

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

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

YEAR ENDED JUNE 30, 2014

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
YEAR ENDED JUNE 30, 2014**

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DARLINGTON, SOUTH CAROLINA
YEAR ENDED JUNE 30, 2014**

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Independent Auditors' Report

Board of Trustees
Darlington County School District
Darlington, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of ***Darlington County School District*** (the School District) as of and for the year ended June 30, 2014, 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.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2014, 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, the School District adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. 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 and budgetary comparison information on pages 3–8 and 40–41 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 3, 2014, 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 3, 2014

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

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, 2014.

Please read it in conjunction with the District's basic financial statements, which begin on page 9.

Financial Highlights

Darlington County School District Superintendent and Board of Trustees have exercised a conservative approach to budgeting and expenditures. During the fiscal year, the Board of Trustees voted to commit future fund balance to specific functions. The 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 \$19,952,260 in unassigned fund balance. 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, 2014, yields a three-month balance of operating expenditures. General fund expenditures, before transfers in, exceeded revenues by \$88,418. After transfers in and out from other financing sources, the District's net change in general fund balance was increased by \$1,581,531.

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 Trustees 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 9 & 10) 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 11. 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.

Reporting the District as a Whole

Government-wide Financial Statements

Our analysis of the District as a whole begins on page 4. 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.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

The statement of net position and 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 6. The fund financial statements begin on page 11 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.
- 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 \$6,936,816 over last year. Total assets increased by \$6,375,119 and total liabilities decreased by \$283,916.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

The largest portion of the District's net position (43.6%) reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. An additional portion (15.7%) 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	
	2013*	2014	2013	2014	2013*	2014
	(as restated)				(as restated)	
Current & other assets	\$ 81,566	\$ 89,152	\$ 947	\$ 1,243	\$ 82,513	\$ 90,395
Capital assets	98,048	96,921	795	694	98,843	97,615
Total assets	179,614	186,073	1,742	1,937	181,356	188,010
Current liabilities	15,284	14,625	12	16	15,296	14,641
Long term liabilities	40,752	41,124	-	-	40,752	41,124
Total liabilities	56,036	55,749	12	16	56,048	55,765
Net Position:						
Net investment in capital assets	56,409	56,947	795	694	57,204	57,641
Restricted	17,745	20,754	-	-	17,745	20,754
Unrestricted	49,424	52,624	935	1,227	50,359	53,851
Total Net Position	\$ 123,578	\$ 130,325	\$ 1,730	\$ 1,921	\$ 125,308	\$ 132,246

* Refer to Note III E. Change in Accounting Policy in the accompanying footnotes for more information on the restatement

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	
	2013	2014	2013	2014	2013	2014
Revenues						
Program revenue:						
Charges for services	\$ 33	\$ 43	\$ 761	\$ 615	\$ 794	\$ 659
Operating grants	50,552	51,315	4,901	4,887	55,453	56,202
Capital grants	158	655	-	-	158	655
General revenues:						
Property taxes	34,459	35,136	-	-	34,459	35,136
Sales taxes	4,921	5,362	-	-	4,921	5,362
State aid	12,095	12,247	-	-	12,095	12,247
Other general revenue	1,233	781	-	-	1,233	781
Total Revenue	103,451	105,539	5,662	5,503	109,113	111,042

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

	Table II (Continued) Changes in Net Position (In thousands)					
	Governmental Activities		Business-type Activities		Total	
	2013	2014	2013	2014	2013	2014
Program expenses:						
Instruction	\$ 54,379	\$ 55,903	\$ -	\$ -	\$ 54,379	\$ 55,903
Support services	35,793	37,445	-	-	35,793	37,445
Community services	33	47	-	-	33	47
Intergovernmental	3,202	2,994	-	-	3,202	2,994
Interest on long term debt	1,941	2,036	-	-	1,941	2,036
Unallocated depreciation	367	368	-	-	367	368
Food service	-	-	5,317	5,312	5,317	5,312
Total Expenses	95,715	98,793	5,317	5,312	101,032	104,105
Excess before transfers	7,736	6,746	345	191	8,081	6,937
Transfers	287	-	(287)	-	-	-
Increase in net position	\$ 8,023	\$ 6,746	\$ 58	\$ 191	\$ 8,081	\$ 6,937

Total revenues were 1.7% more than the prior year. Program expenses increased 3.2% above last year. Net position increased by \$8,080,670 in 2013 and by \$6,936,816 in 2014

Governmental Activities

The unrestricted net position of the District's governmental activities increased by \$3,199,681. At the same time, the District's net investment in capital assets increased by \$537,709.

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. Food Service total net position increased for the year by \$190,822.

Financial Analysis of Governmental Funds

The District's governmental funds (as presented on the balance sheet beginning on page 11) reported a combined fund balance of \$73,037,141, which increased by \$6,272,545 over last year's total of \$66,764,596. The schedule below illustrates the fund balance and total change in fund balance as of June 30, 2013 and 2014.

	Fund Balance June 30, 2013	Fund Balance June 30, 2014	Increase (Decrease)
General	\$ 38,559,680	\$ 40,141,211	\$ 1,581,531
Special Projects	2,616,049	2,616,049	-
School Building	7,960,025	10,688,683	2,728,658
Debt Service	17,628,842	19,591,198	1,962,356
Total	\$ 66,764,596	\$ 73,037,141	\$ 6,272,545

The District's general fund balance increase is due to an excess of revenues and other financing sources over expenditures. These items reflect a net change in fund balance of \$1,581,531.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

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

	2013 Amount	2014 Amount	Percentage Change
Revenues			
Taxes	\$ 27,303,355	\$ 27,491,672	0.69%
Other local sources	262,897	360,305	37.05%
Intergovernmental	42,941,545	43,971,188	2.40%
	<u>\$ 70,507,797</u>	<u>\$ 71,823,165</u>	1.87%

	2013 Amount	2014 Amount	Percentage Change
Expenditures by object			
Salaries	\$ 43,534,787	\$ 44,164,777	1.45%
Fringe benefits	15,787,599	17,010,217	7.74%
Purchased services	3,494,867	4,309,619	23.31%
Supplies and Materials	4,120,694	4,373,583	6.14%
Capital outlay	472,305	1,100,336	132.97%
Miscellaneous	923,673	950,550	2.91%
Transits	118,843	2,501	-97.90%
	<u>\$ 68,452,768</u>	<u>\$ 71,911,583</u>	5.05%

The table above shows that the largest portion (85.1%) 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 \$3,458,815 or 5.05% over the prior year. This is primarily attributed to the strategic adding of a step increase for all employees, an employee bonus and associated fringe, and additional capital expenditures based on projects approved by the Board of Education in February 2014.

General fund revenue (including transfers in of \$1,669,949) exceeded expenditures (including intergovernmental of \$190,373) during the fiscal year resulting in an increase to the general fund balance of \$1,581,531.

Other Funds

The Special Projects fund operates essentially on a break-even basis. Revenues equaled expenditures (including net transfers out of \$362,081) during the fiscal year resulting in a no net change 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 60 - 63.

The School Building fund increased fund balance by \$2,728,658. 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 increased by \$1,962,356. The increase was primarily due to the collection of the one percent sales tax which is being accumulated to service the \$48,000,000 general obligation bond issued.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

Budgetary Analysis

The District under-estimated its general fund revenue by \$3,172,267. The operation expenses were under-estimated by \$1,993,784. The other financing sources (uses) were under-estimated by \$403,048. The result was a fund balance increase of \$1,581,531 over projections.

The budgets for the special projects fund and the EIA fund are functions of grant applications and awards. The District itself has little specific control over them.

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, one in 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 Trustees approved a General Obligation Bond in the amount of \$5,000,000 for capital improvements throughout the District and committed \$11,445,000 of fund balance of the general fund towards deferred maintenance of facilities. There were 65 open construction projects in progress at June 30, 2014. Included was the construction of a field house at the Hartsville High School football field, multiple roofing projects in all major areas of the District, improved fire alarms throughout the District, seal coating of almost half of the parking lots, restroom renovations and phase one of enhanced security measures for our schools.

Debt

As indicated above, the capital project was financed with the issuance of \$48,000,000 in general obligation bonds. The issuance occurred in January 2005. The bonds will be largely repaid from the proceeds of a one-percent 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 Comptroller at Darlington County School District, 120 East Smith Avenue, Post Office Box 1117, Darlington, South Carolina 29540.

BASIC FINANCIAL STATEMENTS

DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 9,904,147	\$ 1,885	\$ 9,906,032
Cash and investments with County Treasurer	71,557,673	-	71,557,673
Investment funds in escrow with bond refunding agent	1,034,571	-	1,034,571
Due from other governmental units	6,499,887	14,462	6,514,349
Internal balances	(1,202,288)	1,202,288	-
Taxes receivable	1,256,462	-	1,256,462
Accounts receivable	4,571	-	4,571
Inventories	96,741	24,015	120,756
Capital assets not being depreciated	8,794,110	-	8,794,110
Capital assets, net of accumulated depreciation	88,126,819	694,386	88,821,205
TOTAL ASSETS	186,072,693	1,937,036	188,009,729
LIABILITIES			
Accounts payable	3,135,488	15,681	3,151,169
Accrued expenses	4,473,687	-	4,473,687
Unearned revenues	6,342,957	-	6,342,957
Due to other governmental units	69,126	-	69,126
Accrued interest payable	603,455	-	603,455
Noncurrent liabilities			
Due within one year	2,063,471	-	2,063,471
Due in more than one year	39,060,177	-	39,060,177
TOTAL LIABILITIES	55,748,361	15,681	55,764,042
NET POSITION			
Net investment in capital assets	56,946,561	694,386	57,640,947
Restricted for			
Special projects	103,727	-	103,727
Debt service	20,649,992	-	20,649,992
Unrestricted	52,624,052	1,226,969	53,851,021
TOTAL NET POSITION	\$ 130,324,332	\$ 1,921,355	\$ 132,245,687

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, 2014**

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	\$ 55,903,049	\$ 43,207	\$ 45,404,078	\$ 654,903	\$ (9,800,861)	\$ -	\$ (9,800,861)
Support services	37,444,825	-	5,910,784	-	(31,534,041)	-	(31,534,041)
Community services	46,947	-	-	-	(46,947)	-	(46,947)
Intergovernmental	2,994,180	-	-	-	(2,994,180)	-	(2,994,180)
Interest and other charges	2,035,890	-	-	-	(2,035,890)	-	(2,035,890)
Depreciation - unallocated *	368,340	-	-	-	(368,340)	-	(368,340)
Total governmental activities	98,793,231	43,207	51,314,862	654,903	(46,780,259)	-	(46,780,259)
Business-type activities							
Food services	5,311,873	615,352	4,887,343	-	-	190,822	190,822
Total business-type activities	5,311,873	615,352	4,887,343	-	-	190,822	190,822
Total primary government	\$ 104,105,104	\$ 658,559	\$ 56,202,205	\$ 654,903	(46,780,259)	190,822	(46,589,437)
General revenues							
Property taxes levied for							
General purposes					27,715,649	-	27,715,649
Florence-Darlington Technical College					2,642,465	-	2,642,465
Debt service					4,778,114	-	4,778,114
Sales taxes					5,362,262	-	5,362,262
Grants and contributions not restricted to specific programs					12,246,907	-	12,246,907
Unrestricted revenue from use of money and property					124,641	-	124,641
Miscellaneous					656,215	-	656,215
Total General Revenues and Transfers					53,526,253	-	53,526,253
Change in Net Position					6,745,994	190,822	6,936,816
Net Position							
July 1, 2013, as restated					123,578,338	1,730,533	125,308,871
June 30, 2014					\$ 130,324,332	\$ 1,921,355	\$ 132,245,687

