

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

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

YEAR ENDED JUNE 30, 2012

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
YEAR ENDED JUNE 30, 2012**

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**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
YEAR ENDED JUNE 30, 2012**

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Independent Auditors' Report

Board of Trustees
Darlington County School District
Darlington, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, 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, 2012, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Darlington County School District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of CHOICES of Florence, Inc., a component unit, which reflect total net assets of \$492,417 as of June 30, 2012, and total revenues of \$308,567 for the year then ended (represents 100% of the net assets and revenues of the discretely presented component units). Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for CHOICES of Florence, Inc. is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Darlington County School District, as of June 30, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2012, on our consideration of the Darlington County 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* and should be considered in assessing the results of our audit.

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 38 through 43, 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 regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financials statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Darlington County School District's financial statements as a whole. The combining and individual fund schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements of Darlington County School District. The combining and individual 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 and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the report of other auditors, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Summerville, South Carolina
November 20, 2012

**DARLINGTON COUNTY SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2012**

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, 2012.

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 the economic downturn this nation and state have faced over the past three years. This approach has not only strengthened the financial position of the district, it has affected a synergistically robust and streamlined approach to educating students in our district. It has yielded an addition to fund balance of \$8,230,947. In this year, revenues exceed estimations by \$3,659,119. Additionally, our support service expenditures saw a total reduction of \$3,725,620 under the original estimation. Our methodology has delivered increasing student outcomes and provided the taxpayers of Darlington County with a return on their investment. Our School District was rated "fifth" (5th) in academic performance, "second" (2nd) highest in graduation rates, and "third" (3rd) lowest drop-out rate of eighty-five (85) school districts. We achieved an "Excellent" rating with a score of 94.4 on the Federal No Child Left Behind score (ranked 6th in SC).

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.

Looking forward, there has been an impasse at the federal level which has the potential to jeopardize funds we receive. 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.

The Basic Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 9 & 10) provide information about the activities of the District and its discretely presented component unit 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

The Statement of Net Assets and the Statement of Activities

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 Assets 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
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2012**

These two statements report the District's net assets and changes in them. One can think of the District's net assets – 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 assets are 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 Assets and the Statement of Activities, the District is divided into two kinds of activities:

- Governmental activities – Most of the District's and its component unit'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 two kinds of funds – governmental and proprietary – 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 Assets 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.

Reporting the District's Fiduciary Responsibility

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 assets.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The District's net assets increased by \$10,977,967 over last year. Total assets increased by \$10,519,392 and total liabilities decreased by \$458,575.

**DARLINGTON COUNTY SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2012**

The largest portion of the District's net assets (50.3%) reflects its investment in capital assets less any related debt used to acquire those assets that are still outstanding. An additional portion (5.16%) of the District's net assets represents resources subject to external restrictions on how they may be used.

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>
Current & other assets	\$ 63,028	\$ 74,151	\$ 591	\$ 820	\$ 63,619	\$ 74,971
Capital assets	101,811	101,105	985	859	102,796	101,964
Total assets	164,839	175,256	1,576	1,679	166,415	176,936
Current liabilities	16,491	17,785	-	6	16,491	17,791
Long term liabilities	44,214	42,456	-	-	44,214	42,456
Total liabilities	60,705	60,241	-	6	60,705	60,247
Net Assets:						
Invested in capital						
Assets, net of debt	56,915	57,840	985	859	57,900	58,699
Restricted	5,949	5,937	-	-	5,949	5,937
Unrestricted	41,270	51,239	591	814	41,861	52,053
Total Net Assets	\$ 104,134	\$ 115,016	\$ 1,576	\$ 1,673	\$ 105,710	\$ 116,689

The District is able to report, this year as well as last year, positive balances in all three areas of net assets both for the government as a whole, as well as for its separate governmental and business type activities.

