balance was decreased by \$2,833,001.

The financial and academic strength is the culmination of several years' effort of using outcome driven methodologies and fiscally conservative approaches to managing the educational process. This method involves every facet of the organization and community, but begins in each classroom. Teachers are rated on the outcomes achieved by their students; principals are rated by the outcomes of the collective student population in their schools. It has been this approach which has propelled this District to continually improve in all areas, and raising the bar incrementally, while not increasing the tax burden of the District.

Our focus will continue to be sustainable educational programs, surgical selection of new initiatives geared for student performance gains, and purposeful investment in the maintenance of the various subsystems which directly support the instructional process.

**Overview of the Financial Statements**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 11 and 12) provide information about the activities of the District as a whole and present a longer-term view of their finances. Fund financial statements start on page 13. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of student groups.



**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

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*Reporting the District as a Whole*

Government-wide Financial Statements

Our analysis of the District as a whole begins on page 5. One of the most important questions asked about the District's finances is: "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that help answer this question. These statements include all assets and liabilities using the accrual basis of accounting which is similar to the accounting used by most private-sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position and the Statement of Activities report the District's net position and changes in them. One can think of the District's net position – the difference between assets and liabilities – as one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. Other non-financial factors should be considered, however, such as changes in the District's property tax base, the support it receives from federal and state sources, and the condition of its school buildings.

In the Statement of Net Position and the Statement of Activities, the District is divided into two kinds of activities:

- Governmental activities – Most of the District's basic services are reported here, including instructional and support services, community service, debt service and building construction, improvements, and maintenance.
- Business-type activities – The District charges a fee or receives USDA reimbursement and commodities to provide food service.

*Reporting the District's Most Significant Funds*

Fund Financial Statements

Analysis of the District's major funds begins on page 7. The fund financial statements begin on page 13 and provide detailed information about the most significant funds – not the District as a whole. Most funds are required to be established by the South Carolina State Department of Education. Other funds are established by the District to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The District's three kinds of funds – governmental, proprietary and fiduciary – use different accounting approaches.

- Governmental funds – Most of the District's services are reported in governmental funds which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general governmental operations and the educational services that it provides. Governmental fund information helps to determine whether there are more or fewer financial resources than can be spent in the near future to finance the District's programs. We describe the relationship (or difference) between governmental activities (reported in the government-wide financial statements), and governmental fund statements are described in a reconciliation accompanying the fund financial statements.

**DARLINGTON COUNTY SCHOOL DISTRICT  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

- Proprietary funds – The District reports its food service operations in a proprietary fund. Proprietary funds are reported in the same way that all activities are reported in the government-wide financial statements (e.g., the Statement of Net Position and the Statement of Activities). In fact, the District's enterprise fund statements (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds.
- Fiduciary funds – The District reports assets held by the School District in a trustee capacity or as an agent for specific schools, clubs, or groups within each school or other type of organization as fiduciary funds. Students engage in numerous curricular and extra-curricular activities that enhance their overall educational experience. Each school provides centralized accounting and control over the financial resources of these activities. These funds are held in a purely custodial capacity and do not have governmental operations. Therefore, they do not report changes in fiduciary net position.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District's net position increased by \$2,940,229 over last year. Total assets and deferred outflows of resources increased by \$1,619,483 and total liabilities and deferred inflows of resources decreased by \$1,320,746.

The largest portion of the District's net position reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. An additional portion of the District's net position represents resources subject to external restrictions on how they may be used.

Table I  
Net Position (In thousands) at June 30

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015		2015		2015	
	<u>2016</u>	<u>As restated *</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>As restated *</u>
Current & other assets	\$ 72,917	\$ 73,380	\$ 1,001	\$ 1,257	\$ 73,918	\$ 74,637
Capital assets	102,177	100,271	860	606	103,037	100,877
Total assets	<u>175,094</u>	<u>173,651</u>	<u>1,861</u>	<u>1,863</u>	<u>176,955</u>	<u>175,514</u>
Deferred outflows	<u>8,859</u>	<u>8,682</u>	<u>-</u>	<u>-</u>	<u>8,859</u>	<u>8,682</u>
Current liabilities	14,787	12,438	43	26	14,830	12,464
Long term liabilities	124,884	120,238	-	-	124,884	120,238
Total liabilities	<u>139,671</u>	<u>132,676</u>	<u>43</u>	<u>26</u>	<u>139,714</u>	<u>132,702</u>
Deferred inflows	<u>1,389</u>	<u>9,722</u>	<u>-</u>	<u>-</u>	<u>1,389</u>	<u>9,722</u>
Net Position:						
Net investment in capital assets	87,246	80,403	860	606	88,106	81,009
Restricted	12,789	13,083	-	-	12,789	13,083
Unrestricted	(57,142)	(53,551)	958	1,231	(56,184)	(52,320)
Total Net Position	<u>\$ 42,893</u>	<u>\$ 39,935</u>	<u>\$ 1,818</u>	<u>\$ 1,837</u>	<u>\$ 44,711</u>	<u>\$ 41,772</u>

\* Net of effect of restatement. Refer to Note III.F. Restatements in the accompanying footnotes for more information. This refers to the correction of capital assets, current liabilities and capital outlay.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

The District is able to report positive balances in two of the three areas of net position both for the government as a whole as well as for its separate governmental-type activities.

Table II  
Changes in Net Position  
(in thousands) for Year Ended June 30

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015		2016	2015	2015	
	2016	As restated *			2016	As restated *
Revenues						
Program revenue:						
Charges for services	\$ 216	\$ 26	\$ 208	\$ 224	\$ 424	\$ 250
Operating grants	54,299	55,658	5,692	5,590	59,991	61,248
Capital grants	-	59	-	-	-	59
General revenues:						
Property taxes	36,490	38,056	-	-	36,490	38,056
Sales taxes	5,313	5,262	-	-	5,313	5,262
State aid	12,530	12,420	-	-	12,530	12,420
Other general revenue	897	849	-	-	897	849
Total Revenue	<u>109,745</u>	<u>112,330</u>	<u>5,900</u>	<u>5,814</u>	<u>115,645</u>	<u>118,144</u>
Program expenses:						
Instruction	58,189	57,569	-	-	58,189	57,569
Support services	45,742	42,674	-	-	45,742	42,674
Community services	55	112	-	-	55	112
Intergovernmental	2,830	2,933	-	-	2,830	2,933
Interest on long term debt	(421)	1,392	-	-	(421)	1,392
Unallocated depreciation	391	375	-	-	391	375
Food service	-	-	5,919	5,609	5,919	5,609
Total Expenses	<u>106,786</u>	<u>105,055</u>	<u>5,919</u>	<u>5,609</u>	<u>112,705</u>	<u>110,664</u>
Excess before transfers	2,959	7,275	(19)	205	2,940	7,480
Transfers	-	289	-	(289)	-	-
Increase (decrease) in net position	<u>\$ 2,959</u>	<u>\$ 7,564</u>	<u>\$ (19)</u>	<u>\$ (84)</u>	<u>\$ 2,940</u>	<u>\$ 7,480</u>

\*Net of effect of restatement. Refer to Note III.F. Restatements in the accompanying footnotes for more information. This refers to the correction of capital assets, current liabilities and capital outlay.

Total revenues decreased by 2.1% from the prior year. Program expenses increased 1.8% above last year. Total net position increased by \$7,478,991 in 2015 and by \$2,940,299 in 2016.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

*Governmental Activities*

The unrestricted net position of the District's governmental activities decreased by \$3,590,931 as a result of the application of GASB 68 and 71. These standards require the District to recognize its proportionate share of the state's long-term pension liability. At the same time, the District's net investment in capital assets increased by \$6,843,406.

*Business-Type Activities*

The District's business-type activity is its food service operation. The United States Department of Agriculture reimburses the District under its child nutrition and agricultural commodity sharing programs which provides a significant portion of its revenue. Less than a quarter of the revenue is generated through direct charges to users of the food service. Since the federal government sets USDA reimbursements, the ability of food service to operate in the black is a function of operational efficiency. However, during the year, food service's total net position decreased for the year by \$19,085 which is primarily due to an increase in salaries.

**Financial Analysis of Governmental Funds**

The District's governmental funds (as presented on the balance sheet beginning on page 13) reported a combined fund balance of \$55,816,749 which decreased by \$2,613,343 below last year's total of \$58,430,092. The schedule below illustrates the fund balance and total change in fund balance as of June 30, 2016 and 2015.

	Fund Balance June 30, 2016	Fund Balance June 30, 2015 As restated *	Increase (Decrease)
General	\$ 30,917,657	\$ 33,750,658	\$ (2,833,001)
Special Projects	3,118,988	2,971,022	147,966
School Building	10,530,502	10,413,385	117,117
Debt Service	11,249,602	11,295,027	(45,425)
<b>Total</b>	<b>\$ 55,816,749</b>	<b>\$ 58,430,092</b>	<b>\$ (2,613,343)</b>

\*Net of effect of restatement. Refer to Note III.F. Restatements in the accompanying footnotes for more information. This refers to the correction of capital assets, current liabilities and capital outlay.

The District's general fund balance decrease is due to the utilization of fund balance to acquire additional technology needs for the implementation of 1:1 technology.

**DARLINGTON COUNTY SCHOOL DISTRICT  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
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The tables that follow assist in illustrating the financial activities and balances of the general fund.

	2016 Amount	2015 Amount	Percentage Change
<b>Revenues</b>			
Taxes	\$ 30,029,171	\$ 28,946,637	3.74%
Other local sources	249,454	240,690	3.64%
Intergovernmental	47,207,712	46,576,808	1.35%
	<u>\$ 77,486,337</u>	<u>\$ 75,764,135</u>	2.27%
	2016 Amount	2015 Amount As restated *	Percentage Change
<b>Expenditures by object</b>			
Salaries	\$ 46,129,512	\$ 44,760,302	3.06%
Fringe benefits	18,954,786	17,898,955	5.90%
Purchased services	3,888,009	4,542,444	-14.41%
Supplies and Materials	7,772,872	4,206,011	84.80%
Capital outlay	4,713,589	5,298,263	-11.04%
Miscellaneous	858,191	989,644	-13.28%
Intergovernmental	2,785	2,067	34.74%
	<u>\$ 82,319,744</u>	<u>\$ 77,697,686</u>	5.95%

\*Net of effect of restatement. Refer to Note III.F. Restatements in the accompanying footnotes for more information. This refers to the correction of capital assets, current liabilities and capital outlay.

The table above shows that the largest portion (79.06%) of general fund expenditures is for salaries and fringe benefits. The District is a service entity and as such is labor intensive.

General fund expenditures increased \$4,622,058 or 5.95% over the prior year. This is primarily attributed utilizing fund balance to purchase additional technology needs for the District approved in January of 2016 and deferred capital maintenance district-wide subsequent to action taken by the Board of Education in the Spring of 2014.

General fund revenue (including transfers in of \$2,045,856) was below expenditures (including intergovernmental of \$2,785) during the fiscal year resulting in a decrease to the general fund balance of \$2,833,001.

*Other Funds*

The Special Projects fund operates essentially on a quasi-break-even basis. Revenues were greater than expenditures (including net transfers in and out of \$289,338) during the fiscal year resulting in an increase of \$147,966 to fund balance.

The Education Improvement Act (EIA) fund demonstrates a break-even increase in revenue (i.e., revenue and expenditures increased by the same amount). As for funds within this category, unused funds in the first year can remain unearned into the next year. Details are provided on pages 75 - 79.

**DARLINGTON COUNTY SCHOOL DISTRICT  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
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The School Building fund increased in fund balance by \$117,117. The primary reason for this increase is a major construction project that was begun at the end of the fiscal year and the ability to schedule the completion of items prior to year end. Most significant projects have to occur during the summer when school is not in session. These unspent funds that rolled into fund balance will be used to pay for the completion of these projects in the next fiscal year.

The Debt Service fund decreased by \$45,425. The decrease was specifically due to the utilization of fund balance during the refunding of the 2005 Series General Obligation Bond and to lower our outstanding indebtedness.

The School District's only Proprietary Fund (Enterprise Fund) is the Food Service Fund. This program had a decrease in net position of \$19,085 during 2016, compared to a decrease of \$84,191 in the prior year. Total revenues increased by \$85,773 to \$5,899,893, primarily due to an increase in USDA reimbursements and commodities. Total expenses were \$5,918,978 for the current year which was an increase of \$309,671 or 6%. This increase was primarily due to salaries and food costs.

### **Budgetary Analysis**

The District under estimated its general fund revenue by \$4,391,047. The operational expenses exceeded budget by \$7,586,969 primarily due to increased construction costs, all of which were funded through fund balance commitments. The other financing sources (uses) were under-estimated by \$362,921 primarily due to an increase in transfers in from Special Revenue EIA Funds. The result was a fund balance decrease of \$2,833,001.

The budgets for the special projects fund and the EIA fund are functions of grant applications and awards. The District State Department of Education provides guidance as to allowable expenditures.

In order to monitor progress during a multi-year construction program, the building fund budget reflects the total anticipated costs for the project rather than an annual budget.

### **Capital Assets**

As has already been noted, the District completed the implementation of a \$48,000,000 capital improvement plan in 2007. This included the construction of two new middle schools, one each in the Darlington and Hartsville sections of the District; and the construction of a new vocational (technical) education campus. In addition, the plan included the construction of additional classrooms at two existing middle schools in the Lamar and Society Hill sections of the District. The final phase of construction was the renovation of the old Hartsville Junior High School which is the new location for Thornwell School for the Arts. The major building construction for the \$48,000,000 projects was completed August 2007.

This year the Board of Education approved a General Obligation Bond in the amount of \$5,000,000 for capital improvements and technology throughout the District and committed, in 2014, \$11,445,000 of fund balance of the general fund towards deferred maintenance of facilities.

Facility construction and renovation is a major component of capital asset additions; following are significant highlights from 2016:

- Roofing projects at Hartsville High School and St. John's Elementary of \$707,565
- New stadium lighting and renovations at Lamar High School of \$618,412
- Security Fencing at various locations of \$193,683

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

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There were 50 open construction projects in progress at June 30, 2016. Included was the construction of multiple roofing projects in all major areas of the District, a major renovation for Mayo High School Gym, improved fire alarms throughout the District, stadium renovation projects, restroom renovations, sidewalk replacements, canopy replacements, and phase three of enhanced security measures for our schools.

**Debt**

As indicated above, the capital project was financed with the issuance of \$48,000,000 in general obligation bonds. The issuance occurred in January 2005 and was refinanced in the prior fiscal year. The bonds will be repaid from the proceeds of a 1% sales tax. The current year \$5,000,000 general obligation bond is primarily repaid from the property tax collections.

**Factors Expected to Have an Effect on Future Operations**

No factors, other than those noted above, are expected to have an effect on future operations.

**Contacting District Officials**

This financial report is designed to provide our citizens, taxpayers, students, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District Chief Financial Officer at Darlington County School District, 120 East Smith Avenue, P.O. Box 1117, Darlington, South Carolina 29540.

## **BASIC FINANCIAL STATEMENTS**



**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
STATEMENT OF NET POSITION  
JUNE 30, 2016**

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 11,587,050	\$ 103	\$ 11,587,153
Cash and investments with County Treasurer	50,226,756	-	50,226,756
Investment funds in escrow with bond refunding agent	1,033,130	-	1,033,130
Due from other governmental units	9,176,718	14,433	9,191,151
Internal balances	(962,998)	962,998	-
Taxes receivable	1,747,402	-	1,747,402
Accounts receivable	15,000	-	15,000
Inventories	93,998	24,015	118,013
Prepays	1,009	-	1,009
Capital assets not being depreciated	14,300,613	-	14,300,613
Capital assets, net of accumulated depreciation	87,876,235	859,850	88,736,085
TOTAL ASSETS	<u>175,094,913</u>	<u>1,861,399</u>	<u>176,956,312</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension contributions made subsequent to measurement date	6,195,424	-	6,195,424
Differences between expected and actual experience	2,663,522	-	2,663,522
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>8,858,946</u>	<u>-</u>	<u>8,858,946</u>
<b>LIABILITIES</b>			
Accounts payable	4,353,373	43,320	4,396,693
Accrued expenses	4,832,658	-	4,832,658
Unearned revenues	5,309,911	-	5,309,911
Due to other governmental units	113,038	-	113,038
Accrued interest payable	178,050	-	178,050
Noncurrent liabilities			
Due within one year	5,210,106	-	5,210,106
Due in more than one year	10,781,300	-	10,781,300
Net pension liability	108,892,592	-	108,892,592
TOTAL LIABILITIES	<u>139,671,028</u>	<u>43,320</u>	<u>139,714,348</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred gain on refunding	789,911	-	789,911
Net differences between projected and actual earnings on pension plan investments	599,506	-	599,506
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,389,417</u>	<u>-</u>	<u>1,389,417</u>
<b>NET POSITION</b>			
Net investment in capital assets	87,246,587	859,850	88,106,437
Restricted for			
Special projects			
Art supplies	356	-	356
Classroom supplies	25,164	-	25,164
Classroom supplies/technology	20,092	-	20,092
IB program supplies	5,955	-	5,955
Nurse salary/supplies	19,327	-	19,327
Food service equipment	9,500	-	9,500
Debt service	12,708,808	-	12,708,808
Unrestricted	(57,142,375)	958,229	(56,184,146)
TOTAL NET POSITION	<u>\$ 42,893,414</u>	<u>\$ 1,818,079</u>	<u>\$ 44,711,493</u>

The accompanying Notes to Financial Statements are an integral part of this financial statement.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2016**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government							
Governmental activities							
Instruction	\$ 58,188,575	\$ 215,757	\$47,218,797	\$ -	\$ (10,754,021)	\$ -	\$ (10,754,021)
Support services	45,741,692	-	7,080,765	-	(38,660,927)	-	(38,660,927)
Community services	55,309	-	-	-	(55,309)	-	(55,309)
Intergovernmental	2,830,016	-	-	-	(2,830,016)	-	(2,830,016)
Interest expense, net of deferred charges and premium amortization	(420,872)	-	-	-	420,872	-	420,872
Depreciation - unallocated *	391,280	-	-	-	(391,280)	-	(391,280)
Total governmental activities	<u>106,786,000</u>	<u>215,757</u>	<u>54,299,562</u>	<u>-</u>	<u>(52,270,681)</u>	<u>-</u>	<u>(52,270,681)</u>
Business-type activities							
Food services	<u>5,918,978</u>	<u>208,179</u>	<u>5,691,714</u>	<u>-</u>	<u>-</u>	<u>(19,085)</u>	<u>(19,085)</u>
Total business-type activities	<u>5,918,978</u>	<u>208,179</u>	<u>5,691,714</u>	<u>-</u>	<u>-</u>	<u>(19,085)</u>	<u>(19,085)</u>
Total primary government	<u>\$112,704,978</u>	<u>\$ 423,936</u>	<u>\$ 59,991,276</u>	<u>\$ -</u>	<u>(52,270,681)</u>	<u>(19,085)</u>	<u>(52,289,766)</u>
General revenues							
Property taxes levied for							
General purposes					29,771,579	-	29,771,579
Florence-Darlington Technical College					2,740,499	-	2,740,499
Debt service					3,978,701	-	3,978,701
Sales taxes					5,312,768	-	5,312,768
Grants and contributions not restricted to specific programs					12,255,875	-	12,255,875
Unrestricted revenue from use of money and property					273,495	-	273,495
Miscellaneous					897,078	-	897,078
Total General Revenues and Transfers					<u>55,229,995</u>	<u>-</u>	<u>55,229,995</u>
Change in Net Position					2,959,314	(19,085)	2,940,229
Net Position							
July 1, 2015, as restated					<u>39,934,100</u>	<u>1,837,164</u>	<u>41,771,264</u>
June 30, 2016					<u>\$ 42,893,414</u>	<u>\$ 1,818,079</u>	<u>\$ 44,711,493</u>

\* This amount excludes the depreciation that is included in the direct expenses of the various functions.