* 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, 2014**

	General Fund	Special Projects Fund	EIA Fund
ASSETS			
Cash and cash equivalents	\$ 9,090,751	\$ -	\$ -
Cash and investments with County Treasurer	45,893,075	-	-
Property taxes receivables, net of allowance	967,262	103,402	-
Accounts receivable	4,571	-	-
Due from other governmental units			
Sales taxes due from state	-	-	-
SC Department of Education	205,635	39,087	607,844
Due from County	-	82,460	-
Other agencies	7,498	131,696	-
Federal government	-	4,037,304	-
Due from other funds	6,541,908	5,195,139	3,265,410
Inventories	96,741	-	-
TOTAL ASSETS	<u>\$ 62,807,441</u>	<u>\$ 9,589,088</u>	<u>\$ 3,873,254</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 3,135,488	\$ -	\$ -
Accrued liabilities	4,473,687	-	-
Due to other governmental units	-	69,126	-
Due to other funds	14,177,259	4,208,735	191,594
Unearned revenues	46,914	2,614,383	3,681,660
TOTAL LIABILITIES	<u>21,833,348</u>	<u>6,892,244</u>	<u>3,873,254</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable property taxes	832,882	80,795	-
TOTAL DEFERRED INFLOWS RESOURCES	<u>832,882</u>	<u>80,795</u>	<u>-</u>
FUND BALANCES			
Nonspendable			
Inventory	96,741	-	-
Restricted	103,727	-	-
Committed	18,345,000	2,616,049	-
Assigned	1,643,483	-	-
Unassigned	19,952,260	-	-
TOTAL FUND BALANCES	<u>40,141,211</u>	<u>2,616,049</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OR RESOURCES AND FUND BALANCES	<u>\$ 62,807,441</u>	<u>\$ 9,589,088</u>	<u>\$ 3,873,254</u>

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

School Building Fund	Debt Service Fund	Total Governmental Funds
\$ 813,396	\$ -	\$ 9,904,147
7,852,518	17,812,080	71,557,673
-	185,798	1,256,462
-	-	4,571
-	1,388,363	1,388,363
-	-	852,566
-	-	82,460
-	-	139,194
-	-	4,037,304
4,164,349	350,074	19,516,880
-	-	96,741
<u>\$ 12,830,263</u>	<u>\$ 19,736,315</u>	<u>\$ 108,836,361</u>
\$ -	\$ -	\$ 3,135,488
-	-	4,473,687
-	-	69,126
2,141,580	-	20,719,168
-	-	6,342,957
<u>2,141,580</u>	<u>-</u>	<u>34,740,426</u>
-	145,117	1,058,794
-	145,117	1,058,794
-	-	96,741
-	19,591,198	19,694,925
10,688,683	-	31,649,732
-	-	1,643,483
-	-	19,952,260
<u>10,688,683</u>	<u>19,591,198</u>	<u>73,037,141</u>
<u>\$ 12,830,263</u>	<u>\$ 19,736,315</u>	<u>\$ 108,836,361</u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		\$ 73,037,141
Amounts reported for governmental activities in the Statement of Net Position are different because of the following:		
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.		1,058,794
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 assets.		1,034,571
Capital assets used for governmental activities are not financial resources and therefore are not reported in governmental funds. The cost of assets is \$216,228,313 and the accumulated depreciation is \$119,307,384.		96,920,929
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:		
Bonds payable	\$ (38,305,000)	
Less: issuance premium	(1,669,368)	
Compensated absences payable	(1,149,280)	
Accrued interest payable	(603,455)	
		(41,727,103)
NET POSITION OF GOVERNMENTAL ACTIVITIES		\$ 130,324,332

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, 2014**

	General Fund	Special Projects Fund	EIA
REVENUES			
Local property taxes	\$ 27,491,672	\$ 2,642,465	\$ -
Sales taxes	-	-	-
Other local	360,305	1,449,577	-
Total local	27,851,977	4,092,042	-
State	43,780,815	2,476,132	6,379,325
Federal	-	9,440,771	-
Intergovernmental	190,373	-	-
Total Revenues	71,823,165	16,008,945	6,379,325
EXPENDITURES			
Current			
Instruction	40,178,130	7,760,732	3,954,045
Support services	30,630,616	5,155,397	755,387
Community services	-	46,948	-
Intergovernmental	2,501	2,991,679	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Fees	-	-	-
Capital outlay	1,100,336	-	-
Total Expenditures	71,911,583	15,954,756	4,709,432
Excess of Revenues Over (Under) Expenditures	(88,418)	54,189	1,669,893
OTHER FINANCING SOURCES (USES)			
General obligation bonds issuance	-	-	-
Transfers in	2,032,030	307,949	-
Transfers out	(362,081)	(362,138)	(1,669,893)
Total Other Financing Sources (Uses)	1,669,949	(54,189)	(1,669,893)
Net Change in Fund Balance	1,581,531	-	-
FUND BALANCE			
July 1, 2013	38,559,680	2,616,049	-
June 30, 2014	\$ 40,141,211	\$ 2,616,049	\$ -

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

School Building Fund	Debt Service Fund	Total Governmental Funds
\$ -	\$ 4,778,115	\$ 34,912,252
-	5,362,262	5,362,262
673,385	25,301	2,508,568
673,385	10,165,678	42,783,082
-	264,750	52,901,022
-	-	9,440,771
-	-	190,373
673,385	10,430,428	105,315,248
-	-	51,892,907
527,446	-	37,068,846
-	-	46,948
-	-	2,994,180
-	6,560,000	6,560,000
8,688	1,906,762	1,915,450
40,000	1,310	41,310
2,377,281	-	3,477,617
2,953,415	8,468,072	103,997,258
(2,280,030)	1,962,356	1,317,990
5,000,000	-	5,000,000
8,688	-	2,348,667
-	-	(2,394,112)
5,008,688	-	4,954,555
2,728,658	1,962,356	6,272,545
7,960,025	17,628,842	66,764,596
\$ 10,688,683	\$ 19,591,198	\$ 73,037,141

**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, 2014**

TOTAL NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS	\$	6,272,545
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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.		223,979
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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 depreciation expense (\$4,604,243) exceeded capital outlay (\$3,477,617) in the period.		(1,126,626)
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In the Statement of Net Position, accumulated payments to 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.		(209,465)
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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 general obligation bonds and related items is as follows:

Issuance of general obligation bonds	\$	(5,000,000)	
Principal repayments:			
Bonds payable		6,560,000	
Amortization of bond premiums		104,335	
			1,664,335

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	\$	(1,149,280)	
Prior year		1,044,509	
Accrued interest			
Current year		(603,455)	
Prior year		629,452	
			(78,774)

Change in Net Position of Governmental Activities	\$	6,745,994
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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, 2014**

	<u>Enterprise Fund - Food Service Program</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 1,885
Due from other governmental units	14,462
Due from other funds	1,202,288
Inventories	24,015
Total current assets	<u>1,242,650</u>
Noncurrent assets	
Equipment	3,055,316
Less accumulated depreciation	<u>(2,360,930)</u>
Total noncurrent assets	<u>694,386</u>
Total assets	<u>1,937,036</u>
 LIABILITIES	
Current liabilities	
Accounts payable	<u>15,681</u>
Total current liabilities	<u>15,681</u>
Total liabilities	<u>15,681</u>
 NET POSITION	
Investment in capital assets	694,386
Unrestricted	<u>1,226,969</u>
Total net position	<u>\$ 1,921,355</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, 2014**

	Enterprise Fund - Food Service Program
OPERATING REVENUES	
Proceeds from sale of meals	\$ 406,731
Special sales and miscellaneous	208,613
Interest income	8
	<u>615,352</u>
Total Operating Revenues	
OPERATING EXPENSES	
Food costs	2,366,805
Salaries and wages	2,008,192
Supplies and materials	642,807
Depreciation	115,515
Other operating costs	178,554
	<u>5,311,873</u>
Total Operating Expenses	
Operating Loss	<u>(4,696,521)</u>
NONOPERATING REVENUES (EXPENSES)	
USDA Reimbursements	4,567,658
Commodities received from USDA	319,685
	<u>4,887,343</u>
Total Nonoperating Revenues (Expenses)	
Change in Net Position	190,822
NET POSITION	
July 1, 2013	<u>1,730,533</u>
June 30, 2014	<u>\$ 1,921,355</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, 2014**

	Enterprise Fund - Food Service Program
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from patrons	\$ 615,344
Payments to employees for services	(2,008,192)
Payments to suppliers for goods and services	(3,230,623)
	<u>(4,623,471)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	8
Net cash received from investing activities	<u>8</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Nonoperating grants received	4,567,658
Net cash received from noncapital financing activities	<u>4,567,658</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(14,626)
Net cash used by capital and related financing activities	<u>(14,626)</u>
Net decrease in cash and cash equivalents	(70,431)
Cash and cash equivalents - July 1, 2013	72,316
Cash and cash equivalents - June 30, 2014	<u>\$ 1,885</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:	
Operating loss	\$ (4,696,521)
Adjustments to reconcile operating income to net cash received from (used by) operating activities:	
Depreciation	115,515
Commodities used	319,685
Changes in assets and liabilities:	
(Increase) decrease in due from governmental units	(6,041)
(Increase) decrease in receivables	(359,016)
(Increase) decrease in inventory	(1,206)
Increase (decrease) in payables	4,113
Net cash used by operating activities	<u>\$ (4,623,471)</u>

Noncash noncapital financing activities:

During the year, the District received \$319,685 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, 2014**

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 844,702
TOTAL ASSETS	<u>\$ 844,702</u>
LIABILITIES	
Due to schools	\$ 844,702
TOTAL LIABILITIES	<u>\$ 844,702</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, 2014**

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 an independent entity.

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 and its component units. 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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, 2014**

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, 2014**

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, 2014**

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. *Prepays*

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, 2014**

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:

<u>Assets</u>	<u>Years</u>
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 financial 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.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial 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 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.

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, 2014**

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 another financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

10. *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."

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

10. Net position and fund balance (continued)

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).

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.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

11. 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, 2014 the carrying amount of the School District's deposits was \$10,750,898 and the bank balance was \$11,545,825. 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 \$71,557,673.

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, 2014, \$3,435,442 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 Government. These funds are not collateralized.

As of June 30, 2014, the School District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Repurchase Agreement	\$ 3,435,442	1

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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

A. Deposits and Investments (Continued)

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, 2014**

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 \$24,340,632), is \$202,110,129. The general operations millage is 168.68 mills (\$16.868 per \$100 assessed valuation), and debt service fund millage is 22.46 mills (\$2.25 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:

	General	Special Projects	EIA	Debt Service	Food Service Program
Receivables					
Property taxes	\$ 2,307,779	\$ 195,598	\$ -	\$ 377,829	\$ -
Sales taxes	-	-	-	1,388,363	-
Intergovernmental	213,133	4,290,547	607,844	-	14,462
Accounts	4,571	-	-	-	-
Gross receivables	2,525,483	4,486,145	607,844	1,766,192	14,462
Less allowance for uncollectible property tax	(1,340,517)	(92,196)	-	(192,031)	-
Net receivables	\$ 1,184,966	\$ 4,393,949	\$ 607,844	\$ 1,574,161	\$ 14,462

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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

D. Capital Assets

Capital assets activity for the year ended June 30, 2014, was as follows:

	Balance 6/30/2013	Additions	Deletions	Transfers	Balance 6/30/2014
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 6,281,409	\$ -	\$ -	\$ -	\$ 6,281,409
Construction in progress	218,894	2,416,454	-	(122,647)	2,512,701
Total capital assets, not being depreciated	6,500,303	2,416,454	-	(122,647)	8,794,110
Capital assets, being depreciated					
Building and improvements	183,695,645	656,861	-	122,647	184,475,153
Land improvements	9,875,521	56,950	-	-	9,932,471
Equipment	12,679,227	347,352	-	-	13,026,579
Total capital assets, being depreciated	206,250,393	1,061,163	-	122,647	207,434,203
Totals at historical cost	212,750,696	3,477,617	-	-	216,228,313
Less accumulated depreciation for					
Building and improvements	(103,860,674)	(3,667,874)	-	-	(107,528,548)
Land improvements	(2,713,286)	(467,590)	-	-	(3,180,876)
Equipment	(8,129,181)	(468,779)	-	-	(8,597,960)
Total accumulated depreciation	(114,703,141)	(4,604,243)	-	-	(119,307,384)
Total capital assets, being depreciated, net	91,547,252	(3,543,080)	-	122,647	88,126,819
Governmental activities capital assets, net	<u>\$ 98,047,555</u>	<u>\$ (1,126,626)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,920,929</u>

