

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

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

YEAR ENDED JUNE 30, 2015

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
YEAR ENDED JUNE 30, 2015**

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>Page</u>
Independent Auditors' Report	1 - 3
Required Supplementary Information - Management's Discussion and Analysis (Unaudited)	4 - 10
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet - Governmental Funds	13
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	14
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	16 - 17
Statement of Net Position - Proprietary Funds	18
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	19
Statement of Cash Flows - Proprietary Funds	20
Statement of Fiduciary Net Position - Agency Funds	21
Notes to Financial Statements	22 - 48
Required Supplementary Information Other than Management's Discussion and Analysis (Unaudited)	
Budgetary Comparison Schedule - Budgeted Major Governmental Fund General Fund	49
Notes to Budgetary Comparison Schedule	50
Schedule of the School District's Proportionate Share of the Net Pension Liability - South Carolina Retirement System - Last Two Fiscal Years	51
Schedule of the School District's Proportionate Share of the Net Pension Liability - Police Officers Retirement System - Last Two Fiscal Years	52

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
YEAR ENDED JUNE 30, 2015**

TABLE OF CONTENTS (Continued)

<u>FINANCIAL SECTION (Continued)</u>	<u>Page</u>
Required Supplementary Information Other than Management's Discussion and Analysis (Unaudited) (Continued)	
Schedule of the School District's Contributions - South Carolina Retirement System - Last Two Fiscal Years	53
Schedule of the School District's Contributions - Police Officers Retirement System - Last Two Fiscal Years	54
Other Supplementary Financial Information Combining and Individual Fund Schedules	
Governmental Funds	
General Fund:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	55 - 62
Special Revenue Funds:	
Special Projects	
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Special Projects Fund	63 - 70
Notes to Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Projects Fund	71
Summary Schedule for Designated Restricted State Grants	72
Education Improvement Act Fund:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - All Programs	73 - 76
Summary Schedule by Program	77
School Building Fund:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance	78
Debt Service Fund:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance	79
Proprietary Fund:	
Enterprise Fund	
Schedule of Revenues, Expenses, and Changes in Net Position - Food Service Program	80
Agency Fund:	
Pupil Activity	
Schedule of Changes in Assets and Liabilities - Pupil Activity	81
Schedule of Receipts, Disbursements, and Changes in Due to Schools - Pupil Activity	82

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
YEAR ENDED JUNE 30, 2015**

TABLE OF CONTENTS (Continued)

<u>FINANCIAL SECTION (Continued)</u>	<u>Page</u>
Other Supplementary Financial Information (Continued)	
Other Supplementary Schedules	
Detailed Schedule of Due to State Department of Education/ Federal Government	83
Location Reconciliation Schedule	84
Schedule of Expenditures of Federal Awards	85
Note to Schedule of Expenditures of Federal Awards	86
<i>GOVERNMENT AUDITING STANDARDS</i> 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 <i>Government Auditing Standards</i>	87 - 88
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133	89 - 90
Schedule of Findings and Questioned Costs	91 - 92
Summary Schedule of Prior Audit Findings	93

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 ***Darlington County School District*** (the School District) as of and for the year ended June 30, 2015, 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.

Auditors' 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.

Members

SC Association of Certified Public Accountants
NC Association of Certified Public Accountants

Members

Division for CPA Firms, AICPA

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, 2015, 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.

Change in Accounting Principle

As discussed in Note III.E to the financial statements, in 2015 the School District adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

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 4 - 10, 49 - 50 and 51 - 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund 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 schedules 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 November 9, 2015, 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
November 9, 2015

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

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, 2015.

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 \$25,273,564 in unassigned fund balance at June 30, 2015. 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 two months of regular general fund operating expenses. The District chooses to focus on unassigned fund balance which, at June 30, 2015, yields almost two months balance of operating expenditures based on monthly average expenditures of the current fiscal year. General fund expenditures, before transfers in, exceeded revenues by \$1,555,144. After transfers in and out from other financing sources, the District's net change in general fund balance was decreased by \$6,152,602.

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 oversight 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. As a result, the Board of Education authorized bonuses to all employees based on the superior student achievement which has been rated not only by the state of South Carolina, but also by the Federal Government.

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, 2015**

Reporting the District as a Whole

Government-wide Financial Statements

Our analysis of the District as a whole begins on page 6. 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 8. 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.
- 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.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

- 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 \$7,176,418 over last year. Total assets and deferred outflows of resources decreased by \$4,494,934, and total liabilities and deferred inflows of resources increased by \$86,282,062. The decrease in assets is a result of using cash to achieve long-term savings on refinanced bonded indebtedness. Details of this are outlined in Note II.G. of the financial statements. The liabilities net increase is due primarily to the implementation of GASB statements 68 and 71 which require political subdivisions of the state to report their proportionate share of the state pension liability on the government-wide statements. This is described in detail beginning with Note III of the statements.

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)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Current & other assets	\$ 73,380	\$ 89,152	\$ 1,257	\$ 1,243	\$ 74,637	\$ 90,395
Capital assets	99,590	96,921	606	694	100,196	97,615
Total assets	172,970	186,073	1,863	1,937	174,833	188,010
Deferred outflows	8,682	-	-	-	8,682	-
Current liabilities	12,060	14,625	26	16	12,086	14,641
Long term liabilities	120,238	41,124	-	-	120,238	41,124
Total liabilities	132,298	55,749	26	16	132,324	55,765
Deferred inflows	9,722	-	-	-	9,722	-
Net Position:						
Net investment in capital assets	79,722	56,947	606	694	80,328	57,641
Restricted	13,083	20,754	-	-	13,083	20,754
Unrestricted*	(53,173)	52,624	1,231	1,227	(51,942)	53,851
Total Net Position	\$ 39,632	\$ 130,325	\$ 1,837	\$ 1,921	\$ 41,469	\$ 132,246

* Net of effect of restatement. Refer to Note III.E. Change in Accounting Principle in the accompanying footnotes for more information on the restatement. This refers to the implementation of GASB 68 & 71 principles which require the beginning of current fiscal year to be restated to \$32,370,918.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

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)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenue:						
Charges for services	\$ 26	\$ 43	\$ 224	\$ 615	\$ 250	\$ 658
Operating grants	55,658	51,315	5,590	4,887	61,248	56,202
Capital grants	59	655	-	-	59	655
General revenues:						
Property taxes	38,056	35,136	-	-	38,056	35,136
Sales taxes	5,262	5,362	-	-	5,262	5,362
State aid	12,420	12,247	-	-	12,420	12,247
Other general revenue	849	781	-	-	849	781
Total Revenue	<u>112,330</u>	<u>105,539</u>	<u>5,814</u>	<u>5,502</u>	<u>118,144</u>	<u>111,041</u>
Program expenses:						
Instruction	57,569	55,903	-	-	57,569	55,903
Support services	42,977	37,445	-	-	42,977	37,445
Community services	112	47	-	-	112	47
Intergovernmental	2,933	2,994	-	-	2,933	2,994
Interest on long term debt	1,392	2,036	-	-	1,392	2,036
Unallocated depreciation	375	368	-	-	375	368
Food service	-	-	5,609	5,312	5,609	5,312
Total Expenses	<u>105,358</u>	<u>98,793</u>	<u>5,609</u>	<u>5,312</u>	<u>110,967</u>	<u>104,105</u>
Excess before transfers	6,972	6,746	205	191	7,176	6,937
Transfers	289	-	(289)	-	-	-
Increase (decrease) in net position	<u>\$ 7,261</u>	<u>\$ 6,746</u>	<u>\$ (84)</u>	<u>\$ 191</u>	<u>\$ 7,177</u>	<u>\$ 6,937</u>

Total revenues were 6.4% more than the prior year. Program expenses increased 6.6% above last year. Total net position increased by \$6,936,816 in 2014 and by \$7,176,418 in 2015.

Governmental Activities

The unrestricted net position of the District's governmental activities decreased by \$105,797,089 as a result of the implementation of GASB 68 and 71. This change requires 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 \$22,775,640.

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. During the prior year, food service operated in the black, but, as a result of indirect costs, was in the red. Food service total net position decreased for the year by \$84,191.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

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 \$58,808,499 which decreased by \$14,228,642 below last year's total of \$73,037,141. The schedule below illustrates the fund balance and total change in fund balance as of June 30, 2015 and 2014.

	Fund Balance June 30, 2015	Fund Balance June 30, 2014	Increase (Decrease)
General	\$ 33,988,609	\$ 40,141,211	\$ (6,152,602)
Special Projects	2,971,022	2,616,049	354,973
School Building	10,553,841	10,688,683	(134,842)
Debt Service	11,295,027	19,591,198	(8,296,171)
Total	\$ 58,808,499	\$ 73,037,141	\$ (14,228,642)

The District's general fund balance decrease is due to the utilization of fund balance to pay down and refinance bonded indebtedness of the district. These items reflect a net change in fund balance of \$14,228,642.

The tables that follow assist in illustrating the financial activities and balances of the general fund.

	2015 Amount	2014 Amount	Percentage Change
Revenues			
Taxes	\$ 28,946,637	\$ 27,491,672	5.29%
Other local sources	240,690	360,305	-33.20%
Intergovernmental	46,576,808	43,971,188	5.93%
	\$ 75,764,135	\$ 71,823,165	5.49%
Expenditures by object			
Salaries	\$ 44,760,302	\$ 44,164,777	1.35%
Fringe benefits	17,898,955	17,010,217	5.22%
Purchased services	4,542,444	4,309,619	5.40%
Supplies and Materials	4,508,584	4,373,583	3.09%
Capital outlay	4,617,283	1,100,336	319.62%
Miscellaneous	989,644	950,550	4.11%
Transits	2,067	2,501	-17.36%
	\$ 77,319,279	\$ 71,911,583	7.52%

The table above shows that the largest portion (81.03%) 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 \$5,407,696 or 7.52% over the prior year. This is primarily attributed utilizing fund balance to pay day outstanding bonded indebtedness and deferred capital maintenance district-wide. This is subsequent to action taken by the Board of Education in the Spring of 2014.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

General fund revenue (including transfers in of \$2,515,680) was below expenditures (including intergovernmental of \$2,067) during the fiscal year resulting in a decrease to the general fund balance of \$6,152,602.

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 \$255,505) during the fiscal year resulting in an increase of \$354,973 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 73 - 77.

The School Building fund decreased in fund balance by \$134,842. 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 \$8,296,171. 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.

Budgetary Analysis

The District under-estimated its general fund revenue by \$4,720,738. The operational expenses exceeded budget by \$4,818,694 primarily due to increased construction costs, all of which were through fund balance commitments. The other financing sources (uses) exceeded operational budget by \$6,054,376 primarily due to an increase in transfers in and transfer out of fund balance commitment of \$6,900,000 towards debt service. The result was a fund balance decrease of \$6,152,602.

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 last year \$11,445,000 of fund balance of the general fund towards deferred maintenance of facilities. There were 43 open construction projects in progress at June 30, 2015. 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 lighting projects, restroom renovations, and phase two of enhanced security measures for our schools.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

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 this 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, 2015**

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash and cash equivalents	\$ 10,782,037	\$ 17,925	\$ 10,799,962
Cash and investments with County Treasurer	54,992,878	-	54,992,878
Investment funds in escrow with bond refunding agent	1,025,357	-	1,025,357
Due from other governmental units	5,788,159	14,434	5,802,593
Internal balances	(1,200,430)	1,200,430	-
Taxes receivable	1,869,728	-	1,869,728
Accounts receivable	26,524	-	26,524
Inventories	96,394	24,015	120,409
Capital assets not being depreciated	8,977,784	-	8,977,784
Capital assets, net of accumulated depreciation	90,612,035	605,954	91,217,989
TOTAL ASSETS	172,970,466	1,862,758	174,833,224
DEFERRED OUTFLOWS OF RESOURCES			
Pension contributions made subsequent to measurement date	5,866,322	-	5,866,322
Differences between expected and actual experience	2,815,249	-	2,815,249
TOTAL DEFERRED OUTFLOWS OF RESOURCES	8,681,571	-	8,681,571
LIABILITIES			
Accounts payable	1,250,491	25,594	1,276,085
Accrued expenses	4,541,763	-	4,541,763
Unearned revenues	5,960,007	-	5,960,007
Due to other governmental units	77,732	-	77,732
Accrued interest payable	229,860	-	229,860
Noncurrent liabilities			
Due within one year	5,114,121	-	5,114,121
Due in more than one year	15,770,986	-	15,770,986
Net pension liability	99,353,301	-	99,353,301
TOTAL LIABILITIES	132,298,261	25,594	132,323,855
DEFERRED INFLOWS OF RESOURCES			
Gain on deferred refunding	1,343,912	-	1,343,912
Net differences between projected and actual earnings on pension plan investments	8,378,337	-	8,378,337
TOTAL DEFERRED INFLOWS OF RESOURCES	9,722,249	-	9,722,249
NET POSITION			
Net investment in capital assets	79,722,201	605,954	80,328,155
Restricted for			
Special projects	70,538	-	70,538
Debt service	13,011,825	-	13,011,825
Unrestricted	(53,173,037)	1,231,210	(51,941,827)
TOTAL NET POSITION	\$ 39,631,527	\$ 1,837,164	\$ 41,468,691