The accompanying Notes to Financial Statements are an integral part of this financial statement.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
BALANCE SHEET – GOVERNMENTAL FUNDS  
JUNE 30, 2016**

	General Fund	Special Projects Fund	EIA Fund	School Building Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 10,715,671	\$ -	\$ -	\$ 871,379	\$ -	\$ 11,587,050
Cash and investments						
Cash and investments with County Treasurer	32,503,335	224,955	-	8,070,922	9,427,544	50,226,756
Property taxes receivables, net of allowance	1,444,697	126,917	-	-	175,788	1,747,402
Accounts receivable	15,000	-	-	-	-	15,000
Due from other governmental units						
Sales taxes due from state	-	-	-	-	1,434,436	1,434,436
SC Department of Education	217,272	14,567	-	-	-	231,839
Other agencies	-	117,326	-	-	-	117,326
Federal government	-	7,393,117	-	-	-	7,393,117
Due from other funds	10,873,150	5,728,430	2,495,072	4,111,499	350,070	23,558,221
Prepays	1,009	-	-	-	-	1,009
Inventories	93,998	-	-	-	-	93,998
<b>TOTAL ASSETS</b>	<b><u>\$ 55,864,132</u></b>	<b><u>\$ 13,605,312</u></b>	<b><u>\$ 2,495,072</u></b>	<b><u>\$ 13,053,800</u></b>	<b><u>\$ 11,387,838</u></b>	<b><u>\$ 96,406,154</u></b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 4,300,248	\$ 9,816	\$ -	\$ 43,309	\$ -	\$ 4,353,373
Accrued liabilities	4,832,658	-	-	-	-	4,832,658
Due to other governmental units	795	66,843	45,400	-	-	113,038
Due to other funds	14,556,364	7,484,866	-	2,479,989	-	24,521,219
Unearned revenues	37,731	2,822,508	2,449,672	-	-	5,309,911
<b>TOTAL LIABILITIES</b>	<b><u>23,727,796</u></b>	<b><u>10,384,033</u></b>	<b><u>2,495,072</u></b>	<b><u>2,523,298</u></b>	<b><u>-</u></b>	<b><u>39,130,199</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable property taxes	1,218,679	102,291	-	-	138,236	1,459,206
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b><u>1,218,679</u></b>	<b><u>102,291</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>138,236</u></b>	<b><u>1,459,206</u></b>
<b>FUND BALANCES</b>						
Nonspendable	95,007	-	-	-	-	95,007
Restricted	70,894	9,500	-	-	11,249,602	11,329,996
Committed	2,748,719	3,109,488	-	10,530,502	-	16,388,709
Assigned	529,485	-	-	-	-	529,485
Unassigned	27,473,552	-	-	-	-	27,473,552
<b>TOTAL FUND BALANCES</b>	<b><u>30,917,657</u></b>	<b><u>3,118,988</u></b>	<b><u>-</u></b>	<b><u>10,530,502</u></b>	<b><u>11,249,602</u></b>	<b><u>55,816,749</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b><u>\$ 55,864,132</u></b>	<b><u>\$ 13,605,312</u></b>	<b><u>\$ 2,495,072</u></b>	<b><u>\$ 13,053,800</u></b>	<b><u>\$ 11,387,838</u></b>	<b><u>\$ 96,406,154</u></b>

The accompanying Notes to Financial Statements are an integral part of this financial statement.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2016**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		\$ 55,816,749
Amounts reported for governmental activities in the Statement of Net Position are different because of the following:		
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.		1,459,206
Cash in escrow with bond refunding agent is not a financial resource and therefore is not reported as an asset in governmental funds. It is reported as a restricted asset in the statement of net position.		1,033,130
Capital assets used for governmental activities are not financial resources and therefore are not reported in governmental funds. The cost of assets is \$231,041,816, and the accumulated depreciation is \$128,864,968.		102,176,848
Other long term assets related to pension expense are not available to pay for current expenditures and are, therefore, not reported or deferred in the funds:		
Contributions made subsequent to measurement date	\$ 6,195,424	
Differences between expected and actual experience	<u>2,663,522</u>	
		8,858,946
Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:		
Net pension liability	\$ (108,892,592)	
Bonds payable	(14,165,578)	
Issuance premium	(764,683)	
Deferred gain on refunding	(789,911)	
Compensated absences payable	(1,061,145)	
Accrued interest payable	<u>(178,050)</u>	
		(125,851,959)
Other long term liabilities related to pension expense do not consume current financial resources and are, therefore, not reported in the funds		
Investment earnings on retirement plan fiduciary held assets		<u>(599,506)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>		<b><u>\$ 42,893,414</u></b>

The accompanying Notes to Financial Statements are an integral part of this financial statement.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2016**

	General Fund	Special Projects Fund	EIA	School Building Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>						
Local property taxes	\$ 30,029,171	\$ 2,740,499	\$ -	\$ -	\$ 3,978,701	\$ 36,748,371
Sales taxes	-	-	-	-	5,312,768	5,312,768
Other local	249,454	2,290,705	-	50,542	40,592	2,631,293
Total local	30,278,625	5,031,204	-	50,542	9,332,061	44,692,432
State	46,924,123	2,219,567	6,249,095	-	218,206	55,610,991
Federal	-	9,415,893	-	-	-	9,415,893
Intergovernmental	283,589	-	-	-	-	283,589
Total Revenues	77,486,337	16,666,664	6,249,095	50,542	9,550,267	110,002,905
<b>EXPENDITURES</b>						
Current						
Instruction	42,222,131	7,299,672	3,407,826	-	-	52,929,629
Support services	35,378,220	5,996,014	1,084,751	2,314,947	-	44,773,932
Community services	3,020	52,289	-	-	-	55,309
Intergovernmental	2,785	2,827,231	-	-	-	2,830,016
Debt service						
Principal	-	-	-	515,515	8,885,000	9,400,515
Interest	-	-	-	18,862	710,692	729,554
Fees	-	-	-	37,890	-	37,890
Capital outlay	4,713,588	54,154	-	2,046,211	-	6,813,953
Total Expenditures	82,319,744	16,229,360	4,492,577	4,933,425	9,595,692	117,570,798
Excess of Revenues Over (Under) Expenditures	(4,833,407)	437,304	1,756,518	(4,882,883)	(45,425)	(7,567,893)
<b>OTHER FINANCING SOURCES (USES)</b>						
General obligation issuance	-	-	-	5,000,000	-	5,000,000
Transfers in	2,045,856	-	-	-	-	2,045,856
Transfers out	(45,450)	(289,338)	(1,756,518)	-	-	(2,091,306)
Total Other Financing Sources (Uses)	2,000,406	(289,338)	(1,756,518)	5,000,000	-	4,954,550
Net Change in Fund Balance	(2,833,001)	147,966	-	117,117	(45,425)	(2,613,343)
<b>FUND BALANCE</b>						
July 1, 2015, as restated	33,750,658	2,971,022	-	10,413,385	11,295,027	58,430,092
June 30, 2016	\$ 30,917,657	\$ 3,118,988	\$ -	\$ 10,530,502	\$ 11,249,602	\$ 55,816,749

The accompanying Notes to Financial Statements are an integral part of this financial statement.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2016**

Page 1 of 2

TOTAL NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS		\$ (2,613,343)
Amounts reported for governmental activities in the Statement of Activities are different because of the following:		
Because some property taxes will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are deferred inflows in the governmental funds. Deferred inflows and tax revenues decreased by this amount during the year.		(257,592)
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay (\$6,813,953) exceeded depreciation expense (\$4,891,002) in the period.		1,922,951
In the Statement of Activities, only the gain or loss on the sale or disposals of assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources and the loss decreases financial resources. Thus the change in net position difference from the change in fund balance by the cost of the capital asset.		
Net book value of assets sold		(16,902)
Pension expense that is related to the net pension liability as recorded in the Statement of Activities is based on the School District's proportionate share of the pension expense of the retirement system as a whole, whereas pension expense recorded in the funds is based on the use of current financial resources (e.g. required contributions). The differences are as follows:		
Amount recorded in the Statement of Activities	\$ 7,782,181	
Amount recorded in the governmental funds	<u>(9,365,266)</u>	
		(1,583,085)
In the Statement of Net Position, accumulated payments to escrow agent and investment earnings accrued in escrow in connection with an advance refunding of bonds are treated as an asset. This is the amount that relates to the adjustment for the change in the fair market value of that asset.		7,773
The issuance of long-term debt (e.g., bonds, leases) 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, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The net effect of these differences in the treatment of debt and related items is as follows:		
Issuance of general obligation bonds		
General obligation bond proceeds	\$ (5,000,000)	
Principal repayments:		
Bonds payable	9,400,515	
Amortization of deferred refunding	554,001	
Amortization of bond premiums	<u>536,842</u>	
		5,491,358

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2016**

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 the governmental funds. The details are as follows:

Compensated absences			
Current year	\$	(1,061,145)	
Prior year		1,017,489	
Accrued interest			
Current year		(178,050)	
Prior year		<u>229,860</u>	
			<u>\$ 8,154</u>

Change in Net Position of Governmental Activities			
			<u><u>\$ 2,959,314</u></u>

The accompanying Notes to Financial Statements are an integral part of this financial statement.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
STATEMENT OF NET POSITION –  
PROPRIETARY FUNDS  
JUNE 30, 2016**

	<u>Enterprise Fund - Food Service Program</u>
<b>ASSETS</b>	
Current assets	
Cash and cash equivalents	\$ 103
Due from other governmental units	14,433
Due from other funds	962,998
Inventories	24,015
Total current assets	<u>1,001,549</u>
Noncurrent assets	
Equipment	3,440,583
Less accumulated depreciation	<u>(2,580,733)</u>
Total noncurrent assets	<u>859,850</u>
Total assets	<u>1,861,399</u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	<u>43,320</u>
Total current liabilities	<u>43,320</u>
Total liabilities	<u>43,320</u>
<b>NET POSITION</b>	
Net investment in capital assets	859,850
Unrestricted	<u>958,229</u>
Total net position	<u>\$ 1,818,079</u>

The accompanying Notes to Financial Statements are an integral part of this financial statement.



**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2016**

	<u>Enterprise Fund - Food Service Program</u>
<b>OPERATING REVENUES</b>	
Proceeds from sale of meals	\$ 81,653
Special sales and miscellaneous	126,446
Interest income	80
	<u>208,179</u>
Total Operating Revenues	<u>208,179</u>
<b>OPERATING EXPENSES</b>	
Food costs	2,762,314
Salaries and wages	2,157,792
Supplies and materials	663,264
Depreciation	114,183
Other operating costs	221,425
	<u>5,918,978</u>
Total Operating Expenses	<u>5,918,978</u>
Operating Loss	<u>(5,710,799)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
USDA Reimbursements	5,329,047
Commodities received from USDA	362,232
Other federal and state aid	435
	<u>5,691,714</u>
Total Nonoperating Revenues (Expenses)	<u>5,691,714</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENSES</b>	<u>(19,085)</u>
Change in Net Position	(19,085)
<b>NET POSITION</b>	
July 1, 2015	<u>1,837,164</u>
June 30, 2016	<u>\$ 1,818,079</u>

The accompanying Notes to Financial Statements are an integral part of this financial statement.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
STATEMENT OF CASH FLOWS –  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2016**

	<u>Enterprise Fund - Food Service Program</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Received from patrons	\$ 208,099
Payments to employees for services	(2,157,792)
Payments to suppliers for goods and services	<u>(3,029,612)</u>
Net cash used in operating activities	<u>(4,979,305)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	<u>80</u>
Net cash provided by investing activities	<u>80</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Nonoperating grants received	<u>5,329,482</u>
Net cash provided by noncapital financing activities	<u>5,329,482</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of capital assets	<u>(368,079)</u>
Net cash used in capital and related financing activities	<u>(368,079)</u>
Net decrease in cash and cash equivalents	(17,822)
Cash and cash equivalents - July 1, 2015	<u>17,925</u>
Cash and cash equivalents - June 30, 2016	<u><u>\$ 103</u></u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (5,710,799)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:	
Depreciation	114,183
Commodities used	362,232
Changes in assets and liabilities:	
(Increase) decrease in due from governmental units	1
(Increase) decrease in due from other funds	237,352
Increase (decrease) in payables	<u>17,726</u>
Net cash used in operating activities	<u><u>\$ (4,979,305)</u></u>

Noncash noncapital financing activities:

During the year, the District received \$362,232 of food commodities from the U.S. Department of Agriculture.

The accompanying Notes to Financial Statements are an integral part of this financial statement.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
STATEMENT OF FIDUCIARY NET POSITION –  
AGENCY FUNDS  
JUNE 30, 2016**

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		Agency Funds
ASSETS		
	Cash and cash equivalents	<u>\$ 906,222</u>
	TOTAL ASSETS	<u><u>\$ 906,222</u></u>
LIABILITIES		
	Due to schools	<u>\$ 906,222</u>
	TOTAL LIABILITIES	<u><u>\$ 906,222</u></u>

The accompanying Notes to Financial Statements are an integral part of this financial statement.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Darlington County School District*** (the School District) operates 14 elementary schools, 3 middle schools, 4 high schools, 1 alternative school, and 1 career center within the limits of Darlington County.

**A. The Reporting Entity**

The Board of Trustees (the Board) of the School District determines the operating policies of the School District and such policies are implemented by the School District Superintendent. The Board, an eight-member group, is the level of government which has governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the School District. The School District receives funding from local, state, and federal government sources and must comply with the concomitant requirements of these funding source entities. However, the School District is not included in any other governmental "reporting entity" as defined in Section 2100, *Codification of Governmental Accounting and Financial Reporting Standards*, since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters. The School District is therefore reported as a primary government.

**B. Basis of Presentation**

*Government-wide Statements:*

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The School District has a food service fund that is presented as business-type activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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.

*Fund Financial Statements:*

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The School District reports the following major governmental funds:

1. General Fund – The General Fund of the School District is used to account for all financial resources except those required to be accounted for in another fund. All property taxes, intergovernmental revenue, charges for services, Education Finance Act revenue, and miscellaneous revenue are recorded in this fund except amounts which are specifically collected to service debt or for which the School District collects funds in a fiduciary capacity. Operational expenditures for general instruction, support services, general administration, and other departments of the School District are paid through the General Fund.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation (Continued)**

2. Special Revenue Funds –

- a. Special Projects Funds account for the operations of federal and state projects, which are required by the South Carolina State Department of Education to be accounted for in separate funds.
  - b. Education Improvement Act Fund – The Education Improvement Act Fund is used to account for the School District's expenditures as a result of receiving state funds used in a comprehensive education reform plan which are required to be accounted for in separate programs and strategies.
3. Debt Service Fund – This fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The School District's Debt Service Fund was established and is maintained in accordance with acts passed by the General Assembly of South Carolina authorizing the sale of general obligation bonds of the School District.
4. School Building Fund – The School Building Fund is used to account for financial resources to be used for the acquisition and construction of major capital facilities, renovations, and extensive repairs which tend to extend the life of the asset.

The School District has no non-major governmental funds.

Additionally the School District reports the following fund types:

Proprietary Funds:

5. Food Service Fund – The District accounts for its food service activities in the Food Service Fund, the District's only Proprietary Fund.

Fiduciary Funds:

6. Agency Fund – The District accounts for resources held by others in a custodial capacity in agency funds. The District's Agency Fund is the Student Activity Fund.

**C. Measurement Focus and Basis of Accounting**

The basic financial statements of the School District have been prepared in conformity with generally accepted accounting principles as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

*Measurement focus* is a term used to describe which transactions are recorded within the various financial statements. *Basis of accounting* refers to when transactions are recorded, regardless of the measurement focus applied.

The *government-wide financial statements* are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
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JUNE 30, 2016**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus and Basis of Accounting (Continued)**

*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, except for federal and state grant revenue which is considered available if collected within six months. For this purpose, the School District considers revenues to be available if they are collected within 60 days 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. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include an appropriation from the County in lieu of property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been met. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Amounts reported as *program revenues* include: 1) charges to students for tuition, fees, rental, material, supplies, or services provided; 2) operating grants and contributions; and 3) capital grants and contributions. *General revenues* include all taxes, investment income and grants and contributions not restricted to specific programs.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services, in connection with a proprietary fund's principal ongoing operations. The School District's business-type activities accounted for in proprietary funds are food services. Operating expenses for proprietary funds include the cost of food, salaries, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**D. Assets, Liabilities and Net Position/Fund Balance**

**1. Deposits and investments**

The School District's cash and cash equivalents are defined as short-term, highly liquid investments with an original maturity of three months or less when purchased that are both readily convertible to known amounts of cash and so near their maturity that they present no significant risk of changes in value because of changes in interest rates. Investments are reported at fair value.

**2. Receivables and payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. On fund financial statements, these receivables and payables, if containing a balance at the end of the fiscal year, are classified as *due from other funds* or *due to other funds* on the Balance Sheet. These amounts are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for net residual amounts due between governmental and business-type activities, which are presented as internal balances.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities and Net Position/Fund Balance (Continued)**

**3. Prepaids**

Payments made to vendors for services benefiting future periods are recorded as prepaid items in both government-wide and fund financial statements using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditures/expense is reported in the year in which services are consumed.

**4. Inventory**

Inventory in the General Fund includes materials and supplies valued using the first-in/first-out (FIFO) method and are subsequently charged to expenditures when consumed.

Inventory in the Food Service Proprietary Fund includes commodities provided at no cost by the U.S. Department of Agriculture (USDA). These commodities are recorded at fair value as determined by the USDA and are valued using the first-in/first-out (FIFO) method. Expenses for inventory are recorded when inventory is received.

**5. 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 column 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 two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair 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 construction is not capitalized.

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

Assets	Years
Buildings	20-50
Improvements other than buildings	5-50
Equipment	5-15
Food service equipment	12

**6. Due from other governmental units**

General Fund and Special Revenue Fund amounts due from federal agencies, the State Department of Education and the County represent reimbursable costs, which have been incurred by the School District but have not been reimbursed by the grantor agency.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities and Net Position/Fund Balance (Continued)**

**7. *Deferred Outflows / Inflows of Resources and Unearned Revenue***

*Deferred Outflows of Resources*

In addition to assets, the Statement of Net Position 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 then. The School District has three items that qualify for reporting in this category and are related to pension obligations. The first item is pension contributions made subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the subsequent year. The second item is the differences between expected and actual experience which is amortized into pension expense beginning in the year the deferral occurs over a closed period equal to the average remaining service lives of all plan participants. The third is the difference between the projected and actual earnings on pension plan investments and is amortized in a systematic and rational method and recognized as a reduction of pension expense in future periods in accordance with generally accepted accounting principles.