	Balance 6/30/2013	Additions	Deletions	Balance 6/30/2014
Business-type Activities				
Capital assets, being depreciated				
Food service equipment	\$ 3,040,690	\$ 14,626	\$ -	\$ 3,055,316
Total capital assets, being depreciated	3,040,690	14,626	-	3,055,316
Less accumulated depreciation for				
Food service equipment	(2,245,415)	(115,515)	-	(2,360,930)
Total accumulated depreciation	(2,245,415)	(115,515)	-	(2,360,930)
Total capital assets, being depreciated, net	795,275	(100,889)	-	694,386
Business-type activities capital assets, net	<u>\$ 795,275</u>	<u>\$ (100,889)</u>	<u>\$ -</u>	<u>\$ 694,386</u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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:

<u>Governmental activities</u>	
Instruction	\$ 4,005,691
Support Services	230,212
Unallocated	<u>368,340</u>
Total governmental activities	<u>\$ 4,604,243</u>
 <u>Business-type activities</u>	
Food Service	\$ 115,515
Total business -type activities	<u>\$ 115,515</u>

E. Transfers From (To) Other Funds

Transfers from (to) other funds for the year ended June 30, 2014, consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 2,032,030	\$ 362,081
Special Projects Fund	307,949	362,138
Education Improvement Act Fund	-	1,669,893
School Building Fund	<u>8,688</u>	<u>-</u>
Total governmental funds	<u>2,348,667</u>	<u>2,394,112</u>
 Pupil Activities Fund	<u>45,445</u>	<u>-</u>
Total fiduciary funds	<u>45,445</u>	<u>-</u>
Total transfers	<u>\$ 2,394,112</u>	<u>\$ 2,394,112</u>

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, 2014**

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

F. Interfund Receivables and Payables

Interfund balances at June 30, 2014, consisted of the following individual fund receivables and payables:

	Receivable	Payable
General Fund	\$ 6,541,908	\$ 14,177,259
Special Projects Fund	5,195,139	4,208,735
Education Improvement Act Fund	3,265,410	191,594
School Building Fund	4,164,349	2,141,580
Debt Service Fund	350,074	-
	<u>19,516,880</u>	<u>20,719,168</u>
Total governmental funds		
	<u>1,202,288</u>	<u>-</u>
Food Service Fund		
Total proprietary fund	<u>1,202,288</u>	<u>-</u>
	<u>\$ 20,719,168</u>	<u>\$ 20,719,168</u>
Total balances		

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, 2014, the following changes took place in the long-term liabilities:

	Balance 6/30/2013	Additions	Reductions	Balance 6/30/2014	Due Within One Year
General obligation bonds	\$ 39,865,000	\$ 5,000,000	\$ 6,560,000	\$ 38,305,000	\$ 1,625,000
Plus deferred amount:					
For issuance premium	1,773,703	-	104,335	1,669,368	-
Total general obligation bonds	41,638,703	5,000,000	6,664,335	39,974,368	1,625,000
Compensated absences	1,044,509	633,988	529,217	1,149,280	438,471
Total long-term liabilities	<u>\$ 42,683,212</u>	<u>\$ 5,633,988</u>	<u>\$ 7,193,552</u>	<u>\$ 41,123,648</u>	<u>\$ 2,063,471</u>

Interest and other charges paid on long term debt for the year totaled \$2,035,890.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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, 2014, are comprised of the following individual issues:

	Interest Rates	Balance
2005 School Building Bonds	3.25-5.13%	\$ 36,905,000
2006 Advance Refunding Bonds (QZAB)	3.50%	1,400,000
		<u>\$ 38,305,000</u>

In November 2003, a \$48,000,000 bond referendum was passed. In this referendum, the following projects were approved: Construction of two new middle schools, one each in the Darlington and Hartsville sections of the District; the construction of a new vocational (technical) education campus, construction of additional classrooms at two existing middle schools, and the renovation of the old Hartsville Junior High School which was the new location for Thornwell School for Arts. During 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 \$38,305,000.

The annual requirements for debt service on General Obligation Bonds outstanding at June 30, 2014, are summarized as follows:

Year ending June 30,	Principal	Interest	Total
2015	\$ 1,625,000	\$ 1,810,356	\$ 3,435,356
2016	1,690,000	1,727,074	3,417,074
2017	1,760,000	1,640,462	3,400,462
2018	1,835,000	1,550,262	3,385,262
2019	3,315,000	1,456,218	4,771,218
2020-24	10,970,000	5,743,376	16,713,376
2025-29	13,895,000	2,740,926	16,635,926
2030-33	3,215,000	144,676	3,359,676
Subtotal	38,305,000	16,813,350	55,118,350
Plus (less) deferred amounts:			
Bond premiums	1,669,368	-	1,669,368
Total	<u>\$ 39,974,368</u>	<u>\$ 16,813,350</u>	<u>\$ 56,787,718</u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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

G. Long-Term Debt (Continued)

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 \$1,034,571 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 Bonds, Series 2013 during the current fiscal year, which were repaid by June 30, 2014. This activity is included in the disclosure of the changes in long-term liabilities.

H. Food Service

Federal Guidelines

The School District's Food Service Fund administers the lunch programs in accordance with the United States Department of Agriculture (USDA) guidelines. Revenues are provided from USDA reimbursements and cash collections. The meals served to pupils are classified as regular, reduced, or free lunches by the Food Service Program. The type of meal served determines the amount of reimbursement from the USDA. Reimbursements may be in the form of cash or commodities. The food service expenditures are inclusive of \$319,685 of commodities consumed during the year ended June 30, 2014.

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, 2014**

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	\$ 96,741	\$ -	\$ -	\$ -
Restricted:				
Contractual obligations	-	-	-	19,591,198
Other sources	103,727	-	-	-
Restricted total	103,727	-	-	19,591,198
Committed:				
E Rate funding	-	697,134	-	-
Medicaid	-	1,372,431	-	-
Activity buses	-	444,512	-	-
Adult banquet	-	49,946	-	-
Debt retirement	6,900,000	-	-	-
Capital maintenance	11,445,000	-	-	-
Other	-	52,026	-	-
Capital projects	-	-	10,688,683	-
Committed total	18,345,000	2,616,049	10,688,683	-
Assigned:				
Index of taxpaying ability	583,000	-	-	-
Other	1,060,483	-	-	-
Assigned total	1,643,483	-	-	-
Unassigned	19,952,260	-	-	-
	<u>\$ 40,141,211</u>	<u>\$ 2,616,049</u>	<u>\$ 10,688,683</u>	<u>\$ 19,591,198</u>

III. OTHER INFORMATION

A. South Carolina Retirement System

The majority of employees of the School District are covered by a retirement plan through the South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Retirement Division of the South Carolina Public Employee Benefit Authority (PEBA), a public employee retirement system. Generally, all full-time or part-time equivalent State employees in a permanent position are required to participate in and contribute to the SCRS as a condition of employment unless exempted by law as provided in Section 9-1-480 of the South Carolina Code of Laws, as amended, or are eligible and elect to participate in the State Optional Retirement Program (ORP). The SCRS plan provides life-time monthly retirement annuity benefits to members as well as disability, survivor options, annual benefit adjustments, death benefits, and incidental benefits to eligible employees and retired members.

The Retirement Division maintains five independent defined benefit plans and issues its own publicly available Comprehensive Annual Financial Report (CAFR) which includes financial statements and required supplementary information. A copy of the separately issued CAFR may be obtained by writing to the South Carolina Public Employee Benefit Authority, P.O. Box 11960, Columbia, South Carolina 29211-1960. Furthermore, the Division and the five pension plans are included in the State of South Carolina's CAFR.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

III. OTHER INFORMATION (CONTINUED)

A. South Carolina Retirement System (Continued)

SCRS

Under the SCRS, Class II members are eligible for a full service retirement annuity upon reaching age 65 or completion of 28 years of credited service regardless of age. Employees who first became members of the System after June 30, 2012 are considered Class III members and are eligible for a full service retirement annuity upon reaching age 65 or upon meeting the rule of 90 requirement (i.e., the members age plus the years of service add up to a total of at least 90). The benefit formula for full benefits effective since July 1, 1989 for the SCRS is 1.82 percent of an employee's average final compensation (AFC) multiplied by the number of years of credited service. For Class II members, AFC is the average annual earnable compensation during 12 consecutive quarters and includes an amount for up to 45 days termination pay at retirement for unused annual leave. For Class III members, AFC is the average annual earnable compensation during 20 consecutive quarters and termination pay for unused annual leave at retirement is not included. Early retirement options with reduced benefits are available as early as age 55 for Class II members and age 60 for Class III members. Class II members are vested for a deferred annuity after five years of earned service. Class III members are vested for a deferred annuity after eight years of earned service. Members qualify for a survivor's benefit upon completion of 15 years of credited service (five years effective January 1, 2002).

Disability annuity benefits are payable to Class II members if they have permanent incapacity to perform regular duties of the member's job and they have at least 5 years of earned service (this requirement does not apply if the disability is a result of a job related injury). Class III members qualify for disability annuity benefits provided they have a minimum of eight years of credited service. An incidental death benefit equal to an employee's annual rate of compensation is payable upon the death of an active employee with a minimum of one year of credited service or to a working retired contributing member. There is no service requirement for death resulting from actual performance of duties for an active member. For eligible retired members, a lump-sum payment is made to the retiree's beneficiary of up to \$6,000 based on years of service at retirement. TERI participants and retired contributing members are eligible for the increased death benefit equal to their annual salary in lieu of the standard retired member benefit.

Effective January 1, 2001, Section 9-1-2210 of the South Carolina Code of Laws allows employees eligible for service retirement to participate in the Teacher and Employee Retention Incentive (TERI) Program. TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years.

Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost of living adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not earn service credit, and are ineligible to receive group life insurance benefits or disability retirement benefits. The TERI program will end effective June 30, 2018.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

III. OTHER INFORMATION (CONTINUED)

A. South Carolina Retirement System (Continued)

Effective July 1, 2013, employees participating in the SCRS were required to contribute 7.50% of all earnable compensation. The employer contribution rate for SCRS was 15.52%. Included in the total SCRS employer contribution rate is a base retirement contribution of 10.45%, .15% for the incidental death program and a 4.92% surcharge that will fund retiree health and dental insurance coverage. Employer contributions for State ORP include a 5.45% employer retirement contribution, 4.92% retiree insurance surcharge and .15% incidental death benefit. The School Districts actual contributions to the SCRS for the years ended June 30, 2014, 2013, and 2012 were:

Fiscal Year Ended June 30,	Retirement		Insurance Surcharge		Incidental Death	
	Rate*	Contribution	Rate	Contribution	Rate	Contribution
2014	10.450%	\$ 5,371,008	4.92%	\$ 2,528,742	0.15%	\$ 77,096
2013	10.450%	\$ 5,354,809	4.55%	\$ 2,331,519	0.15%	\$ 76,864
2012	9.385%	\$ 4,688,198	4.30%	\$ 2,148,029	0.15%	\$ 74,932

SORP

As an alternative to membership to SCRS, newly hired State and school district employees may elect to participate in the State Optional Retirement Program (ORP), a defined contribution plan. The ORP was established in 1987 under Title 9, Chapter 20, 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. The State assumes no liability for State ORP plan other than for payment of contributions to designated companies. To elect participation in the ORP, eligible employees must elect membership within their first 30 days of employment. Under State law, contributions to the ORP are required at the same rates as for the SCRS, 10.60% plus the retiree surcharge of 4.92% from the employer in fiscal year 2014. Of the 10.60% employer retirement contribution rate, the employer remits 5.00% directly to the participant's ORP account and the remaining 5.45% and .15% incidental death program contribution amounts are remitted to SCRS.

For fiscal year 2014, total contributions requirements to the ORP were approximately \$201,851 (excluding the surcharge) from the School District as employer and approximately \$142,820 from its employees as plan members.

The amounts paid by the School District for pension, incidental death program, and accidental death program contributions are reported as employer contribution expenditures within the applicable functional expenditure categories to which the related salaries are charged.

Article X, Section 16, of the South Carolina Constitution requires that all State-operated retirement systems be funded on a sound actuarial basis. Title 9 of the South Carolina Code of Laws of 1976, as amended, prescribes requirements relating to membership, benefit, and employee/employer contributions for each retirement system. Employee and employer contribution rates to SCRS and PORS are actuarially determined.