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, 2015**

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	\$ 57,569,112	\$ 26,302	\$ 48,591,606	\$ 59,262	\$ (8,891,942)	\$ -	\$ (8,891,942)
Support services	42,976,884	-	7,066,137	-	(35,910,747)	-	(35,910,747)
Community services	112,071	-	-	-	(112,071)	-	(112,071)
Intergovernmental	2,933,283	-	-	-	(2,933,283)	-	(2,933,283)
Interest and other charges	1,391,882	-	-	-	(1,391,882)	-	(1,391,882)
Depreciation - unallocated *	375,022	-	-	-	(375,022)	-	(375,022)
Total governmental activities	<u>105,358,254</u>	<u>26,302</u>	<u>55,657,743</u>	<u>59,262</u>	<u>(49,614,947)</u>	<u>-</u>	<u>(49,614,947)</u>
Business-type activities							
Food services	5,609,307	224,416	5,589,704	-	-	204,813	204,813
Total business-type activities	<u>5,609,307</u>	<u>224,416</u>	<u>5,589,704</u>	<u>-</u>	<u>-</u>	<u>204,813</u>	<u>204,813</u>
Total primary government	<u>\$ 110,967,561</u>	<u>\$ 250,718</u>	<u>\$ 61,247,447</u>	<u>\$ 59,262</u>	<u>(49,614,947)</u>	<u>204,813</u>	<u>(49,410,134)</u>
General revenues							
Property taxes levied for							
General purposes					29,604,639	-	29,604,639
Florence-Darlington Technical College					2,680,829	-	2,680,829
Debt service					5,770,774	-	5,770,774
Sales taxes					5,261,981	-	5,261,981
Grants and contributions not restricted to specific programs					12,419,420	-	12,419,420
Unrestricted revenue from use of money and property					125,601	-	125,601
Miscellaneous					723,308	-	723,308
Transfers					289,004	(289,004)	-
Total General Revenues and Transfers					<u>56,875,556</u>	<u>(289,004)</u>	<u>56,586,552</u>
Change in Net Position					<u>7,260,609</u>	<u>(84,191)</u>	<u>7,176,418</u>
Net Position							
July 1, 2014, as restated					<u>32,370,918</u>	<u>1,921,355</u>	<u>34,292,273</u>
June 30, 2015					<u>\$ 39,631,527</u>	<u>\$ 1,837,164</u>	<u>\$ 41,468,691</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, 2015**

	General Fund	Special Projects Fund	EIA Fund
ASSETS			
Cash and cash equivalents	\$ 9,911,095	\$ -	\$ -
Cash and investments with County Treasurer	38,919,056	80,173	-
Property taxes receivables, net of allowance	1,449,578	132,163	-
Accounts receivable	26,524	-	-
Due from other governmental units			
Sales taxes due from state	-	-	-
SC Department of Education	214,070	617,399	582,741
Other agencies	-	67,415	-
Federal government	-	2,872,513	-
Due from other funds	3,986,277	5,745,829	2,428,260
Inventories	96,394	-	-
TOTAL ASSETS	<u>\$ 54,602,994</u>	<u>\$ 9,515,492</u>	<u>\$ 3,011,001</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 1,197,281	\$ 32,706	\$ -
Accrued liabilities	4,541,763	-	-
Due to other governmental units	-	77,732	-
Due to other funds	13,480,997	3,308,707	101,383
Unearned revenues	40,364	3,010,025	2,909,618
TOTAL LIABILITIES	<u>19,260,405</u>	<u>6,429,170</u>	<u>3,011,001</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable property taxes	1,353,980	115,300	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,353,980</u>	<u>115,300</u>	<u>-</u>
FUND BALANCES			
Nonspendable			
Inventory	96,394	-	-
Restricted	70,538	-	-
Committed	7,292,588	2,971,022	-
Assigned	1,255,525	-	-
Unassigned	25,273,564	-	-
TOTAL FUND BALANCES	<u>33,988,609</u>	<u>2,971,022</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 54,602,994</u>	<u>\$ 9,515,492</u>	<u>\$ 3,011,001</u>

The accompanying notes to financial statements are an integral part of this financial statement.

School Building Fund	Debt Service Fund	Total Governmental Funds
\$ 870,942	\$ -	\$ 10,782,037
6,523,186	9,470,463	54,992,878
-	287,987	1,869,728
-	-	26,524
-	1,434,021	1,434,021
-	-	1,414,210
-	-	67,415
-	-	2,872,513
4,176,623	350,074	16,687,063
-	-	96,394
<u>\$ 11,570,751</u>	<u>\$ 11,542,545</u>	<u>\$ 90,242,783</u>
\$ 20,504	\$ -	\$ 1,250,491
-	-	4,541,763
-	-	77,732
996,406	-	17,887,493
-	-	5,960,007
<u>1,016,910</u>	<u>-</u>	<u>29,717,486</u>
-	247,518	1,716,798
-	247,518	1,716,798
-	-	96,394
-	11,295,027	11,365,565
10,553,841	-	20,817,451
-	-	1,255,525
-	-	25,273,564
<u>10,553,841</u>	<u>11,295,027</u>	<u>58,808,499</u>
<u>\$ 11,570,751</u>	<u>\$ 11,542,545</u>	<u>\$ 90,242,783</u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$	58,808,499
<p>Amounts reported for governmental activities in the Statement of Net Position are different because of the following:</p>		
<p>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.</p>		1,716,798
<p>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.</p>		1,025,357
<p>Capital assets used for governmental activities are not financial resources and therefore are not reported in governmental funds. The cost of assets is \$223,564,041 and the accumulated depreciation is \$123,975,222.</p>		99,589,819
<p>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:</p>		
Contributions made subsequent to measurement date	\$ 5,866,322	
Differences between expected and actual experience	<u>2,815,249</u>	
		8,681,571
<p>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:</p>		
Net pension liability	\$ (99,353,301)	
Bonds payable	(18,566,093)	
Less: issuance premium	(1,301,525)	
Less: gain on deferred refunding	(1,343,912)	
Compensated absences payable	(1,017,489)	
Accrued interest payable	<u>(229,860)</u>	
		(121,812,180)
<p>Other long term liabilities related to pension expense do not consume current financial resources and are, therefore, not reported in the funds</p>		
Investment earnings on retirement plan fiduciary held assets		<u>(8,378,337)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u><u>39,631,527</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 REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015**

	General Fund	Special Projects Fund	EIA
REVENUES			
Local property taxes	\$ 28,946,637	\$ 2,680,829	\$ -
Sales taxes	-	-	-
Other local	240,690	1,607,783	-
Total local	29,187,327	4,288,612	-
State	46,466,656	2,396,482	8,338,663
Federal	-	9,445,526	-
Intergovernmental	110,152	-	-
Total Revenues	<u>75,764,135</u>	<u>16,130,620</u>	<u>8,338,663</u>
EXPENDITURES			
Current			
Instruction	40,763,348	7,584,364	4,410,681
Support services	33,297,940	4,950,326	2,115,811
Community services	-	54,236	-
Intergovernmental	2,067	2,931,216	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Fees	-	-	-
Capital outlay	3,255,924	-	-
Total Expenditures	<u>77,319,279</u>	<u>15,520,142</u>	<u>6,526,492</u>
Excess of Revenues Over (Under)			
Expenditures	<u>(1,555,144)</u>	<u>610,478</u>	<u>1,812,171</u>
OTHER FINANCING SOURCES (USES)			
General obligation and refunding bonds issuance	-	-	-
Premium on bonds issued	-	-	-
Debt service - principal	-	-	-
Transfers in	2,515,680	159,000	-
Transfers out	<u>(7,113,138)</u>	<u>(414,505)</u>	<u>(1,812,171)</u>
Total Other Financing Sources (Uses)	<u>(4,597,458)</u>	<u>(255,505)</u>	<u>(1,812,171)</u>
Net Change in Fund Balance	(6,152,602)	354,973	-
FUND BALANCE			
July 1, 2014	<u>40,141,211</u>	<u>2,616,049</u>	<u>-</u>
June 30, 2015	<u>\$ 33,988,609</u>	<u>\$ 2,971,022</u>	<u>\$ -</u>

The accompanying notes to financial statements are an integral part of this financial statement.

School Building Fund	Debt Service Fund	Total Governmental Funds
\$ -	\$ 5,770,775	\$ 37,398,241
-	5,261,981	5,261,981
84,070	14,157	1,946,700
<u>84,070</u>	<u>11,046,913</u>	<u>44,606,922</u>
-	307,456	57,509,257
-	-	9,445,526
-	-	110,152
<u>84,070</u>	<u>11,354,369</u>	<u>111,671,857</u>
-	-	52,758,393
2,131,658	-	42,495,735
-	-	54,236
-	-	2,933,283
-	24,287,710	24,287,710
8,688	2,262,140	2,270,828
51,866	131,065	182,931
<u>4,127,381</u>	<u>-</u>	<u>7,383,305</u>
<u>6,319,593</u>	<u>26,680,915</u>	<u>132,366,421</u>
<u>(6,235,523)</u>	<u>(15,326,546)</u>	<u>(20,694,564)</u>
6,036,093	16,130,000	22,166,093
55,900	1,617,665	1,673,565
-	(17,617,290)	(17,617,290)
8,688	6,900,000	9,583,368
-	-	(9,339,814)
<u>6,100,681</u>	<u>7,030,375</u>	<u>6,465,922</u>
(134,842)	(8,296,171)	(14,228,642)
<u>10,688,683</u>	<u>19,591,198</u>	<u>73,037,141</u>
<u>\$ 10,553,841</u>	<u>\$ 11,295,027</u>	<u>\$ 58,808,499</u>

**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, 2015**

TOTAL NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS \$ (14,228,642)

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. 658,004

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 (\$7,383,305) exceeded accumulated depreciation (\$4,687,790) in the period. 2,695,515

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 (26,625)

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	\$ (6,963,764)	
Amount recorded in the governmental funds	<u>5,866,322</u>	(1,097,442)

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. (9,214)

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	\$ (22,166,093)	
Bond premiums	(1,673,565)	
Principal repayments:		
Bonds payable	41,905,000	
Amortization of deferred refunding	326,245	
Amortization of bond premiums	<u>372,040</u>	18,763,627

**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, 2015**

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	\$	(1,017,489)	
Prior year		1,149,280	
Accrued interest			
Current year		(229,860)	
Prior year		<u>603,455</u>	
			<u>\$ 505,386</u>
Change in Net Position of Governmental Activities			<u><u>\$ 7,260,609</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, 2015**

	<u>Enterprise Fund - Food Service Program</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 17,925
Due from other governmental units	14,434
Due from other funds	1,200,430
Inventories	24,015
Total current assets	<u>1,256,804</u>
Noncurrent assets	
Equipment	3,072,504
Less accumulated depreciation	<u>(2,466,550)</u>
Total noncurrent assets	<u>605,954</u>
 Total assets	 <u>1,862,758</u>
LIABILITIES	
Current liabilities	
Accounts payable	<u>25,594</u>
Total current liabilities	<u>25,594</u>
 Total liabilities	 <u>25,594</u>
NET POSITION	
Net investment in capital assets	605,954
Unrestricted	<u>1,231,210</u>
 Total net position	 <u>\$ 1,837,164</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, 2015**

	<u>Enterprise Fund - Food Service Program</u>
OPERATING REVENUES	
Proceeds from sale of meals	\$ 80,569
Special sales and miscellaneous	143,823
Interest income	24
	<u>224,416</u>
Total Operating Revenues	<u>224,416</u>
OPERATING EXPENSES	
Food costs	2,671,676
Salaries and wages	2,091,969
Supplies and materials	572,360
Depreciation	105,620
Other operating costs	167,682
	<u>5,609,307</u>
Total Operating Expenses	<u>5,609,307</u>
Operating Loss	<u>(5,384,891)</u>
NONOPERATING REVENUES (EXPENSES)	
USDA Reimbursements	5,239,064
Commodities received from USDA	349,761
Other federal and state aid	879
	<u>5,589,704</u>
Total Nonoperating Revenues (Expenses)	<u>5,589,704</u>
EXCESS OF REVENUES OVER	
Income Before Transfers	<u>204,813</u>
OTHER FINANCING SOURCES (USES)	
Transfers Out	<u>(289,004)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(289,004)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	
Change in Net Position	(84,191)
NET POSITION	
July 1, 2014	<u>1,921,355</u>
June 30, 2015	<u><u>\$ 1,837,164</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 CASH FLOWS –
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2015**

	<u>Enterprise Fund - Food Service Program</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from patrons	\$ 224,392
Payments to employees for services	(2,091,969)
Payments to suppliers for goods and services	<u>(3,050,158)</u>
Net cash used in operating activities	<u>(4,917,735)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>24</u>
Net cash provided by investing activities	<u>24</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Nonoperating grants received	5,239,943
Transfers to other funds	<u>(289,004)</u>
Net cash provided by noncapital financing activities	<u>4,950,939</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	<u>(17,188)</u>
Net cash used in capital and related financing activities	<u>(17,188)</u>
Net increase in cash and cash equivalents	16,040
Cash and cash equivalents - July 1, 2014	<u>1,885</u>
Cash and cash equivalents - June 30, 2015	<u><u>\$ 17,925</u></u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (5,384,891)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:	
Depreciation	105,620
Commodities used	349,761
Changes in assets and liabilities:	
(Increase) decrease in due from governmental units	28
(Increase) decrease in receivables	1,834
Increase (decrease) in payables	<u>9,913</u>
Net cash used in operating activities	<u><u>\$ (4,917,735)</u></u>

Noncash noncapital financing activities:

During the year, the District received \$349,761 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, 2015**

		Agency Funds
ASSETS		
	Cash and cash equivalents	<u>\$ 883,494</u>
	TOTAL ASSETS	<u><u>\$ 883,494</u></u>
LIABILITIES		
	Due to schools	<u>\$ 883,494</u>
	TOTAL LIABILITIES	<u><u>\$ 883,494</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, 2015**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Darlington County School District (the School District) operates 13 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.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

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.
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.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Capital assets (Continued)

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.

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 two items that qualify for reporting in this category and are both 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 and are 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.

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 two items that qualify for reporting in this category on the Statement of Net Position. A gain on deferred 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 item is related to pension obligations and is the net difference between the projected and actual earnings on pension plan investments and is amortized over a closed five-year period. 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.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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 an other 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
JUNE 30, 2015**

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
JUNE 30, 2015**

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.