*Deferred Inflows of Resources*

In addition to liabilities, the Statement of Net Position 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. The School District has three items that qualify for reporting in this category on the Statement of Net Position. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other two items are related to pension obligations. The first is the differences between expected and actual experience which is amortized into pension expense beginning in the year the deferral occurs over a closed period equal to the average remaining service lives of all plan participants. The second is the changes in proportionate and differences between the District's contributions and proportionate share of contributions which are amortized in a systematic and rational method and recognized as a reduction of pension expense in future periods in accordance with generally accepted accounting principles. The government has inflows which arise under modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds Balance Sheet.

The School District recognizes deferred inflows in the fund statements for an acquisition of net position pertaining to property taxes that were billed but remain unavailable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

*Unearned Revenue*

The School District also defers revenue recognition in connection with resources such as grants, that have been billed or received, but not yet earned.

**8. *Compensated absences***

The School District reports compensated absences in accordance with GASB Statement No. 16, Accounting for Compensated Absences. Vacation leave may be accumulated up to a maximum of forty-five days and is fully vested when earned. Compensated absences will be paid from the fund where the employee's salary is paid, typically this would include the general, special revenue and food service funds.



**DARLINGTON COUNTY SCHOOL DISTRICT  
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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities and Net Position/Fund Balance (Continued)**

**8. *Compensated absences (Continued)***

All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, unused reimbursable leave still outstanding following an employee's resignation or retirement. In the proprietary funds, compensated absences are recorded as an expense and liability of the fund as the benefits accrue to employees.

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements which assumes that they will be liquidated with current resources. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

**9. *Accrued liabilities and long-term obligations***

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

For governmental funds, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as another financing source as are the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

**10. *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 fiduciary net position of the South Carolina Retirement System (SCRS) and the Police Officers Retirement System (PORS) and additions to/deductions from SCRS's and PORS's fiduciary net position have been determined on the same basis as they are reported by SCRS and PORS. 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.

The General Fund pays for pension expense district-wide and therefore pension liabilities resulting from the implementation of GASB 68, *Accounting and Financial Reporting for Pensions*, are reported in the governmental activities as permitted under the standard.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities and Net Position/Fund Balance (Continued)**

**11. Net position and fund balance**

*Government-wide Statements:*

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net positions with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net positions that do not meet the definition of “net investment in capital assets” or “restricted.”

*Net Position Flow Assumption*

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

*Fund Statements:*

Classifications of fund balance are hierarchical and are based primarily on the extent to which the School District is bound to honor constraints on specific purposes for which amounts in the funds may be spent. The District’s accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of nonspendable, restricted, committed, assigned, or unassigned.

Nonspendable – Amounts that cannot be spent either because they are not in spendable form, such as inventory or prepaid items or which are required to be maintained intact, such as a trust.

Restricted – Amounts that can be spent only for specific purposes because of state or federal laws or externally imposed restrictions on use by their providers, such as grantors, bondholders, and higher levels of government, millage adopted by the primary government to pay the School District’s debt, through contractual or constitutional provisions or as outlined by enabling legislation.

Committed – Amounts constrained to specific purposes pursuant to constraints imposed by formal action (ordinance or resolutions) of the government’s highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Assigned – Amounts the School District intends to use for a specific purpose. Intent can be expressed by the Board of Education, or by an official or body to which the Board of Education delegates the authority. The Board of Education has delegated the authority to assign fund balance to the superintendent or to the superintendent’s designee (the finance director).

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities and Net Position/Fund Balance (Continued)**

**11. Net position and fund balance (Continued)**

Unassigned – All amounts not included in other spendable classifications. These amounts are available for any purpose. Positive amounts are reported only in the general fund.

*Fund Balance Flow Assumption*

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balances). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. In the governmental funds, the School District's policy is to first apply the expenditure toward restricted fund balance and then to other, less restricted classifications – committed and then assigned fund balances before using unassigned fund balance.

**12. Accounting Estimates**

The preparation of financial statements in accordance with generally accepted accounting principles requires the School District's management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**13. Fair Value**

Investments are measured at fair value on a recurring basis. *Recurring* fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**14. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures are recorded to reflect the use of the applicable spending appropriations, is used by the General Fund during the year to control expenditures. Encumbrances do not constitute expenditures or liabilities. Encumbrances and unused expenditure appropriations lapse at year end.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
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**II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS**

**A. Deposits and Investments**

Deposits

*Custodial Credit Risk – Deposits* – In the case of deposits, this is the risk that in the event of a bank failure, the School District’s deposits may not be returned to it. Deposits of the School District are subject to South Carolina state statutes for custodial credit risk. The statutes provide that banks accepting deposits of funds from local government units must furnish an indemnity bond or pledge as collateral obligations of the United States, South Carolina, political subdivisions of South Carolina, the Federal National Mortgage Association, the Federal Home Loan Bank, the Federal Farm Credit Bank, or the Federal Home Loan Mortgage Corporation. In accordance with the aforementioned statute, the School District’s policy requires deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. Deposited funds may be invested in demand or time deposits, continuously and fully secured with direct obligations of or obligations guaranteed by the United States of America having a market value not less than the amount of such monies. At June 30, 2016, the carrying amount of the School District’s deposits was \$12,508,461 and the bank balance was \$15,944,393. All of these deposits were fully collateralized with securities held by the pledging financial institution’s trust department in the School District’s name or insured by the Federal Deposit Insurance Corporation. Information was not available regarding the custodial risk of deposits with the Darlington County Treasurer of \$50,226,756.

Investments

*Custodial Credit Risk – Investments* – For an investment, this is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District does not have a formal investment policy regarding custodial credit risk of investments.

*Interest Rate Risk* – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk* – Credit risk is the risk that an issuer to an investment will not fulfill its obligations. The School District follows state statutes concerning allowable investments but has not adopted a formal investment policy.

State statutes authorize the School District to invest in the following:

- (1) Obligations of the United States and agencies thereof;
- (2) General obligations of the State of South Carolina or any of its political units;
- (3) Savings and loan association deposits to the extent insured by the Federal Deposit Insurance Corporation;
- (4) Certificates of deposit and repurchase agreements collateralized by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a market value not less than the amount of certificates of deposit and repurchase agreements so secured, including interest; and
- (5) No-load open and closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company, savings and loan association, or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

In addition, South Carolina state statutes authorize the District to invest in the South Carolina Local Government Investment Pool (SCLGIP). The SCLGIP is an investment trust fund, created by state legislation, in which public monies under the custody of any political subdivision in excess of current needs may be deposited. The SCLGIP is permitted to purchase obligations of the United States, its agencies and instrumentalities, and any corporation within the United States if such obligations bear any of the three highest ratings of at least two nationally recognized rating services. The SCLGIP is not registered with the SEC. It is similar to a money market fund in that it is offered at a stable price and is guided by risk control principles such as significant overnight Repurchase Agreements for liquidity; attention to credit quality, portfolio diversification and maintenance of a short average maturity of fixed and floating rate investments.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and as amended by GASB Statement No. 72, *Fair Value Measurement and Application*, investments in the SCLGIP are carried at fair value. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. Fair value for all investments of the SCGLIP is determined on a recurring basis based upon quoted market prices. The total fair value of the SCLGIP is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00.

*Concentration of Credit Risk* – Concentration of credit risk is the risk of loss attributed to the magnitude of the School District’s investment in a single issuer. The School District places no limit on the amount that may be invested in any one issuer. All of the School District’s investments are in the repurchase agreement.

As of June 30, 2016, \$3,500,482 was in a repurchase agreement held by the counterparty, or its trust department or agent for the School District. These funds are held in a money market account and invested in governmental securities and backed by the sole obligations of the United States.

As of June 30, 2016, the School District had the following investments

Investment Type	Fair Value Level	Credit Rating ^	Fair Value	Investment Maturities in Years <1 yr.
Cash and Investments held by County Treasurer	N/A	NR	\$ 46,726,274	\$ 46,726,274
Repurchase Agreement	Level 1	AAA	<u>3,500,482</u>	<u>3,500,482</u>
Total			<u>\$ 50,226,756</u>	<u>\$ 50,226,756</u>

^ If available, credit ratings are for Standard & Poor’s  
 NR - Not rated  
 N/A - Not applicable  
 See Note I. D. 13 for details of the School District’s fair value hierarchy

Additional disclosure regarding the School District’s deposits and investments is located at Note I.D.1

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**B. Property Taxes**

Property taxes for school operations are levied and collected by the County. The County appropriates an amount for general operations and to maintain the local level of effort as required by the State Department of Education. This appropriation is funded by and reported as ad valorem taxes and state revenues in lieu of taxes. Excess collections above the approved appropriation are retained by the county in escrow for subsequent periods and is reflected in these financial statements as Cash with the County Treasurer. The principal source of local revenue in the debt service fund are property taxes and 1% sales tax revenue.

Taxes on real estate and personal property, other than vehicles licensed by the South Carolina Department of Highways and Public Transportation, are billed in September on property owned on the preceding December 31. They are due by January 16 and become delinquent on March 17. Taxes on vehicles licensed by the South Carolina Department of Highways and Public Transportation are assessed on a cyclical basis and are due within thirty days of assessment.

The assessed value of real and other personal property, exclusive of vehicles (valued at \$26,918,404), is \$209,348,550. The general operations millage is 168.68 mills (\$16.868 per \$100 assessed valuation), and debt service fund millage is 23.50 mills (\$2.35 per \$100 assessed valuation).

The School District's bonded indebtedness is not to exceed eight percent (8%) of the assessed value of all taxable property within the School District, exclusive of debt outstanding on November 30, 1982, unless authorized by a majority vote of electors voting in a referendum authorized by law.

**C. Receivables**

Receivables as of year-end, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Projects</u>	<u>Debt Service</u>	<u>Food Service Program</u>
Receivables				
Property taxes	\$ 3,547,744	\$ 280,043	\$ 487,288	\$ -
Sales taxes	-	-	1,434,436	-
Intergovernmental	217,272	7,525,010	-	14,433
Accounts	15,000	-	-	-
Gross receivables	<u>3,780,016</u>	<u>7,805,053</u>	<u>1,921,724</u>	<u>14,433</u>
Less allowance for uncollectible property tax	<u>(2,103,047)</u>	<u>(153,126)</u>	<u>(311,500)</u>	<u>-</u>
Net receivables	<u>\$ 1,676,969</u>	<u>\$ 7,651,927</u>	<u>\$ 1,610,224</u>	<u>\$ 14,433</u>

**DARLINGTON COUNTY SCHOOL DISTRICT  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**D. Capital Assets**

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

	Balance 6/30/2015	Restatement *	6/30/2015 As Restated	Additions	Deletions	Transfers	Balance 6/30/2016
<b>Governmental Activities</b>							
Capital assets, not being depreciated							
Land	\$ 6,281,409	\$ -	\$ 6,281,409	\$ -	\$ -	\$ -	\$ 6,281,409
Construction in progress	2,696,375	680,980	3,377,355	6,164,493	(2,983)	(1,519,661)	8,019,204
Total capital assets, not being depreciated	8,977,784	680,980	9,658,764	6,164,493	(2,983)	(1,519,661)	14,300,613
Capital assets, being depreciated							
Building and improvements	190,092,881	-	190,092,881	436,821	(15,175)	748,345	191,262,872
Land improvements	10,870,604	-	10,870,604	147,826	-	771,316	11,789,746
Equipment	13,623,772	-	13,623,772	64,813	-	-	13,688,585
Total capital assets, being depreciated	214,587,257	-	214,587,257	649,460	(15,175)	1,519,661	216,741,203
Totals at historical cost	223,565,041	680,980	224,246,021	6,813,953	(18,158)	-	231,041,816
Less accumulated depreciation for							
Building and improvements	(111,271,077)	-	(111,271,077)	(3,924,873)	1,256	-	(115,194,694)
Land improvements	(3,649,302)	-	(3,649,302)	(517,865)	-	-	(4,167,167)
Equipment	(9,054,843)	-	(9,054,843)	(448,264)	-	-	(9,503,107)
Total accumulated depreciation	(123,975,222)	-	(123,975,222)	(4,891,002)	1,256	-	(128,864,968)
Total capital assets, being depreciated, net	90,612,035	-	90,612,035	(4,241,542)	(13,919)	1,519,661	87,876,235
Governmental activities capital assets, net	\$ 99,589,819	\$ 680,980	\$ 100,270,799	\$ 1,922,951	\$ (16,902)	\$ -	\$ 102,176,848

\* Refer to Note III. F for details on restatement

	Balance 6/30/2015	Additions	Deletions	Balance 6/30/2016
<b>Business-type Activities</b>				
Capital assets, being depreciated				
Food service equipment	\$ 3,072,504	\$ 368,079	\$ -	\$ 3,440,583
Total capital assets, being depreciated	3,072,504	368,079	-	3,440,583
Less accumulated depreciation for				
Food service equipment	(2,466,550)	(114,183)	-	(2,580,733)
Total accumulated depreciation	(2,466,550)	(114,183)	-	(2,580,733)
Total capital assets, being depreciated, net	605,954	253,896	-	859,850
Business-type activities capital assets, net	\$ 605,954	\$ 253,896	\$ -	\$ 859,850

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**II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**D. Capital Assets (Continued)**

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

Governmental activities	
Instruction	\$ 4,255,172
Support Services	244,550
Unallocated	391,280
Total governmental activities	\$ 4,891,002
Business-type activities	
Food Service	\$ 114,183
Total business-type activities	\$ 114,183

**E. Transfers From (To) Other Funds**

Transfers from (to) other funds for the year ended June 30, 2016, consisted of the following:

	Transfers In	Transfers Out
General Fund	\$ 2,045,856	\$ 45,450
Special Projects Fund	-	289,338
Education Improvement Act Fund	-	1,756,518
Total governmental funds	2,045,856	2,091,306
Pupil Activities Fund	45,450	-
Total fiduciary funds	45,450	-
Total transfers	\$ 2,091,306	\$ 2,091,306

Transfers are used (1) to move revenues from the fund that a statute or budget requires to collect them to the fund that a statute or budget requires to expend them, and (2) to use unrestricted revenues collected in the general fund to finance various programs accounted for the other funds in accordance with budgetary authorizations.



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**II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**F. Interfund Receivables and Payables**

Interfund balances at June 30, 2016, consisted of the following individual fund receivables and payables:

	Receivable	Payable
General Fund	\$ 10,873,150	\$ 14,556,364
Special Projects Fund	5,728,430	7,484,866
Education Improvement Act Fund	2,495,072	-
School Building Fund	4,111,499	2,479,989
Debt Service Fund	350,070	-
Total governmental funds	23,558,221	24,521,219
Food Service Fund	962,998	-
Total proprietary fund	962,998	-
Total balances	\$ 24,521,219	\$ 24,521,219

Interfund balances largely result from the time lag between the dates that (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.

**G. Long-Term Debt**

*Changes in Long-Term Liabilities*

During the year ended June 30, 2016, the following changes took place in the long-term liabilities:

	Balance 6/30/2015	Additions	Reductions	Balance 6/30/2016	Due Within One Year
General obligation bonds	\$ 18,566,093	\$ 5,000,000	\$ 9,400,515	\$ 14,165,578	\$ 4,585,578
Plus deferred amount:					
For issuance premium	1,301,525	-	536,842	764,683	-
Total general obligation bonds	19,867,618	5,000,000	9,937,357	14,930,261	4,585,578
Compensated absences	1,017,489	394,716	351,060	1,061,145	624,528
Total long-term liabilities	\$ 20,885,107	\$ 5,394,716	\$ 10,288,417	\$ 15,991,406	\$ 5,210,106

Interest and other charges paid on long term debt for the year totaled \$767,444.

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**II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**G. Long-Term Debt (Continued)**

*General Obligation Bonds*

The School District issues general obligation bonds to provide funds for the acquisition, construction, and major improvement of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 10 to 25 year serial bonds with principal maturing each year.

General obligation bonds payable at June 30, 2016, are comprised of the following individual issues:

	Interest Rates	Balance
2014 Refunding	3 – 5%	\$ 12,245,000
2014 Improvement	0.98%	520,578
2006 Advance Refunding Bonds (QZAB)	3.50%	1,400,000
		\$ 14,165,578

The annual requirements for debt service on General Obligation Bonds outstanding at June 30, 2016, are summarized as follows:

Year ending June 30,	Principal	Interest	Total
2017	\$ 4,585,578	\$ 547,950	\$ 5,133,528
2018	4,275,000	339,588	4,614,588
2019	5,305,000	117,150	5,422,150
Subtotal	14,165,578	1,004,688	15,170,266
Plus deferred amounts:			
Bond premiums	764,683	-	764,683
Total	\$ 14,930,261	\$ 1,004,688	\$ 15,934,949

In October 2014, the School District issued an Equipment, Acquisition and Use Agreement, Series 2014 in the amount of \$1,036,093 and incurred \$10,000 in bond issuance costs. The net proceeds were used to purchase computers. Payments are due annually in two equal installments of \$525,690 which include principal and interest at a rate of 0.982%. These bonds mature in October 2016.

*Refunding*

In January 2005, the School District issued \$48,000,000 in general obligation bonds under the referendum, with an annual interest rate ranging from 3.25% to 5.13% (2005 School Building Bonds). Debt outstanding at June 30, 2014, against the \$48,000,000 in general obligations bonds totaled \$36,905,000.

**DARLINGTON COUNTY SCHOOL DISTRICT  
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**II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**G. Long-Term Debt (Continued)**

In July 2014, the School District issued General Obligation Refunding Bonds, Series 2014 in the amount of \$16,130,000 plus a premium of \$1,617,665 and incurred \$130,375 of bond issuance costs. The net proceeds along with \$6,900,000 from the General Fund and \$12,387,710 from the Debt Service Fund were used to refund the outstanding principal of the 2005 School Building Bonds. The new bond bears interest from 3% to 5% and is due in annual installments ranging from \$4,022,150 to \$4,603,900.

The difference in the reacquisition price of the old debt and the net carrying amount of the old debt was \$1,669,368 and related to the unamortized premium associated with the old debt. This amount is reported as a deferred inflow of resources and is being amortized over the life of the new debt.

*Advance Refunding*

During the 2006 fiscal year, the District issued a Qualified Zone Academy Bond (QZAB) in the amount of \$1,400,000. Under the agreement, the District deposited \$700,000 in an escrow account and is required to pay an additional \$139,007 in annual payments of \$8,688 over sixteen years. Because the amount deposited did not completely satisfy the District's financial commitment to retire the bonds, the transaction does not qualify as an in-substance defeasance. Therefore, the debt of \$1,400,000 and an accumulated restricted asset of \$1,033,130 on deposit with the advance refunding agent are included in the government-wide Statement of Net Position. The balance on deposit has been invested in U.S. Treasury and Agency obligations and is not collateralized or insured against declines in value.

*Short Term Debt Issuance*

The District issued \$5,000,000 of General Obligation Improvement Bonds, Series 2015 during the current fiscal year, which were repaid by June 30, 2016. This activity is included in the disclosure of the changes in long-term liabilities.

**H. Food Service**

*Federal Guidelines*

The School District's Food Service Fund administers the lunch programs in accordance with the United States Department of Agriculture (USDA) guidelines. Revenues are provided from USDA reimbursements and cash collections. The meals served to pupils are classified as regular, reduced, or free lunches by the Food Service Program. The type of meal served determines the amount of reimbursement from the USDA. Reimbursements may be in the form of cash or commodities. The food service expenditures are inclusive of \$362,232 of commodities consumed during the year ended June 30, 2016.