The surcharges to fund retiree health and dental insurance are not part of the actuarially established rates. For the current fiscal year, the SCRS do not make separate measurements of assets and pension benefit obligations for individual employers within the cost-sharing plan. Under Title 9 of the South Carolina Code of Laws, the School District's liability under the plans is limited to the amount of required employer contributions (stated as a percentage of covered payroll) as established by the South Carolina Public Employee Benefit Authority and as appropriated in the South Carolina Appropriation Act and from other applicable revenue sources. Accordingly, the School District recognizes no contingent liability for unfunded costs associated with participation in the plans.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

III. OTHER INFORMATION (CONTINUED)

B. Deferred Compensation Plan

The School District, through the South Carolina Deferred Compensation Commission, offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all School District employees, permits them to defer a portion of their salary until future years.

Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, disability, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts are held in trust for the contributing employee and are not subject to the claims of the School District's general creditors. The plan is administered by the State of South Carolina.

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.

Construction Commitments

The School District has entered into contracts for various construction projects. Outstanding obligations at June 30, 2014, are as follows:

Project	Contract Amounts	Expended to Date	Remaining Commitment
Kellytown Fieldhouse	\$ 822,500	\$ 581,943	\$ 240,557
HHS Gym and HVAC	924,725	744,501	180,224
HHS Roofing Project	291,443	233,957	57,486
DHS Roofing Project	1,172,000	122,443	1,049,557
Various Seal Coating Projects	142,000	17,370	124,630
DCIT Drainage Project	25,670	19,947	5,723
	<u>\$ 3,378,338</u>	<u>\$ 1,720,161</u>	<u>\$ 1,658,177</u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

III. OTHER INFORMATION (CONTINUED)

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 2014, 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.

E. Change in Accounting Policy

During the year ended June 30, 2014, the School District implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. As part of this implementation, debt issuance costs, which were previously amortized on the government-wide statements, are now recognized as an expense in the period incurred. The implementation of this new accounting policy resulted in bond issuance costs of \$277,781, which were previously reported as an asset on the Statement of Net Position, to be in effect written off. The effect on net position is as follows:

	Governmental Activities
Net position as originally presented, June 30, 2013	\$ 123,856,119
Change in accounting policy	<u>(277,781)</u>
Net position as restated June 30, 2013	<u>\$ 123,578,338</u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

III. OTHER INFORMATION (CONTINUED)

F. Pending GASB Statements

The GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, which intends to improve financial reporting for most governments that provide their employees with pension benefits. The School District will implement this new guidance with the 2015 financial statements. The implementation of this statement is expected to have a significant impact on the government-wide financial statements as the School District will be required to recognize their share of the defined benefit liability. The liability is estimated by the South Carolina Public Employee Benefit Authority to be between \$85,000,000 and \$139,000,000.

The GASB has issued Statement No. 69, *Government Combinations and Disposals of Government Operations*, which intends to improve accounting and financial reporting of combinations and disposals of government operations of US state and local governments. The effect of implementation of this statement on the financial statements for the District's year ending June 30, 2015, has not yet been determined.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment to GASB Statement No. 68*, addresses an issue regarding application of the transition provisions in Statement No. 68 "Accounting and Financial Reporting for Pensions". This statement intends to improve financial reporting by eliminating the source of a potentially significant understatement of restated beginning net position and expense in the first year of implementation of Statement No. 68 in the accrual basis financial statements of employers and non-employer contributing entities. The statement is effective for financial statements for periods beginning after June 15, 2014. The School District will implement the new guidance with the 2015 financial statements

G. Subsequent Events

In September 2014, the School District entered into a lease agreement for computers in the amount \$1,036,093.

In July 2014, the School District issued a General Obligation Refunding & Improvement Bond, Series 2014 in the amount of \$21,130,000 plus a premium of \$1,648,508. The proceeds along with \$19,377,000 of cash reserves (\$6,900,000 general fund and the remaining from debt service) were used to defease \$36,994,289 of the General Obligation Bonds, series 2005. They incurred approximately \$147,000 in bond issuance costs related to this issuance and refunding.

Subsequent to June 30, 2014, the School District Board of Education authorized the issuance of \$5,000,000 of general obligation bonds for the purpose of funding property acquisition and funding of improvements. Additionally, the School District entered into an \$822,500 contract for a construction project subsequent to year end.

Subsequent events have been evaluated through November 3, 2014, 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, 2014**

	Budgeted Amounts			Variance -
	Original	Final	Actual	Over (Under)
REVENUES				
Local	\$ 25,395,030	\$ 25,395,030	\$ 27,851,977	\$ 2,456,947
State	43,085,868	43,085,868	43,780,815	694,947
Intergovernmental	170,000	170,000	190,373	20,373
Total Revenue	68,650,898	68,650,898	71,823,165	3,172,267
EXPENDITURES				
Current				
Instruction	39,563,273	39,591,586	40,178,130	586,544
Support services	30,353,026	30,324,713	31,730,952	1,406,239
Intergovernmental	1,500	1,500	2,501	1,001
Total Expenditures	69,917,799	69,917,799	71,911,583	1,993,784
Excess of Revenues Over (Under) Expenditures	(1,266,901)	(1,266,901)	(88,418)	1,178,483
OTHER FINANCING SOURCES (USES)				
Transfers in	1,397,121	1,397,121	2,032,030	634,909
Transfers out	(130,220)	(130,220)	(362,081)	(231,861)
Total Other Financing Sources	1,266,901	1,266,901	1,669,949	403,048
Net Change in Fund Balance	\$ -	\$ -	1,581,531	\$ 1,581,531
FUND BALANCE				
July 1, 2013			38,559,680	
June 30, 2014			\$ 40,141,211	

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, 2014**

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 amendments were made to increase instruction expenditures by \$28,313, reducing support expenditures by the same amount.

Budget appropriations lapse at year-end.

OTHER SUPPLEMENTARY FINANCIAL INFORMATION

**COMBINING AND INDIVIDUAL
FUND SCHEDULES**

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, 2014**

Page 1 of 8

	Budgeted Amounts			Variance - Over (Under)
	Original	Final	Actual	
REVENUES				
1000 Revenue from Local Sources				
1110 Ad Valorem Taxes - Including Delinquent (Independent)	\$ 23,573,030	\$ 23,573,030	\$ 25,398,719	\$ 1,825,689
1140 Penalties & Interest on Taxes (Independent)				
1280 Revenue in Lieu of Taxes (Independent and Dependent)	75,000	75,000	104,303	29,303
1510 Interest on Investments	1,700,000	1,700,000	1,988,650	288,650
1910 Rentals	47,000	47,000	74,814	27,814
1920 Contributions & Donations Private Sectors	-	-	10,774	10,774
1990 Miscellaneous Local Revenue	-	-	1,885	1,885
1993 Receipt of Insurance Proceeds	-	-	236,430	236,430
1999 Revenue from Other Local Sources	-	-	1,352	1,352
	-	-	35,050	35,050
Total Local Sources	25,395,030	25,395,030	27,851,977	2,456,947
2000 Intergovernmental Revenue				
2100 Payments from other governmental units	170,000	170,000	190,373	20,373
Total Intergovernmental Sources	170,000	170,000	190,373	20,373
3000 Revenue from State Sources				
3100 Restricted State Funding				
3130 Special Programs				-
3131 Handicapped Transportation	-	-	6,544	6,544
3160 School Bus Driver's Salary	539,663	539,663	733,584	193,921
3162 Transportation Workers' Compensation	61,912	61,912	58,855	(3,057)
3180 Fringe Benefits Employer Contributions	9,035,351	9,035,351	9,147,124	111,773
3181 Retiree Insurance	1,372,508	1,372,508	2,152,279	779,771
3199 Other Restricted State Grants	-	-	300	300.00
3300 Education Finance Act				
3310 Full-Time Programs				
3311 Kindergarten	1,436,822	1,436,822	1,344,675	(92,147)
3312 Primary	4,258,796	4,258,796	4,353,857	95,061
3313 Elementary	5,913,061	5,913,061	5,715,192	(197,869)
3314 High School	3,524,007	3,524,007	2,834,120	(689,887)
3315 Trainable Mentally Handicapped	154,904	154,904	150,250	(4,654)
3316 Speech Handicapped	1,091,459	1,091,459	1,089,054	(2,405)
3317 Homebound	86,074	86,074	86,760	686
3320 Part-Time Programs				
3321 Emotionally Handicapped	93,029	93,029	97,193	4,164
3322 Educable Mentally Handicapped	316,817	316,817	273,672	(43,145)
3323 Learning Disabilities	2,092,945	2,092,945	1,904,866	(188,079)
3324 Hearing Handicapped	174,034	174,034	162,752	(11,282)
3325 Visually Handicapped	52,699	52,699	42,209	(10,490)
3326 Orthopedically Handicapped	37,057	37,057	23,477	(13,580)
3327 Vocational	1,675,508	1,675,508	2,376,378	700,870
3330 Other EFA Programs				
3331 Autism	334,710	334,710	384,951	50,241

**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, 2014**

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	Budgeted Amounts			Variance -
	Original	Final	Actual	Over (Under)
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	5,259,673	(23,592)
3830 Merchant's Inventory Tax	271,980	271,980	271,980	-
3890 Other State Property Tax Revenues	152,000	152,000	177,532	25,532
3900 Other State Sources				
3992 State Forest Commission Revenue	6,100	6,100	12,371	6,271
Total State Sources	43,085,868	43,085,868	43,780,815	694,947
TOTAL REVENUES	68,650,898	68,650,898	71,823,165	3,172,267
EXPENDITURES				
100 Instruction				
110 General Instruction				
111 Kindergarten Programs				
100 Salaries	1,567,839	1,567,839	1,409,433	(158,406)
200 Employee Benefits	726,857	726,857	719,491	(7,366)
400 Supplies and Materials	19,694	19,694	17,015	(2,679)
112 Primary Programs				
100 Salaries	4,189,276	4,189,276	4,309,980	120,704
200 Employee Benefits	1,376,097	1,376,097	1,484,011	107,914
400 Supplies and Materials	80,966	81,623	86,558	4,935
500 Capital outlay	1,600	1,600	-	(1,600)
113 Elementary Programs				
100 Salaries	7,632,060	7,632,060	7,695,240	63,180
200 Employee Benefits	2,697,059	2,697,059	2,783,723	86,664
300 Purchased Services	72,782	72,782	68,777	(4,005)
400 Supplies and Materials	265,255	276,621	351,468	74,847
114 High School Programs				
100 Salaries	8,694,299	8,694,299	8,692,982	(1,317)
200 Employee Benefits	2,127,931	2,127,931	2,537,607	409,676
300 Purchased Services	103,743	100,701	94,784	(5,917)
400 Supplies and Materials	216,363	236,255	208,739	(27,516)
115 Career & Technology Education Program				
100 Salaries	1,293,574	1,293,574	1,281,999	(11,575)
200 Employee Benefits	468,261	468,261	469,699	1,438
300 Purchased Services-Other than Tuition	600	600	204	(396)
400 Supplies and Materials	35,680	35,080	934	(34,146)
120 Exceptional Programs				
121 Educable Mentally Handicapped				
100 Salaries	1,098,774	1,098,774	1,052,933	(45,841)
200 Employee Benefits	428,398	428,398	413,753	(14,645)
400 Supplies and Materials	5,070	5,070	4,247	(823)