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, 2015 the carrying amount of the School District's deposits was \$11,683,546 and the bank balance was \$14,790,603. 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 \$ 54,992,878.

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.

As of June 30, 2015, \$3,550,271 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 with a AAA rating and backed by the sole obligations of the United States.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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

A. Deposits and Investments (Continued)

As of June 30, 2015, the School District had the following investments and maturities:

Investment Type	Fair Value	Weighted Average Maturity (Days)
Repurchase Agreement	\$ 3,550,271	1

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.

In addition, South Carolina state statutes authorize the School 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 a 2a7-like pool, which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but has a policy that it will operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940.

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.

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, 2015**

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 \$24,943,633), is \$196,970,288. The general operations millage is 168.68 mills (\$16.868 per \$100 assessed valuation), and debt service fund millage is 24.00 mills (\$2.40 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>EIA</u>	<u>Debt Service</u>	<u>Food Service Program</u>
Receivables					
Property taxes	\$ 2,917,824	\$ 240,264	\$ -	\$ 505,416	\$ -
Sales taxes	-	-	-	1,434,021	-
Intergovernmental	214,070	3,557,327	582,741	-	14,434
Accounts	26,524	-	-	-	-
Gross receivables	<u>3,158,418</u>	<u>3,797,591</u>	<u>582,741</u>	<u>1,939,437</u>	<u>14,434</u>
Less allowance for uncollectible property tax	<u>(1,468,246)</u>	<u>(108,101)</u>	<u>-</u>	<u>(217,429)</u>	<u>-</u>
Net receivables	<u><u>\$ 1,690,172</u></u>	<u><u>\$ 3,689,490</u></u>	<u><u>\$ 582,741</u></u>	<u><u>\$ 1,722,008</u></u>	<u><u>\$ 14,434</u></u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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

D. Capital Assets

Capital assets activity for the year ended June 30, 2015, was as follows:

	Balance 6/30/2014	Additions	Deletions	Transfers	Balance 6/30/2015
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 6,281,409	\$ -	\$ -	\$ -	\$ 6,281,409
Construction in progress	2,512,701	6,451,329	(26,625)	(6,241,030)	2,696,375
Total capital assets, not being depreciated	8,794,110	6,451,329	(26,625)	(6,241,030)	8,977,784
Capital assets, being depreciated					
Building and improvements	184,475,153	314,831	-	5,302,897	190,092,881
Land improvements	9,932,471	-	-	938,133	10,870,604
Equipment	13,026,579	617,145	(19,952)	-	13,623,772
Total capital assets, being depreciated	207,434,203	931,976	(19,952)	6,241,030	214,587,257
Totals at historical cost	216,228,313	7,383,305	(46,577)	-	223,565,041
Less accumulated depreciation for					
Building and improvements	(107,528,548)	(3,742,529)	-	-	(111,271,077)
Land improvements	(3,180,876)	(468,426)	-	-	(3,649,302)
Equipment	(8,597,960)	(476,835)	19,952	-	(9,054,843)
Total accumulated depreciation	(119,307,384)	(4,687,790)	19,952	-	(123,975,222)
Total capital assets, being depreciated, net	88,126,819	(3,755,814)	-	6,241,030	90,612,035
Governmental activities capital assets, net	\$ 96,920,929	\$ 2,695,515	\$ (26,625)	\$ -	\$ 99,589,819

	Balance 6/30/2014	Additions	Deletions	Balance 6/30/2015
Business-type Activities				
Capital assets, being depreciated				
Food service equipment	\$ 3,055,316	\$ 17,188	\$ -	\$ 3,072,504
Total capital assets, being depreciated	3,055,316	17,188	-	3,072,504
Less accumulated depreciation for				
Food service equipment	(2,360,930)	(105,620)	-	(2,466,550)
Total accumulated depreciation	(2,360,930)	(105,620)	-	(2,466,550)
Total capital assets, being depreciated, net	694,386	(88,432)	-	605,954
Business-type activities capital assets, net	\$ 694,386	\$ (88,432)	\$ -	\$ 605,954

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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	\$ 4,078,378
Support Services	234,389
Unallocated	375,023
Total governmental activities	\$ 4,687,790
Business-type activities	
Food Service	\$ 105,620
Total business-type activities	\$ 105,620

E. Transfers From (To) Other Funds

Transfers from (to) other funds for the year ended June 30, 2015, consisted of the following:

	Transfers In	Transfers Out
General Fund	\$ 2,515,680	\$ 7,113,138
Special Projects Fund	159,000	414,505
Education Improvement Act Fund	-	1,812,171
School Building Fund	8,688	-
Debt Service Fund	6,900,000	-
Total governmental funds	9,583,368	9,339,814
Food Service Fund	-	289,004
Total proprietary fund	-	289,004
Pupil Activities Fund	45,450	-
Total fiduciary funds	45,450	-
Total transfers	\$ 9,628,818	\$ 9,628,818

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.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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

F. Interfund Receivables and Payables

Interfund balances at June 30, 2015, consisted of the following individual fund receivables and payables:

	Receivable	Payable
General Fund	\$ 3,986,277	\$ 13,480,997
Special Projects Fund	5,745,829	3,308,707
Education Improvement Act Fund	2,428,260	101,383
School Building Fund	4,176,623	996,406
Debt Service Fund	350,074	-
Total governmental funds	16,687,063	17,887,493
Food Service Fund	1,200,430	-
Total proprietary fund	1,200,430	-
Total balances	\$ 17,887,493	\$ 17,887,493

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, 2015, the following changes took place in the long-term liabilities:

	Balance 6/30/2014	Additions	Reductions	Balance 6/30/2015	Due Within One Year
General obligation bonds	\$ 38,305,000	\$ 22,166,093	\$ 41,905,000	\$ 18,566,093	\$ 4,400,515
Plus deferred amount:					
For issuance premium	1,669,368	1,673,565	2,041,408	1,301,525	-
Total general obligation bonds	39,974,368	23,839,658	43,946,408	19,867,618	4,400,515
Compensated absences	1,149,280	766,204	897,995	1,017,489	713,606
Total long-term liabilities	\$ 41,123,648	\$ 24,605,862	\$ 44,844,403	\$ 20,885,107	\$ 5,114,121

Interest and other charges paid on long term debt for the year totaled \$2,445,071.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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, 2015, are comprised of the following individual issues:

	Interest Rates	Balance
2014 Refunding	3 – 5%	\$ 16,130,000
2014 Improvement	0.98%	1,036,093
2006 Advance Refunding Bonds (QZAB)	3.50%	1,400,000
		\$18,566,093

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.

The annual requirements for debt service on General Obligation Bonds outstanding at June 30, 2015, are summarized as follows:

Year ending June 30,	Principal	Interest	Total
2016	\$ 4,400,515	\$ 699,724	\$ 5,100,239
2017	4,585,578	539,262	5,124,840
2018	4,275,000	328,900	4,603,900
2019	5,305,000	117,150	5,422,150
Subtotal	18,566,093	1,685,036	20,251,129
Plus deferred amounts:			
Bond premiums	1,301,525	-	1,301,525
Total	\$ 19,867,618	\$ 1,685,036	\$ 21,552,654

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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

G. Long-Term Debt (Continued)

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.

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 new issue will reduce debt service payments for the School District by \$33,802,250 with an economic gain of \$11,493,355. 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 will be 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 \$1,025,357 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 2014 during the current fiscal year, which were repaid by June 30, 2015. This activity is included in the disclosure of the changes in long-term liabilities along with premium on issuance of \$55,900.

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 \$349,761 of commodities consumed during the year ended June 30, 2015.

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.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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	\$ 96,394	\$ -	\$ -	\$ -
Restricted:				
Contractual obligations	-	-	-	11,295,027
Other sources	70,538	-	-	-
Restricted total	<u>70,538</u>	<u>-</u>	<u>-</u>	<u>11,295,027</u>
Committed:				
E Rate funding	-	1,057,854	-	-
Medicaid	-	1,372,431	-	-
Activity buses	-	444,512	-	-
Adult banquet	-	49,946	-	-
Capital maintenance	7,292,588	-	-	-
Other	-	46,279	-	-
Capital projects	-	-	10,553,841	-
Committed total	<u>7,292,588</u>	<u>2,971,022</u>	<u>10,553,841</u>	<u>-</u>
Assigned:				
Index of taxpaying ability	583,000	-	-	-
Landscaping	82,360	-	-	-
School cameras	351,416	-	-	-
Other	238,749	-	-	-
Assigned total	<u>1,255,525</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned	25,273,564	-	-	-
	<u>\$ 33,988,609</u>	<u>\$ 2,971,022</u>	<u>\$ 10,553,841</u>	<u>\$ 11,295,027</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, 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
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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 thirty year amortization schedule of the unfunded liabilities of the plans, the board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty-year amortization period; this increase is not limited to one-half of one percent per year.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

III. OTHER INFORMATION (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

Plan Description (Continued)

Required <u>employee</u> contribution rates for fiscal year 2014-2015 are as follows:	
SCRS	
Employee Class Two	8.00% of earnable compensation
Employee Class Three	8.00% of earnable compensation
PORS	
Employee Class Two	8.41% of earnable compensation
Employee Class Three	8.41% of earnable compensation
Required <u>employer</u> contribution rates for fiscal year 2014-2015 are as follows:	
SCRS	
Employer Class Two	10.75% of earnable compensation
Employer Class Three	10.75% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation
PORS	
Employer Class Two	13.01% of earnable compensation
Employer Class Three	13.01% of earnable compensation
Employer Incidental Death Benefit	0.20% of earnable compensation
Employer Accidental Death Program	0.20% of earnable compensation

The School District's actual contributions to SCRS and PORS for the year ended June 30, 2015, were \$5,749,399 and \$116,564, 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 is scheduled to be conducted after the June 30, 2015 annual valuation is complete.

The most recent annual actuarial valuation reports adopted by the PEBA Board are as of July 1, 2013. 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, 2013 actuarial valuations, using membership data as of July 1, 2013, projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2014, using generally accepted actuarial procedures. Information included in the following schedules is based on the certification provided by GRS.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

III. OTHER INFORMATION (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

Actuarial Assumptions and Methods (Continued)

The following provides a summary of the actuarial assumptions and methods used in the July 1, 2013, valuations for SCRS and PORS.

	<u>SCRS</u>	<u>PORS</u>
Actuarial cost method	Entry age	Entry age
Actuarial assumptions:		
Investment rate of return	7.50%	7.50%
Projected salary increases	levels off at 3.5%	levels off at 4.0%
Includes inflation at	2.75%	2.75%
Benefit adjustments	lesser of 1% or \$500	lesser of 1% or \$500

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.

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%

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>
2013	2014	\$ 103,503,082	\$ 3,856	\$ 103,506,938
2014	2015	99,349,740	3,561	99,353,301

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

III. OTHER INFORMATION (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

Net Pension Liability (Continued)

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, 2014, the School District's percentage of the SCRS and PORS net pension liability were 0.577055% and .00019%, respectively.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS 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.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30 year capital market outlook at the end of the third quarter 2012. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment Commission ("RSIC") using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

The RSIC has exclusive authority to invest and manage the retirement trust funds' assets. As co-fiduciary of the Systems, statutory provisions and governance policies allow the RSIC to operate in a manner consistent with a long-term investment time horizon. The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation 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 the actuarial expected inflation which is summarized in the table below. For actuarial purposes, the 7.50 percent assumed annual investment rate of return 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.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

III. OTHER INFORMATION (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

Net Pension Liability (Continued)

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Short Term	5.00%		
Cash	2.00%	0.3	0.01%
Short Duration	3.00%	0.6	0.02%
Domestic Fixed Income	13.00%		
Core Fixed Income	7.00%	1.1	0.08%
High Yield	2.00%	3.5	0.07%
Bank Loans	4.00%	2.8	0.11%
Global Fixed Income	9.00%		
Global Fixed Income	3.00%	0.8	0.02%
Emerging Markets Debt	6.00%	4.1	0.25%
Global Public Equity	31.00%	7.8	2.42%
Global Tactical Asset Allocation	10.00%	5.1	0.51%
Alternatives	32.00%		
Hedge Funds (Low Beta)	8.00%	4.0	0.32%
Private Debt	7.00%	10.2	0.71%
Private Equity	9.00%	10.2	0.92%
Real Estate (Broad Market)	5.00%	5.9	0.29%
Commodities	3.00%	5.1	0.15%
Total Expected Real Return	100.00%		5.88%
Inflation for Actuarial Purposes			2.75%
Total Expected Nominal Return			8.63%

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.

Sensitivity of the District's Proportional Share of Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.50%)	Current Discount Rate (7.50%)	1.00% Increase (8.50%)
SCRS	\$128,564,711	\$99,349,740	\$74,976,074
PORS	\$4,976	\$3,561	\$2,390

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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, 2015, the School District recognized pension expense of \$6,963,764 in the Statement of Activities.

At June 30, 2015, 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	\$ 5,866,322	\$ -
Differences in actual and expected experience	2,815,249	-
Net differences between projected and actual earnings on plan investments	-	8,378,337
	\$ 8,681,571	\$ 8,378,337

The School District reported \$5,866,322 as 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, 2016. 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, 2015. Average remaining service lives of all employees provided with pensions through the pension plans at June 30, 2014 measurement date was 4.233 years for SCRS and 4.856 years for PORS.

Measurement Period Ending June 30,	Fiscal Year Ending June 30,	SCRS & PORS
2015	2016	\$ 1,223,298
2016	2017	1,223,298
2017	2018	1,223,298
2018	2019	1,893,194
		\$ 5,563,088
Net Balance of Deferred Outflows / (Inflows) of Resources		

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

III. OTHER INFORMATION (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

Payables to the pension plans

At June 30, 2015, the School District reported a payable of \$2,197,784 and \$40,870 for the outstanding amount of contributions due to SCRS and PORS, respectively. 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 (5.75 percent) and an incidental death benefit contribution (.15 percent), if applicable, which is retained by SCRS.