*Administrative Costs*

The General Fund performs certain administrative functions and pays for certain costs of the Food Service Fund. The School District's accounting policies for food service operations reflect these expenditures in the General Fund.

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**II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**I. Fund Balances**

The following classifications describe the relative strength of the spending constraints:

	General Fund	Special Projects Fund	School Building Fund	Debt Service Fund
Fund balances:				
Nonspendable				
Inventories	\$ 93,998	\$ -	\$ -	\$ -
Restricted:				
Contractual obligations	-	-	-	11,249,602
Grants	-	9,500	-	-
Other sources	70,894	-	-	-
Restricted total	<u>70,894</u>	<u>9,500</u>	<u>-</u>	<u>11,249,602</u>
Committed:				
E Rate funding	-	1,043,774	-	-
Medicaid	-	1,424,457	-	-
Activity buses	-	444,512	-	-
Adult banquet	-	49,946	-	-
Capital maintenance	2,748,719	-	-	-
Florence Darlington Technical College	-	146,799	-	-
Capital projects	-	-	10,530,502	-
Committed total	<u>2,748,719</u>	<u>3,109,488</u>	<u>10,530,502</u>	<u>-</u>
Assigned:				
Landscaping	65,868	-	-	-
School cameras	299,706	-	-	-
Other	163,911	-	-	-
Assigned total	<u>529,485</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned	<u>27,474,561</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 30,917,657</u>	<u>\$ 3,118,988</u>	<u>\$ 10,530,502</u>	<u>\$ 11,249,602</u>

**III. OTHER INFORMATION**

**A. Defined Benefit Pension Plans**

The South Carolina Public Employee Benefit Authority (“PEBA”), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the Budget and Control Board (restructured into the Department of Administration on July 1, 2015), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems (“Systems”) and serves as a co-trustee of the Systems in conducting that review.

PEBA issues a Comprehensive Annual Financial Report (“CAFR”) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly 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. PEBA is considered a division of the primary government of the state of South Carolina, and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

**DARLINGTON COUNTY SCHOOL DISTRICT  
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**III. OTHER INFORMATION (CONTINUED)**

**A. Defined Benefit Pension Plans (Continued)**

**Plan Description**

- The South Carolina Retirement System (“SCRS”), a cost-sharing multiple-employer defined benefit pension 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.

- The South Carolina Police Officers Retirement System (“PORS”), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firemen of the state and its political subdivisions.

*Membership*

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements 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.

- PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. 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.

*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. A brief summary of the benefit terms for each system is presented below.

- 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 service 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 and retired members of employers who participate in the death benefit program.

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**III. OTHER INFORMATION (CONTINUED)**

**A. Defined Benefit Pension Plans (Continued)**

**Plan Description (Continued)**

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.

- **PORS** - 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 55 or with 25 years of service regardless of age. 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 at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The 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.

*Contributions*

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. The PEBA Board may increase the SCRS and PORS employer and employee contribution rates on the basis of the actuarial valuations, 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 for SCRS and 5 percent for PORS. 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 30-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 30-year amortization period; this increase is not limited to one-half of one percent per year.

Required employee contribution rates for the plan's fiscal years are as follows:

	<u>Fiscal year ended June 30, 2015</u>	<u>Fiscal year ended June 30, 2016</u>
Employee Class Two	8.00% of earnable compensation	8.16% of earnable compensation
Employee Class Three	8.00% of earnable compensation	8.16% of earnable compensation
	<u>Fiscal year ended June 30, 2015</u>	<u>Fiscal year ended June 30, 2016</u>
Employer Class Two	10.75% of earnable compensation	10.91% of earnable compensation
Employer Class Three	10.75% of earnable compensation	10.91% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation	0.15% of earnable compensation

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**III. OTHER INFORMATION (CONTINUED)**

**A. Defined Benefit Pension Plans (Continued)**

**Actuarial Assumptions and Methods (Continued)**

The School District's actual contributions to SCRS and PORS for the year ended June 30, 2016, were \$6,195,424 and \$-0-, respectively, which equaled the required contributions.

**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 study performed on data through June 30, 2015, is currently underway.

The most recent annual actuarial valuation reports adopted by the PEBA Board are as of July 1, 2014. The net pension liability of each defined benefit pension plan was therefore determined by the consulting actuary, Gabriel, Roeder, Smith and Company ("GRS"), based on the July 1, 2014, actuarial valuations, using membership data as of July 1, 2014. The total pension liability was rolled forward from the valuation date to the plan's fiscal year ended June 30, 2015, using generally accepted actuarial procedures. Information included in the following schedules is based on the certification provided by GRS.

The following provides a summary of the actuarial assumptions and methods used in the July 1, 2014, valuations for SCRS and PORS.

	<u>SCRS</u>	<u>PORS</u>
Actuarial cost method	Entry age normal	Entry age normal
Actuarial assumptions:		
Investment rate of return	7.50%	7.50%
Projected salary increases	3.5% to 12.5% (varies by service)*	4.0% to 10.0% (varies by service)*
Benefit adjustments	lesser of 1% or \$500	lesser of 1% or \$500

\* Includes inflation at 2.75%

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 and PORS are as follows:

Former Job Class	Males	Females
Educators and Judges	RP-2000 Males (with White Collar adjustment) multiplied by 110%	RP-2000 Females (with White Collar adjustment) multiplied by 95%
General Employees and Members of the General Assembly	RP-2000 Males multiplied by 100%	RP-2000 Females multiplied by 90%
Public Safety, Firefighters and members of the South Carolina National Guard	RP-2000 Males (with Blue Collar adjustment) multiplied by 115%	RP-2000 Females (with Blue Collar adjustment) multiplied by 115%

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**III. OTHER INFORMATION (CONTINUED)**

**A. Defined Benefit Pension Plans (Continued)**

**Net Pension Liability**

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67 less that System's fiduciary net position. The School District's proportional share of the NPL amounts for SCRS and PORS are presented below:

<u>Measurement Period Ended June 30,</u>	<u>Fiscal Year Ended June 30,</u>	<u>SCRS</u>	<u>PORS</u>	<u>Total</u>
2014	2015	\$ 99,349,740	\$ 3,561	\$ 99,353,301
2015	2016	108,892,592	-	108,892,592

The total pension liability is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The School District's proportionate share of the net pension liability was calculated on the basis of historical employer contributions. Although GASB 68 encourages the use of the employer's projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is considered acceptable. For the measurement period ended June 30, 2015 and 2014, the School District's percentage of the SCRS and PORS net pension liability were 0.574162% and 0.577055% and 0% and .00019%, respectively.

*Long-term Expected Rate of Return*

The long-term expected rate of return on pension plan investments, as used in the July 1, 2014, actuarial valuations was based upon the 30-year capital market outlook at the end of the fourth quarter 2013, as developed by Retirement System Investment Commission ("RSIC") in collaboration with its investment consultant, Aon Hewitt. The long-term expected rates of return represents 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 as adopted annually by the RSIC. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding 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.

*Discount Rate*

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, each 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.



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**III. OTHER INFORMATION (CONTINUED)**

**A. Defined Benefit Pension Plans (Continued)**

**Net Pension Liability (Continued)**

<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Expected Arithmetic Real Rate of Return</b>	<b>Long Term Expected Portfolio Real Rate of Return</b>
<b>Short Term</b>	<b>5.00%</b>		
Cash	2.00%	1.90%	0.04%
Short Duration	3.00%	2.00%	0.06%
<b>Domestic Fixed Income</b>	<b>13.00%</b>		
Core Fixed Income	7.00%	2.70%	0.19%
Mixed Credit	6.00%	3.80%	0.23%
<b>Global Fixed Income</b>	<b>9.00%</b>		
Global Fixed Income	3.00%	2.80%	0.08%
Emerging Markets Debt	6.00%	5.10%	0.31%
<b>Global Public Equity</b>	<b>31.00%</b>	7.10%	2.20%
<b>Global Tactical Asset Allocation</b>	<b>10.00%</b>	4.90%	0.49%
<b>Alternatives</b>	<b>32.00%</b>		
Hedge Funds (Low Beta)	8.00%	4.30%	0.34%
Private Debt	7.00%	9.90%	0.69%
Private Equity	9.00%	9.90%	0.89%
Real Estate (Broad Market)	5.00%	6.00%	0.30%
Commodities	3.00%	5.90%	0.18%
Total Expected Real Return	<u>100.00%</u>		6.00%
Inflation for Actuarial Purposes			<u>2.75%</u>
Total Expected Nominal Return			<u>8.75%</u>

*Sensitivity Analysis*

The following table presents the collective net pension liability of the School District calculated using the discount rate of 7.50 percent, as well as what the School District's net pension liability would be if it were calculated using a discount rate that is 1.00 percent lower (6.50 percent) or 1.00 percent higher (8.50 percent) than the current rate.

<b>Sensitivity of the District's Proportional Share of Net Pension Liability to Changes in the Discount Rate</b>			
<b>System</b>	<b>1.00% Decrease (6.50%)</b>	<b>Current Discount Rate (7.50%)</b>	<b>1.00% Increase (8.50%)</b>
SCRS	\$ 137,282,443	\$ 108,892,592	\$ 81,997,812

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**III. OTHER INFORMATION (CONTINUED)**

**A. Defined Benefit Pension Plans (Continued)**

**Plan Fiduciary Net Position**

Detailed information about the Plan's fiduciary net position is available in PEBA's separately issued financial report.

**Pension Expense and Deferred Outflows (Inflows) of Resources**

For the year ended June 30, 2016, the School District recognized pension expense of \$7,782,181 in the Statement of Activities.

At June 30, 2016, the School District reported deferred outflows (inflows) of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made subsequent to measurement date	\$ 6,195,424	\$ -
Differences in actual and expected experience	1,934,650	194,735
Changes in proportion and differences between Company's contributions and proportionate share of contributions	-	404,771
Net differences between projected and actual earnings on plan investments	728,872	-
	\$ 8,858,946	\$ 599,506

The School District reported \$6,195,424 deferred outflows of resources related to contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows (inflows) of resources will be recognized in pension expense in future years. The following schedule reflects the amortization of the School District's proportional share of the net balance of remaining deferred outflows (inflows) of resources at June 30, 2016. Average remaining service lives of all employees provided with pensions through the pension plans at June 30, 2015, measurement date was 4.164 years for SCRS and 4.796 years for PORS.

Measurement Period Ending June 30,	Fiscal Year Ending June 30,	SCRS & PORS
2016	2017	\$ 338,423
2017	2018	338,423
2018	2019	(326,098)
2019	2020	1,713,268
Net Balance of Deferred Outflows / (Inflows) of Resources		\$ 2,064,016

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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**III. OTHER INFORMATION (CONTINUED)**

**A. Defined Benefit Pension Plans (Continued)**

**Payables to the pension plans**

At June 30, 2016, the School District reported a payable of \$2,409,045 for the outstanding amount of contributions due to SCRS. The liability will be paid in the normal course of paying year-end obligations.

**B. Defined Contribution Pension Plan**

The School District contributes to the State Optional Retirement Program ("State ORP"), a defined contribution pension plan that is offered as an alternative to the SCRS defined benefit plan. Participation in the State ORP is available to certain newly hired state, public school, and higher education employees, and individuals newly elected to the SC General Assembly beginning with the November 2012 general election. Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. 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. 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 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.

For the year ended June 30, 2016, employee contributions totaled \$154,687, and the School District recognized pension expense of \$117,175.

Employees are immediately vested in both their own and the employer contributions and earnings on those contributions.

**C. Commitments and Contingent Liabilities**

*Litigation*

Various claims and lawsuits are pending against the School District. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the School District's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the School District.

*Grants*

The School District participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount of program expenditures which may be disallowed by the granting agencies cannot be determined at this time although the School District expects such amounts, if any, to be immaterial.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**III. OTHER INFORMATION (CONTINUED)**

**C. Commitments and Contingent Liabilities (Continued)**

*Construction Commitments*

The School District has entered into contracts for various construction projects. Outstanding obligations at June 30, 2016, are as follows:

<u>Project</u>	<u>Contract Amounts</u>	<u>Expended to Date</u>	<u>Remaining Commitment</u>
HHS Band Room Renovations	\$ 75,765	\$ 70,982	\$ 4,783
SECC Canopy Project	218,290	196,918	21,372
DHS Metal Roof	1,411,000	1,342,858	68,142
SECC Metal Roof Project	1,090,000	587,117	502,883
Mayo Gym Renovations	2,290,000	658,259	1,631,741
Fire Alarm Reno* 1 & 2 (SES, CES, SECC, BDE, DHS)	968,543	892,750	75,793
Fire Alarm Reno Phase 3 - Mayo & Cain	529,000	62,121	466,879
Fire Alarm Renovation Phase 4-HHS	794,300	750,382	43,918
BA Gary Roof Project	705,000	338,964	366,036
	<u>\$ 8,081,898</u>	<u>\$ 4,900,351</u>	<u>\$ 3,181,547</u>

**D. Risk Management**

The School 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.

During 2016, the School District was a participant in the South Carolina Insurance Reserve Fund (the Reserve Fund), a public entity risk pool operating as a common risk management and insurance program for local governments. The School District pays annual premiums to the Reserve Fund for certain general insurance coverage. The Reserve Fund is self-sustaining through member premiums and reinsures through commercial companies for certain claims. The vehicle insurance under the Reserve Fund is retrospectively rated based on the average number of vehicles covered for the participant during the year.

In addition, the School District insures the risk of job related injury or illness to its employees through participation in the South Carolina School Boards Insurance Trust, a public entity risk pool operating for the benefit of the School Districts. The School District pays an annual premium to the South Carolina School Boards Insurance Trust. Additional premium assessments may be required for workers' compensation claims based on the School District's claims experience.

For the above risk management programs, the School District has not significantly reduced insurance coverages from the previous year, and settled claims in excess of insurance coverage for the last three years were immaterial. For each of the public entity risk pools in which it participates, the School District has effectively transferred all risk with no liability for unfunded claims.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

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**III. OTHER INFORMATION (CONTINUED)**

**E. Pending GASB Statements**

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not within the Scope of GASB Statement 68 and Amendments to Certain Provision of GASB Statement 67 and 68*. The requirements of this Statement will improve financial reporting by establishing a single framework for the presentation of information about pensions, which will enhance the comparability of pension-related information reported by employers and nonemployer contributing entities. The provisions in Statement 73 are effective for fiscal years beginning after June 15, 2015—except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016. The School District will implement the new guidance with the 2017 financial statements.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The provisions in Statement 74 are effective for fiscal years beginning after June 15, 2016. The School District will implement the new guidance with the 2017 financial statements.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. The School District will implement the new guidance with the 2018 financial statements.

GASB Statement No. 77, *Tax Abatement Disclosures*, requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements, and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. The School District will implement the new guidance with the 2017 financial statements.

GASB Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*, requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. The District will implement the new guidance with the 2017 financial statements.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. The District will implement the new guidance with the 2018 financial statements.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**III. OTHER INFORMATION (CONTINUED)**

**E. Pending GASB Statements (Continued)**

GASB Statement No. 82, *Pension issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*, requires the presentation of covered payroll, defined as the payroll on which contributions to a pension plan are based, and ratios that use that measure. This Statement clarifies that payments that are made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of Statement 67 and as employee contributions for purposes of Statement 68. It also requires that an employer’s expense and expenditures for those amounts be recognized in the period for which the contribution is assessed and classified in the same manner as the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits). The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. The District will implement the new guidance with the 2017 financial statements.

Management has not yet determined the impact implementation of these standards will have on the School District’s financial statements, if any.

**F. Restatements**

Management discovered and corrected errors during the current fiscal year. The first error discovered related to the understatement of accounts payable and capital outlay for construction in progress on the fund statements and the understatement of capital assets and accounts payable on the government wide statements as of June 30, 2015. The second error discovered related to misclassification of expenditures on the fund statement for the year ended June 30, 2015 and the understatement of capital assets on the government wide statements as of June 30, 2015. The expenditures were classified as operating expenses when they should have been included as capital outlays for construction in progress having no impact on the fund balance.

The effect of the restatements on governmental activities capital assets discussed above is as follows:

		Governmental Activities
Construction in progress, as originally presented, June 30, 2015		\$ 2,696,375
Restated for:		
Changes were made to capital outlays for the year ended June 30, 2015, to properly include construction in progress expenditures.	\$ 237,951	
Changes were made to capital outlays for the year ended June 30, 2015, to properly include construction in progress expenditures.	140,456	
Changes were made to capital assets as of June 30, 2015, to properly include construction in progress.	302,573	
		680,980
Construction in progress, as restated, June 30, 2015 (Note II.D)		\$ 3,377,355

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**III. OTHER INFORMATION (CONTINUED)**

**F. Restatements (Continued)**

The effect of the restatements on fund balance and net position discussed above are as follows:

	Governmental Activities	General Fund	School Building Fund
Fund balance/net position, as originally presented, June 30, 2015	\$ 39,631,527	\$ 33,988,609	\$ 10,553,841
Restated for:			
Changes were made to capital outlays as of June 30, 2015, to properly include construction in progress expenditures.	-	(237,951)	(140,456)
Changes were made to capital assets as of June 30, 2015, to properly include construction in progress.	302,573	-	-
Net position as restated July 1, 2015	<u>\$ 39,934,100</u>	<u>\$ 33,750,658</u>	<u>\$ 10,413,385</u>

**G. Subsequent Events**

In September 2016, the School District issued a General Obligation Bond, Series 2016 in the amount of \$5,610,000 at a .83% interest rate. Principal plus interest in the amount of \$5,639,490 are due in May 2017.

In September 2016, the School District entered into a lease purchase agreement in the amount of \$2,600,000 at a 1.35% interest rate, with final payment due on December 1, 2020.

In November 2016, a resolution was passed to extend the penny sales tax for fifteen years to acquire, construct, furnish and equip three schools within the District. The referendum further states that the District is authorized to issue and sell, either as a single issue or as several issues, general obligation bonds in the principal amount of not exceeding \$60,000,000 to defray the cost of the improvements.

The School District entered into various contracts for construction, repairs and equipment purchases for approximately \$726,000 subsequent to year end.