**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, 2014**

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	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
EXPENDITURES (CONTINUED)				
100 Instruction				
122 Trainable Mentally Handicapped				
100 Salaries	\$ 615,055	\$ 615,055	\$ 563,193	\$ (51,862)
200 Employee Benefits	233,122	233,122	226,101	(7,021)
400 Supplies and Materials	5,640	5,640	5,564	(76)
125 Hearing Handicapped				
100 Salaries	610,385	610,467	628,037	17,570
200 Employee Benefits	248,827	248,847	252,746	3,899
400 Supplies and Materials	9,290	9,290	8,212	(1,078)
126 Speech Handicapped				
100 Salaries	618,721	618,721	546,877	(71,844)
200 Employee Benefits	206,052	206,052	189,825	(16,227)
300 Purchased Services	400	400	400	-
400 Supplies and Materials	1,728	1,568	1,440	(128)
127 Learning Disabilities				
100 Salaries	1,977,183	1,977,183	1,876,828	(100,355)
200 Employee Benefits	669,443	669,443	642,946	(26,497)
400 Supplies and Materials	5,696	5,794	5,125	(669)
128 Emotionally Handicapped				
100 Salaries	139,285	139,285	122,664	(16,621)
200 Employee Benefits	57,946	57,946	56,695	(1,251)
400 Supplies and Materials	2,000	2,000	1,158	(842)
130 Preschool Programs				
131 Pre-school Handicapped-Speech (5 yr. olds)				
100 Salaries	49,777	49,777	49,777	-
200 Employee Benefits	16,244	16,244	16,098	(146)
137 Preschool Handicapped - Self- Contained (3 & 4 yr. olds)				
100 Salaries	183,797	183,797	221,526	37,729
200 Employee Benefits	77,872	77,872	89,331	11,459
139 Early Childhood Programs				
100 Salaries	-	-	320	320
200 Employee Benefits	50,311	50,311	-	(50,311)
140 Special Programs				
141 Gifted and Talented - Academic				
100 Salaries	-	-	108,604	108,604
200 Employee Benefits	-	-	62,532	62,532
300 Purchased Services	-	-	4,484	4,484
400 Supplies and Materials	-	-	24	24
142 Disadvantaged				
300 Purchased Services	-	-	109	109
143 Advanced Placement				
300 Purchased Services	-	-	1,810	1,810
400 Supplies and Materials	-	-	2,499	2,499

**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, 2014**

Page 4 of 8

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
EXPENDITURES (CONTINUED)				
100 Instruction (Continued)				
145 Homebound				
100 Salaries	\$ 100,000	\$ 100,000	\$ 117,537	\$ 17,537
200 Employee Benefits	-	-	27,201	27,201
300 Purchased Services	2,800	2,800	55,994	53,194
149 Other Special Programs				
100 Salaries	37,030	37,030	18,045	(18,985)
200 Employee Benefits	14,427	14,427	4,444	(9,983)
300 Purchased Services	7,400	7,400	4,045	(3,355)
400 Supplies and Materials	1,600	1,600	3,261	1,661
160 Other Exceptional Programs				
161 Autism				
100 Salaries	184,238	184,238	178,959	(5,279)
200 Employee Benefits	71,481	71,481	68,047	(3,434)
170 Summer School Program				
172 Elementary Summer School				
100 Salaries	-	-	18,811	18,811
200 Employee Benefits	-	-	4,665	4,665
400 Supplies and Materials	-	-	2,678	2,678
173 High School Summer School				
100 Salaries	-	-	8,132	8,132
200 Employee Benefits	10	10	2,017	2,007
400 Supplies and Materials	-	-	446	446
174 Gifted and Talented Summer School				
100 Salaries	-	-	9,243	9,243
200 Employee Benefits	-	-	2,270	2,270
300 Purchased Services	-	-	14,250	14,250
400 Supplies and Materials	-	-	2,842	2,842
175 Instructional Programs Beyond Regular School Day				
100 Salaries	-	-	1,695	1,695
200 Employee Benefits	-	-	576	576
400 Supplies and Materials	-	-	1,964	1,964
180 Adult/Continuing Educational Programs				
181 Adult Basic Education Programs				
100 Salaries	97,141	97,141	87,003	(10,138)
140 Terminal Leave	-	-	7,282	7,282
200 Employee Benefits	33,072	33,072	31,178	(1,894)
300 Purchased Services	5,826	5,826	2,184	(3,642)
400 Supplies and Materials	-	-	16,267	16,267

**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, 2014**

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	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
EXPENDITURES (CONTINUED)				
100 Instruction (Continued)				
190 Instructional Pupil Activity				
100 Salaries	\$ 103,885	\$ 103,885	\$ 95,660	\$ (8,225)
200 Employee Benefits	23,411	23,411	22,932	(479)
Total Instruction	39,563,273	39,591,586	40,178,130	586,544
200 Support Services				
210 Pupil Services				
211 Attendance and Social Work Services				
100 Salaries	213,182	213,182	270,165	56,983
200 Employee Benefits	50,942	50,942	84,519	33,577
300 Purchased Services	11,902	11,902	31,891	19,989
400 Supplies and Materials	5,044	5,044	5,256	212
600 Other Objects	235	235	176	(59)
212 Guidance Services				
100 Salaries	1,652,610	1,652,610	1,717,690	65,080
200 Employee Benefits	556,674	556,674	587,234	30,560
300 Purchased Services	3,975	3,975	1,421	(2,554)
400 Supplies and Materials	8,176	8,176	7,520	(656)
213 Health Services				
100 Salaries	24,492	24,492	92,727	68,235
200 Employee Benefits	16,447	16,447	34,035	17,588
300 Purchased Services	3,860	2,960	2,622	(338)
400 Supplies and Materials	8,430	9,330	9,307	(23)
214 Psychological Services				
100 Salaries	174,994	174,994	187,192	12,198
200 Employee Benefits	52,358	52,358	66,006	13,648
400 Supplies and Materials	2,800	2,800	2,420	(380)
220 Instructional Staff Services				
221 Improvement of Instruction - Curriculum Development				
100 Salaries	370,653	372,613	431,313	58,700
200 Employee Benefits	91,260	91,740	122,009	30,269
300 Purchased Services	409,984	421,544	556,469	134,925
400 Supplies and Materials	130,513	116,984	91,160	(25,824)
600 Other Objects	1,158	1,158	254	(904)
222 Library and Media Services				
100 Salaries	1,054,532	1,054,532	975,935	(78,597)
140 Terminal Leave	-	-	5,027	5,027
200 Employee Benefits	345,854	345,854	372,047	26,193
300 Purchased Services	12,474	12,474	12,499	25
400 Supplies and Materials	50,061	50,061	45,094	(4,967)
223 Supervision of Special Programs				
100 Salaries	144,036	144,036	148,005	3,969
140 Terminal Leave	-	-	6,949	6,949
200 Employee Benefits	36,101	36,101	45,058	8,957
300 Purchased Services	2,599	2,599	2,760	161
400 Supplies and Materials	10,711	10,711	6,227	(4,484)

**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, 2014**

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EXPENDITURES (CONTINUED)	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
200 Support Services (Continued)				
224 Improvement of Instruction -				
Inservice and Staff Training				
100 Salaries	\$ -	\$ 1,500	\$ 1,500	\$ -
140 Terminal Leave	-	-	241	241
200 Employee Benefits	-	134	432	298
300 Purchased Services	70,264	76,014	74,498	(1,516)
400 Supplies and Materials	2,035	5,220	11,758	6,538
600 Other Objects	-	4,000	2,350	(1,650)
230 General Administration Services				
231 Board of Education				
100 Salaries	74,500	74,500	58,686	(15,814)
200 Employee Benefits	41,441	41,441	26,637	(14,804)
300 Purchased Services	89,011	89,011	70,847	(18,164)
318 Audit Services	-	-	36,500	36,500
400 Supplies and Materials	5,180	5,180	3,551	(1,629)
600 Other Objects	212,368	212,368	62,248	(150,120)
232 Office of the Superintendent				
100 Salaries	228,719	228,719	270,150	41,431
200 Employee Benefits	52,014	52,014	90,042	38,028
300 Purchased Services	10,080	10,080	7,269	(2,811)
400 Supplies and Materials	148,303	117,053	66,037	(51,016)
600 Other Objects	2,000	2,000	1,735	(265)
233 School Administration				
100 Salaries	4,425,810	4,425,810	4,476,021	50,211
140 Terminal Leave	-	-	15,816	15,816
200 Employee Benefits	1,519,056	1,519,056	1,600,940	81,884
300 Purchased Services	150,760	143,733	142,516	(1,217)
400 Supplies and Materials	20,101	25,563	24,177	(1,386)
600 Other Objects	25,770	25,770	18,161	(7,609)
250 Finance and Operations Services				
252 Fiscal Services				
100 Salaries	446,269	446,269	446,098	(171)
200 Employee Benefits	159,337	159,337	157,872	(1,465)
300 Purchased Services	3,200	3,200	10,496	7,296
400 Supplies and Materials	35,000	35,000	50,723	15,723
500 Capital Outlay	33,000	33,000	34,013	1,013
600 Other Objects	500	500	375	(125)
253 Facilities Acquisitions and Construction				
300 Purchased Services	90,232	183,692	189,177	5,485
500 Capital Outlay	58,860	159,960	741,510	581,550
254 Operation and Maintenance of Plant				
100 Salaries	2,654,772	2,636,772	2,504,307	(132,465)
200 Employee Benefits	1,155,114	1,155,114	1,157,868	2,754
300 Purchased Services	1,235,980	1,236,580	1,850,680	614,100
400 Supplies and Materials	555,861	573,861	403,239	(170,622)
470 Energy	2,793,432	2,793,432	2,742,974	(50,458)
500 Capital Outlay	714,400	519,840	218,857	(300,983)
600 Other Objects	915,728	915,728	856,697	(59,031)

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
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YEAR ENDED JUNE 30, 2014**

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	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
EXPENDITURES (CONTINUED)				
200 Support Services (Continued)				
255 Student Transportation				
100 Salaries	\$ 1,893,882	\$ 1,893,882	\$ 1,855,906	\$ (37,976)
140 Terminal Leave	-	-	7,286	7,286
200 Employee Benefits	577,584	577,584	855,339	277,755
300 Purchased Services	55,000	55,000	110,420	55,420
400 Supplies and Materials	7,000	7,000	37,086	30,086
600 Other Objects	1,000	1,000	689	(311)
256 Food Service				
200 Employee Benefits	1,208,127	1,208,127	1,165,032	(43,095)
257 Internal Services				
100 Salaries	72,988	72,988	56,860	(16,128)
200 Employee Benefits	21,809	21,809	21,844	35
300 Purchased Services	3,238	3,238	6,801	3,563
400 Supplies and Materials	7,500	7,500	2,918	(4,582)
258 Security				
100 Salaries	105,976	105,976	131,349	25,373
200 Employee Benefits	32,567	32,567	52,438	19,871
300 Purchased Services	529,414	529,414	525,583	(3,831)
500 Capital Outlay	-	-	89,280	89,280
260 Central Support Services				
262 Planning, Research, Development				
300 Purchased Services	3,900	3,900	2,543	(1,357)
400 Supplies and Materials	20,200	20,200	19,228	(972)
263 Information Services				
100 Salaries	107,979	114,629	114,629	-
200 Employee Benefits	43,973	44,222	43,594	(628)
300 Purchased Services	15,945	15,945	17,245	1,300
400 Supplies and Materials	23,570	16,568	16,852	284
600 Other Objects	2,900	2,900	4,665	1,765
264 Staff Services				
100 Salaries	285,656	285,656	302,800	17,144
140 Terminal Leave	-	-	309	309
200 Employee Benefits	104,282	104,282	108,015	3,733
300 Purchased Services	13,421	13,421	18,619	5,198
400 Supplies and Materials	12,165	12,165	13,429	1,264
600 Other Objects	13,358	13,358	3,025	(10,333)
266 Technology and Data Processing Services				
100 Salaries	565,085	565,085	601,062	35,977
200 Employee Benefits	211,758	211,758	227,716	15,958
300 Purchased Services	358,911	358,911	370,557	11,646
400 Supplies and Materials	206,253	206,253	68,800	(137,453)
500 Capital Outlay	7,989	7,989	16,676	8,687
600 Other Objects	-	-	176	176

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
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YEAR ENDED JUNE 30, 2014**

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	\$ 405,086	\$ 405,086	\$ 383,994	\$ (21,092)
200 Employee Benefits	1,206	1,206	83,654	82,448
300 Purchased Services	21,000	21,165	21,165	-
400 Supplies and Materials	37,150	25,950	25,383	(567)
Total Support Services	30,353,026	30,324,713	31,730,952	1,406,239
400 Other Charges				
410 Intergovernmental Expenditures				
411 Payments to the State Department of Education				
720 Transits	1,500	1,500	2,501	1,001
Total Intergovernmental Expenditures	1,500	1,500	2,501	1,001
TOTAL EXPENDITURES	69,917,799	69,917,799	71,911,583	1,993,784
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,266,901)	(1,266,901)	(88,418)	1,178,483
OTHER FINANCING SOURCES (USES)				
Transfers from (to) Other Funds				
5230 Transfer from Special Revenue EIA Fund	1,088,479	1,088,479	1,729,893	641,414
5280 Transfer from Other Funds Indirect Costs	308,642	308,642	302,137	(6,505)
421-710 Transfer to Special Revenue Fund	(84,770)	(84,770)	(307,948)	(223,178)
424-710 Transfer to Capital Projects Fund	-	-	(8,688)	(8,688)
426-710 Transfer to Pupil Activity Fund	(45,450)	(45,450)	(45,445)	5
TOTAL OTHER FINANCING SOURCES (USES)	1,266,901	1,266,901	1,669,949	403,048
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ -	\$ -	1,581,531	\$ 1,581,531
FUND BALANCE				
July 1, 2013			38,559,680	
June 30, 2014			\$ 40,141,211	

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.