Table II
Changes in Net Assets
(In thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>
Revenues						
Program revenue:						
Charges for services	\$ 40	\$ 28	\$ 802	\$ 772	\$ 842	\$ 800
Operating grants	52,069	50,181	4,672	4,855	56,741	55,036
Capital grants	52	1,109	-	-	52	1,109
General revenues:						
Property taxes	32,452	33,671	-	-	32,452	33,671
Sales taxes	4,685	4,871	-	-	4,685	4,871
State aid	12,173	11,755	-	-	12,173	11,755
Other general revenue	2,123	950	-	-	2,123	950
Total Revenue	103,594	102,565	5,474	5,627	109,068	107,822
Program expenses:						
Instruction	52,903	52,099	-	-	52,903	52,099
Support services	35,570	34,288	-	-	35,570	34,288
Community services	7	-	-	-	7	-
Intergovernmental	3,198	3,274	-	-	3,198	3,274
Interest on long term debt	2,213	1,842	-	-	2,213	1,842
Unallocated depreciation	338	351	-	-	338	351
Food service	-	-	5,244	5,361	5,244	5,361
Total Expenses	94,229	91,854	5,244	5,361	99,473	97,215
Excess before transfers	9,365	10,711	230	266	9,595	10,977
Transfers	195	170	(195)	(170)	-	-
Increase in net assets	\$ 9,560	\$ 10,881	\$ 35	\$ 96	\$ 9,595	\$ 10,977

Revenue from both local sources and grants were 0.9% under prior year. Program expenses were 2.5% under last year. Net assets increased by \$9,560,529 in 2011 and by \$10,977,967 in 2012.

**DARLINGTON COUNTY SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2012**

Governmental Activities

The unrestricted net assets of the District's governmental funds increased by \$9,969,175. At the same time, the District's net investment in capital assets increased by \$924,544.

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 assets increased for the year by \$96,490.

The District's Funds

The District's governmental funds (as presented on the balance sheet beginning on page 11) reported a combined fund balance of \$56,432,804, which increased by \$9,909,256 over last year's total of \$46,523,548. The schedule below illustrates the fund balance and total change in fund balance as of June 30, 2011 and 2012.

	Fund Balance June 30, 2011	Fund Balance June 30, 2012	Increase (Decrease)
General	\$ 24,463,685	\$ 32,694,632	\$ 8,230,947
Special Projects	2,731,522	2,449,659	(281,863)
School Building	4,457,101	5,163,000	705,899
Debt Service	14,871,240	16,125,513	1,254,273
Total	<u>\$ 46,523,548</u>	<u>\$ 56,432,804</u>	<u>\$ 9,909,256</u>

General Fund

The District's general fund balance increase is due to an excess of revenues over expenditures of \$6,573,798 along with other financing sources of \$1,657,149. These items reflect a net change in fund balance of \$8,230,947.

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

	2011 Amount	2012 Amount	Percentage Change
Revenues			
Taxes	\$ 25,313,328	\$ 26,863,601	6.12%
Other local sources	443,781	328,866	-25.89%
Intergovernmental	38,858,969	41,116,509	5.81%
	<u>\$ 64,616,078</u>	<u>\$ 68,308,976</u>	5.72%

**DARLINGTON COUNTY SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2012**

	2011 Amount	2012 Amount	Percentage Change
Expenditures by object			
Salaries	\$ 39,650,824	\$ 38,817,237	-2.10%
Fringe benefits	14,836,336	14,548,478	-1.94%
Purchased services	3,494,941	3,252,987	-6.92%
Supplies and Materials	1,956,726	4,112,706	110.18%
Capital outlay	39,039	4,268	-89.07%
Miscellaneous	767,050	918,876	19.79%
CHOICES Charter School	79,947	80,626	0.85%
	<u>\$ 60,824,863</u>	<u>\$ 61,735,178</u>	1.50%

The table above shows that the largest portion (86.4%) of general fund expenditures is for salaries and fringe benefits. The District is a service entity and as such is labor intensive.

Expenditures increased \$910,315 or 1.50% over the prior year. This is primarily attributed to the loss of Federal State Fiscal Stabilization funds which were used for non-personnel expenses in prior years.

Revenue (including transfers in of \$1,702,197) exceeded expenditures (including transfers out of \$45,048) during the fiscal year resulting in an increase to the general fund balance of \$8,230,947.

Other Funds

The Special Projects fund operates essentially on a break-even basis. Revenues for the Special Projects exceeded expenditures (including net transfers out of \$403,092) during the fiscal year resulting in a decrease in special projects fund balance of \$281,863.