Subsequent events have been evaluated through January 11, 2017, which is the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION  
OTHER THAN MANAGEMENT'S DISCUSSION  
AND ANALYSIS (UNAUDITED)**



**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN  
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)  
BUDGETARY COMPARISON SCHEDULE – BUDGETED MAJOR GOVERNMENTAL  
FUND - GENERAL FUND  
YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
<b>REVENUES</b>				
Local	\$ 26,150,000	\$ 26,150,000	\$ 30,278,625	\$ 4,128,625
State	46,775,290	46,775,290	46,924,123	148,833
Intergovernmental	170,000	170,000	283,589	113,589
Total Revenue	<u>73,095,290</u>	<u>73,095,290</u>	<u>77,486,337</u>	<u>4,391,047</u>
<b>EXPENDITURES</b>				
Current				
Instruction	42,603,430	42,612,366	42,222,131	(390,235)
Support services	32,050,571	32,041,635	40,091,808	8,050,173
Community services	-	-	3,020	3,020
Intergovernmental	1,500	1,500	2,785	1,285
Total Expenditures	<u>74,655,501</u>	<u>74,655,501</u>	<u>82,319,744</u>	<u>7,664,243</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,560,211)</u>	<u>(1,560,211)</u>	<u>(4,833,407)</u>	<u>(3,273,196)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,886,468	1,886,468	2,045,856	159,388
Transfers out	(326,257)	(326,257)	(45,450)	280,807
Total Other Financing Sources	<u>1,560,211</u>	<u>1,560,211</u>	<u>2,000,406</u>	<u>440,195</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(2,833,001)</u>	<u>\$ (2,833,001)</u>
<b>FUND BALANCE</b>				
July 1, 2015, as restated			<u>33,750,658</u>	
June 30, 2016			<u>\$ 30,917,657</u>	

The accompanying Notes to Budgetary Comparison Schedule are an integral part of this schedule.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN  
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)  
NOTES TO BUDGETARY COMPARISON SCHEDULE – BUDGETED MAJOR GOVERNMENTAL FUND -  
GENERAL FUND  
YEAR ENDED JUNE 30, 2016**

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The budget is adopted on a basis consistent with generally accepted accounting principles. It is prepared by function and object as dictated by the State of South Carolina adopted Program Oriented Budgeting and Accounting System and for management control purposes. The School District's policies allow funds to be transferred between functions. However, the total budget cannot be increased beyond that level without approval of the Board in supplementary action. The legal level of control is at the fund level.

The following procedures are followed in establishing the budgetary data reflected in the schedule:

- (1) In the fall of the preceding year, the School District begins its budget process for the next succeeding fiscal year beginning on July 1.
- (2) The Superintendent then presents a proposed budget to the Board of Trustees, which reviews it in a series of workshops and makes any additions or deletions it deems necessary.
- (3) The proposed budget, inclusive of all funds anticipated to be available to fund the operations of the School District, is given two readings before the Board.
- (4) Prior to July 1, the budget is legally enacted through passage of a resolution by the Board.

A budget is prepared for the general fund. The budget is prepared by function and object and includes current year estimates and requested appropriations for the next fiscal year.

Budget appropriations lapse at year-end. Encumbrances are re-appointed on a yearly basis and are reflected as an increase in budgeted expenditures in the next year.

The final budget amendments presented are necessary based on the operating activities of the District. The budget was amended to move funds from support services to instruction to allow purchases for classroom supplies and materials rather than purchases for administration. These amendments are allowed as the policy allows for funds to be transferred between functions.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY -  
SOUTH CAROLINA RETIREMENT SYSTEM  
LAST THREE FISCAL YEARS**

Year Ended June 30	School District's proportion of the net pension liability	School District's proportionate share of the net pension liability (asset)	School District's covered employee payroll	School District's share of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2016	0.574162%	\$ 108,892,592	\$ 54,957,042	198%	57.00%
2015	0.577055%	\$ 99,349,740	\$ 52,746,766	188%	59.92%
2014	0.577055%	\$ 103,503,082	\$ 51,397,206	201%	56.39%

Note: Each year the School District will add an additional year of data until a total of ten years is presented.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
POLICE OFFICER'S RETIREMENT SYSTEM  
LAST THREE FISCAL YEARS**

Year Ended June 30	School District's proportion of the net pension liability	School District's proportionate share of the net pension liability (asset)	School District's covered employee payroll	School District's share of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2016	0.00000%	\$ -	\$ -	0.0%	64.60%
2015	0.00019%	\$ 3,561	\$ 1,981,779	0.2%	67.55%
2014	0.00019%	\$ 3,856	\$ 1,904,256	0.2%	62.98%

Note: Each year the School District will add an additional year of data until a total of ten years is presented.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS  
SOUTH CAROLINA RETIREMENT SYSTEM  
LAST THREE FISCAL YEARS**

Year Ended June 30	Statutorily required contribution	Contributions relative to statutorily required contributions	Contribution deficiency (excess)	School District's covered employee payroll	Contributions as a percentage of covered employee payroll
2016	\$ 6,078,249	\$ 6,078,249	\$ -	\$ 54,957,042	11.06%
2015	\$ 5,749,399	\$ 5,749,399	\$ -	\$ 52,746,766	10.90%
2014	\$ 5,553,238	\$ 5,553,238	\$ -	\$ 51,397,206	10.80%

Note: Each year the School District will add an additional year of data until a total of ten years is presented.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS  
POLICE OFFICER'S RETIREMENT SYSTEM  
LAST THREE FISCAL YEARS**

Year Ended June 30	Statutorily required contribution	Contributions relative to statutorily required contributions	Contribution deficiency (excess)	School District's covered employee payroll	Contributions as a percentage of covered employee payroll
2016	\$ -	\$ -	\$ -	\$ -	0.00%
2015	\$ -	\$ -	\$ -	\$ -	0.00%
2014	\$ 287	\$ 287	\$ -	\$ 2,270	12.64%

Note: Each year the School District will add an additional year of data until a total of ten years is presented.

**OTHER SUPPLEMENTARY FINANCIAL INFORMATION**

**COMBINING AND INDIVIDUAL  
FUND SCHEDULES**



## **GOVERNMENTAL FUNDS**

**GENERAL FUND**

## **GENERAL FUND**

To account for all financial resources except those required to be accounted for in another fund. All property taxes, intergovernmental revenues, and miscellaneous revenues are recorded in this fund except amounts which are specifically collected to service debt or which the School District collects for others in a fiduciary capacity. Operational expenditures for general education, support services, and other departments of the School District are paid through the General Fund.

The following Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual for the General Fund has been prepared in the format mandated by the South Carolina State Department of Education. The account numbers shown on the statement are also mandated by the South Carolina Department of Education.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
<b>REVENUES</b>				
1000 Revenue from Local Sources				
1100 Taxes Levied/Assessed by the LEA				
1110 Ad Valorem Taxes - Including Delinquent (Independent)	\$ 24,175,000	\$ 24,175,000	\$ 28,314,083	\$ 4,139,083
1140 Penalties & Interest on Taxes (Independent)	75,000	75,000	104,382	29,382
1200 Revenue from Local Governmental Units Other Than LEAS				
1280 Revenue in Lieu of Taxes (Independent and Dependent)	1,850,000	1,850,000	1,610,706	(239,294)
1500 Earnings on Investments:				
1510 Interest on Investments	50,000	50,000	177,456	127,456
1900 Other Revenue from Local Sources				
1910 Rentals	-	-	1,600	1,600
1920 Contributions & Donations Private Sectors	-	-	3,154	3,154
1990 Miscellaneous Local Revenue	-	-	0	-
1999 Revenue from Other Local Sources	-	-	67,244	67,244
Total Local Sources	<u>26,150,000</u>	<u>26,150,000</u>	<u>30,278,625</u>	<u>4,128,625</u>
2000 Intergovernmental Revenue				
2100 Payments from other governmental units	170,000	170,000	283,589	113,589
Total Intergovernmental Sources	<u>170,000</u>	<u>170,000</u>	<u>283,589</u>	<u>113,589</u>
3000 Revenue from State Sources				
3100 Restricted State Funding				
3130 Special Programs				
3131 Handicapped Transportation	-	-	10,477	10,477
3160 School Bus Driver Salary	539,663	539,663	741,382	201,719
3161 EAA Bus Driver Salary and Fringe	-	-	3,063	3,063
3162 Transportation Workers' Compensation	61,912	61,912	58,620	(3,292)
3180 Fringe Benefits Employer Contributions	9,600,000	9,600,000	10,063,916	463,916
3181 Retiree Insurance	1,999,940	1,999,940	2,045,844	45,904
3199 Other Restricted State Grants	-	-	60	60
3300 Education Finance Act (EFA)				
3310 Full-Time Programs				
3311 Kindergarten	1,130,109	1,130,109	1,060,472	(69,637)
3312 Primary	3,580,437	3,580,437	3,500,409	(80,028)
3313 Elementary	5,812,070	5,812,070	5,610,529	(201,541)
3314 High School	2,149,862	2,149,862	2,260,901	111,039
3315 Trainable Mentally Handicapped	250,000	250,000	130,577	(119,423)
3316 Speech Handicapped	1,152,530	1,152,530	1,054,372	(98,158)
3317 Homebound	23,630	23,630	25,759	2,129
3320 Part-Time Programs				
3321 Emotionally Handicapped	140,448	140,448	129,388	(11,060)
3322 Educable Mentally Handicapped	291,483	291,483	315,544	24,061
3323 Learning Disabilities	1,980,153	1,980,153	1,943,250	(36,903)
3324 Hearing Handicapped	149,515	149,515	135,726	(13,789)
3325 Visually Handicapped	39,279	39,279	41,577	2,298
3326 Orthopedically Handicapped	38,795	38,795	55,629	16,834
3327 Vocational	2,436,663	2,436,663	2,786,829	350,166

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
<b>REVENUES (CONTINUED)</b>				
3330 Miscellaneous EFA Programs				
3331 Autism	\$ 465,665	\$ 465,665	\$ 501,258	\$ 35,593
3332 High Achieving Students	317,911	317,911	320,624	2,713
3334 Limited English Proficiency	67,019	67,019	58,110	(8,909)
3351 Academic Assistance	514,047	514,047	387,909	(126,138)
3352 Pupils in Poverty	2,901,535	2,901,535	2,810,345	(91,190)
3800 State Revenue in Lieu of Taxes				
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	3,748,257	3,748,257	3,748,257	-
3820 Homestead Exemption (Tier 2)	1,372,910	1,372,910	1,372,910	-
3825 Reimbursement for Property Tax Relief (Tier 3)	5,581,377	5,581,377	5,239,350	(342,027)
3830 Merchant's Inventory Tax	271,980	271,980	271,981	1
3890 Other State Property Tax Revenues	152,000	152,000	232,234	80,234
3900 Other State Sources				
3992 State Forest Commission Revenue	6,100	6,100	6,821	721
Total State Sources	<u>46,775,290</u>	<u>46,775,290</u>	<u>46,924,123</u>	<u>148,833</u>
TOTAL REVENUES	<u>73,095,290</u>	<u>73,095,290</u>	<u>77,486,337</u>	<u>4,391,047</u>
<b>EXPENDITURES</b>				
100 Instruction				
110 General Instruction				
111 Kindergarten Programs				
100 Salaries	1,757,345	1,757,345	1,642,971	(114,374)
200 Employee Benefits	791,225	791,225	726,238	(64,987)
400 Supplies and Materials	24,894	26,658	18,114	(8,544)
112 Primary Programs				
100 Salaries	5,199,551	5,201,824	4,886,328	(315,496)
200 Employee Benefits	1,988,135	1,989,338	1,953,394	(35,944)
400 Supplies and Materials	80,966	83,187	99,793	16,606
500 Capital outlay	1,600	1,600	-	(1,600)
113 Elementary Programs				
100 Salaries	8,159,845	8,159,845	8,450,655	290,810
200 Employee Benefits	3,302,928	3,302,928	3,306,401	3,473
300 Purchased Services	115,782	110,832	100,222	(10,610)
400 Supplies and Materials	265,716	265,090	251,322	(13,768)
500 Capital outlay	-	-	505	505
114 High School Programs				
100 Salaries	7,112,834	7,112,834	7,117,081	4,247
140 Terminal Leave	-	-	2,459	2,459
200 Employee Benefits	2,580,240	2,580,240	2,737,069	156,829
300 Purchased Services	143,777	145,446	78,673	(66,773)
400 Supplies and Materials	236,162	237,750	218,256	(19,494)
500 Capital outlay	40,900	40,900	-	(40,900)

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
<b>EXPENDITURES (CONTINUED)</b>				
100 Instruction (Continued)				
110 General Instruction (Continued)				
115 Career & Technology Education Programs				
100 Salaries	\$ 1,174,697	\$ 1,174,697	\$ 1,210,793	\$ 36,096
140 Terminal Leave	-	-	14,796	14,796
200 Employee Benefits	436,040	436,040	463,062	27,022
300 Purchased Services-Other than Tuition	600	600	-	(600)
400 Supplies and Materials	45,680	45,680	35,655	(10,025)
120 Exceptional Programs				
121 Educable Mentally Handicapped				
100 Salaries	1,195,733	1,195,733	1,020,101	(175,632)
200 Employee Benefits	493,297	493,297	434,562	(58,735)
400 Supplies and Materials	4,590	4,002	3,682	(320)
122 Trainable Mentally Handicapped				
100 Salaries	520,671	520,671	653,244	132,573
200 Employee Benefits	250,715	250,715	265,902	15,187
300 Purchased Services	-	-	728	728
400 Supplies and Materials	5,640	6,228	6,201	(27)
123 Orthopedically Handicapped				
100 Salaries	750	750	-	(750)
125 Hearing Handicapped				
100 Salaries	634,018	634,018	621,908	(12,110)
200 Employee Benefits	265,455	265,455	256,488	(8,967)
300 Purchased Services	12,000	12,000	1,321	(10,679)
400 Supplies and Materials	9,290	9,290	5,012	(4,278)
126 Speech Handicapped				
100 Salaries	591,393	591,393	483,584	(107,809)
200 Employee Benefits	230,863	230,863	170,598	(60,265)
300 Purchased Services	40,400	40,400	60,928	20,528
400 Supplies and Materials	1,568	1,568	1,439	(129)
127 Learning Disabilities				
100 Salaries	2,005,420	2,005,420	1,922,861	(82,559)
200 Employee Benefits	768,335	768,335	683,139	(85,196)
400 Supplies and Materials	5,696	5,740	18,829	13,089
128 Emotionally Handicapped				
100 Salaries	182,868	182,868	127,555	(55,313)
200 Employee Benefits	77,857	77,857	55,079	(22,778)
400 Supplies and Materials	2,000	2,000	1,988	(12)
130 Preschool Programs				
131 Pre-school Handicapped-Speech (5 yr. olds)				
100 Salaries	51,722	51,722	51,722	-
200 Employee Benefits	17,145	17,145	17,198	53
132 Pre-school Handicapped-Itinerant (5 yr. olds)				
400 Supplies and Materials	-	-	1,850	1,850
133 Pre-school Handicapped-Self-contained (5 yr. olds)				
100 Salaries	94,625	94,625	92,866	(1,759)
200 Employee Benefits	45,756	45,756	43,288	(2,468)

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
EXPENDITURES (CONTINUED)				
100 Instruction (Continued)				
130 Preschool Programs (Continued)				
137 Preschool Handicapped - Self- Contained (3 & 4 yr. olds)				
100 Salaries	\$ 226,364	\$ 226,364	\$ 101,030	\$ (125,334)
200 Employee Benefits	99,015	99,015	42,585	(56,430)
139 Early Childhood Programs				
100 Salaries	104,820	104,820	1,963	(102,857)
200 Employee Benefits	46,471	46,471	894	(45,577)
140 Special Programs				
141 Gifted and Talented - Academic				
100 Salaries	202,051	202,051	109,466	(92,585)
200 Employee Benefits	76,829	76,829	41,474	(35,355)
300 Purchased Services	7,000	6,750	2,669	(4,081)
143 Advanced Placement				
100 Salaries	60,000	60,000	-	(60,000)
145 Homebound				
100 Salaries	1,000	1,000	137,679	136,679
200 Employee Benefits	-	-	32,890	32,890
300 Purchased Services	2,800	2,800	40,708	37,908
147 CDEPP				
100 Salaries	163,095	163,095	173,537	10,442
200 Employee Benefits	61,097	61,097	53,060	(8,037)
148 Gifted and Talented - Artistic				
100 Salaries	-	-	1,400	1,400
200 Employee Benefits	-	-	348	348
300 Purchased Services	-	2,500	203	(2,297)
400 Supplies and Materials	-	-	2,129	2,129
149 Other Special Programs				
100 Salaries	15,651	15,651	15,651	-
200 Employee Benefits	22,043	22,043	5,202	(16,841)
300 Purchased Services	7,400	7,400	8,231	831
400 Supplies and Materials	1,600	3,100	6,680	3,580
160 Other Exceptional Programs				
161 Autism				
100 Salaries	191,169	191,169	569,297	378,128
200 Employee Benefits	79,952	79,952	68,981	(10,971)
170 Summer School Programs				
172 Elementary Summer School				
100 Salaries	-	-	21,865	21,865
200 Employee Benefits	-	-	5,710	5,710
300 Purchased Services	-	-	572	572
400 Supplies and Materials	-	-	1,391	1,391
173 High School Summer School				
100 Salaries	-	-	12,235	12,235
200 Employee Benefits	11	11	3,114	3,103
400 Supplies and Materials	-	-	821	821

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
<b>EXPENDITURES (CONTINUED)</b>				
100 Instruction(Continued)				
170 Summer School Programs (Continued)				
174 Gifted and Talented Summer School				
100 Salaries	\$ -	\$ -	\$ 8,670	\$ 8,670
200 Employee Benefits	-	-	2,371	2,371
300 Purchased Services	-	-	2,992	2,992
400 Supplies and Materials	-	-	1,485	1,485
175 Instructional Programs Beyond Regular School Day				
100 Salaries	1,092	1,092	8,793	7,701
200 Employee Benefits	364	364	285	(79)
300 Purchased Services	6,440	6,440	24,541	18,101
400 Supplies and Materials	3,350	3,350	3,244	(106)
180 Adult/Continuing Educational Programs				
181 Adult Basic Education Programs				
100 Salaries	100,321	100,321	115,770	15,449
200 Employee Benefits	34,585	34,585	56,808	22,223
300 Purchased Services	5,826	5,826	5,538	(288)
400 Supplies and Materials	-	-	3,923	3,923
188 Parenting/Family Literacy				
100 Salaries	60,916	60,916	61,303	387
200 Employee Benefits	21,491	21,491	368	(21,123)
300 Purchased Services	-	-	4,180	4,180
190 Instructional Pupil Activity				
100 Salaries	26,849	26,849	115,898	89,049
200 Employee Benefits	7,104	7,104	28,317	21,213
Total Instruction	<u>42,603,430</u>	<u>42,612,366</u>	<u>42,222,131</u>	<u>(390,235)</u>
200 Support Services				
210 Pupil Services				
211 Attendance and Social Work Services				
100 Salaries	473,845	473,845	447,109	(26,736)
200 Employee Benefits	144,209	144,209	154,079	9,870
300 Purchased Services	24,142	24,142	26,448	2,306
400 Supplies and Materials	5,044	5,044	4,477	(567)
600 Other Objects	235	235	176	(59)
212 Guidance Services				
100 Salaries	1,714,416	1,714,416	1,837,792	123,376
200 Employee Benefits	630,253	630,253	648,696	18,443
300 Purchased Services	3,975	3,975	1,225	(2,750)
400 Supplies and Materials	8,176	8,234	7,825	(409)
213 Health Services				
100 Salaries	117,820	117,820	117,421	(399)
200 Employee Benefits	56,164	56,164	47,875	(8,289)
300 Purchased Services	3,860	3,860	236,919	233,059
400 Supplies and Materials	8,430	8,430	7,898	(532)