**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, 2014**

	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	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Local Sources	<u>-</u>	<u>-</u>	<u>-</u>
3000 Revenues from State Sources			
3100 Restricted State Funding			
3110 Occupational Education Program			
3116 EEDA Miscellaneous	-	-	-
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			
3133 IDEA Contingency Fund	-	-	-
3134 Child Development Education Pilot Program (CDEPP)	-	-	-
3136 Student Health and Fitness Nurse	-	-	-
3150 Adult Education			
3155 AE Supplemental Nutrition	-	-	-
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	-	-	-
3800 State Revenue in Lieu of Taxes			
3820 Homestead Exemption	-	-	-
3830 Merchant's Inventory Tax	-	-	-

CATE (VA Projects) (207/208)	Adult Education (EA Projects)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Total
\$ -	\$ -	\$ -	\$ 2,481,305	\$ 2,481,305
-	-	-	13,806	13,806
-	-	-	147,354	147,354
-	-	-	898	898
-	-	-	13,347	13,347
-	-	-	344,131	344,131
-	-	-	374,602	374,602
-	-	-	368,277	368,277
-	-	11,731	336,591	348,322
-	-	11,731	4,080,311	4,092,042
-	-	1,294	-	1,294
-	-	257,500	-	257,500
-	-	105,734	-	105,734
-	-	7,080	-	7,080
-	-	79,979	-	79,979
-	-	440,425	-	440,425
-	-	623,714	-	623,714
-	-	414,095	-	414,095
-	-	8,471	-	8,471
-	-	10,623	-	10,623
-	-	9,731	1,815	11,546
-	-	28,007	-	28,007
-	-	343,825	-	343,825
-	-	-	123,868	123,868
-	-	-	16,439	16,439

**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, 2014**

	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)			
3900 Other State Revenue			
3991 ADEPT	\$ -	\$ -	\$ -
Total State Sources	-	-	-
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	4,658,425	-	-
Immigrant Students, Title III (Carryover Provision)	-	-	-
4343 McKinney-Vento	-	-	-
4348 Teacher Incentive Fund	-	-	-
4351 Improving Teacher Quality	-	-	-
4400 Adult Education			
4410 Basic	-	-	-
4430 State Literacy Resource	-	-	-
4500 Programs for Children with Disabilities			
4510 Individuals with Disabilities Education Act	-	2,645,653	-
4520 Pre-school Grants	-	-	78,203
4900 Other Federal Sources			
4930 WIA Revenue	-	-	-
4999 Revenue from Other Federal Sources	-	-	-
Total Federal Sources	4,658,425	2,645,653	78,203
TOTAL REVENUES	4,658,425	2,645,653	78,203
EXPENDITURES			
100 Instruction			
110 General Instruction			
111 Kindergarten Programs			
100 Salaries	134,623	-	-
200 Employee Benefits	48,823	-	-
300 Purchased Services	750	-	-
400 Supplies and Materials	17,830	-	-
112 Primary Programs			
100 Salaries	499,909	-	-
200 Employee Benefits	209,037	-	-
300 Purchased Services	296	-	-
400 Supplies and Materials	51,558	-	-

CATE (VA Projects) (207/208)	Adult Education (EA Projects)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Total
\$ -	\$ -	\$ 3,532	\$ -	\$ 3,532
-	-	2,334,010	142,122	2,476,132
186,992	-	-	-	186,992
-	-	-	-	4,658,425
-	-	-	13,189	13,189
-	-	-	10,000	10,000
-	-	-	503,600	503,600
-	-	-	626,790	626,790
-	150,184	-	-	150,184
-	2,500	-	-	2,500
-	-	-	-	2,645,653
-	-	-	-	78,203
-	-	-	195,870	195,870
-	-	-	369,365	369,365
186,992	152,684	-	1,718,814	9,440,771
186,992	152,684	2,345,741	5,941,247	16,008,945
-	-	281,173	-	415,796
-	-	-	-	48,823
-	-	-	-	750
-	-	6,616	151	24,597
-	-	1,638	298,263	799,810
-	-	84	111,119	320,240
-	-	-	-	296
-	-	5,114	1,111	57,783

**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, 2014**

	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	\$ 578,318	\$ -	\$ -
200 Employee Benefits	225,051	-	-
300 Purchased Services	25,080	-	-
400 Supplies and Materials	158,877	-	-
114 High School Programs			
100 Salaries	274,823	-	-
200 Employee Benefits	109,173	-	-
300 Purchased Services	16,277	-	-
400 Supplies and Materials	16,798	-	-
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	-	78,987	-
200 Employee Benefits	-	41,679	-
122 Trainable Mentally Handicapped			
100 Salaries	-	138,933	-
200 Employee Benefits	-	65,686	-
300 Purchased Services	-	24,183	-
400 Supplies and Materials	-	46,085	-
126 Speech Handicapped			
100 Salaries	-	107,008	-
200 Employee Benefits	-	45,008	-
127 Learning Disabilities			
100 Salaries	-	72,878	-
200 Employee Benefits	-	46,244	-
130 Pre-School Programs			
131 Pre School Handicapped Speech (5 yr. olds)			
100 Salaries	-	-	32,949
200 Employee Benefits	-	-	12,001
132 Preschool Handicapped Itinerant (5 yr. olds)			
400 Supplies and Materials	-	-	3,336
139 Early Childhood Program			
100 Salaries	-	-	584

CATE (VA Projects) (207/208)	Adult Education (EA Projects)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Total
\$ -	\$ -	\$ 73,696	\$ 346,612	\$ 998,626
-	-	4,994	82,143	312,188
-	-	-	16,616	41,696
-	-	95,729	56,130	310,736
-	-	-	352,176	626,999
-	-	-	58,157	167,330
-	-	-	10,436	26,713
-	-	13,284	18,252	48,334
-	-	-	38,189	38,189
-	-	-	11,562	11,562
64,867	-	-	7,809	72,676
61,795	-	81,447	429	143,671
-	-	-	-	78,987
-	-	-	-	41,679
-	-	-	-	138,933
-	-	-	-	65,686
-	-	-	-	24,183
-	-	-	-	46,085
-	-	-	27,862	134,870
-	-	-	6,744	51,752
-	-	-	-	72,878
-	-	-	-	46,244
-	-	-	-	32,949
-	-	-	-	12,001
-	-	-	-	3,336
-	-	-	-	584

**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, 2014**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre- school Handi- capped (CG Projects) (205/206)
EXPENDITURES (CONTINUED)			
100 Instruction (Continued)			
140 Special Programs			
142 Disadvantaged			
300 Purchased Services	\$ -	\$ -	\$ -
400 Supplies and Materials	1,272	-	-
145 Homebound			
300 Purchased Services	-	3,670	-
147 CDEPP			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
149 Other Special Programs			
100 Salaries	-	52,466	8,000
200 Employee Benefits	-	15,660	672
400 Supplies and Materials	-	-	-
160 Other Exceptional Programs			
161 Autism			
100 Salaries	-	505,145	-
200 Employee Benefits	-	97,430	-
300 Purchased Services	-	2,417	-
400 Supplies and Materials	-	-	-
170 Summer School Programs			
171 Primary Summer School			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
172 Elementary Summer School			
100 Salaries	12,435	-	-
200 Employee Benefits	3,087	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	122	-	-
173 High School Summer School			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
174 Gifted and Talented Summer School			
400 Supplies and Materials	-	-	-
175 Instructional Programs Beyond Regular School Day			
100 Salaries	15,397	-	-
200 Employee Benefits	3,553	-	-
300 Purchased Services	174,416	-	-
400 Supplies and Materials	300	-	-

CATE (VA Projects) (207/208)	Adult Education (EA Projects)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Total
\$ -	\$ -	\$ -	\$ 740	\$ 740
-	-	-	9,068	10,340
-	-	-	300	3,970
-	-	431,184	-	431,184
-	-	159,978	-	159,978
-	-	32,552	-	32,552
-	-	-	-	60,466
-	-	-	-	16,332
-	-	-	1,815	1,815
-	-	152,205	-	657,350
-	-	37,260	-	134,690
-	-	-	-	2,417
-	-	235,961	-	235,961
-	-	6,264	8,100	14,364
-	-	1,557	2,014	3,571
-	-	552	4,500	5,052
-	-	-	6,955	19,390
-	-	-	1,729	4,816
-	-	-	10,282	10,282
-	-	-	9,716	9,838
-	-	-	2,800	2,800
-	-	-	696	696
-	-	-	874	874
-	-	-	85,835	101,232
-	-	-	31,615	35,168
-	-	-	856	175,272
-	-	-	11,587	11,887

**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, 2014**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre- school Handi- capped (CG Projects) (205/206)
EXPENDITURES (CONTINUED)			
100 Instruction (Continued)			
180 Adult/Continuing Educational Programs			
181 Adult Basic Programs			
100 Salaries	\$ -	\$ -	\$ -
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
182 Adult Secondary Programs			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
183 Adult English Literacy (ESL)			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
188 Parenting/Family Literacy			
100 Salaries	131,059	-	-
200 Employee Benefits	53,604	-	-
300 Purchased Services	1,730	-	-
400 Supplies and Materials	41,893	-	-
190 Instruction Pupil Activity			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
Total Instruction	2,806,091	1,343,479	57,542
200 Support Services			
210 Pupil Services			
211 Attendance and Social Work Services			
100 Salaries	-	11,447	-
200 Employee Benefits	-	3,573	-
212 Guidance			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
213 Health			
100 Salaries	-	88,080	-
200 Employee Benefits	-	29,552	-

CATE (VA Projects) (207/208)	Adult Education (EA Projects)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Total
\$ -	\$ 79,687	\$ 7,095	\$ 5,890	\$ 92,672
-	18,462	1,376	1,275	21,113
-	500	-	755	1,255
-	5,086	-	1,884	6,970
-	24,000	-	-	24,000
-	5,875	-	-	5,875
-	1,500	-	-	1,500
-	7,000	-	-	7,000
-	2,008	-	-	2,008
-	492	-	-	492
-	-	-	-	131,059
-	-	-	-	53,604
-	-	-	-	1,730
-	-	-	-	41,893
-	-	-	7,688	7,688
-	-	-	1,854	1,854
126,662	144,610	1,629,759	1,652,589	7,760,732
-	-	-	-	11,447
-	-	-	-	3,573
18,261	-	-	-	18,261
6,996	-	1,185	-	8,181
-	-	296,720	-	384,800
-	-	117,378	-	146,930

**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, 2014**

	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	\$ -	\$ 431,045	\$ -
200 Employee Benefits	-	153,227	-
300 Purchased Services	-	82,749	-
400 Supplies and Materials	-	18,300	-
215 Exceptional Program Services			
100 Salaries	-	28,945	-
200 Employee Benefits	-	10,260	-
217 Career Specialist Services			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
220 Instructional Staff Services			
221 Improvement of Instruction - Curriculum Development			
100 Salaries	940,137	-	-
200 Employee Benefits	308,327	-	-
300 Purchased Services	140,384	-	-
400 Supplies and Materials	11,051	-	-
223 Supervision of Special Programs			
100 Salaries	128,329	178,298	12,015
200 Employee Benefits	40,961	60,194	5,383
300 Purchased Services	4,954	27,461	-
400 Supplies and Materials	11,481	-	622
224 Improvement of Instruction - Inservice and Staff Training			
100 Salaries	1,180	1,062	-
200 Employee Benefits	288	127	-
300 Purchased Services	5,987	4,500	-
400 Supplies and Materials	12,084	2,399	-
230 General Administration Services			
233 School Administration			
600 Other Objects	-	-	-
250 Finance and Operations Services			
251 Student Transportation			
300 Purchased Services	-	4,197	-