The Education Improvement Act (EIA) fund showed an \$851,578 increase in revenue. This reflected an overall state funding increase.

The School Building Fund increased fund balance by \$705,899. The primary reason for increase is due to a major construction in progress that was begun at the end of the fiscal year, but was a part of the capital project plan. These funds 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 \$1,254,273. The increase was primarily the collection of the one percent sales tax which is being accumulated to service the \$48,000,000 general obligation bond issued.

Budgetary Analysis

The District under-estimated its general fund revenue by \$5,379,130. The operation expenses were over-estimated by \$1,944,280. The other financing sources (uses) were under-estimated by \$414,319. The result was a fund balance increase of \$7,737,792 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.

**DARLINGTON COUNTY SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2012**

Capital Assets

As it has already been noted, the District has finished the implementation of a \$48,000,000 capital improvement plan. This includes 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 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 was the new location for Thornwell School for the Arts. The major building construction for the \$48,000,000 projects were 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. Various deferred maintenance items were addressed this year to include Fire Suppression systems in the cafeterias at Mayo High School, Cain Elementary, Brunson-Dargan Elementary, and Saint John's Elementary; the paving of the student parking lot at Hartsville High School, various intercom renovations; building door and door hardware replacements; and window replacements at various schools throughout the district. In addition to these, there was a fire alarm replacement at Pate Elementary and the start of a complete electrical system overhaul at Darlington High School which will be complete in fiscal year 2012-2013.

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 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 ASSETS
JUNE 30, 2012**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	CHOICES Charter School
ASSETS				
Cash and cash equivalents	\$ 8,989,394	\$ 225	\$ 8,989,619	\$ 56,098
Restricted cash and cash equivalents	22,600	-	22,600	-
Cash and Investments with County Treasurer	56,229,578	-	56,229,578	-
Investment funds in escrow with bond refunding agent	1,265,653	-	1,265,653	-
Due from other governmental units	6,351,650	368,665	6,720,315	-
Internal balances	(421,563)	421,563	-	-
Taxes receivable	1,301,947	-	1,301,947	-
Accounts receivable	12,940	-	12,940	2,020
Inventories	104,556	29,914	134,470	-
Bond issuance costs, net	294,153	-	294,153	-
Capital assets not being depreciated	8,890,927	-	8,890,927	-
Capital assets, net of accumulated depreciation	92,214,426	858,941	93,073,367	436,136
TOTAL ASSETS	175,256,261	1,679,308	176,935,569	494,254
LIABILITIES				
Accounts payable	3,454,731	6,424	3,461,155	1,837
Accrued expenses	5,745,961	-	5,745,961	-
Deferred revenue	5,707,654	-	5,707,654	-
Due to other governmental units	327,754	-	327,754	-
Accrued interest payable	654,535	-	654,535	-
Noncurrent liabilities				
Due within one year	1,893,916	-	1,893,916	-
Due in more than one year	42,455,914	-	42,455,914	-
TOTAL LIABILITIES	60,240,465	6,424	60,246,889	1,837
NET ASSETS				
Invested in capital assets, net of related debt	57,840,408	858,941	58,699,349	436,136
Restricted for				
Special projects	2,227,950	-	2,227,950	-
Debt service	3,708,722	-	3,708,722	-
Unrestricted	51,238,716	813,943	52,052,659	56,281
TOTAL NET ASSETS	\$ 115,015,796	\$ 1,672,884	\$ 116,688,680	\$ 492,417