For the year ended June 30, 2015, employee contributions totaled \$158,542, and the School District recognized pension expense of \$116,923.

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, 2015**

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, 2015, are as follows:

<u>Project</u>	<u>Contract Amounts</u>	<u>Expended to Date</u>	<u>Remaining Commitment</u>
District-wide Fire Alarm Project	\$ 1,194,960	\$ 132,767	\$ 1,062,193
LHS Stadium Lighting	355,405	342,966	12,439
HHS Metal Roof	512,530	222,365	290,165
DHS Metal Roof	915,000	815,537	99,463
	<u>\$ 2,977,895</u>	<u>\$ 1,513,635</u>	<u>\$ 1,464,260</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 2015, 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, 2015**

III. OTHER INFORMATION (CONTINUED)

E. Change in Accounting Principle

During the year ended June 30, 2015, the School District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As part of this implementation, the School District was required to record their proportionate share of the state retirement system's net pension liability. The implementation of this new accounting principle was retroactive and required a net pension liability of \$103,506,938 and deferred outflows of \$5,553,524 to be recorded on the Statement of Net Position as of June 30, 2014, and a net adjustment to Net Position of \$97,953,414. The effect of the restatement is as follows:

	Governmental Activities
Net position as originally presented, June 30, 2014	\$ 130,324,332
Adoption of GASB 68 and 71 principles	(97,953,414)
Net position as restated July 1, 2014	\$ 32,370,918

F. Pending GASB Statements

GASB Statement No. 72, *Fair Value Measurement and Application*, provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2015. The School District will implement the new guidance with the 2016 financial 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 2016 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.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

III. OTHER INFORMATION (CONTINUED)

F. Pending GASB Statements (Continued)

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements in this Statement improve financial reporting by (1) raising the category of GASB Implementation Guides in the GAAP hierarchy, thus providing the opportunity for broader public input on implementation guidance; (2) emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP; and (3) requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in nonauthoritative literature. The provisions in Statement 76 are effective for reporting periods beginning after June 15, 2015. The School District will implement the new guidance with the 2016 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.

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

G. Subsequent Events

In August 2015, the School District issued a General Obligation Bond, Series 2015 in the amount of \$5,000,000 at a .59% interest rate. Principal plus interest in the amount of \$5,016,307 are due in March 2016.

The School District entered into various contracts for construction, repairs and equipment purchases for approximately \$1,403,975 subsequent to year end.

Subsequent events have been evaluated through November 9, 2015, 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, 2015**

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
REVENUES				
Local	\$ 25,947,000	\$ 25,947,000	\$ 29,187,327	\$ 3,240,327
State	44,926,397	44,926,397	46,466,656	1,540,259
Intergovernmental	170,000	170,000	110,152	(59,848)
Total Revenue	<u>71,043,397</u>	<u>71,043,397</u>	<u>75,764,135</u>	<u>4,720,738</u>
EXPENDITURES				
Current				
Instruction	40,504,123	40,504,123	40,763,348	259,225
Support services	31,994,692	31,994,692	36,553,864	4,559,172
Intergovernmental	1,500	1,500	2,067	567
Total Expenditures	<u>72,500,315</u>	<u>72,500,315</u>	<u>77,319,279</u>	<u>4,818,964</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,456,918)</u>	<u>(1,456,918)</u>	<u>(1,555,144)</u>	<u>(98,226)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,738,642	1,738,642	2,515,680	777,038
Transfers out	(281,724)	(281,724)	(7,113,138)	(6,831,414)
Total Other Financing Sources	<u>1,456,918</u>	<u>1,456,918</u>	<u>(4,597,458)</u>	<u>(6,054,376)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(6,152,602)</u>	<u>\$ (6,152,602)</u>
FUND BALANCE				
July 1, 2014			<u>40,141,211</u>	
June 30, 2015			<u>\$ 33,988,609</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, 2015**

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.

**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 TWO 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
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 TWO 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
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 TWO 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
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 TWO 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
2015	\$ 116,564	\$ 116,564	\$ -	\$ 876,420	13.30%
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, 2015**

Page 1 of 8

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
REVENUES				
1000 Revenue from Local Sources				
1110 Ad Valorem Taxes - Including Delinquent (Independent)	\$ 23,975,000	\$ 23,975,000	\$ 26,650,578	\$ 2,675,578
1140 Penalties & Interest on Taxes (Independent)				
1280 Revenue in Lieu of Taxes (Independent and Dependent)	75,000	75,000	76,768	1,768
1510 Interest on Investments	1,850,000	1,850,000	2,219,291	369,291
1910 Rentals	47,000	47,000	84,969	37,969
1920 Contributions & Donations Private Sectors	-	-	1,600	1,600
1990 Miscellaneous Local Revenue	-	-	1,863	1,863
1999 Revenue from Other Local Sources	-	-	120,607	120,607
Total Local Sources	<u>25,947,000</u>	<u>25,947,000</u>	<u>29,187,327</u>	<u>3,240,327</u>
2000 Intergovernmental Revenue				
2100 Payments from other governmental units	170,000	170,000	110,152	(59,848)
Total Intergovernmental Sources	<u>170,000</u>	<u>170,000</u>	<u>110,152</u>	<u>(59,848)</u>
3000 Revenue from State Sources				
3100 Restricted State Funding				
3130 Special Programs				
3131 Handicapped Transportation	-	-	6,112	6,112
3160 School Bus Driver's Salary	539,664	539,664	743,882	204,218
3162 Transportation Workers' Compensation	61,912	61,912	58,632	(3,280)
3180 Fringe Benefits Employer Contributions	9,100,000	9,100,000	9,689,567	589,567
3181 Retiree Insurance	1,749,940	1,749,940	2,219,080	469,140
3300 Education Finance Act				
3310 Full-Time Programs				
3311 Kindergarten	1,040,901	1,040,901	1,068,492	27,591
3312 Primary	3,536,051	3,536,051	3,385,218	(150,833)
3313 Elementary	5,793,525	5,793,525	5,492,668	(300,857)
3314 High School	2,284,855	2,284,855	2,032,643	(252,212)
3315 Trainable Mentally Handicapped	151,000	151,000	140,368	(10,632)
3316 Speech Handicapped	1,075,000	1,075,000	1,089,690	14,690
3317 Homebound	30,000	30,000	24,847	(5,153)
3320 Part-Time Programs				
3321 Emotionally Handicapped	101,000	101,000	132,790	31,790
3322 Educable Mentally Handicapped	250,000	250,000	275,591	25,591
3323 Learning Disabilities	1,835,043	1,835,043	1,872,188	37,145
3324 Hearing Handicapped	150,000	150,000	141,364	(8,636)
3325 Visually Handicapped	40,000	40,000	37,137	(2,863)
3326 Orthopedically Handicapped	25,000	25,000	36,680	11,680
3327 Vocational	2,300,000	2,300,000	2,869,966	569,966
3330 Other EFA Programs				
3331 Autism	350,000	350,000	440,276	90,276
3332 High Achieving Students	300,000	300,000	300,578	578
3334 Limited English Proficiency	55,000	55,000	63,365	8,365
3350 Residential Treatment Facilities (RTF)				
3351 Academic Assistance	522,994	522,994	486,020	(36,974)
3352 Pupils in Poverty	2,800,000	2,800,000	2,743,333	(56,667)

**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, 2015**

Page 2 of 8

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
REVENUES				
3800 State Revenue in Lieu of Taxes				
3810 Reimbursement for Local Residential Property Tax Relief	\$ 3,748,257	\$ 3,748,257	\$ 3,748,257	\$ -
3820 Homestead Exemption	1,372,910	1,372,910	1,372,910	-
3825 Reimbursement for Property Tax Relief	5,283,265	5,283,265	5,519,781	236,516
3830 Merchant's Inventory Tax	271,980	271,980	271,980	-
3890 Other State Property Tax Revenues	152,000	152,000	193,489	41,489
3900 Other State Sources				
3992 State Forest Commission Revenue	6,100	6,100	9,752	3,652
Total State Sources	44,926,397	44,926,397	46,466,656	#N/A
TOTAL REVENUES	71,043,397	71,043,397	75,764,135	#N/A
EXPENDITURES				
100 Instruction				
110 General Instruction				
111 Kindergarten Programs				
100 Salaries	1,793,591	1,793,591	1,764,011	(29,580)
140 Terminal Leave	-	-	2,274	2,274
200 Employee Benefits	779,895	779,895	733,720	(46,175)
300 Purchased Services	3,381	3,381	3,381	-
400 Supplies and Materials	19,702	19,702	19,179	(523)
112 Primary Programs				
100 Salaries	4,876,379	4,876,379	4,612,248	(264,131)
200 Employee Benefits	1,792,489	1,792,489	1,805,773	13,284
300 Purchased Services	10,144	10,144	10,144	-
400 Supplies and Materials	82,458	82,458	110,068	27,610
500 Capital outlay	800	800	-	(800)
113 Elementary Programs				
100 Salaries	8,211,187	8,211,187	8,131,805	(79,382)
200 Employee Benefits	3,047,308	3,047,308	3,037,573	(9,735)
300 Purchased Services	152,356	152,356	139,465	(12,891)
400 Supplies and Materials	292,552	292,552	381,273	88,721
114 High School Programs				
100 Salaries	6,606,249	6,606,249	7,515,323	909,074
140 Terminal Leave	-	-	14,019	14,019
200 Employee Benefits	2,383,427	2,383,427	2,416,397	32,970
300 Purchased Services	155,672	155,672	84,175	(71,497)
400 Supplies and Materials	246,488	246,488	231,700	(14,788)
500 Capital outlay	40,900	40,900	-	(40,900)
115 Career & Technology Education Program				
100 Salaries	1,201,515	1,201,515	1,218,521	17,006
140 Terminal Leave	-	-	10,865	10,865
200 Employee Benefits	466,893	466,893	453,462	(13,431)
300 Purchased Services-Other than Tuition	600	600	458	(142)
400 Supplies and Materials	45,680	45,680	30,545	(15,135)
120 Exceptional Programs				
121 Educable Mentally Handicapped				
100 Salaries	1,027,453	1,027,453	922,252	(105,201)
200 Employee Benefits	388,920	388,920	411,708	22,788
400 Supplies and Materials	5,196	5,196	5,070	(126)

**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, 2015**

Page 3 of 8

EXPENDITURES (CONTINUED)	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
100 Instruction				
122 Trainable Mentally Handicapped				
100 Salaries	\$ 578,345	\$ 578,345	\$ 572,655	\$ (5,690)
200 Employee Benefits	234,868	234,868	230,987	(3,881)
400 Supplies and Materials	5,540	5,540	5,250	(290)
123 Orthopedically Handicapped				
100 Salaries	750	750	-	(750)
125 Hearing Handicapped				
100 Salaries	623,521	623,521	642,143	18,622
200 Employee Benefits	255,038	255,038	262,548	7,510
300 Purchased Services	12,000	12,000	-	(12,000)
400 Supplies and Materials	9,290	9,290	7,671	(1,619)
126 Speech Handicapped				
100 Salaries	596,753	596,753	508,362	(88,391)
200 Employee Benefits	185,931	185,931	180,547	(5,384)
300 Purchased Services	40,400	40,400	62,597	22,197
400 Supplies and Materials	1,568	1,568	1,279	(289)
127 Learning Disabilities				
100 Salaries	2,023,311	2,023,311	1,822,478	(200,833)
200 Employee Benefits	686,806	686,806	668,632	(18,174)
400 Supplies and Materials	5,696	5,696	6,953	1,257
128 Emotionally Handicapped				
100 Salaries	140,373	140,373	123,750	(16,623)
200 Employee Benefits	58,501	58,501	53,957	(4,544)
400 Supplies and Materials	1,387	1,387	1,395	8
130 Preschool Programs				
131 Pre-school Handicapped-Speech (5 yr. olds)				
100 Salaries	50,749	50,749	50,749	-
200 Employee Benefits	16,732	16,732	16,737	5
133 Pre-school Handicapped-Self-contained (5 yr. olds)				
100 Salaries	94,943	94,943	102,311	7,368
200 Employee Benefits	41,023	41,023	41,775	752
137 Preschool Handicapped - Self- Contained (3 & 4 yr. olds)				
100 Salaries	59,501	59,501	59,429	(72)
200 Employee Benefits	27,992	27,992	24,959	(3,033)
139 Early Childhood Programs				
100 Salaries	68,530	68,530	1,614	(66,916)
200 Employee Benefits	27,942	27,942	-	(27,942)
140 Special Programs				
141 Gifted and Talented - Academic				
100 Salaries	120,325	120,325	10,879	(109,446)
200 Employee Benefits	45,025	45,025	16,209	(28,816)
143 Advanced Placement				
100 Salaries	58,250	58,250	951	(57,299)
200 Employee Benefits	1,750	1,750	236	(1,514)
145 Homebound				
100 Salaries	1,000	1,000	147,079	146,079
200 Employee Benefits	-	-	34,726	34,726
300 Purchased Services	2,800	2,800	22,428	19,628