CATE (VA Projects) (207/208)	Adult Education (EA Projects)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Total
\$ -	\$ -	\$ -	\$ 20,878	\$ 451,923
-	-	-	5,031	158,258
-	-	-	-	82,749
-	-	-	-	18,300
-	-	-	-	28,945
-	-	-	-	10,260
-	-	171,956	-	171,956
-	-	84,358	-	84,358
-	-	-	-	-
-	-	2,191	247,579	1,189,907
-	-	-	89,048	397,375
25,351	-	-	30,625	196,360
-	-	-	4,181	15,232
7,610	-	16,633	52,987	395,872
2,112	-	7,654	20,511	136,815
-	3,500	16	4,560	40,491
-	510	20	-	12,633
-	-	700	60,691	63,633
-	-	171	17,778	18,364
-	-	17,000	39,486	66,973
-	-	-	13,260	27,743
-	-	-	1,399	1,399
-	-	-	-	4,197

**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, 2014**

	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	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
255 Pupil Transportation			
300 Purchased Services	-	14,257	-
400 Supplies and Materials	-	-	-
600 Other Objects	-	-	-
256 Food Services			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
260 Central Support Services			
263 Information Services			
400 Supplies and Materials	-	-	-
264 Staff Services			
400 Supplies and Materials	-	-	-
266 Technology and Data Processing Services			
100 Salaries	54,257	-	-
200 Employee Benefits	17,341	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
Total Support Services	<u>1,676,761</u>	<u>1,149,673</u>	<u>18,020</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>

CATE (VA Projects) (207/208)	Adult Education (EA Projects)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Total
\$ -	\$ -	\$ -	\$ 7,496	\$ 7,496
-	-	-	689	689
-	-	-	39,788	39,788
-	-	-	84,097	84,097
-	-	-	-	14,257
-	-	-	83,300	83,300
-	-	-	9,655	9,655
-	-	-	4,770	4,770
-	-	-	893	893
-	-	-	38,479	38,479
-	-	-	14,172	14,172
-	-	-	4,729	4,729
-	-	-	-	54,257
-	-	-	-	17,341
-	-	-	346,808	346,808
-	-	-	287,731	287,731
60,330	4,010	715,982	1,530,621	5,155,397
-	-	-	21,863	21,863
-	-	-	5,034	5,034
-	-	-	20,051	20,051
-	-	-	46,948	46,948

**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, 2014**

	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 State Department of Education			
720 Transits	\$ -	\$ -	\$ -
412 Payments to Other Governmental Units			
720 Transits	-	-	-
417 Payments to Nonprofit Entities			
720 Transits	-	-	-
Total Intergovernmental Expenditures	-	-	-
TOTAL EXPENDITURES	4,482,852	2,493,152	75,562
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	175,573	152,501	2,641
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	(175,573)	(92,501)	(2,641)
TOTAL OTHER FINANCING SOURCES (USES)	(175,573)	(152,501)	(2,641)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	-	-	-
FUND BALANCE			
July 1, 2013	-	-	-
June 30, 2014	\$ -	\$ -	\$ -

<u>CATE (VA Projects) (207/208)</u>	<u>Adult Education (EA Projects)</u>	<u>Other Designated Restricted State Grants (900's)</u>	<u>Other Special Revenue Programs (200's/800's)</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 207,009	\$ 207,009
-	-	-	2,783,670	2,783,670
-	-	-	1,000	1,000
-	-	-	2,991,679	2,991,679
186,992	148,620	2,345,741	6,221,837	15,954,756
-	4,064	-	(280,590)	54,189
-	-	-	307,949	307,949
-	-	-	-	(60,000)
-	(4,064)	-	(27,359)	(302,138)
-	(4,064)	-	280,590	(54,189)
-	-	-	-	-
-	-	-	2,616,049	2,616,049
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,616,049</u>	<u>\$ 2,616,049</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, 2014**

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
908 Refurbish Science Kits
916 ADEPT
919 Education License Plates
924 CDEPP Expansion
926 Summer Reading Camp
928 EEDA Career Specialists
930 IDEA Contingency Fund
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:

264 Adult Ed - DSS Grant
267 Improving Teacher Quality
268 Teacher Incentive Fund
269 ROTC
280 Workforce Investment Act
284 Jobs for SC Grads
802 Local Fund
804 Below Average Schools
812 Gear-Up
819 COMER Fund
820 Summer Reading Camp
822 Art Summer
824 Homework Center Grant
826 Choices Charter School

834 Administrative Claiming M
842 DSAP Summer Program
843 Adult Learning BES
855 Florence Darlington Technical College
856 Byerly Grant HMS Foxes
859 Transportation Special Needs
860 Special Education
868 Adult Banquet
870 District Buses Extra Curricular
879 Erate Funding
890 Medicaid Federal
895 Discover Brighter Futures
898 Coker Foundation
899 Prof Mental Disable

**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, 2014**

Subfund	Revenue	Programs	Revenues	Expenditures	Transfers In/(Out)	Deferred
905	3125	Career and Technology	\$ 105,734	\$ 105,734	\$ -	\$ 76,214
908	3126	Refurbish Science Kits	7,080	7,080	-	10,889
916	3991	ADEPT	3,532	3,532	-	-
919	3193	Education License Plates	10,623	10,623	-	2,690
924	3134	CDEPP Expansion	623,714	623,714	-	62,114
926	3116	EEDA Miscellaneous	1,294	1,294	-	10,469
928	3118	EEDA Career Specialists	257,500	257,500	-	170,719
930	3133	IDEA Contingency Fund	440,425	440,425	-	-
936	3136	Student Health and Fitness - Nurses	414,095	414,095	-	184,467
937	3127	Student Health and Fitness - PE Teachers	79,979	79,979	-	78,791
942	3199	Other Restricted State Grants	9,731	9,731	-	56
955	3155	AE Supplemental Nutrition	8,471	8,471	-	44,632
960	3610	K-5 Enhancement	343,825	343,825	-	345,669
965	3620	Digital Instructional Materials	-	-	-	57,561
967	3607	6-8 Enhancement	28,007	28,007	-	27,055
			<u>\$ 2,334,010</u>	<u>\$ 2,334,010</u>	<u>\$ -</u>	<u>\$ 1,071,326</u>

**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, 2014**

Page 1 of 4

REVENUES

3000 Revenue from State Sources	
3100 Restricted State Funding	
3161 EAA Bus Driver Salary and Fringe	\$ 2,936
3500 Education Improvement Act	
3502 ADEPT	15,512
3509 Arts in Education	17,666
3511 Professional Development	60,820
3526 Refurbishment of K-8 Science Kits	22,015
3532 National Board Certification	452,650
3538 Students At Risk of School Failure	2,357,046
3540 Four-Year Old Early Childhood Program	493,433
3544 High Achieving Students	77,204
3550 Teacher Salary Increase	1,473,918
3555 School Employer Contributions	195,975
3556 Adult Education	340,072
3558 Reading	68,525
3577 Teacher Supplies	192,775
3578 High Schools That Work	25,967
3585 Aid to Districts - Special Education	413,886
3592 Work-Based Learning	2,697
3597 Aid to Districts	160,706
3599 Other EIA	5,522
	<hr/>
Total State Sources	6,379,325
	<hr/>
TOTAL REVENUES	6,379,325
	<hr/>

EXPENDITURES

100 Instruction	
110 General Instruction	
111 Kindergarten Programs	
100 Salaries	59,045
200 Employee Benefits	17,902
112 Primary Programs	
100 Salaries	1,004,022
200 Employee Benefits	404,256
400 Supplies and Materials	95,055
113 Elementary Programs	
100 Salaries	598,699
200 Employee Benefits	206,533
300 Purchased Services	987
400 Supplies and Materials	114,737
114 High School Programs	
100 Salaries	196,578
200 Employee Benefits	46,074
400 Supplies and Materials	223,414
115 Career and Technology Education Programs	
100 Salaries	1,040
200 Employee Benefits	251
400 Supplies and Materials	2,697

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3,954,045

**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, 2014**

Page 3 of 4

EXPENDITURES (CONTINUED)

200 Support Services		
210 Pupil Services		
211 Attendance and Social Work Services		
100 Salaries	\$	7,055
200 Employee Benefits		1,728
300 Purchased Services		36,952
212 Guidance Services		
100 Salaries		7,500
200 Employee Benefits		1,816
214 Psychological Services		
300 Purchased Services		117,204
220 Instructional Staff Services		
221 Improvement of Instruction - Curriculum Development		
100 Salaries		113,405
200 Employee Benefits		58,455
300 Purchased Services		1,021
400 Supplies and Materials		1,008
223 Supervision of Special Programs		
100 Salaries		118,988
200 Employee Benefits		37,923
300 Purchased Services		10,415
400 Supplies and Materials		2,623
224 Improvement of Instruction - Inservice and Staff Training		
100 Salaries		3,452
200 Employee Benefits		831
300 Purchased Services		37,941
400 Supplies and Materials		76,639
600 Other Objects		400
230 General Administration Services		
233 School Administration		
100 Salaries		75,197
200 Employee Benefits		20,836
250 Finance and Operations Services		
252 Fiscal Services		
300 Purchased Services		660
255 Student Transportation		
100 Salaries		2,936
300 Purchased Services		20,402
		<hr/>
Total Support Services		755,387
		<hr/>
TOTAL EXPENDITURES		4,709,432

**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, 2014**

Page 4 of 4

EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 1,669,893</u>
OTHER FINANCING USES	
Transfers from (to) Other Funds	
420-710 Transfer to General Fund (Excludes Indirect Costs)	<u>(1,669,893)</u>
TOTAL OTHER FINANCING USES	<u>(1,669,893)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	-
FUND BALANCE	
July 1, 2013	<u>-</u>
June 30, 2014	<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, 2014**

	Revenues	Expenditures	Other Fund Transfers In/(Out)	Deferred Revenue
PROGRAM				
3100 Restricted State Funding:				
3161 EAA Bus Driver Salary and Fringe	\$ 2,936	\$ 2,936	\$ -	\$ -
3500 Education Improvement Act				
3502 ADEPT	15,512	15,512	-	14,920
3505 Technology Support	-	-	-	22,503
3509 Arts in Education	17,666	17,666	-	8,833
3511 Professional Development	60,820	60,820	-	59,285
3518 Formative Assessment	-	-	-	75,521
3526 Science Kits Refurbishment	22,015	22,015	-	81,136
3532 National Board Certification	452,650	452,650	-	-
3533 Teacher of the Year Awards	-	-	-	1,076
3538 Students At Risk of School Failure	2,357,046	2,357,046	-	2,315,620
3540 Four-Year Old Early Childhood Program	493,433	493,433	-	132,244
3544 High Achieving Student	77,204	77,204	-	209,002
3550 Teacher Salary Increase	1,473,918	-	(1,473,918)	-
3555 School Employer Contributions	195,975	-	(195,975)	-
3556 Adult Education	340,072	340,072	-	53,785
3558 Reading	68,525	68,525	-	97,282
3577 Teacher Supplies	192,775	192,775	-	-
3578 High Schools That Work	25,967	25,967	-	26,177
3585 Aid to Districts - Special Education	413,886	413,886	-	37,892
3592 Work-Based Learning	2,697	2,697	-	41,392
3594 EEDA At Risk Supplemental Programs	-	-	-	14,319
3597 Aid to Districts	160,706	160,706	-	490,673
3599 Other EIA	5,522	5,522	-	-
TOTALS	<u>\$ 6,379,325</u>	<u>\$ 4,709,432</u>	<u>\$ (1,669,893)</u>	<u>\$ 3,681,660</u>