**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
EXPENDITURES (CONTINUED)				
200 Support Services (Continued)				
210 Pupil Services (Continued)				
214 Psychological Services				
100 Salaries	\$ 259,009	\$ 259,009	\$ 212,722	\$ (46,287)
200 Employee Benefits	92,277	92,277	71,460	(20,817)
300 Purchased Services	-	-	27,274	27,274
400 Supplies and Materials	2,800	2,800	2,800	-
220 Instructional Staff Services				
221 Improvement of Instruction - Curriculum Development				
100 Salaries	695,782	695,782	658,053	(37,729)
140 Terminal Leave	-	-	1,240	1,240
200 Employee Benefits	223,710	223,710	203,407	(20,303)
300 Purchased Services	409,884	424,484	352,753	(71,731)
400 Supplies and Materials	131,513	113,487	82,162	(31,325)
600 Other Objects	158	158	351	193
222 Library and Media Services				
100 Salaries	1,079,628	1,079,628	1,046,844	(32,784)
200 Employee Benefits	425,702	425,702	401,382	(24,320)
300 Purchased Services	12,474	12,474	12,474	-
400 Supplies and Materials	50,061	49,962	44,788	(5,174)
223 Supervision of Special Programs				
100 Salaries	149,979	149,979	151,985	2,006
200 Employee Benefits	20,147	20,147	61,839	41,692
300 Purchased Services	2,599	2,599	20,123	17,524
400 Supplies and Materials	10,711	10,711	6,095	(4,616)
600 Other Objects	-	-	176	176
224 Improvement of Instruction - Inservice and Staff Training				
300 Purchased Services	97,068	87,824	64,583	(23,241)
400 Supplies and Materials	2,035	7,659	7,915	256
600 Other Objects	13,500	13,500	-	(13,500)
230 General Administration Services				
231 Board of Education				
100 Salaries	31,600	31,600	58,815	27,215
200 Employee Benefits	87,091	87,091	33,418	(53,673)
300 Purchased Services	55,349	55,349	59,869	4,520
318 Audit Services	42,500	42,500	37,250	(5,250)
400 Supplies and Materials	5,180	5,180	2,247	(2,933)
500 Capital Outlay	-	-	216	216
600 Other Objects	225,368	225,368	61,574	(163,794)
232 Office of the Superintendent				
100 Salaries	264,407	264,407	270,909	6,502
200 Employee Benefits	84,757	84,757	89,582	4,825
300 Purchased Services	30,180	30,180	25,097	(5,083)
400 Supplies and Materials	198,303	194,827	122,332	(72,495)
600 Other Objects	1,000	1,000	2,599	1,599

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
<b>EXPENDITURES (CONTINUED)</b>				
200 Support Services (Continued)				
230 General Administration Services (Continued)				
233 School Administration				
100 Salaries	\$ 4,325,606	\$ 4,325,606	\$ 4,731,994	\$ 406,388
140 Terminal Leave	-	-	7,278	7,278
200 Employee Benefits	1,667,450	1,667,450	1,723,930	56,480
300 Purchased Services	223,588	213,824	174,349	(39,475)
400 Supplies and Materials	20,101	27,724	26,473	(1,251)
600 Other Objects	17,192	16,868	21,631	4,763
250 Finance and Operations Services				
252 Fiscal Services				
100 Salaries	436,058	436,058	467,089	31,031
140 Terminal Leave	-	-	4,046	4,046
200 Employee Benefits	159,234	159,234	164,577	5,343
300 Purchased Services	32,000	32,000	41,481	9,481
400 Supplies and Materials	36,000	36,000	34,271	(1,729)
500 Capital Outlay	22,700	22,700	-	(22,700)
600 Other Objects	500	500	310	(190)
253 Facilities Acquisitions and Construction				
300 Purchased Services	150,222	182,672	172,939	(9,733)
400 Supplies and Materials	-	-	18,586	18,586
500 Capital Outlay	-	-	4,452,221	4,452,221
254 Operation and Maintenance of Plant				
100 Salaries	2,434,188	2,434,188	2,764,104	329,916
140 Terminal Leave	114,662	114,662	11,036	(103,626)
200 Employee Benefits	1,229,476	1,229,476	1,276,307	46,831
300 Purchased Services	1,243,456	1,289,680	1,326,674	36,994
400 Supplies and Materials	708,227	718,179	518,183	(199,996)
470 Energy	2,886,432	2,886,432	2,643,721	(242,711)
500 Capital Outlay	670,400	590,700	232,954	(357,746)
600 Other Objects	763,831	763,831	762,895	(936)
255 Student Transportation				
100 Salaries	1,624,338	1,624,338	1,783,386	159,048
140 Terminal Leave	-	-	-	-
200 Employee Benefits	255,684	255,684	808,755	553,071
300 Purchased Services	55,000	55,000	54,797	(203)
400 Supplies and Materials	7,000	7,000	8,430	1,430
600 Other Objects	-	-	612	612
256 Food Service				
100 Salaries	-	-	816	816
200 Employee Benefits	994,864	994,864	1,226,466	231,602
300 Purchased Services	-	-	-	-
400 Supplies and Materials	-	-	713	713
257 Internal Services				
100 Salaries	72,103	72,103	57,695	(14,408)
140 Terminal Leave	-	-	7,683	7,683
200 Employee Benefits	23,149	23,149	23,526	377
300 Purchased Services	3,238	3,238	5,874	2,636
400 Supplies and Materials	12,000	12,000	3,141	(8,859)

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
<b>EXPENDITURES (CONTINUED)</b>				
200 Support Services (Continued)				
250 Finance and Operations Services (Continued)				
258 Security				
100 Salaries	\$ 111,836	\$ 111,836	\$ 111,836	\$ -
200 Employee Benefits	44,853	44,853	45,485	632
300 Purchased Services	614,475	614,475	790,546	176,071
500 Capital Outlay	-	-	22,337	22,337
260 Central Support Services				
262 Planning, Research, Development and Evaluation				
300 Purchased Services	3,900	3,200	2,974	(226)
400 Supplies and Materials	20,700	19,700	15,927	(3,773)
263 Information Services				
100 Salaries	161,767	168,667	143,450	(25,217)
140 Terminal Leave	-	-	7,483	7,483
200 Employee Benefits	45,822	45,822	55,303	9,481
300 Purchased Services	26,645	26,047	26,085	38
400 Supplies and Materials	23,570	17,268	26,714	9,446
600 Other Objects	2,900	2,900	4,676	1,776
264 Staff Services				
100 Salaries	334,116	334,116	353,109	18,993
200 Employee Benefits	118,552	118,552	132,568	14,016
300 Purchased Services	23,821	24,581	17,294	(7,287)
400 Supplies and Materials	12,165	11,405	11,526	121
600 Other Objects	13,358	13,358	3,015	(10,343)
266 Technology and Data Processing Services				
100 Salaries	552,821	552,821	651,008	98,187
200 Employee Benefits	212,035	212,035	226,314	14,279
300 Purchased Services	464,472	464,472	55,528	(408,944)
400 Supplies and Materials	634,348	634,347	3,469,581	2,835,234
500 Capital Outlay	7,989	7,989	-	(7,989)
600 Other Objects	-	-	176	176
270 Support Services Pupil Activity				
271 Pupil Services Activities				
100 Salaries	435,394	435,394	471,128	35,734
200 Employee Benefits	45,842	45,842	104,919	59,077
300 Purchased Services	18,000	18,000	21,000	3,000
400 Supplies and Materials	37,150	28,627	25,254	(3,373)
500 Capital Outlay	-	5,390	5,355	(35)
Total Support Services	<u>32,050,571</u>	<u>32,041,635</u>	<u>40,091,808</u>	<u>8,050,173</u>
300 Community Services				
390 Other Community Services				
300 Purchased Services	-	-	3,020	3,020
Total Community Services	<u>-</u>	<u>-</u>	<u>3,020</u>	<u>3,020</u>

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
EXPENDITURES (CONTINUED)				
400 Other Charges				
410 Intergovernmental Expenditures				
411 Payments to the State Department of Education				
720 Transits	\$ 1,500	\$ 1,500	\$ 2,785	\$ 1,285
Total Intergovernmental Expenditures	1,500	1,500	2,785	1,285
TOTAL EXPENDITURES	74,655,501	74,655,501	82,319,744	7,664,243
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,560,211)	(1,560,211)	(4,833,407)	(3,273,196)
OTHER FINANCING SOURCES (USES)				
Transfers from (to) Other Funds				
5230 Transfer from Special Revenue EIA Fund	1,500,000	1,500,000	1,756,518	256,518
5280 Transfer from Other Funds Indirect Costs	386,468	386,468	289,338	(97,130)
421-710 Transfer to Special Revenue Fund	(280,807)	(280,807)	-	280,807
426-710 Transfer to Pupil Activity Fund	(45,450)	(45,450)	(45,450)	-
TOTAL OTHER FINANCING SOURCES (USES)	1,560,211	1,560,211	2,000,406	440,195
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ -	\$ -	(2,833,001)	\$ (2,833,001)
FUND BALANCE				
July 1, 2015, as restated			33,750,658	
June 30, 2016			\$ 30,917,657	

## **SPECIAL REVENUE FUNDS**

## **SPECIAL REVENUE FUNDS**

To account for the operations of federal and state projects, which are required to be accounted for in separate funds.

Special Projects Fund - This fund is used to account for all federal and state projects except for those subject to Education Improvement Act requirements. The South Carolina State Department of Education requires that the Special Revenue Fund include the Food Service Program if designated as special revenue type.

Education Improvement Act Fund - This fund is used to account for the School District's expenditures as a result of receiving state funds used in a comprehensive education reform plan which are required to be accounted for in separate programs and strategies.

The following combining and individual fund statements and schedules have been prepared in the format mandated by the South Carolina State Department of Education. The account numbers shown on the various statements are also mandated by the South Carolina Department of Education.

**SPECIAL REVENUE FUNDS:  
SPECIAL PROJECTS FUND**

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES – SPECIAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2016**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre- school Handi- capped (CG Projects) (205/206)
<b>REVENUES</b>			
1000 Revenues from Local Sources			
1100 Taxes Levied/Assessed by the LEA			
1110 Ad Valorem Taxes - Including Delinquent (Independent)	\$ -	\$ -	\$ -
1140 Penalties & Interest on Taxes (Independent)	-	-	-
1200 Revenue from Local Governmental Units Other Than LEAs			
1280 Revenue in Lieu of Taxes (Independent and Dependent)	-	-	-
1500 Earnings On Investments			
1510 Interest on Investments	-	-	-
1900 Other Revenue From Local Sources			
1910 Rentals	-	-	-
1920 Contributions and Donations from Private Sources	-	-	-
1930 Special Needs Transportation	-	-	-
1999 Revenue from Other Local Sources	-	-	-
Total Local Sources	-	-	-
3000 Revenues from State Sources			
3100 Restricted State Funding			
3110 Occupational Education			
3118 EEDA Career Specialists	-	-	-
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	-	-	-
3155 DSS SNAP & E&T Program	-	-	-
3177 Summer Reading Camps	-	-	-
3190 Miscellaneous Restricted State Grants			
3193 Educational License Plates	-	-	-
3198 Technology Professional Development (Carryover Only)	-	-	-
3199 Other Restricted State Grants	-	-	-
3600 Education Lottery Act Revenue			
3607 6-8 Enhancement (Carryover Provision)	-	-	-
3610 K-5 Enhancement (Carryover Provision)	-	-	-
3620 Digital Instructional Materials (Carryover Provision)	-	-	-
3630 K-12 Technology Initiative	-	-	-



<u>CATE (VA Projects) (207/208)</u>	<u>Other Designated Restricted State Grants (900's)</u>	<u>Other Special Revenue Programs (200's/800's)</u>	<u>Total</u>
\$ -	\$ -	\$ 2,614,212	\$ 2,614,212
-	-	11,760	11,760
-	-	114,527	114,527
-	-	3,305	3,305
-	-	5,220	5,220
-	-	409,778	409,778
-	-	475,520	475,520
-	-	1,396,882	1,396,882
-	-	5,031,204	5,031,204
-	261,568	-	261,568
-	76,651	-	76,651
-	392,752	-	392,752
-	198,996	-	198,996
-	357,666	-	357,666
-	18,764	-	18,764
-	115,264	-	115,264
-	5,175	-	5,175
-	43,995	-	43,995
-	-	1,880	1,880
-	40,245	-	40,245
-	252,273	-	252,273
-	168,546	-	168,546
-	144,415	-	144,415

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES – SPECIAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2016**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre- school Handi- capped (CG Projects) (205/206)
<b>REVENUES (CONTINUED)</b>			
3000 Revenues from State Sources (Continued)			
3800 State Revenue in Lieu of Taxes			
3820 Homestead Exemption (Tier 2)	\$ -	\$ -	\$ -
3830 Merchant's Inventory Tax	-	-	-
Total State Sources	<u>-</u>	<u>-</u>	<u>-</u>
4000 Revenue from Federal Sources			
4200 Occupational Education			
4210 Perkins Aid, Title I - Career and Technical Education - Basic Grants to States	-	-	-
4300 Elementary and Secondary Education Act of 1965 (ESEA)			
4310 Title I Basic State Grant Provisions (Carryover Provision)	4,029,796	-	-
4325 Mathematics and Science Partnerships Program Title II (Carryover Provision)	-	-	-
4341 Language Instruction for Limited English Proficient Immigrant Students, Title III (Carryover Provision)	-	-	-
4348 Teacher Incentive Fund (TIF) Grant 3	-	-	-
4351 Improving Teacher Quality	-	-	-
4400 Adult Education			
4410 Basic Adult Education	-	-	-
4500 Programs for Children with Disabilities			
4510 Individuals with Disabilities Education Act (IDEA)	-	2,836,584	-
4520 Pre-school Grants for Children with Disabilities (IDEA) (Carryover Provision)	-	-	72,301
4800 USDA Reimbursements			
4870 School Food Service (Equipment)	-	-	-
4900 Other Federal Sources			
4924 21st Century Community Learning Center Program (Title IV, 21st Century Schools)	-	-	-
4990 Other Federal Revenue			
4999 Revenue from Other Federal Sources	-	-	-
Total Federal Sources	<u>4,029,796</u>	<u>2,836,584</u>	<u>72,301</u>
<b>TOTAL REVENUES</b>	<u>4,029,796</u>	<u>2,836,584</u>	<u>72,301</u>
<b>EXPENDITURES</b>			
100 Instruction			
110 General Instruction			
111 Kindergarten Programs			
100 Salaries	83,038	-	-
200 Employee Benefits	36,653	-	-
400 Supplies and Materials	32,596	-	-

<u>CATE (VA Projects) (207/208)</u>	<u>Other Designated Restricted State Grants (900's)</u>	<u>Other Special Revenue Programs (200's/800's)</u>	<u>Total</u>
\$ -	\$ -	\$ 124,938	\$ 124,938
-	-	16,439	16,439
-	2,076,310	143,257	2,219,567
187,088	-	-	187,088
-	-	-	4,029,796
-	-	125,342	125,342
-	-	8,825	8,825
-	-	653,840	653,840
-	-	588,481	588,481
-	-	149,283	149,283
-	-	-	2,836,584
-	-	-	72,301
-	-	9,500	9,500
-	-	156,238	156,238
-	-	598,615	598,615
187,088	-	2,290,124	9,415,893
187,088	2,076,310	7,464,585	16,666,664
-	22,620	-	105,658
-	9,462	-	46,115
-	-	-	32,596

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES – SPECIAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2016**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre- school Handi- capped (CG Projects) (205/206)
EXPENDITURES (CONTINUED)			
100 Instruction (Continued)			
110 General Instruction (Continued)			
112 Primary Programs			
100 Salaries	\$ 508,086	\$ -	\$ -
200 Employee Benefits	210,570	-	-
300 Purchased Services	2,854	-	-
400 Supplies and Materials	222,327	-	-
113 Elementary Programs			
100 Salaries	671,143	-	-
200 Employee Benefits	227,063	-	-
300 Purchased Services	5,559	-	-
400 Supplies and Materials	245,887	-	-
500 Capital Outlay	-	-	-
114 High School Programs			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
115 Career and Technology Education Programs			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
500 Capital Outlay	-	-	-
120 Exceptional Programs			
121 Educable Mentally Handicapped			
100 Salaries	-	130,748	-
200 Employee Benefits	-	53,749	-
122 Trainable Mentally Handicapped			
100 Salaries	-	252,512	-
200 Employee Benefits	-	120,257	-
300 Purchased Services	-	4,124	-
400 Supplies and Materials	-	-	-
126 Speech Handicapped			
100 Salaries	-	119,120	-
200 Employee Benefits	-	51,729	-
127 Learning Disabilities			
100 Salaries	-	134,254	-
200 Employee Benefits	-	72,226	-
400 Supplies and Materials	-	83,413	-
128 Emotionally Handicapped			
200 Employee Benefits	-	368	-

CATE (VA Projects) (207/208)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Total
\$ -	\$ 309,050	\$ 362,779	\$ 1,179,915
-	28,130	131,908	370,608
-	-	-	2,854
-	5,175	-	227,502
-	99,346	326,646	1,097,135
-	21,473	63,979	312,515
-	-	3,276	8,835
-	37,839	61,980	345,706
-	-	9,850	9,850
-	-	451,867	451,867
-	-	71,838	71,838
-	-	5,847	5,847
-	-	27,690	27,690
-	-	35,739	35,739
-	-	14,266	14,266
34,698	-	8,498	43,196
112,057	-	532	112,589
23,539	-	-	23,539
-	-	-	130,748
-	-	-	53,749
-	-	-	252,512
-	-	-	120,257
-	-	-	4,124
-	-	1,500	1,500
-	-	26,000	145,120
-	-	6,518	58,247
-	-	-	134,254
-	-	-	72,226
-	-	-	83,413
-	-	-	368

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES – SPECIAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2016**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre- school Handi- capped (CG Projects) (205/206)
<b>EXPENDITURES (CONTINUED)</b>			
100 Instruction (Continued)			
130 Preschool Programs (Continued)			
137 Preschool Handicapped Self-Contained (3 & 4 yr. olds)			
100 Salaries	\$ -	\$ -	\$ 33,826
200 Employee Benefits	-	-	11,123
140 Special Programs			
142 Disadvantaged			
400 Supplies and Materials	2,694	-	-
145 Homebound			
300 Purchased Services	-	3,342	-
400 Supplies and Materials	-	-	-
147 CDEP			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
149 Other Special Programs			
100 Salaries	-	56,828	-
200 Employee Benefits	-	17,673	-
400 Supplies and Materials	-	-	-
160 Other Exceptional Programs			
161 Autism			
100 Salaries	-	306,112	-
200 Employee Benefits	-	152,314	-
300 Purchased Services	-	2,534	-
400 Supplies and Materials	-	3,392	-
170 Summer School Programs			
171 Primary Summer School			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
172 Elementary Summer School			
100 Salaries	21,108	-	-
200 Employee Benefits	5,426	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	5,624	-	-
173 High School Summer School			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
174 Gifted and Talented Summer School			
400 Supplies and Materials	-	-	-

<u>CATE (VA Projects) (207/208)</u>	<u>Other Designated Restricted State Grants (900's)</u>	<u>Other Special Revenue Programs (200's/800's)</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 33,826
-	-	-	11,123
-	-	-	2,694
-	-	-	3,342
-	-	353	353
-	51,544	-	51,544
-	341,208	-	341,208
-	-	-	56,828
-	-	-	17,673
-	-	1,880	1,880
-	-	-	306,112
-	-	-	152,314
-	-	-	2,534
-	-	-	3,392
-	29,749	25,441	55,190
-	8,982	6,538	15,520
-	53,164	-	53,164
-	23,369	8,382	31,751
-	-	9,129	30,237
-	-	2,506	7,932
-	-	15,386	15,386
-	-	7,552	13,176
-	-	960	960
-	-	248	248
-	-	42	42