**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, 2015**

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
EXPENDITURES (CONTINUED)				
100 Instruction (Continued)				
147 CDEPP				
100 Salaries	\$ 159,855	\$ 159,855	\$ 159,705	\$ (150)
200 Employee Benefits	48,239	48,239	55,410	7,171
148 Gifted and Talented - Autistic				
100 Salaries	350	350	-	(350)
200 Employee Benefits	88	88	-	(88)
300 Purchased Services	2,163	2,163	1,180	(983)
400 Supplies and Materials	1,400	1,400	1,300	(100)
149 Other Special Programs				
100 Salaries	17,030	17,030	15,329	(1,701)
200 Employee Benefits	22,223	22,223	4,952	(17,271)
300 Purchased Services	7,400	7,400	3,987	(3,413)
400 Supplies and Materials	1,600	1,600	1,243	(357)
160 Other Exceptional Programs				
161 Autism				
100 Salaries	187,031	187,031	285,261	98,230
200 Employee Benefits	69,070	69,070	69,656	586
170 Summer School Program				
172 Elementary Summer School				
100 Salaries	-	-	14,440	14,440
200 Employee Benefits	-	-	3,661	3,661
400 Supplies and Materials	-	-	1,703	1,703
173 High School Summer School				
100 Salaries	-	-	7,830	7,830
200 Employee Benefits	11	11	1,985	1,974
400 Supplies and Materials	-	-	527	527
174 Gifted and Talented Summer School				
100 Salaries	-	-	8,978	8,978
200 Employee Benefits	-	-	1,740	1,740
300 Purchased Services	-	-	6,462	6,462
175 Instructional Programs Beyond Regular School Day				
100 Salaries	5,045	5,045	741	(4,304)
200 Employee Benefits	1,411	1,411	52	(1,359)
300 Purchased Services	1,440	1,440	4,998	3,558
400 Supplies and Materials	15,130	15,130	12,192	(2,938)
180 Adult/Continuing Educational Programs				
181 Adult Basic Education Programs				
100 Salaries	99,172	99,172	128,887	29,715
140 Terminal Leave	-	-	-	-
200 Employee Benefits	33,943	33,943	34,521	578
300 Purchased Services	6,126	6,126	6,611	485
182 Adult Secondary Education Programs				
100 Salaries	-	-	17,530	17,530
400 Supplies and Materials	-	-	2,726	2,726
188 Parenting/Family Literacy				
100 Salaries	-	-	8,705	8,705
200 Employee Benefits	-	-	4,884	4,884

**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, 2015**

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
EXPENDITURES (CONTINUED)				
100 Instruction (Continued)				
190 Instructional Pupil Activity				
100 Salaries	\$ 93,921	\$ 93,921	\$ 120,177	\$ 26,256
200 Employee Benefits	23,600	23,600	29,280	5,680
Total Instruction	40,504,123	40,504,123	40,763,348	259,225
200 Support Services				
210 Pupil Services				
211 Attendance and Social Work Services				
100 Salaries	279,811	279,811	362,525	82,714
200 Employee Benefits	97,765	97,765	122,796	25,031
300 Purchased Services	23,532	23,532	23,714	182
400 Supplies and Materials	5,239	5,239	5,460	221
600 Other Objects	176	176	176	-
212 Guidance Services				
100 Salaries	1,782,411	1,782,411	1,772,759	(9,652)
200 Employee Benefits	629,547	629,547	631,420	1,873
300 Purchased Services	3,975	3,975	862	(3,113)
400 Supplies and Materials	8,176	8,176	2,359	(5,817)
213 Health Services				
100 Salaries	81,590	81,590	58,808	(22,782)
200 Employee Benefits	35,763	35,763	15,506	(20,257)
300 Purchased Services	3,860	3,860	60,994	57,134
400 Supplies and Materials	9,428	9,428	9,334	(94)
214 Psychological Services				
100 Salaries	193,258	193,258	178,535	(14,723)
200 Employee Benefits	66,493	66,493	65,658	(835)
400 Supplies and Materials	2,800	2,800	2,361	(439)
217 Career Specialist Services				
300 Purchased Services	6,208	6,208	49	(6,159)
220 Instructional Staff Services				
221 Improvement of Instruction - Curriculum Development				
100 Salaries	280,143	280,143	815,784	535,641
140 Terminal Leave	-	-	1,966	1,966
200 Employee Benefits	101,987	101,987	294,015	192,028
300 Purchased Services	407,750	407,750	527,114	119,364
400 Supplies and Materials	104,187	104,187	84,613	(19,574)
600 Other Objects	158	158	176	18
222 Library and Media Services				
100 Salaries	1,051,325	1,051,325	1,052,118	793
200 Employee Benefits	392,642	392,642	402,485	9,843
300 Purchased Services	12,474	12,474	12,474	-
400 Supplies and Materials	49,526	49,526	47,324	(2,202)
223 Supervision of Special Programs				
100 Salaries	146,950	146,950	144,325	(2,625)
200 Employee Benefits	45,815	45,815	45,471	(344)
300 Purchased Services	2,599	2,599	5,415	2,816
400 Supplies and Materials	10,711	10,711	3,810	(6,901)

**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, 2015**

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
EXPENDITURES (CONTINUED)				
200 Support Services (Continued)				
224 Improvement of Instruction -				
Inservice and Staff Training				
300 Purchased Services	\$ 97,114	\$ 97,114	\$ 83,004	\$ (14,110)
400 Supplies and Materials	5,263	5,263	756	(4,507)
600 Other Objects	4,000	4,000	-	(4,000)
230 General Administration Services				
231 Board of Education				
100 Salaries	58,900	58,900	58,714	(186)
200 Employee Benefits	69,702	69,702	23,157	(46,545)
300 Purchased Services	67,723	67,723	98,179	30,456
318 Audit Services	36,500	36,500	36,500	-
400 Supplies and Materials	5,180	5,180	2,355	(2,825)
600 Other Objects	217,141	217,141	80,944	(136,197)
232 Office of the Superintendent				
100 Salaries	256,749	256,749	256,749	-
200 Employee Benefits	83,398	83,398	85,629	2,231
300 Purchased Services	26,180	26,180	5,957	(20,223)
400 Supplies and Materials	84,309	84,309	25,547	(58,762)
600 Other Objects	1,000	1,000	627	(373)
233 School Administration				
100 Salaries	4,601,826	4,601,826	4,512,026	(89,800)
140 Terminal Leave	-	-	32,579	32,579
200 Employee Benefits	1,686,187	1,686,187	1,676,637	(9,550)
300 Purchased Services	250,210	250,210	236,755	(13,455)
400 Supplies and Materials	30,338	30,338	24,509	(5,829)
600 Other Objects	16,592	16,592	18,786	2,194
250 Finance and Operations Services				
252 Fiscal Services				
100 Salaries	464,517	464,517	460,567	(3,950)
140 Terminal Leave	-	-	4,062	4,062
200 Employee Benefits	167,637	167,637	167,659	22
300 Purchased Services	31,700	31,700	12,432	(19,268)
400 Supplies and Materials	36,000	36,000	37,615	1,615
500 Capital Outlay	23,000	23,000	-	(23,000)
600 Other Objects	500	500	340	(160)
253 Facilities Acquisitions and Construction				
300 Purchased Services	150,222	150,222	142,854	(7,368)
400 Supplies and Materials	-	-	179,837	179,837
500 Capital Outlay	-	-	2,382,357	2,382,357
254 Operation and Maintenance of Plant				
100 Salaries	2,471,394	2,471,394	2,611,833	140,439
140 Terminal Leave	113,162	113,162	5,144	(108,018)
200 Employee Benefits	1,178,787	1,178,787	1,210,859	32,072
300 Purchased Services	1,282,332	1,282,332	1,657,810	375,478
400 Supplies and Materials	670,077	670,077	989,433	319,356
470 Energy	2,886,432	2,886,432	2,728,170	(158,262)
500 Capital Outlay	787,665	787,665	166,264	(621,401)
600 Other Objects	877,222	877,222	881,531	4,309

**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, 2015**

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
EXPENDITURES (CONTINUED)				
200 Support Services (Continued)				
255 Student Transportation				
100 Salaries	\$ 1,403,975	\$ 1,403,975	\$ 1,806,372	\$ 402,397
200 Employee Benefits	644,532	644,532	802,426	157,894
300 Purchased Services	55,000	55,000	125,557	70,557
400 Supplies and Materials	7,000	7,000	136,137	129,137
500 Capital Outlay	-	-	70,692	70,692
600 Other Objects	-	-	722	722
256 Food Service				
200 Employee Benefits	1,136,410	1,136,410	1,212,415	76,005
300 Purchased Services	-	-	200	200
400 Supplies and Materials	-	-	5,180	5,180
257 Internal Services				
100 Salaries	71,060	71,060	59,798	(11,262)
200 Employee Benefits	22,657	22,657	22,994	337
300 Purchased Services	3,238	3,238	5,954	2,716
400 Supplies and Materials	12,000	12,000	8,540	(3,460)
258 Security				
100 Salaries	110,016	110,016	110,016	-
200 Employee Benefits	43,973	43,973	44,262	289
300 Purchased Services	1,007,596	1,007,596	637,100	(370,496)
500 Capital Outlay	-	-	636,611	636,611
260 Central Support Services				
262 Planning, Research, Development and Evaluation				
100 Salaries	700	700	702	2
200 Employee Benefits	-	-	713	713
300 Purchased Services	6,900	6,900	4,679	(2,221)
400 Supplies and Materials	10,830	10,830	8,820	(2,010)
263 Information Services				
100 Salaries	110,243	110,243	119,826	9,583
200 Employee Benefits	45,006	45,006	46,253	1,247
300 Purchased Services	25,945	25,945	17,150	(8,795)
400 Supplies and Materials	23,570	23,570	20,496	(3,074)
600 Other Objects	2,900	2,900	4,704	1,804
264 Staff Services				
100 Salaries	298,650	298,650	337,246	38,596
200 Employee Benefits	104,370	104,370	124,730	20,360
300 Purchased Services	22,821	22,821	18,410	(4,411)
400 Supplies and Materials	13,165	13,165	15,527	2,362
600 Other Objects	13,358	13,358	1,260	(12,098)
266 Technology and Data Processing Services				
100 Salaries	595,363	595,363	615,672	20,309
140 Terminal Leave	-	-	5,312	5,312
200 Employee Benefits	207,509	207,509	224,233	16,724
300 Purchased Services	404,813	404,813	457,840	53,027
400 Supplies and Materials	694,316	694,316	688,066	(6,250)
500 Capital Outlay	7,989	7,989	-	(7,989)
600 Other Objects	-	-	370	370

**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, 2015**

Page 8 of 8

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
EXPENDITURES (CONTINUED)				
200 Support Services (Continued)				
270 Support Services Pupil Activity				
271 Pupil Services Activities				
100 Salaries	\$ 217,558	\$ 217,558	\$ 375,017	\$ 157,459
200 Employee Benefits	49,649	49,649	84,099	34,450
300 Purchased Services	18,000	18,000	21,000	3,000
400 Supplies and Materials	28,322	28,322	28,180	(142)
Total Support Services	<u>31,994,692</u>	<u>31,994,692</u>	<u>36,553,864</u>	<u>4,559,172</u>
400 Other Charges				
410 Intergovernmental Expenditures				
411 Payments to the State Department of Education				
720 Transits	1,500	1,500	2,067	567
Total Intergovernmental Expenditures	<u>1,500</u>	<u>1,500</u>	<u>2,067</u>	<u>567</u>
TOTAL EXPENDITURES	<u>72,500,315</u>	<u>72,500,315</u>	<u>77,319,279</u>	<u>4,818,964</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,456,918)</u>	<u>(1,456,918)</u>	<u>(1,555,144)</u>	<u>(98,226)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from (to) Other Funds				
5230 Transfer from Special Revenue EIA Fund	1,430,000	1,430,000	1,872,171	442,171
5280 Transfer from Other Funds Indirect Costs	308,642	308,642	643,509	334,867
421-710 Transfer to Special Revenue Fund	(227,586)	(227,586)	(159,000)	68,586
423-710 Transfer to Debt Service Fund	-	-	(6,900,000)	(6,900,000)
424-710 Transfer to Capital Projects Fund	(8,688)	(8,688)	(8,688)	-
426-710 Transfer to Pupil Activity Fund	(45,450)	(45,450)	(45,450)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,456,918</u>	<u>1,456,918</u>	<u>(4,597,458)</u>	<u>(6,054,376)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>\$ -</u>	<u>(6,152,602)</u>	<u>\$ (6,152,602)</u>
FUND BALANCE				
July 1, 2014			<u>40,141,211</u>	
June 30, 2015			<u>\$ 33,988,609</u>	

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, 2015**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre- school Handi- capped (CG Projects) (205/206)
REVENUES			
1000 Revenues from Local Sources			
1110 Ad Valorem Taxes - Including Delinquent (Independent)	\$ -	\$ -	\$ -
1140 Penalties & Interest on Taxes (Independent)	-	-	-
1280 Revenue in Lieu of Taxes (Independent and Dependent)	-	-	-
1500 Earnings from Investments			
1510 Interest on Investments	-	-	-
1900 Other Revenue From Local Sources			
1910 Rentals	-	-	-
1920 Contributions and Donations from Private Sources	-	-	-
1930 Medicaid	-	-	-
1990 Miscellaneous Local Revenue	-	-	-
1999 Revenue from Other Local Sources	-	-	-
Total Local Sources	-	-	-
3000 Revenues from State Sources			
3100 Restricted State Funding			
3110 Occupational Education Program			
3118 EEDA Career Specialists	-	-	-
3120 General Education			
3125 Career and Technology Education Equipment	-	-	-
3126 Refurbishment of K-8 Science Kits	-	-	-
3127 Student Health and Fitness - PE Teachers	-	-	-
3130 Special Programs			
3134 Child Development Education Pilot Program (CDEPP)	-	-	-
3135 Reading Coaches	-	-	-
3136 Student Health and Fitness Nurse	-	-	-
3155 AE Supplemental Nutrition	-	-	-
3177 Summer Reading Camps	-	-	-
3190 Miscellaneous Restricted State Grants			
3193 Educational License Plates	-	-	-
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	-	-	-
3630 K-12 Technology Initiative	-	-	-