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, 2014**

REVENUES

1000 Revenue from Local Sources	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 12,854
1900 Other Revenue from Local Sources	
1910 Rentals	2,475
1999 Revenue from other Local Sources	658,056
Total Local Sources	673,385
TOTAL REVENUES	673,385

EXPENDITURES

200 Support Services	
250 Finance and Operations Services	
253 Facilities Acquisition & Construction	
300 Purchased Services	116,314
400 Supplies and Materials	8,514
500 Capital Outlay	
520 Construction Services	2,017,731
530 Improvements Other Than Buildings	82,676
540 Equipment	140,847
550 Vehicles	136,027
254 Operation and Maintenance of Plant	
100 Salaries	59,430
200 Employee Benefits	15,569
300 Purchased Services	327,619
Total Support Services	2,904,727
500 Debt Service	
620 Interest	8,688
690 Other Objects	40,000
Total Debt Service	48,688
TOTAL EXPENDITURES	2,953,415

EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,280,030)
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OTHER FINANCING SOURCES (USES)

Interfund Transfers, From (To) Other Funds	
5120 Proceeds on General Obligation Bonds	5,000,000
5210 Transfers from General Fund	8,688
TOTAL OTHER FINANCING SOURCES (USES)	5,008,688

EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	2,728,658
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FUND BALANCE

July 1, 2013	7,960,025
June 30, 2014	\$ 10,688,683

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, 2014**

	<u>General Obligation Debt</u>
REVENUES	
1000 Revenues from Local Sources	
1100 Taxes	
1110 Ad Valorem Taxes - Including Delinquent	\$ 4,487,472
1140 Penalties and Interest on Taxes (Independent)	25,877
1200 Revenue from Local Governmental Units other than LEA	
1280 Revenue in Lieu of Taxes	264,766
1500 Earnings on Investments	
1510 Interest on Investments	25,301
1900 Revenue from Local Sources	
1999 Sales Tax Revenue	<u>5,362,262</u>
Total Local Sources	<u>10,165,678</u>
3000 Revenues from State Sources	
3800 State Revenue in Lieu of Taxes	
3820 Homestead Exemption	222,907
3830 Merchant's Inventory Tax	<u>41,843</u>
Total State Sources	<u>264,750</u>
TOTAL REVENUES	<u>10,430,428</u>
EXPENDITURES	
500 Debt Service	
610 Redemption of Principal	6,560,000
620 Interest	1,906,762
690 Other Objects	<u>1,310</u>
TOTAL EXPENDITURES	<u>8,468,072</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	1,962,356
FUND BALANCE	
July 1, 2013	<u>17,628,842</u>
June 30, 2014	<u><u>\$ 19,591,198</u></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, EXPENDITURES, AND
CHANGES IN NET POSITION – FOOD SERVICE PROGRAM
YEAR ENDED JUNE 30, 2014**

REVENUES

1000 Revenues from Local Sources	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 8
1600 Food Service	
1610 Lunch Sales to Pupils	277,676
1620 Breakfast Sales to Pupils	49,689
1630 Special Sales to Pupils	182,138
1640 Lunch Sales to Adults	74,339
1650 Breakfast Sales to Adults	5,027
1660 Special Sales to Adults	24,954
1900 Other Revenues from Local Sources	
1999 Revenue from Other Local Sources	<u>1,521</u>
Total Local Sources	<u>615,352</u>
4000 Revenues from Federal Sources	
4800 USDA Reimbursement	
4810 School lunch program	3,162,795
4830 School breakfast program	1,231,084
4860 Fresh Fruit & Vegetable Program	173,779
4900 Other Federal Sources	
4991 USDA commodities	<u>319,685</u>
Total Federal Sources	<u>4,887,343</u>
Total Revenues all Sources	<u>5,502,695</u>

OPERATING EXPENSES

200 Support Services	
256 Food Service	
100 Salaries	2,008,192
300 Purchased Services	138,410
400 Supplies and Materials	3,009,612
500 Capital Outlay	
570 Depreciation	115,515
600 Other Objects	<u>40,144</u>
Total Operating Expenses	<u>5,311,873</u>

OPERATING INCOME (LOSS) 190,822

NET POSITION

July 1, 2013	<u>1,730,533</u>
June 30, 2014	<u><u>\$ 1,921,355</u></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, 2014**

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfer From</u>	<u>Balance June 30, 2014</u>
ASSETS					
Cash and cash equivalents	<u>\$ 858,831</u>	<u>\$ 2,554,962</u>	<u>\$ 2,614,536</u>	<u>\$ 45,445</u>	<u>\$ 844,702</u>
LIABILITIES					
Due to schools	<u>\$ 858,831</u>	<u>\$ 2,554,962</u>	<u>\$ 2,614,536</u>	<u>\$ 45,445</u>	<u>\$ 844,702</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, 2014**

RECEIPTS

1000 Receipts from Local Sources	
1700 Pupil Activities	
1790 Other	\$ 2,554,962
	<u>2,554,962</u>
Total Receipts from Local Sources	
	<u>2,554,962</u>
Total Receipts	<u>2,554,962</u>

DISBURSEMENTS

271 Pupil Service Activities	
660 Supporting Services Pupil Activity	795,024
272 Enterprise Activities	
660 Pupil Activity	1,109,450
273 Trust and Agency Activities	
660 Enterprise Activities	710,062
	<u>2,614,536</u>
Total Disbursements	<u>2,614,536</u>

Excess of Receipts Over (Under) Disbursements	<u>(59,574)</u>
---	-----------------

OTHER FINANCING SOURCES

Interfund Transfers, From other Funds	
5210 Transfer from General Fund (Excludes Indirect Cost)	45,445
	<u>45,445</u>
Total Other Financing Sources	<u>45,445</u>

Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(14,129)
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DUE TO SCHOOLS

July 1, 2013	<u>858,831</u>
June 30, 2014	<u>\$ 844,702</u>

OTHER SUPPLEMENTARY SCHEDULES

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/
FEDERAL GOVERNMENT
JUNE 30, 2014**

<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>
----------------	------------------------------------	--	--------------------	--	---

No funds are due to state/federal government

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
LOCATION RECONCILIATION SCHEDULE
YEAR ENDED JUNE 30, 2014**

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
4	Hartsville Middle	Middle School	School	\$ 7,157,438
5	Hartsville High	High School	School	10,778,350
6	Lamar High	High School	School	3,319,426
10	Spaulding Middle	Middle School	School	2,188,622
13	Brockington	Elementary School	School	2,516,493
14	Cain Elementary	Elementary School	School	2,719,640
15	Carolina Elementary	Elementary School	School	2,090,967
16	Lamar Elementary	Elementary School	School	2,202,904
17	North Hartsville Elementary	Elementary School	School	3,894,048
18	Pate Elementary	Elementary School	School	3,077,383
20	Rosenwald Elementary/Middle	Elementary School	School	1,643,950
23	Spaulding Elementary	Elementary School	School	1,387,388
24	Brunson-Dargan Elementary	Elementary School	School	2,308,234
26	St. John's Elementary	Elementary School	School	4,820,257
27	Thornwell Elementary	Elementary School	School	2,895,089
28	West Hartsville Elementary	Elementary School	School	1,599,571
29	Washington Street Elementary	Elementary School	School	2,810,433
30	Darlington High	High School	School	9,202,565
31	Darlington Middle	Elementary School	School	6,228,872
32	Southside Early Childhood	Elementary School	School	2,834,804
33	Mayo Magnet	High School	School	2,764,225
35	Intervention School	Other School	School	1,182,844
50	Superintendent	Non-School	Central	935,619
51	Operations	Non-School	Central	776,174
54	Curriculum & Instruction	Non-School	Central	1,546,341
55	Human Resources	Non-School	Central	653,351
56	Pupil Services	Non-School	Central	630,125
58	Transportation	Non-School	Central	3,067,549
59	Communications	Non-School	Central	212,862
60	Exceptional Education	Non-School	Central	1,681,171
62	Maintenance	Non-School	Central	1,643,132
63	Elementary Assistant Superintendent	Non-School	Central	884,806
64	Adult Education	Non-School	Central	767,182
65	Warehouse	Non-School	Central	83,807
66	Project Share	Non-School	Central	46,972
68	Food Service	Non-School	Central	515,697
69	Computer Services	Non-School	Central	2,161,479
72	Finance	Non-School	Central	14,667,087
91	Institute of Technology	Other School	School	2,026,810
TOTAL EXPENDITURES FOR ALL FUNDS				<u>\$ 111,923,667</u>
The above expenditures are reconciled to the District's financial statements as follows:				
	General Fund			\$ 71,911,583
	Special Projects Fund			15,954,756
	Education Improvement Act Fund			4,709,432
	School Building Fund			2,953,415
	Debt Service Fund			8,468,072
	Food Service Fund			5,311,873
	Student Activity Fund			2,614,536
TOTAL EXPENDITURES FOR ALL FUNDS				<u>\$ 111,923,667</u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014**

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			
600	School Breakfast Program - Cash Assistance	10.553	N/A	\$ 1,231,084
600	National School Lunch Program - Cash Assistance	10.555	N/A	3,162,795
600	National School Lunch Program - Non-Cash Assistance (Commodities)	10.555	N/A	319,685
	Total Child Nutrition Cluster			4,713,564
603	Fresh Fruit and Vegetable Program	10.582	13FV025-01	173,779
	Total U.S. Department of Agriculture			4,887,343
U.S. Department of Labor				
	Pass-through -- South Carolina Dept. of Education			
280	WIA Youth Activities	17.259	2Y507E1	195,870
284	Jobs for America's Graduates	17.259	12JAG105	57,989
	Total 17.259			253,859
	Total U.S. Department of Labor			253,859
U.S. Department of Education				
	Pass-through -- South Carolina Dept. of Education			
201	Title I Grants to LEA's	84.010	14BA025	4,534,309
237	Title I - School Improvements	84.010	13BM025	28,268
237	Title I - School Improvements	84.010	13FO025	79,586
237	Title I - School Improvements	84.010	12BJ025	16,262
	Total 84.010			4,658,425
	Total Title I, Part A Cluster			4,658,425
268	Teacher Incentive Fund	84.374	14TT025-01	503,600
203	IDEA - Children with Disabilities	84.027	14CA025	2,612,128
204	Extended School Year	84.027	13CA025-01	33,525
	Total 84.027			2,645,653
205	Special Education - Preschool Grants	84.173	13CG025	78,203
	Total Special Education Cluster (IDEA)			2,723,856
243	Adult Education - Basic Grants to States	84.002	14EA025	152,684
207	Vocational Education Grant to State	84.048	14VA025	186,992
232	Education for Homeless Children and Youth	84.196	12FH025	10,000
264	English Language Acquisition Grants	84.365	13BP025	13,189
267	Improving Teacher Quality State Grants	84.367	13TQ025-01	626,790
	Total pass-through -- South Carolina Dept. of Education			8,875,536
	Pass-through -- South Carolina Commission on Higher Education			
812	Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	P334S110019	122,527
	Total U.S. Department of Education			8,998,063
Other Federal Assistance				
U.S. Department of Defense				
	Direct Programs:			
269	JROTC	N/A	N/A	188,848
	Total U.S. Department of Defense			188,848
	Total Expenditures of Federal Awards			\$ 14,328,113

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, 2014**

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. 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, 2014, 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 3, 2014.

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*.

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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.

A handwritten signature in blue ink, reading "Wilbur Rogers II". The signature is written in a cursive style with a large, stylized "W" and "R".

Summerville, South Carolina
November 3, 2014

**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, 2014. 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, 2014.

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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 3, 2014

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014**

Page 1 of 2

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

84.027

Special Education Cluster (IDEA)

84.367

Improving Teacher Quality State Grants

84.374

Teacher Incentive Fund

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

\$429,837

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, 2014**

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, 2014**

Financial Statement Findings

2013-001	Inaccurate records relating to land and accrued liabilities.
Condition	Accurate records relating to land and accrued liabilities that are necessary to preparing timely and accurate financial statements have not been maintained.
Recommendation	We recommend the School District's current direction in maintaining fixed assets that begun during fiscal year 2013, to continue its new internal control of quarterly formal reviews.
Current Status	The recommendation was adopted. No similar finding was noted in 2014.