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES – SPECIAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2016**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre- school Handi- capped (CG Projects) (205/206)
<b>EXPENDITURES (CONTINUED)</b>			
100 Instruction (Continued)			
170 Summer School Programs (Continued)			
175 Instructional Programs Beyond Regular School Day			
100 Salaries	\$ 4,433	\$ -	\$ -
200 Employee Benefits	1,095	-	-
300 Purchased Services	16,488	-	-
400 Supplies and Materials	-	-	-
180 Adult/Continuing Educational Programs			
181 Adult Basic Education Programs			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
182 Adult Secondary Education Programs			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
188 Parenting/Family Literacy			
100 Salaries	22,733	-	-
200 Employee Benefits	37,569	-	-
300 Purchased Services	300	-	-
400 Supplies and Materials	38,695	-	-
190 Instruction Pupil Activity			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
Total Instruction	<u>2,401,941</u>	<u>1,564,695</u>	<u>44,949</u>
200 Support Services			
210 Pupil Services			
211 Attendance and Social Work Services			
300 Purchased Services	-	-	-
213 Health Services			
100 Salaries	-	91,615	-
200 Employee Benefits	-	32,391	-
300 Purchased Services	-	96,158	-
400 Supplies and Materials	-	-	-



<u>CATE (VA Projects) (207/208)</u>	<u>Other Designated Restricted State Grants (900's)</u>	<u>Other Special Revenue Programs (200's/800's)</u>	<u>Total</u>
\$ -	\$ -	\$ 119,711	\$ 124,144
-	-	33,808	34,903
-	-	63,515	80,003
-	-	38,250	38,250
-	15,143	62,005	77,148
-	3,546	16,812	20,358
-	-	7,000	7,000
-	-	35,000	35,000
-	-	8,701	8,701
-	75	8,307	8,382
-	-	-	22,733
-	-	-	37,569
-	-	-	300
-	-	-	38,695
-	-	7,257	7,257
-	-	1,811	1,811
<u>170,294</u>	<u>1,059,875</u>	<u>2,091,307</u>	<u>7,333,061</u>
-	-	5,653	5,653
-	257,589	78,344	427,548
-	100,077	29,986	162,454
-	-	10,313	106,471
-	-	407	407

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES – SPECIAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2016**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre- school Handi- capped (CG Projects) (205/206)
<b>EXPENDITURES (CONTINUED)</b>			
200 Support Services (Continued)			
214 Psychological Services			
100 Salaries	\$ -	\$ 411,688	\$ -
200 Employee Benefits	-	149,007	-
300 Purchased Services	-	6,241	-
400 Supplies and Materials	-	24,569	-
215 Exceptional Program Services			
100 Salaries	-	30,241	-
200 Employee Benefits	-	10,931	-
400 Supplies and Materials	-	12,040	-
217 Career and Technical Education Placement			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
220 Instructional Staff Services			
221 Improvement of Instruction - Curriculum Development			
100 Salaries	838,755	-	-
200 Employee Benefits	287,101	-	-
300 Purchased Services	7,912	-	-
400 Supplies and Materials	18,796	-	-
223 Supervision of Special Programs			
100 Salaries	151,163	184,118	22,033
200 Employee Benefits	43,732	61,684	2,005
300 Purchased Services	11,173	27,909	-
400 Supplies and Materials	32,376	4,999	-
224 Improvement of Instruction - Inservice and Staff Training			
100 Salaries	-	2,414	-
200 Employee Benefits	-	591	-
300 Purchased Services	21,068	-	-
400 Supplies and Materials	-	-	-
250 Finance and Operations Services			
252 Fiscal Services			
300 Purchased Services	-	-	-

CATE (VA Projects) (207/208)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Total
\$ -	\$ -	\$ 20,078	\$ 431,766
-	-	5,030	154,037
-	-	-	6,241
-	-	793	25,362
-	-	-	30,241
-	-	-	10,931
-	-	-	12,040
-	180,415	-	180,415
-	81,153	-	81,153
-	-	308,445	1,147,200
-	-	121,087	408,188
6,947	-	23,774	38,633
-	-	19,240	38,036
9,847	-	80,453	447,614
-	-	35,702	143,123
-	-	9,339	48,421
-	-	4,847	42,222
-	-	99,132	101,546
-	-	28,402	28,993
-	-	104,560	125,628
-	-	13,632	13,632
-	-	2,104	2,104

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES – SPECIAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2016**

EXPENDITURES (CONTINUED)	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre- school Handi- capped (CG Projects) (205/206)
200 Support Services (Continued)			
254 Operation and Maintenance of Plant			
300 Purchased Services	\$ -	\$ -	\$ -
400 Supplies and Materials	-	-	-
255 Pupil Transportation (State Mandated)			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	18,190	-
400 Supplies and Materials	-	-	-
256 Food Services			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
258 Security			
500 Capital Outlay	-	-	-
260 Central Support Services			
264 Staff Services			
400 Supplies and Materials	-	-	-
266 Technology and Data Processing Services			
100 Salaries	57,232	-	-
200 Employee Benefits	19,076	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
600 Other Objects	-	-	-
270 Support Services - Pupil Activity			
271 Pupil Service Activities			
300 Purchased Services	-	-	-
Total Support Services	<u>1,488,384</u>	<u>1,164,786</u>	<u>24,038</u>
300 Community Services			
390 Other Community Services			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
Total Community Services	<u>-</u>	<u>-</u>	<u>-</u>

<u>CATE (VA Projects) (207/208)</u>	<u>Other Designated Restricted State Grants (900's)</u>	<u>Other Special Revenue Programs (200's/800's)</u>	<u>Total</u>
\$ -	\$ -	\$ 58,576	\$ 58,576
-	-	60,802	60,802
-	-	386,369	386,369
-	-	90,906	90,906
-	-	86,148	104,338
-	-	136,651	136,651
-	-	3,403	3,403
-	-	637	637
-	-	10,785	10,785
-	-	20,765	20,765
-	-	7,802	7,802
-	20,800	26,749	104,781
-	5,199	10,524	34,799
-	17,997	189,599	207,596
-	353,155	213,346	566,501
-	50	-	50
-	-	1,959	1,959
<u>16,794</u>	<u>1,016,435</u>	<u>2,306,342</u>	<u>6,016,779</u>
-	-	29,347	29,347
-	-	5,851	5,851
-	-	17,091	17,091
-	-	52,289	52,289

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES – SPECIAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2016**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre- school Handi- capped (CG Projects) (205/206)
EXPENDITURES (CONTINUED)			
410 Intergovernmental			
411 Payments to South Carolina Department of Education			
720 Transits	\$ -	\$ -	\$ -
412 Payments to Other Governmental Units			
720 Transits	-	-	-
Total Intergovernmental Expenditures	-	-	-
TOTAL EXPENDITURES	<u>3,890,325</u>	<u>2,729,481</u>	<u>68,987</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>139,471</u>	<u>107,103</u>	<u>3,314</u>
OTHER FINANCING SOURCES (USES)			
Transfers from (to) other funds			
431-791 Special Revenue Fund Indirect Costs	<u>(139,471)</u>	<u>(107,103)</u>	<u>(3,314)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(139,471)</u>	<u>(107,103)</u>	<u>(3,314)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	-	-	-
FUND BALANCE			
July 1, 2015	-	-	-
June 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>CATE (VA Projects) (207/208)</u>	<u>Other Designated Restricted State Grants (900's)</u>	<u>Other Special Revenue Programs (200's/800's)</u>	<u>Total</u>
\$ -	\$ -	\$ 94,593	\$ 94,593
<u>-</u>	<u>-</u>	<u>2,732,638</u>	<u>2,732,638</u>
<u>-</u>	<u>-</u>	<u>2,827,231</u>	<u>2,827,231</u>
<u>187,088</u>	<u>2,076,310</u>	<u>7,277,169</u>	<u>16,229,360</u>
<u>-</u>	<u>-</u>	<u>187,416</u>	<u>437,304</u>
<u>-</u>	<u>-</u>	<u>(39,450)</u>	<u>(289,338)</u>
<u>-</u>	<u>-</u>	<u>(39,450)</u>	<u>(289,338)</u>
<u>-</u>	<u>-</u>	<u>147,966</u>	<u>147,966</u>
<u>-</u>	<u>-</u>	<u>2,971,022</u>	<u>2,971,022</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,118,988</u>	<u>\$ 3,118,988</u>

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
SPECIAL REVENUE FUNDS – SPECIAL PROJECTS FUND  
NOTES TO COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2016**

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The following subfunds were included in this schedule for Adult Education (EA) Projects:

243 Federal Adult Education

The following subfunds were included in this schedule for Designated Restricted State Grants:

918 Technology Professional Development  
919 Education License Plates  
924 CDEP Expansion  
926 Summer Reading Camp  
928 EEDA Career Specialists  
935 Reading Coaches  
936 Student Health and Fitness Nurse  
937 Student Health and Fitness - PE Teachers  
955 AE Supplemental Nutrition  
960 K-5 Enhancement  
963 K-12 Technology  
965 Digital Instructional Materials  
967 6-8 Enhancement

The following subfunds were included in this schedule for Other Special Projects Programs:

224 Adult Ed - DSS Grant	834 Administrative Claiming
225 Mathematics and Science Partnerships Program, Title II	838 Byerly-Visual Arts Grant
264 Language Instruction for Limited English Proficient and Immigrant Students, Title	843 Adult Learning BES
267 Improving Teacher Quality	855 Florence Darlington Technical College
268 Teacher Incentive Fund	856 Byerly Grant HMS Foxes
269 ROTC	859 Transportation Special Needs
280 Workforce Investment Act	860 Special Education
284 Jobs for SC Grads	868 Adult Banquet
802 Local Fund	870 District Buses Extra Curricular
812 Gear-Up	879 Erate Funding
819 COMER Fund	890 Medicaid Federal
820 Summer Reading Camp	895 Discover Brighter Futures
822 Art Summer	898 Coker Foundation
824 Homework Center Grant	899 Prof Mental Disable
828 Supplemental Education Services	



**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
SPECIAL REVENUE FUNDS – SPECIAL PROJECTS FUND  
SUMMARY SCHEDULE FOR DESIGNATED RESTRICTED STATE GRANTS  
YEAR ENDED JUNE 30, 2016**

<u>Subfund</u>	<u>Revenue</u>	<u>Programs</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Transfers In/(Out)</u>	<u>Deferred</u>
918	3198	Technology Professional Development	\$ 43,995	\$ 43,995	\$ -	\$ 12,163
919	3193	Education License Plates	5,175	5,175	-	-
924	3134	CDEP Expansion	392,752	392,752	-	35,000
926	3126	Refurbishment of K-8 Science Kits	-	-	-	73,954
926	3177	Summer Reading Camps	115,264	115,264	-	-
928	3118	EEDA Career Specialists	261,568	261,568	-	195,136
935	3135	Reading Coaches	198,996	198,996	-	186,279
936	3136	Student Health and Fitness - Nurses	357,666	357,666	-	135,300
937	3127	Student Health and Fitness - PE Teachers	76,651	76,651	-	74,905
955	3155	AE Supplemental Nutrition	18,764	18,764	-	2,213
960	3610	K-5 Enhancement	252,273	252,273	-	88,900
963	3630	K-12 Technology Incentive	144,415	144,415	-	330,915
965	3620	Digital Instructional Materials	168,546	168,546	-	-
967	3607	6-8 Enhancement	40,245	40,245	-	-
			<u>\$ 2,076,310</u>	<u>\$ 2,076,310</u>	<u>\$ -</u>	<u>\$ 1,134,765</u>

**SPECIAL REVENUE FUNDS:  
EDUCATION IMPROVEMENT ACT FUND**

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
SPECIAL REVENUE FUNDS – EDUCATION IMPROVEMENT ACT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – ALL PROGRAMS  
YEAR ENDED JUNE 30, 2016**

REVENUES

3000 Revenue from State Sources		
3500 Education Improvement Act		
3502 ADEPT	\$	9,500
3504 LevelData Reimbursement		3,619
3505 Technology Support		10,000
3506 Technology Device Pilot		247,151
3509 Arts in Education		21,577
3511 Professional Development		60,423
3512 Technology Professional Development		17,947
3518 Formative Assessment		50,736
3525 Career and Technology Education Equipment		73,024
3526 Refurbishment of K-8 Science Kits		55,509
3532 National Board Salary Supplement (No Carryover Provision)		387,526
3538 Students At Risk of School Failure		1,476,423
3541 Child Development Education Pilot Program (CDEPP)		863,921
3550 Teacher Salary Increase (No Carryover Provision)		1,527,435
3555 Teacher Salary Fringe (No Carryover Provision)		229,083
3556 Adult Education		385,940
3558 Reading		46,192
3577 Teacher Supplies (No Carryover Provision)		170,250
3578 High Schools That Work/Making Middle Grades Work		26,226
3592 Work-Based Learning		40,315
3595 EEDA - Supplies and Materials		19,878
3597 Aid to Districts		526,420
		<u>6,249,095</u>
Total State Sources		<u>6,249,095</u>
TOTAL REVENUES		<u>6,249,095</u>

EXPENDITURES

100 Instruction		
110 General Instruction		
111 Kindergarten Programs		
100 Salaries		51,558
200 Employee Benefits		13,640
400 Supplies and Materials		4,137
112 Primary Programs		
100 Salaries		239,340
200 Employee Benefits		65,961
400 Supplies and Materials		88,962
113 Elementary Programs		
100 Salaries		324,917
200 Employee Benefits		117,032
300 Purchased Services		2,266
400 Supplies and Materials		187,061
114 High School Programs		
100 Salaries		499,827
200 Employee Benefits		152,928
300 Purchased Services		41,883
400 Supplies and Materials		427,742

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
SPECIAL REVENUE FUNDS – EDUCATION IMPROVEMENT ACT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – ALL PROGRAMS  
YEAR ENDED JUNE 30, 2016**

EXPENDITURES (CONTINUED)

100 Instruction (Continued)		
110 General Instruction (Continued)		
115 Career and Technology Education Programs		
100 Salaries	\$	360
200 Employee Benefits		90
140 Special Programs		
147 CDEP		
100 Salaries		814,320
200 Employee Benefits		40,461
300 Purchased Services		142
400 Supplies and Materials		8,998
149 Other Special Programs		
100 Salaries		7,598
200 Employee Benefits		3,417
170 Summer School Program		
171 Primary Summer School		
400 Supplies and Materials		3,623
180 Adult/Continuing Educational Programs		
181 Adult Basic Education Programs		
100 Salaries		179,119
200 Employee Benefits		32,046
300 Purchased Services		697
400 Supplies and Materials		8,625
182 Adult Secondary Education Programs		
100 Salaries		49,274
200 Employee Benefits		10,520
300 Purchased Services		23,852
400 Supplies and Materials		6,851
183 Adult English Literacy (ESL)		
100 Salaries		290
200 Employee Benefits		74
400 Supplies and Materials		215
Total Instruction		3,407,826
200 Support Services		
210 Pupil Services		
212 Guidance Services		
100 Salaries		17,883
200 Employee Benefits		1,882
300 Purchased Services		13,632
400 Supplies and Materials		6,246
220 Instructional Staff Services		
221 Improvement of Instruction Curriculum Development		
100 Salaries		84,070
200 Employee Benefits		25,005
300 Purchased Services		1,200
400 Supplies and Materials		8,235
600 Other Objects		20,777

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
SPECIAL REVENUE FUNDS – EDUCATION IMPROVEMENT ACT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – ALL PROGRAMS  
YEAR ENDED JUNE 30, 2016**

EXPENDITURES (CONTINUED)

200 Support Services (Continued)

220 Instructional Staff Services (Continued)

223 Supervision of Special Programs

100 Salaries	\$ 140,587
200 Employee Benefits	51,136
300 Purchased Services	11,933
400 Supplies and Materials	2,279

224 Improvement of Instruction Inservice and Staff Training

100 Salaries	17,471
200 Employee Benefits	4,361
300 Purchased Services	67,580
400 Supplies and Materials	24,448
600 Other Objects	1,500

230 General Administration Services

233 School Administration

100 Salaries	114,349
200 Employee Benefits	33,399
300 Purchased Services	2,989
400 Supplies and Materials	2,353

250 Finance and Operations Services

252 Fiscal Services

300 Purchased Services	1,433
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253 Facilities Acquisition and Construction

400 Supplies and Materials	7,262
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258 Security

100 Salaries	27,504
200 Employee Benefits	11,361

260 Central Support Services

263 Information Services

300 Purchased Services	2,000
400 Supplies and Materials	5,082

264 Staff Service

400 Supplies and Materials	1,218
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266 Technology and Data Processing Services

100 Salaries	3,195
200 Employee Benefits	566
300 Purchased Services	40,168
400 Supplies and Materials	331,647

Total Support Services	1,084,751
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TOTAL EXPENDITURES	4,492,577
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EXCESS OF REVENUES OVER EXPENDITURES	1,756,518
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**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
SPECIAL REVENUE FUNDS – EDUCATION IMPROVEMENT ACT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – ALL PROGRAMS  
YEAR ENDED JUNE 30, 2016**

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OTHER FINANCING USES		
Transfers from (to) Other Funds		
420-710 Transfer to General Fund (Excludes Indirect Costs)		<u>\$ (1,756,518)</u>
TOTAL OTHER FINANCING USES		<u>(1,756,518)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES		-
FUND BALANCE		
July 1, 2015		<u>-</u>
June 30, 2016		<u>\$ -</u>

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
SPECIAL REVENUE FUNDS – EDUCATION IMPROVEMENT ACT FUND  
SUMMARY SCHEDULE BY PROGRAM  
YEAR ENDED JUNE 30, 2016**

PROGRAM	Revenues	Expenditures	Other Fund Transfers In/(Out)	EIA Fund Unearned
3500 Education Improvement Act				
3502 ADEPT	\$ 9,500	\$ 9,500	\$ -	\$ 14,468
3504 LevelData Reimbursement	3,619	3,619	-	-
3505 Technology Support	10,000	10,000	-	-
3506 Technology Device Pilot	247,151	247,151	-	-
3509 Arts in Education	21,577	21,577	-	-
3511 Professional Development	60,423	60,423	-	55,093
3512 Technology Professional Development	17,947	17,947	-	37,138
3518 Formative Assessment	50,736	50,736	-	51,995
3525 Career and Technology Education Equipment	73,024	73,024	-	105,941
3526 Science Kits Refurbishment	55,509	55,509	-	26,351
3532 National Board Certification Salary Supplement (No Carryover Provision)	387,526	387,526	-	-
3533 Teacher of the Year Award	-	-	-	1,077
3535 Reading Coaches	-	-	-	8,000
3538 Students At Risk of School Failure	1,476,423	1,476,423	-	1,090,724
3541 Child Development Education Pilot Promag (CDEPP)	863,921	863,921	-	714,334
3550 Teacher Salary Increase (No Carryover Provision)	1,527,435	-	(1,527,435)	-
3555 School Employer Contributions (No Carryover Provision)	229,083	-	(229,083)	-
3556 Adult Education	385,940	385,940	-	66,015
3558 Reading	46,192	46,192	-	57,582
3577 Teacher Supplies (No Carryover Provision)	170,250	170,250	-	-
3578 High Schools That Work/Making Middle Grades Work	26,226	26,226	-	37,574
3592 Work-Based Learning	40,315	40,315	-	38,929
3595 EEDA - Supplies and Materials - Career Awareness	19,878	19,878	-	17,155
3597 Aid to Districts	526,420	526,420	-	127,296
<b>TOTALS</b>	<b>\$ 6,249,095</b>	<b>\$ 4,492,577</b>	<b>\$ (1,756,518)</b>	<b>\$ 2,449,672</b>

**SCHOOL BUILDING FUND**



## **SCHOOL BUILDING FUND**

To account for financial resources to be used for the acquisition and construction of major capital facilities.