CATE (VA Projects) (207/208)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Total
\$ -	\$ -	\$ 2,512,692	\$ 2,512,692
-	-	10,413	10,413
-	-	157,724	157,724
-	-	1,192	1,192
-	-	5,890	5,890
-	-	448,248	448,248
-	-	396,897	396,897
-	-	486,149	486,149
-	-	269,407	269,407
-	-	4,288,612	4,288,612
-	251,207	-	251,207
-	76,214	-	76,214
-	10,469	-	10,469
-	78,791	-	78,791
-	128,473	-	128,473
-	116,565	-	116,565
-	528,069	-	528,069
-	92,695	-	92,695
-	28,485	-	28,485
-	2,690	-	2,690
-	-	1,914	1,914
-	27,055	-	27,055
-	345,669	-	345,669
-	57,561	-	57,561
-	511,182	-	511,182

**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, 2015**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre- school Handi- capped (CG Projects) (205/206)
REVENUES (CONTINUED)			
3000 Revenues from State Sources (Continued)			
3800 State Revenue in Lieu of Taxes			
3820 Homestead Exemption	\$ -	\$ -	\$ -
3830 Merchant's Inventory Tax	-	-	-
Total State Sources	<u>-</u>	<u>-</u>	<u>-</u>
4000 Revenue from Federal Sources			
4200 Occupational Education			
4210 Perkins, Title I	-	-	-
4300 Elementary and Secondary Education Act of 1965			
4310 Title I Basic State Grant Provisions (Carryover Provision)	3,976,151	-	-
4341 Language Instruction for Limited English Proficient Immigrant Students, Title III (Carryover Provision)	-	-	-
4342 Title II Teacher Advancement Program (TAP)	-	-	-
4348 Teacher Incentive Fund	-	-	-
4351 Improving Teacher Quality (Carryover Provision)	-	-	-
4400 Adult Education			
4410 Basic Adult Education	-	-	-
4500 Programs for Children with Disabilities			
4510 Individuals with Disabilities Education Act	-	3,273,161	-
4520 Pre-school Grants (IDEA Carryover) (Carryover Provision)	-	-	112,261
4900 Other Federal Sources			
4924 21st Century Community Learning Center Program	-	-	-
4930 WIA Revenue	-	-	-
4999 Revenue from Other Federal Sources	-	-	-
Total Federal Sources	<u>3,976,151</u>	<u>3,273,161</u>	<u>112,261</u>
TOTAL REVENUES	<u>3,976,151</u>	<u>3,273,161</u>	<u>112,261</u>
EXPENDITURES			
100 Instruction			
110 General Instruction			
111 Kindergarten Programs			
100 Salaries	97,985	-	-
200 Employee Benefits	39,200	-	-
400 Supplies and Materials	12,262	-	-
112 Primary Programs			
100 Salaries	444,366	-	-
200 Employee Benefits	189,659	-	-
300 Purchased Services	101	-	-
400 Supplies and Materials	113,197	-	-

CATE (VA Projects) (207/208)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Total
\$ -	\$ -	\$ 123,004	\$ 123,004
-	-	16,439	16,439
-	2,255,125	141,357	2,396,482
198,765	-	-	198,765
-	-	-	3,976,151
-	-	20,589	20,589
-	-	30,364	30,364
-	-	423,777	423,777
-	-	568,227	568,227
-	-	129,664	129,664
-	-	-	3,273,161
-	-	-	112,261
-	-	93,696	93,696
-	-	191,970	191,970
-	-	426,901	426,901
198,765	-	1,885,188	9,445,526
198,765	2,255,125	6,315,157	16,130,620
-	22,133	1,130	121,248
-	10,030	277	49,507
-	-	1,087	13,349
-	282,147	302,624	1,029,137
-	24,979	107,424	322,062
-	-	-	101
-	-	-	113,197

**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, 2015**

	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)			
113 Elementary Programs			
100 Salaries	\$ 521,388	\$ -	\$ -
200 Employee Benefits	198,177	-	-
300 Purchased Services	8,772	-	-
400 Supplies and Materials	327,423	-	-
114 High School Programs			
100 Salaries	186,550	-	-
200 Employee Benefits	82,888	-	-
300 Purchased Services	4,000	-	-
400 Supplies and Materials	-	-	-
115 Career and Technology Education			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
120 Exceptional Programs			
121 Educable Mentally Handicapped			
100 Salaries	-	96,115	-
200 Employee Benefits	-	43,998	-
122 Trainable Mentally Handicapped			
100 Salaries	-	263,728	-
200 Employee Benefits	-	119,731	-
300 Purchased Services	-	11,613	-
400 Supplies and Materials	-	42,402	-
125 Hearing Handicapped			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
126 Speech Handicapped			
100 Salaries	-	117,022	-
200 Employee Benefits	-	49,696	-
127 Learning Disabilities			
100 Salaries	-	114,836	-
200 Employee Benefits	-	58,743	-
400 Supplies and Materials	-	209,362	-
128 Emotionally Handicapped			
100 Salaries	-	8,910	-
200 Employee Benefits	-	4,001	-
130 Pre-School Programs			
131 Pre School Handicapped Speech (5 yr. olds)			
200 Employee Benefits	-	-	346
132 Preschool Handicapped Itinerant (5 yr. olds)			
400 Supplies and Materials	-	-	19,981

CATE (VA Projects) (207/208)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Total
\$ -	\$ 96,727	\$ 434,831	\$ 1,052,946
-	9,119	99,806	307,102
-	-	3,463	12,235
-	110,995	53,248	491,666
-	-	447,052	633,602
-	-	85,353	168,241
-	-	6,773	10,773
-	2,690	44,584	47,274
-	-	38,540	38,540
-	-	11,562	11,562
40,437	-	6,860	47,297
119,385	70,165	210	189,760
-	-	25	96,140
-	-	-	43,998
-	-	-	263,728
-	-	-	119,731
-	-	-	11,613
-	-	-	42,402
-	-	46	46
-	-	10	10
-	-	28,300	145,322
-	-	6,968	56,664
-	-	-	114,836
-	-	-	58,743
-	-	-	209,362
-	-	-	8,910
-	-	-	4,001
-	-	-	346
-	-	-	19,981

**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, 2015**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre- school Handi- capped (CG Projects) (205/206)
EXPENDITURES (CONTINUED)			
100 Instruction (Continued)			
130 Pre-School Programs (Continued)			
139 Early Childhood Program			
100 Salaries	\$ -	\$ -	\$ 33,185
200 Employee Benefits	-	-	12,042
140 Special Programs			
142 Disadvantaged			
400 Supplies and Materials	1,762	-	-
145 Homebound			
300 Purchased Services	-	4,010	-
147 CDEPP			
100 Salaries	-	-	-
400 Supplies and Materials	-	-	-
149 Other Special Programs			
100 Salaries	-	55,274	-
200 Employee Benefits	-	16,888	-
400 Supplies and Materials	-	-	-
160 Other Exceptional Programs			
161 Autism			
100 Salaries	-	569,841	-
200 Employee Benefits	-	123,393	-
300 Purchased Services	-	2,377	-
400 Supplies and Materials	-	3,495	-
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	20,468	-	-
200 Employee Benefits	5,123	-	-
300 Purchased Services	37,979	-	-
400 Supplies and Materials	1,689	-	-
173 High School Summer School			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
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>
\$ -	\$ -	\$ -	\$ 33,185
-	-	-	12,042
-	-	-	1,762
-	-	-	4,010
-	62,114	-	62,114
-	66,360	-	66,360
-	-	-	55,274
-	-	-	16,888
-	-	1,914	1,914
-	-	-	569,841
-	-	-	123,393
-	-	-	2,377
-	-	-	3,495
-	14,361	16,098	30,459
-	3,629	4,043	7,672
-	16,103	7,519	23,622
-	4,861	2,257	7,118
-	-	8,020	28,488
-	-	2,034	7,157
-	-	11,640	49,619
-	-	10,615	12,304
-	-	4,220	4,220
-	-	1,070	1,070
-	-	503	503
-	-	2,061	2,061

**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, 2015**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre- school Handi- capped (CG Projects) (205/206)
EXPENDITURES (CONTINUED)			
100 Instruction (Continued)			
170 Summer School Programs (Continued)			
175 Instructional Programs Beyond Regular School Day			
100 Salaries	\$ 14,795	\$ -	\$ -
200 Employee Benefits	3,588	-	-
300 Purchased Services	25,314	-	-
400 Supplies and Materials	5,945	-	-
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	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
188 Parenting/Family Literacy			
100 Salaries	53,791	-	-
200 Employee Benefits	22,518	-	-
300 Purchased Services	2,192	-	-
400 Supplies and Materials	44,931	-	-
190 Instruction Pupil Activity			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
	<u>2,466,063</u>	<u>1,915,435</u>	<u>65,554</u>
200 Support Services			
210 Pupil Services			
211 Attendance and Social Work Services			
100 Salaries	-	12,540	-
200 Employee Benefits	-	3,840	-
300 Purchased Services	-	-	-
212 Guidance Services			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
213 Health Services			
100 Salaries	-	44,113	-
200 Employee Benefits	-	17,742	-
300 Purchased Services	-	164,082	-
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>
\$ -	\$ -	\$ 124,669	\$ 139,464
-	-	39,414	43,002
-	-	15,004	40,318
-	-	15,978	21,923
-	64,641	49,428	114,069
-	13,984	14,168	28,152
-	-	24,883	24,883
-	-	30,000	30,000
-	-	7,458	7,458
-	-	6,300	6,300
-	14,069	-	14,069
-	-	-	53,791
-	-	-	22,518
-	-	-	2,192
-	-	-	44,931
-	-	7,160	7,160
-	-	1,754	1,754
<u>159,822</u>	<u>889,107</u>	<u>2,088,383</u>	<u>7,584,364</u>
-	-	-	12,540
-	-	-	3,840
-	-	3,940	3,940
6,620	6,049	-	12,669
3,031	-	-	3,031
-	377,710	26,468	448,291
-	150,361	9,043	177,146
-	-	-	164,082
-	-	84,625	84,625

**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, 2015**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre- school Handi- capped (CG Projects) (205/206)
EXPENDITURES (CONTINUED)			
200 Support Services (Continued)			
214 Psychological Services			
100 Salaries	\$ -	\$ 440,064	\$ -
200 Employee Benefits	-	158,942	-
300 Purchased Services	-	7,961	13,760
400 Supplies and Materials	-	830	-
215 Exceptional Program Services			
100 Salaries	-	29,594	-
200 Employee Benefits	-	10,492	-
400 Supplies and Materials	-	11,154	-
217 Career Specialist Services			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
220 Instructional Staff Services			
221 Improvement of Instruction - Curriculum Development			
100 Salaries	719,679	-	-
200 Employee Benefits	248,874	-	-
300 Purchased Services	29,525	-	-
220 Instructional Staff Services (Continued)			
221 Improvement of Instruction (Continued)			
400 Supplies and Materials	7,074	-	-
223 Supervision of Special Programs			
100 Salaries	143,656	179,255	21,591
200 Employee Benefits	46,207	56,059	6,596
300 Purchased Services	2,476	27,656	-
400 Supplies and Materials	20,661	1,670	378
224 Improvement of Instruction - Inservice and Staff Training			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	28,267	-	-
400 Supplies and Materials	-	1,063	-
250 Finance and Operations Services			
251 Student Transportation (Federal/District Mandated)			
300 Purchased Services	-	4,436	-

CATE (VA Projects) (207/208)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Total
\$ -	\$ -	\$ 20,000	\$ 460,064
-	-	4,878	163,820
-	-	-	21,721
-	-	586	1,416
-	-	-	29,594
-	-	-	10,492
-	-	-	11,154
-	175,368	-	175,368
-	75,839	-	75,839
-	-	141,076	860,755
-	-	24,411	273,285
19,000	-	9,802	58,327
-	-	17,529	24,603
8,130	-	57,234	409,866
2,162	-	22,150	133,174
-	-	4,037	34,169
-	-	5,000	27,709
-	-	71,069	71,069
-	-	21,788	21,788
-	11,948	32,118	72,333
-	-	4,280	5,343
-	-	1,365	5,801

**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, 2015**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre- school Handi- capped (CG Projects) (205/206)
EXPENDITURES (CONTINUED)			
200 Support Services (Continued)			
254 Operation and Maintenance of Plant			
100 Salaries	\$ -	\$ -	\$ -
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
255 Pupil Transportation (State Mandated)			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	3,871	-
400 Supplies and Materials	-	-	-
500 Capital Outlay	-	-	-
600 Other Objects	-	-	-
256 Food Services			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
260 Central Support Services			
264 Staff Services			
400 Supplies and Materials	-	-	-
266 Technology and Data Processing Services			
100 Salaries	56,115	-	-
200 Employee Benefits	18,193	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
270 Support Services - Pupil Activity			
271 Pupil Service Activities			
400 Supplies and Materials	-	-	-
Total Support Services	<u>1,320,727</u>	<u>1,175,364</u>	<u>42,325</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>
\$ -	\$ -	\$ 19	\$ 19
-	-	4	4
-	-	8,692	8,692
-	-	89,798	89,798
-	-	74,445	74,445
-	-	16,666	20,537
-	-	58,233	58,233
-	-	-	-
-	-	9,655	9,655
-	-	3,441	3,441
-	-	725	725
-	-	78,191	78,191
-	-	9,789	9,789
-	-	-	56,115
-	-	-	18,193
-	-	6,342	6,342
-	568,743	61,336	630,079
-	-	28,214	28,214
<u>38,943</u>	<u>1,366,018</u>	<u>1,006,949</u>	<u>4,950,326</u>
-	-	23,902	23,902
-	-	4,341	4,341
-	-	25,993	25,993
-	-	54,236	54,236

**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, 2015**

	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	-	-	-
417 Payments to Nonprofit Entities			
720 Transits	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Intergovernmental Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>3,786,790</u>	<u>3,090,799</u>	<u>107,879</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>189,361</u>	<u>182,362</u>	<u>4,382</u>
OTHER FINANCING SOURCES (USES)			
Transfers from (to) other funds			
5210 Transfers from General Fund	-	-	-
420-710 Transfer to General Fund	-	(60,000)	-
431-791 Special Revenue Fund Indirect Costs	(189,361)	(122,362)	(4,382)
	<u>(189,361)</u>	<u>(182,362)</u>	<u>(4,382)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(189,361)</u>	<u>(182,362)</u>	<u>(4,382)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	-	-	-
FUND BALANCE			
July 1, 2014	<u>-</u>	<u>-</u>	<u>-</u>
June 30, 2015	<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>
\$ -	\$ -	\$ 103,925	\$ 103,925
-	-	2,827,207	2,827,207
-	-	84	84
-	-	2,931,216	2,931,216
<u>198,765</u>	<u>2,255,125</u>	<u>6,080,784</u>	<u>15,520,142</u>
-	-	234,373	610,478
-	-	159,000	159,000
-	-	-	(60,000)
-	-	(38,400)	(354,505)
-	-	120,600	(255,505)
-	-	354,973	354,973
-	-	2,616,049	2,616,049
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,971,022</u>	<u>\$ 2,971,022</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, 2015**

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:

905 Career and Technology Education Equipment
918 Technology Professional Development
919 Education License Plates
924 CDEPP 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
942 Other Restricted State Grants
955 AE Supplemental Nutrition
960 K-5 Enhancement
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	838 Bserly-Visual Arts Grant
245 Improving Teacher Quality	843 Adult Learning BES
264 Adult Ed - DSS Grant	855 Florence Darlington Technical College
267 Improving Teacher Quality	856 Byerly Grant HMS Foxes
268 Teacher Incentive Fund	859 Transportation Special Needs
269 ROTC	860 Special Education
280 Workforce Investment Act	868 Adult Banquet
284 Jobs for SC Grads	870 District Buses Extra Curricular
802 Local Fund	879 Erate Funding
812 Gear-Up	890 Medicaid Federal
819 COMER Fund	895 Discover Brighter Futures
820 Summer Reading Camp	897 National School Lunch Program Equipment
822 Art Summer	898 Coker Foundation
824 Homework Center Grant	899 Prof Mental Disable
834 Administrative Claiming	

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS – SPECIAL PROJECTS FUND
SUMMARY SCHEDULE FOR DESIGNATED STATE GRANTS
YEAR ENDED JUNE 30, 2015**

<u>Subfund</u>	<u>Revenue</u>	<u>Programs</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Transfers In/(Out)</u>	<u>Deferred</u>
905	3125	Career and Technology	\$ 76,214	\$ 76,214	\$ -	\$ 73,024
919	3193	Education License Plates	2,690	2,690	-	2,714
924	3134	CDEPP Expansion	128,473	128,473	-	3,641
926	3126	Refurbishment of K-8 Science Kits	10,469	10,469	-	31,957
926	3177	Summer Reading Camps	28,485	28,485	-	31,957
928	3118	EEDA Career Specialists	251,207	251,207	-	173,822
935	3135	Reading Coaches	116,565	116,565	-	8,895
936	3136	Student Health and Fitness - Nurses	528,069	528,069	-	79,575
937	3127	Student Health and Fitness - PE Teachers	78,791	78,791	-	76,651
942	3199	Other Restricted State Grants	-	-	-	56
955	3155	AE Supplemental Nutrition	92,695	92,695	-	2,533
960	3610	K-5 Enhancement	345,669	345,669	-	341,173
963	3630	K-12 Technology Incentive	511,182	511,182	-	-
965	3620	Digital Instructional Materials	57,561	57,561	-	168,546
967	3607	6-8 Enhancement	27,055	27,055	-	40,245
			<u>\$ 2,255,125</u>	<u>\$ 2,255,125</u>	<u>\$ -</u>	<u>\$ 1,090,948</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, 2015**

Page 1 of 4

REVENUES

3000 Revenue from State Sources		
3100 Restricted State Funding		
3161 EAA Bus Driver Salary and Fringe	\$	3,216
3500 Education Improvement Act		
3502 ADEPT		13,757
3504 LevelData Reimbursement		14,021
3505 Technology Support		22,503
3506 Technology Device Pilot		982,612
3509 Arts in Education		13,756
3511 Professional Development		59,285
3518 Formative Assessment		75,521
3526 Refurbishment of K-8 Science Kits		35,736
3532 National Board Certification Salary Supplement (No Carryover Provision)		395,360
3533 Teacher of the Year Award		2,152
3538 Students At Risk of School Failure		2,315,620
3540 Early Childhood Program (4k Programs Serving Four-Year-Old Children)		132,244
3541 Child Development Education Pilot Program (CDEPP)		1,071,158
3544 High Achieving Students		209,002
3550 Teacher Salary Increase (No Carryover Provision)		1,544,895
3555 School Employer Contributions (No Carryover Provision)		267,276
3556 Adult Education		271,983
3558 Reading		97,282
3577 Teacher Supplies (No Carryover Provision)		176,250
3578 High Schools That Work/Making Middle Grades Work		50,757
3585 Aid to Districts - Special Education		37,892
3592 Work-Based Learning		41,392
3597 Aid to Districts		14,320
3599 Other EIA		490,673
		<u>8,338,663</u>
Total State Sources		<u>8,338,663</u>
TOTAL REVENUES		<u>8,338,663</u>

EXPENDITURES

100 Instruction		
110 General Instruction		
111 Kindergarten Programs		
100 Salaries		42,823
200 Employee Benefits		3,668
400 Supplies and Materials		1,335
112 Primary Programs		
100 Salaries		475,460
200 Employee Benefits		117,765
400 Supplies and Materials		50,099
113 Elementary Programs		
100 Salaries		465,307
200 Employee Benefits		164,826
400 Supplies and Materials		228,945
114 High School Programs		
100 Salaries		604,691
200 Employee Benefits		181,518
300 Purchased Services		60,063
400 Supplies and Materials		334,800

**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, 2015**

EXPENDITURES (CONTINUED)

100 Instruction (Continued)		
110 General Instruction (Continued)		
115 Career and Technology Education Programs		
100 Salaries	\$	190
200 Employee Benefits		46
400 Supplies and Materials		1,613
120 Exceptional Programs		
121 Educable Mentally Handicapped		
100 Salaries		77,234
122 Trainable Mentally Handicapped		
400 Supplies and Materials		5,392
127 Learning Disabilities		
100 Salaries		76,521
130 Pre-School Programs		
139 Early Childhood Programs		
100 Salaries		71,117
200 Employee Benefits		27,588
300 Purchased Services		981
400 Supplies and Materials		31,784
140 Special Programs		
141 Gifted and Talented - Academic		
100 Salaries		102,238
200 Employee Benefits		26,237
300 Purchased Services		6,786
400 Supplies and Materials		200
143 Advanced Placement		
300 Purchased Services		1,823
400 Supplies and Materials		2,186
147 CDEPP		
100 Salaries		708,752
200 Employee Benefits		324,433
300 Purchased Services		879
400 Supplies and Materials		41,818
170 Summer School Program		
171 Primary Summer School		
100 Salaries		7,140
200 Employee Benefits		1,766
300 Purchased Services		7,990
400 Supplies and Materials		3,475
174 Gifted and Talented Summer School		
100 Salaries		228
200 Employee Benefits		568
300 Purchased Services		772
400 Supplies and Materials		3,062
175 Instructional Programs Beyond Regular School Day		
300 Purchased Services		3,400

**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, 2015**

EXPENDITURES (CONTINUED)

180 Adult/Continuing Educational Programs	
181 Adult Basic Education Programs	
100 Salaries	64,785
200 Employee Benefits	18,270
300 Purchased Services	20,712
182 Adult Secondary Education Programs	
100 Salaries	11,000
200 Employee Benefits	4,997
300 Purchased Services	52
400 Supplies and Materials	7,796
183 Adult English Literacy (ESL)	
100 Salaries	13,612
200 Employee Benefits	1,258
400 Supplies and Materials	680
Total Instruction	4,410,681
200 Support Services	
210 Pupil Services	
212 Guidance Services	
100 Salaries	46,894
200 Employee Benefits	1,845
300 Purchased Services	441
400 Supplies and Materials	7,712
214 Psychological Services	
400 Supplies and Materials	32,000
217 Career Specialist Service	
100 Salaries	6,166
220 Instructional Staff Services	
221 Improvement of Instruction - Curriculum Development	
100 Salaries	74,421
200 Employee Benefits	26,864
300 Purchased Services	23,396
223 Supervision of Special Programs	
100 Salaries	143,994
200 Employee Benefits	53,576
300 Purchased Services	13,158
400 Supplies and Materials	1,792
224 Improvement of Instruction - Inservice and Staff Training	
100 Salaries	15,438
200 Employee Benefits	3,747
300 Purchased Services	116,534
400 Supplies and Materials	290,142
600 Other Objects	1,500
230 General Administration Services	
233 School Administration	
100 Salaries	129,092
200 Employee Benefits	27,948
300 Purchased Services	4,978

**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, 2015**

EXPENDITURES (CONTINUED)	
200 Support Services (Continued)	
250 Finance and Operations Services	
252 Fiscal Services	
100 Salaries	\$ 9,901
200 Employee Benefits	905
300 Purchased Services	9,573
255 Student Transportation (State Mandated)	
100 Salaries	3,216
258 Security	
100 Salaries	27,719
200 Employee Benefits	10,939
260 Central Support Services	
263 Information Services	
400 Supplies and Materials	193
266 Technology and Data Processing Services	
400 Supplies and Materials	<u>1,031,727</u>
Total Support Services	<u>2,115,811</u>
TOTAL EXPENDITURES	<u>6,526,492</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,812,171</u>
OTHER FINANCING USES	
Transfers from (to) Other Funds	
420-710 Transfer to General Fund (Excludes Indirect Costs)	<u>(1,812,171)</u>
TOTAL OTHER FINANCING USES	<u>(1,812,171)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	-
FUND BALANCE	
July 1, 2014	<u>-</u>
June 30, 2015	<u><u>\$ -</u></u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS – EDUCATION IMPROVEMENT ACT FUND
SUMMARY SCHEDULE BY PROGRAM
YEAR ENDED JUNE 30, 2015**

PROGRAM	Revenues	Expenditures	Other Fund Transfers In/(Out)	EIA Fund Unearned
3100 Restricted State Funding:				
3161 EAA Bus Driver Salary and Fringe	\$ 3,216	\$ 3,216	\$ -	\$ -
3500 Education Improvement Act				
3502 ADEPT	13,757	13,757	-	14,721
3504 LevelData Reimbursement	14,021	14,021	-	3,619
3505 Technology Support	22,503	22,503	-	10,000
3506 Technology Device Pilot	982,612	982,612	-	247,151
3509 Arts in Education	13,756	13,756	-	21,577
3511 Professional Development	59,285	59,285	-	57,918
3518 Formative Assessment	75,521	75,521	-	50,736
3526 Science Kits Refurbishment	35,736	35,736	-	87,802
3532 National Board Certification Salary Supplement (No Carryover Provision)	395,360	395,360	-	-
3533 Teacher of the Year Award	2,152	2,152	-	-
3538 Students At Risk of School Failure	2,315,620	2,315,620	-	1,290,432
3540 Early Childhood Program (4k Programs Serving Four-Year-Old Children)	132,244	132,244	-	-
3541 Child Development Education Pilot Promag (CDEPP)	1,071,158	1,071,158	-	400,924
3544 High Achieving Student	209,002	209,002	-	-
3550 Teacher Salary Increase (No Carryover Provision)	1,544,895	-	(1,544,895)	-
3555 School Employer Contributions (No Carryover Provision)	267,276	-	(267,276)	-
3556 Adult Education	271,983	271,983	-	74,069
3558 Reading	97,282	97,282	-	46,192
3577 Teacher Supplies (No Carryover Provision)	176,250	176,250	-	-
3578 High Schools That Work/Making Middle Grades Work	50,757	50,757	-	19,099
3585 Aid to Districts - Special Education	37,892	37,892	-	-
3592 Work-Based Learning	41,392	41,392	-	40,315
3595 EEDA - Supplies and Materials - Career Awareness	-	-	-	18,643
3597 Aid to Districts	14,320	14,320	-	526,420
3599 Other EIA	490,673	490,673	-	-
TOTALS	\$ 8,338,663	\$ 6,526,492	\$ (1,812,171)	\$ 2,909,618

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, 2015**

REVENUES

1000 Revenue from Local Sources	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 23,683
1900 Other Revenue from Local Sources	
1910 Rentals	1,125
1999 Revenue from Other Local Sources	<u>59,262</u>
Total Local Sources	<u>84,070</u>
TOTAL REVENUES	<u>84,070</u>

EXPENDITURES

200 Support Services	
250 Finance and Operations Services	
253 Facilities Acquisition & Construction	
300 Purchased Services	49,124
400 Supplies and Materials	137,462
500 Capital Outlay	
520 Construction Services	3,295,131
530 Improvements Other Than Buildings	483,363
550 Vehicles	74,028
254 Operation and Maintenance of Plant	
100 Salaries	24,197
200 Employee Benefits	6,058
300 Purchased Services	27,935
255 Student Transportation (State Mandated)	
500 Capital Outlay	274,859
266 Technology and Data Processings Services:	
100 Salaries	34,924
200 Employee Benefits	18,623
400 Supplies and Materials	1,833,335
Total Support Services	<u>6,259,039</u>
500 Debt Service	
620 Interest	8,688
690 Other Objects	51,866
Total Debt Service	<u>60,554</u>
TOTAL EXPENDITURES	<u>6,319,593</u>