This fund is used to account for financial resources to be used for the acquisition and construction of major capital facilities, renovations, and extensive repairs which tend to extend the life of the asset.

The following individual fund schedule has been prepared in the format mandated by the South Carolina State Department of Education. The account numbers shown on the schedule are also mandated by the South Carolina Department of Education.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
SCHOOL BUILDING FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 2016**

REVENUES

1000 Revenue from Local Sources	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 50,542
Total Local Sources	50,542
TOTAL REVENUES	50,542

EXPENDITURES

200 Support Services	
250 Finance and Operations Services	
253 Facilities Acquisition & Construction	
300 Purchased Services	54,822
400 Supplies and Materials	1,123
500 Capital Outlay	
520 Construction Services	1,928,742
530 Improvements Other Than Buildings	36,696
254 Operation and Maintenance of Plant	
100 Salaries	48,856
200 Employee Benefits	12,483
300 Purchased Services	25,837
400 Supplies and Materials	200,515
500 Capital Outlay	80,773
266 Technology and Data Processings Services	
100 Salaries	36,284
200 Employee Benefits	19,561
300 Purchased Services	7,000
400 Supplies and Materials	1,908,466
Total Support Services	4,361,158
500 Debt Service	
610 Principal	515,515
620 Interest	18,862
690 Other Objects	37,890
Total Debt Service	572,267
TOTAL EXPENDITURES	4,933,425

EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,882,883)
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OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds	
5120 Proceeds on General Obligation Bonds	5,000,000
TOTAL OTHER FINANCING SOURCES (USES)	5,000,000

EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	117,117
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FUND BALANCE	
July 1, 2015, as restated	10,413,385
June 30, 2016	\$ 10,530,502

**DEBT SERVICE FUND**

## **DEBT SERVICE FUND**

To accumulate monies for payment of the School District's long-term debt.

This fund accounts for the accumulation of resources for and the payment of general long-term debt principal and interest. This debt service fund was established and is maintained in accordance with acts passed by the General Assembly of South Carolina authorizing the sale of general obligation bonds of the School District.

The following individual fund schedule has been prepared in the format mandated by the South Carolina State Department of Education. The account numbers shown on the schedule are also mandated by the South Carolina Department of Education.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 2016**

REVENUES

1000 Revenues from Local Sources		
1100 Taxes		
1110 Ad Valorem Taxes - Including Delinquent	\$	3,798,144
1140 Penalties and Interest on Taxes (Independent)		21,913
1200 Revenue from Local Governmental Units other than LEA		
1280 Revenue in Lieu of Taxes		158,644
1500 Earnings on Investments		
1510 Interest on Investments		40,592
1900 Revenue from Other Local Sources		
1999 Sales Tax Revenue		5,312,768
Total Local Sources		<u>9,332,061</u>
3000 Revenues from State Sources		
3800 State Revenue in Lieu of Taxes		
3820 Homestead Exemption		176,363
3830 Merchant's Inventory Tax		41,843
Total State Sources		<u>218,206</u>
TOTAL REVENUES		<u>9,550,267</u>

EXPENDITURES

500 Debt Service		
610 Redemption of Principal		8,885,000
620 Interest		710,692
TOTAL EXPENDITURES		<u>9,595,692</u>

EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>(45,425)</u>
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NET CHANGE IN FUND BALANCE	(45,425)
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FUND BALANCE

July 1, 2015	<u>11,295,027</u>
June 30, 2016	<u>\$ 11,249,602</u>

**PROPRIETARY FUND**

## **PROPRIETARY FUND**

To account for operations of the School District that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability. The School District accounts for the following proprietary fund:

Food Services - used to account for the School District's food service activities.

The following individual fund statement has been prepared in the format mandated by the South Carolina State Department of Education. The account numbers shown on the various schedules are also mandated by the South Carolina State Department of Education.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
PROPRIETARY FUND  
SCHEDULE OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION – FOOD SERVICE PROGRAM  
YEAR ENDED JUNE 30, 2016**

REVENUES

1000 Revenues from Local Sources		
1500 Earnings on Investments		
1510 Interest on Investments	\$	80
1600 Food Service		
1620 Breakfast Sales to Pupils		1,059
1630 Special Sales to Pupils		102,776
1640 Lunch Sales to Adults		75,965
1650 Breakfast Sales to Adults		4,629
1660 Special Sales to Adults		23,134
1900 Other Revenues from Local Sources		
1999 Revenue from Other Local Sources		536
Total Local Sources		<u>208,179</u>
3000 Revenues from State Sources		
3140 School Lunch		
3142 Program aid		435
Total State Sources		<u>435</u>
4000 Revenues from Federal Sources		
4800 USDA Reimbursement		
4810 School Lunch and After School Snack Program		3,799,945
4830 School Breakfast program		1,323,470
4860 Fresh Fruit & Vegetable Program		205,632
4900 Other Federal Sources		
4991 USDA Commodities		362,232
Total Federal Sources		<u>5,691,279</u>
Total Revenues all Sources		<u>5,899,893</u>

OPERATING EXPENSES

200 Support Services		
256 Food Service		
100 Salaries		2,157,391
200 Support Services		401
300 Purchased Services		172,370
400 Supplies and Materials		3,425,578
500 Capital Outlay		
570 Depreciation		114,183
600 Other Objects		49,055
Total Operating Expenses		<u>5,918,978</u>

OPERATING INCOME (LOSS) (19,085)

NET POSITION

July 1, 2015		<u>1,837,164</u>
June 30, 2016		<u>\$ 1,818,079</u>



**AGENCY FUND**

## **AGENCY FUND**

To account for assets held by the School District in a trustee capacity or as an agent for specific schools, clubs, or groups within each school or other type of organization. The School District accounts for the following agency fund:

Pupil Activity - used to account for monies held for student organizations and schools.

The following individual fund statements have been prepared in the format mandated by the South Carolina State Department of Education. The account numbers shown on the various schedules are also mandated by the South Carolina State Department of Education.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
AGENCY FUND  
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES – PUPIL ACTIVITY  
YEAR ENDED JUNE 30, 2016**

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	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfer From</u>	<u>Balance June 30, 2016</u>
<b>ASSETS</b>					
Cash and cash equivalents	<u>\$ 883,494</u>	<u>\$ 2,616,976</u>	<u>\$ 2,639,698</u>	<u>\$ 45,450</u>	<u>\$ 906,222</u>
<b>LIABILITIES</b>					
Due to schools	<u>\$ 883,494</u>	<u>\$ 2,616,976</u>	<u>\$ 2,639,698</u>	<u>\$ 45,450</u>	<u>\$ 906,222</u>

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
AGENCY FUND  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN DUE TO SCHOOLS – PUPIL ACTIVITY  
YEAR ENDED JUNE 30, 2016**

RECEIPTS

1000 Receipts from Local Sources  
1700 Pupil Activities  
1790 Other

\$ 2,616,976

Total Receipts from Local Sources

2,616,976

Total Receipts

2,616,976

DISBURSEMENTS

271 Pupil Service Activities  
660 Supporting Services Pupil Activity  
272 Enterprise Activities  
660 Pupil Activity  
273 Trust and Agency Activities  
660 Enterprise Activities

857,304

1,046,414

735,980

Total Disbursements

2,639,698

Excess of Receipts Over (Under) Disbursements

(22,722)

OTHER FINANCING SOURCES

Interfund Transfers, From other Funds  
5210 Transfer from General Fund (Excludes Indirect Cost)

45,450

Total Other Financing Sources

45,450

Excess of Revenues and Other Financing Sources  
Over (Under) Expenditures

22,728

DUE TO SCHOOLS

July 1, 2015

883,494

June 30, 2016

\$ 906,222

**OTHER SUPPLEMENTARY SCHEDULES**

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/  
FEDERAL GOVERNMENT  
JUNE 30, 2016**

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<u>Program</u>	<u>Grant or Project Number</u>	<u>Revenue &amp; Subfund Codes</u>	<u>Description</u>	<u>Amount Due to SDE/ Federal Government</u>	<u>Status of amounts Due to Grantor</u>
Refurbish K-8 Science Kits	EIA Fund	3526/326	Refurbish of K-8 Science Kits	\$ 45,399.97	Due in 16-17

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
LOCATION RECONCILIATION SCHEDULE  
YEAR ENDED JUNE 30, 2016**

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
4	Hartsville Middle	Middle School	School	\$ 7,351,877
5	Hartsville High	High School	School	10,614,759
6	Lamar High	High School	School	3,608,952
10	Spaulding Middle	Middle School	School	3,398,369
13	Brockington	Elementary School	School	2,926,303
14	Cain Elementary	Elementary School	School	3,057,861
15	Carolina Elementary	Elementary School	School	2,166,017
16	Lamar Elementary	Elementary School	School	2,074,755
17	North Hartsville Elementary	Elementary School	School	4,360,093
18	Pate Elementary	Elementary School	School	3,211,467
20	Rosenwald Elementary/Middle	Elementary/Middle School	School	1,788,916
23	Spaulding Elementary	Elementary School	School	1,760,332
24	Brunson-Dargan Elementary	Elementary School	School	2,498,888
26	St. John's Elementary	Elementary School	School	4,965,888
27	Thornwell Elementary	Elementary School	School	3,069,650
28	West Hartsville Elementary	Elementary School	School	1,671,096
29	Washington Street Elementary	Elementary School	School	3,108,718
30	Darlington High	High School	School	9,805,791
31	Darlington Middle	Middle School	School	6,798,109
32	Southside Early Childhood	Elementary School	School	4,112,299
33	Mayo Magnet	High School	School	3,928,094
35	Intervention School	Other (Alternative) School	School	1,109,037
50	Superintendent	Non-School	Central	968,632
51	Operations	Non-School	Central	838,691
54	Curriculum & Instruction	Non-School	Central	1,327,213
55	Human Resources	Non-School	Central	647,107
56	Pupil Services	Non-School	Central	873,595
58	Transportation	Non-School	Central	3,528,036
59	Communications	Non-School	Central	278,238
60	Exceptional Education	Non-School	Central	1,777,178
62	Maintenance	Non-School	Central	1,771,171
63	Elementary Assistant Superintendent	Non-School	Central	1,323,162
64	Adult Education	Non-School	Central	1,333,508
65	Warehouse	Non-School	Central	91,909
66	Project Share	Non-School	Central	105,370
68	Food Service	Non-School	Central	230,501
69	Computer Services	Non-School	Central	7,806,014
72	Finance	Non-School	Central	13,791,457
91	Institute of Technology	Other (Career) School	School	2,050,421

TOTAL EXPENDITURES FOR ALL FUNDS \$ 126,129,474

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

General Fund	\$ 82,319,744
Special Projects Fund	16,229,360
Education Improvement Act Fund	4,492,577
School Building Fund	4,933,425
Debt Service Fund	9,595,692
Food Service Fund	5,918,978
Student Activity Fund	2,639,698

TOTAL EXPENDITURES FOR ALL FUNDS \$ 126,129,474

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2016**

LEA Subfund Code	Federal Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
<b>U.S. Department of Agriculture</b>				
South Carolina Dept. of Education -				
Child Nutrition Cluster:				
600	School Breakfast Program	10.553	NONE	\$ 1,323,470
600	National School Lunch Program	10.555	NONE	
	Cash Assistance			\$ 3,799,945
	Non-Cash Assistance (Commodities)			<u>362,232</u>
	National School Lunch Program Subtotal			4,162,177
	Total Child Nutrition Cluster			<u>5,485,647</u>
South Carolina Dept. of Education -				
603	Fresh Fruit and Vegetable Program	10.582	NONE	205,632
897	Child Nutrition Discretionary Grants Limited Availability	10.579	NONE	9,500
	<b>Total U.S. Department of Agriculture</b>			<u>5,700,779</u>
<b>U.S. Department of Labor</b>				
South Carolina Dept. of Education -				
280	WIA Youth Activities	17.259	NONE	190,335
284	Jobs for America's Graduates	17.259	NONE	59,035
	Total 17.259			<u>249,370</u>
	<b>Total U.S. Department of Labor</b>			<u>249,370</u>
<b>U.S. Department of Education</b>				
South Carolina Dept. of Education -				
Title I Cluster:				
201	Title I Grants to LEA's	84.010	16 TITLE I	3,922,849
237	Title I - School Improvements	84.010A	16 TITLE I SUPPORT	41,993
239	Title I - School Improvements	84.010A	15 TITLE I PART A	64,954
	Total 84.010			<u>4,029,796</u>
	Total Title I, Part A Cluster			<u>4,029,796</u>
South Carolina Dept. of Education -				
IDEA Cluster:				
203	IDEA - Children with Disabilities	84.027	16 IDEA	2,532,428
203	IDEA - Supplement	84.027	15 IDEA Supplemental Funds	80,091
203	IDEA - Supplement	84.027	15 IDEA Supplemental Funds	190,787
204	IDEA - Extended School Year	84.027	16 IDEA ESY	33,278
205	IDEA - Pre-School	84.027	16 IDEA Preschool	72,301
	Total 84.027			<u>2,908,885</u>
	Total IDEA Cluster (IDEA)			<u>2,908,885</u>
South Carolina Dept. of Education -				
243	Adult Education - Basic Grants to States	84.002	16 Adult Education	149,283
207	Career and Technical Education -- Basic Grants to States	84.048	16 CATE	187,088
224	Twenty-First Century Community Learning Centers	84.287	16 21st Century Community Learning Ctrs Prg	156,238
264	English Language Acquisition State Grants	84.365	16 English Language Acquisition - Title III	8,825
225	Mathematics and Science Partnerships	84.366	16 Math and Science Partnership Year 1	125,342
267	Improving Teacher Quality State Grants	84.367	16 Title II Improving Teacher Quality	588,481
268	Teacher Incentive Fund	84.374	16 TIF 3	653,840
South Carolina Commission on Higher Education -				
812	Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	NONE	117,429
	<b>Total U.S. Department of Education</b>			<u>8,925,207</u>
<b>Other Federal Assistance</b>				
<b>U.S. Department of Defense</b>				
269	ROTC Language and Culture Training Grants	12.357		231,816
	<b>Total U.S. Department of Defense</b>			<u>231,816</u>
	<b>Total Expenditures of Federal Awards</b>			<u>\$ 15,107,172</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards



**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2016**

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**1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the School District 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 the Title 2 U.S. *Code of 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 the School District, it is not intended to and does not present the financial position of the School District.

**2. Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, consistent with the measurement focus and accounting basis used by the School District for expenditures. 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. Pass-through entity identifying numbers are presented where available.

**3. Indirect Cost Rate**

The School District has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**GOVERNMENT AUDITING STANDARDS AND  
SINGLE AUDIT REPORTS**

**Independent Auditors' 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**

Board of Trustees  
Darlington County School District  
Darlington, 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 Darlington County School District (the School District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated January 11, 2017.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses. Refer to 2016-001.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School District's financial statements are free from 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*.

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### **Darlington County School District's Response to Findings**

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

### **Purpose of this 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.



Summerville, South Carolina  
January 11, 2017

**Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance**

Board of Trustees  
Darlington County School District  
Darlington, South Carolina

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

We have audited Darlington County School District's (the School District) 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 School District's major federal programs for the year ended June 30, 2016. The School 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 the requirements of federal statutes, regulations, 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 School 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 School 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 School District's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the School 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.

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## **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 School District's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The School 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 School 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 of compliance, we considered the School 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 School 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.

A handwritten signature in blue ink that reads "Webster Rogus LLP". The signature is written in a cursive, flowing style.

Summerville, South Carolina  
January 11, 2017

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2016**

I. SUMMARY OF AUDITOR'S RESULTS

*Financial Statements*

Type of auditors' report issued:

**Unmodified**

Internal control over financial reporting:

Material weaknesses identified?	<u>  X  </u>	Yes	<u>      </u>	No
Significant deficiencies identified that are not considered to be material weaknesses?	<u>      </u>	Yes	<u>  X  </u>	None Reported
Noncompliance material to financial statements noted?	<u>      </u>	Yes	<u>  X  </u>	No

*Federal Awards*

Internal control over major programs:

Material weaknesses identified?	<u>      </u>	Yes	<u>  X  </u>	No
Significant deficiencies identified that are not considered to be material weaknesses?	<u>      </u>	Yes	<u>  X  </u>	None Reported

Type of auditors' report issued on compliance for major programs:

**Unmodified**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	<u>  X  </u>	Yes	<u>      </u>	No
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Identification of major programs:

CFDA Number

Name of Federal Program or Cluster

84.010

Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between type A and type B programs

**\$750,000**

Auditee qualified as low-risk auditee?

<u>  x  </u>	Yes	<u>      </u>	No
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**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2016**

II. – Financial Statement Findings

2016-001	Incomplete, inaccurate records and activity reconciliation related to capital assets.
Criteria and Condition	Complete, accurate and reconciled records to prepare timely financial statements have not been maintained for capital assets.
Context	Management discovered errors in the capital outlay and capital asset details. The School District has decreased its means to prevent errors and/or irregularities on a timely basis that resulted in a material misstatement to its financial statements.
Cause	The School District has not organized its personnel to ensure that complete and accurate records necessary in the preparation of financial statements are maintained related to capital assets.
Effect	There exists the risk that: <ul style="list-style-type: none"> <li>• Reports may not fairly present what they purport to display,</li> <li>• Critical decisions may be based upon erroneous information,</li> </ul>
Recommendation	The School District should evaluate staffing needs and make necessary changes to implement controls to ensure complete and accurate records are maintained.
Views of responsible officials and planned corrective actions	Management has evaluated staffing needs and made necessary changes to implement controls to ensure that complete and accurate records are maintained that are necessary in the preparation of financial statements.

III. – Findings and Questioned Costs – Major Federal Award Programs

2016-002	CFDA # 84.010 Title I – U.S. Department of Education; Grant No. H630101001; Grant Period: Year Ended June 30, 2016; Pass-through entity name: South Carolina Department of Education.
Criteria and Condition	Documentation supporting hours worked for staff working solely on one cost objective should be maintained.
Context	Audit tests revealed that documentation was not maintained for part time employees that worked solely on one cost objective.
Cause	Misunderstanding of requirements for part time employees versus full time employees for support of hours worked for staff working solely on one cost objective.
Effect	The School District was not in compliance with Title I requirements.
Recommendation	The School District should establish a procedure to ensure documentation on supporting hours worked for all staff working solely on one cost objective is maintained.
Views of responsible officials and planned corrective actions	Management has implemented controls to ensure that documentation is maintained to support hours worked for all staff working solely on one cost object.



**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2016**

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II. – Financial Statement Findings

There were no prior year findings related to the financial statements.

III. – Findings and Questioned Costs – Major Federal Award Programs

There were no prior year findings related to findings and questions cost - major federal award programs.