EXCESS OF REVENUES OVER (UNDER)
EXPENDITURES

(6,235,523)

OTHER FINANCING SOURCES (USES)

Interfund Transfers, From (To) Other Funds	
5100 Premium on Bonds Sold	55,900
5120 Proceeds on General Obligation Bonds	6,036,093
5210 Transfers from General Fund	8,688
TOTAL OTHER FINANCING SOURCES (USES)	<u>6,100,681</u>

EXCESS OF REVENUES AND OTHER FINANCING SOURCES
OVER (UNDER) EXPENDITURES

(134,842)

FUND BALANCE

July 1, 2014	<u>10,688,683</u>
June 30, 2015	<u>\$ 10,553,841</u>

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, 2015**

REVENUES

1000 Revenues from Local Sources	
1100 Taxes	
1110 Ad Valorem Taxes - Including Delinquent	\$ 5,407,775
1140 Penalties and Interest on Taxes (Independent)	19,551
1200 Revenue from Local Governmental Units other than LEA	
1280 Revenue in Lieu of Taxes	343,449
1500 Earnings on Investments	
1510 Interest on Investments	14,157
1900 Revenue from Other Local Sources	
1999 Sales Tax Revenue	5,261,981
Total Local Sources	<u>11,046,913</u>
3000 Revenues from State Sources	
3800 State Revenue in Lieu of Taxes	
3820 Homestead Exemption	265,613
3830 Merchant's Inventory Tax	41,843
Total State Sources	<u>307,456</u>
TOTAL REVENUES	<u>11,354,369</u>

EXPENDITURES

500 Debt Service	
610 Redemption of Principal	24,287,710
620 Interest	2,262,140
690 Other Objects	131,065
TOTAL EXPENDITURES	<u>26,680,915</u>

EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>(15,326,546)</u>
---	---------------------

OTHER FINANCING SOURCES (USES)

5110 Premium on Bonds Sold	1,617,665
5130 Proceeds of Refunding Debt	16,130,000
432-791 Payment to Refunded Debt Escrow Agent	(17,617,290)
5210 Transfer from General Fund	6,900,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>7,030,375</u>

NET CHANGE IN FUND BALANCE	(8,296,171)
----------------------------	-------------

FUND BALANCE

July 1, 2014	<u>19,591,198</u>
June 30, 2015	<u>\$ 11,295,027</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, 2015**

REVENUES

1000 Revenues from Local Sources	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 24
1600 Food Service	
1620 Breakfast Sales to Pupils	1,584
1630 Special Sales to Pupils	100,041
1640 Lunch Sales to Adults	74,789
1650 Breakfast Sales to Adults	4,196
1660 Special Sales to Adults	23,705
1900 Other Revenues from Local Sources	
1999 Revenue from Other Local Sources	20,077
Total Local Sources	<u>224,416</u>
3000 Revenues from State Sources	
3140 School Lunch	
3142 Program aid	879
Total State Sources	<u>879</u>
4000 Revenues from Federal Sources	
4800 USDA Reimbursement	
4810 School Lunch and After School Snack Program	3,765,084
4830 School Breakfast program	1,322,344
4860 Fresh Fruit & Vegetable Program	151,636
4900 Other Federal Sources	
4991 USDA Commodities	349,761
Total Federal Sources	<u>5,588,825</u>
Total Revenues all Sources	<u>5,814,120</u>

OPERATING EXPENSES

200 Support Services	
256 Food Service	
100 Salaries	2,091,969
300 Purchased Services	126,981
400 Supplies and Materials	3,244,036
500 Capital Outlay	
570 Depreciation	105,620
600 Other Objects	40,701
Total Operating Expenses	<u>5,609,307</u>

OPERATING INCOME (LOSS) 204,813

OTHER FINANCING SOURCES (USES)

Transfers from (to) Other Funds	
432-791 Food Service Fund Indirect Costs	(289,004)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(289,004)</u>

EXCESS OF REVENUES AND OTHER FINANCING SOURCES
OVER EXPENSES AND OTHER FINANCING USES (84,191)

NET POSITION

July 1, 2014	<u>1,921,355</u>
June 30, 2015	<u>\$ 1,837,164</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, 2015**

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfer From</u>	<u>Balance June 30, 2015</u>
ASSETS					
Cash and cash equivalents	<u>\$ 844,702</u>	<u>\$ 2,534,195</u>	<u>\$ 2,540,853</u>	<u>\$ 45,450</u>	<u>\$ 883,494</u>
LIABILITIES					
Due to schools	<u>\$ 844,702</u>	<u>\$ 2,534,195</u>	<u>\$ 2,540,853</u>	<u>\$ 45,450</u>	<u>\$ 883,494</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, 2015**

RECEIPTS

1000 Receipts from Local Sources	
1700 Pupil Activities	
1790 Other	<u>\$ 2,534,195</u>

Total Receipts from Local Sources	<u>2,534,195</u>
-----------------------------------	------------------

Total Receipts	<u>2,534,195</u>
----------------	------------------

DISBURSEMENTS

271 Pupil Service Activities	
660 Supporting Services Pupil Activity	818,110
272 Enterprise Activities	
660 Pupil Activity	1,073,750
273 Trust and Agency Activities	
660 Enterprise Activities	<u>648,993</u>

Total Disbursements	<u>2,540,853</u>
---------------------	------------------

Excess of Receipts Over (Under) Disbursements	<u>(6,658)</u>
---	----------------

OTHER FINANCING SOURCES

Interfund Transfers, From other Funds	
5210 Transfer from General Fund (Excludes Indirect Cost)	<u>45,450</u>

Total Other Financing Sources	<u>45,450</u>
-------------------------------	---------------

Excess of Revenues and Other Financing Sources Over (Under) Expenditures	38,792
---	--------

DUE TO SCHOOLS

July 1, 2014	<u>844,702</u>
--------------	----------------

June 30, 2015	<u>\$ 883,494</u>
---------------	-------------------

OTHER SUPPLEMENTARY SCHEDULES

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/
FEDERAL GOVERNMENT
JUNE 30, 2015**

<u>Program</u>	<u>Grant or Project Number</u>	<u>Revenue & Subfund Codes</u>	<u>Description</u>	<u>Amount Due to SDE/ Federal Government</u>	<u>Status of amounts Due to Grantor</u>
Science Kit Refurbishment	N/A	3126/908	unspent allocation	\$ 10,889.47	paid after year-end
			Total due	<u>\$ 10,889.47</u>	

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
LOCATION RECONCILIATION SCHEDULE
YEAR ENDED JUNE 30, 2015**

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
4	Hartsville Middle	Middle School	School	\$ 7,274,701
5	Hartsville High	High School	School	10,344,212
6	Lamar High	High School	School	3,969,954
10	Spaulding Middle	Middle School	School	2,716,223
13	Brockington	Elementary School	School	2,766,357
14	Cain Elementary	Elementary School	School	3,018,630
15	Carolina Elementary	Elementary School	School	2,109,088
16	Lamar Elementary	Elementary School	School	2,119,834
17	North Hartsville Elementary	Elementary School	School	4,160,525
18	Pate Elementary	Elementary School	School	3,234,181
20	Rosenwald Elementary/Middle	Elementary School	School	1,780,562
23	Spaulding Elementary	Elementary School	School	1,555,731
24	Brunson-Dargan Elementary	Elementary School	School	2,498,687
26	St. John's Elementary	Elementary School	School	5,121,912
27	Thornwell Elementary	Elementary School	School	2,933,962
28	West Hartsville Elementary	Elementary School	School	1,718,082
29	Washington Street Elementary	Elementary School	School	3,172,834
30	Darlington High	High School	School	11,201,933
31	Darlington Middle	Elementary School	School	6,862,536
32	Southside Early Childhood	Elementary School	School	3,185,010
33	Mayo Magnet	High School	School	3,286,404
35	Intervention School	Other School	School	1,224,595
50	Superintendent	Non-School	Central	910,956
51	Operations	Non-School	Central	581,633
54	Curriculum & Instruction	Non-School	Central	1,328,616
55	Human Resources	Non-School	Central	639,925
56	Pupil Services	Non-School	Central	712,257
58	Transportation	Non-School	Central	3,728,551
59	Communications	Non-School	Central	215,477
60	Exceptional Education	Non-School	Central	1,751,136
62	Maintenance	Non-School	Central	1,690,100
63	Elementary Assistant Superintendent	Non-School	Central	794,590
64	Adult Education	Non-School	Central	1,227,247
65	Warehouse	Non-School	Central	92,126
66	Project Share	Non-School	Central	106,439
68	Food Service	Non-School	Central	508,919
69	Computer Services	Non-School	Central	6,215,246
72	Finance	Non-School	Central	31,658,424
91	Institute of Technology	Other School	School	2,098,986
TOTAL EXPENDITURES FOR ALL FUNDS				\$ 140,516,581
The above expenditures are reconciled to the District's financial statements as follows:				
	General Fund			\$ 77,319,279
	Special Projects Fund			15,520,142
	Education Improvement Act Fund			6,526,492
	School Building Fund			6,319,593
	Debt Service Fund			26,680,915
	Food Service Fund			5,609,307
	Student Activity Fund			2,540,853
TOTAL EXPENDITURES FOR ALL FUNDS				\$ 140,516,581

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

LEA Subfund Code	Federal Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Agriculture				
Pass-through -- South Carolina Dept. of Education				
Child Nutrition Cluster:				
600	School Breakfast Program - Cash Assistance	10.553	N/A	\$ 1,322,344
600	National School Lunch Program - Cash Assistance	10.555	N/A	3,765,084
600	National School Lunch Program - Non-Cash Assistance (Commodities)	10.555	N/A	349,761
	Total Child Nutrition Cluster			<u>5,437,189</u>
897	Child Nutrition Discretionary Grants	10.579	15NSLE	6,559
603	Fresh Fruit and Vegetable Program	10.582	14FV025-01	147,394
	Total U.S. Department of Agriculture			<u>5,591,142</u>
U.S. Department of Labor				
Pass-through -- South Carolina Dept. of Education				
280	WIA Youth Activities	17.259	2Y507E1	191,970
284	Jobs for America's Graduates	17.259	14JAG105	57,172
	Total 17.259			<u>249,142</u>
	Total U.S. Department of Labor			<u>249,142</u>
U.S. Department of Education				
Pass-through -- South Carolina Dept. of Education				
Title I Cluster:				
201	Title I Grants to LEA's	84.010	15BA025	3,929,391
237	Title I - School Improvements	84.010A	13BM025	2,602
237	Title I - School Improvements	84.010A	13FO025	8,113
237	Title I - School Improvements	84.010A	14BM025	36,045
	Total 84.010			<u>3,976,151</u>
	Total Title I, Part A Cluster			<u>3,976,151</u>
IDEA Cluster:				
203	IDEA - Children with Disabilities	84.027	15CA025	3,273,161
205	IDEA - Pre-School	84.027	15CG025-01	112,261
	Total 84.027			<u>3,385,422</u>
	Total IDEA Cluster (IDEA)			<u>3,385,422</u>
243	Adult Education - Basic Grants to States	84.002	15EA025	129,664
207	Perkins, Basic	84.048	15VA025	198,765
224	Twenty-First Century Community Learning Centers	84.287	15CL025	93,696
264	Title III English Language Acquisition Grants	84.365	14/15BP025	20,589
268	Teacher Incentive Fund	84.374	14/15TT025-01	423,777
245	Improving Teacher Quality State Grants	84.367	14/15TP025-01	30,364
267	Improving Teacher Quality State Grants	84.367	13/14TQ025-01	568,227
	Total 84.367			<u>598,591</u>
	Total pass-through -- South Carolina Dept. of Education			<u>8,826,655</u>
Pass-through -- South Carolina Commission on Higher Education				
812	Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	P334S110019	145,542
	Total U.S. Department of Education			<u>8,972,197</u>
Other Federal Assistance				
U.S. Department of Defense				
Direct Programs:				
269	JROTC	N/A	N/A	217,628
	Total U.S. Department of Defense			<u>217,628</u>
	Total Expenditures of Federal Awards			<u>\$ 15,030,109</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

1. Significant Accounting Policies

The Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting, consistent with the measurement focus and accounting basis used by the District for expenditures. The information presented on this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State Local Governments, and Non-Profit Organizations*.

***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, 2015, 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 November 9, 2015.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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*.

Members

SC Association of Certified Public Accountants

NC Association of Certified Public Accountants

Members

Division for CPA Firms, AICPA

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.

Webster Rogus LLP

Summerville, South Carolina
November 9, 2015

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133

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 Circular A-133 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, 2015. 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 laws, regulations, contracts, and grants 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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, 2015.

Members

SC Association of Certified Public Accountants
NC Association of Certified Public Accountants

Members

Division for CPA Firms, AICPA

An Independently Owned Member
MCGLADREY ALLIANCE



100 S. Main Street, Suite G
PO Box 1588 (29484)
Summerville, SC 29483
843-873-4400 Fax 843-873-7227
websterrogers.com

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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Summerville, South Carolina
November 9, 2015

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

_____ Yes X No

Reportable conditions identified that are not considered to be material weaknesses?

_____ Yes X None Reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major programs:

Material weaknesses identified?

_____ Yes X No

Reportable conditions identified that are not considered to be material weaknesses?

_____ Yes X 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 section 510(a) of Circular A-133?

_____ Yes X No

Identification of major programs:

CFDA Number

Name of Federal Program or Cluster

10.553
10.555
84.374

Child Nutrition Cluster
 School Breakfast Program
 National School Lunch Program
Teacher Incentive Fund

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

\$450,903

Auditee qualified as low-risk auditee?

 x Yes _____ No

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

Page 2 of 2

II. – Financial Statement Findings

There were no findings related to the financial statements.

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

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2015**

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.