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, 2012**

Functions/Programs	Expenses	Net (Expenses) Revenues and Changes in Net Assets						
		Program Revenues			Primary Government			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	CHOICES Charter School
Primary Government								
Governmental activities								
Instruction	\$ 52,098,537	\$ 28,189	\$ 44,118,100	\$ 1,109,454	\$ (6,842,794)	\$ -	\$ (6,842,794)	
Support services	34,325,413	-	6,063,111	-	(28,262,302)	-	(28,262,302)	
Community services	426	-	-	-	(426)	-	(426)	
Intergovernmental	3,274,152	-	-	-	(3,274,152)	-	(3,274,152)	
Interest and other charges	1,805,002	-	-	-	(1,805,002)	-	(1,805,002)	
Depreciation-unallocated *	351,138	-	-	-	(351,138)	-	(351,138)	
Total governmental activities	91,854,668	28,189	50,181,211	1,109,454	(40,535,814)	-	(40,535,814)	
Business-type activities								
Food services	5,360,969	772,030	4,855,429	-	-	266,490	266,490	
Total business-type activities	5,360,969	772,030	4,855,429	-	-	266,490	266,490	
Total primary government	\$ 97,215,637	\$ 800,219	\$ 55,036,640	\$ 1,109,454	(40,535,814)	266,490	(40,269,324)	
Component Unit								
CHOICES Charter School	\$ 335,229	\$ -	\$ 286,580	\$ -			\$ (48,649)	
General revenues								
Property taxes levied for								
General purposes					26,638,140	-	26,638,140	
Florence-Darlington Technical College					2,439,434	-	2,439,434	
Debt service					4,593,530	-	4,593,530	
Sales taxes					4,871,043	-	4,871,043	
Grants and contributions not restricted to specific programs					11,755,469	-	11,755,469	
Unrestricted revenue from use of money and property					161,039	-	161,039	
Other local services					-	-	-	
Miscellaneous					788,636	-	788,636	
Transfers					170,000	(170,000)	-	
Total General Revenues and Transfers					51,417,291	(170,000)	51,247,291	
Change in Net Assets					10,881,477	96,490	10,977,967	
Net Assets								
July 1, 2011					104,134,319	1,576,394	105,710,713	
June 30, 2012					\$ 115,015,796	\$ 1,672,884	\$ 116,688,680	

* 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, 2012**

	General Fund	Special Projects Fund	EIA Fund	School Building Fund	Debt Service Fund	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 8,989,394	\$ -	\$ -	\$ -	\$ -	\$ 8,989,394
Restricted cash and cash equivalents	22,600	-	-	-	-	22,600
Cash and Investments with County Treasurer	35,944,700	-	-	5,831,170	14,453,708	56,229,578
Property taxes receivables, net of allowance	1,007,441	102,551	-	-	191,955	1,301,947
Taxes receivables	-	-	-	-	1,259,515	1,259,515
Accounts receivable	10,666	2,060	214	-	-	12,940
Due from other governmental units						
SC Department of Education	197,175	2,922	130,655	-	-	330,752
State government	-	-	274,622	-	-	274,622
Due from County	-	342,298	-	-	-	342,298
Other agencies	450,539	154,586	-	-	-	605,125
Federal government	-	3,539,338	-	-	-	3,539,338
Due from other funds	4,283,195	4,526,512	2,913,157	334,533	350,071	12,407,468
Inventories	104,556	-	-	-	-	104,556
TOTAL ASSETS	<u>\$ 51,010,266</u>	<u>\$ 8,670,267</u>	<u>\$ 3,318,648</u>	<u>\$ 6,165,703</u>	<u>\$ 16,255,249</u>	<u>\$ 85,420,133</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 3,399,181	\$ -	\$ -	\$ 55,550	\$ -	\$ 3,454,731
Accrued liabilities	5,745,961	-	-	-	-	5,745,961
Due to other governmental units	-	327,754	-	-	-	327,754
Due to other funds	8,202,731	3,609,364	69,783	947,153	-	12,829,031
Deferred revenues	967,761	2,283,490	3,248,865	-	129,736	6,629,852
TOTAL LIABILITIES	<u>18,315,634</u>	<u>6,220,608</u>	<u>3,318,648</u>	<u>1,002,703</u>	<u>129,736</u>	<u>28,987,329</u>
FUND BALANCES						
Nonspendable						
Inventory	104,556	-	-	-	-	104,556
Restricted	118,577	2,109,373	-	-	3,708,722	5,936,672
Committed	-	-	-	5,163,000	-	5,163,000
Assigned	1,918,477	340,286	-	-	12,416,791	14,675,554
Unassigned	30,553,022	-	-	-	-	30,553,022
TOTAL FUND BALANCES	<u>32,694,632</u>	<u>2,449,659</u>	<u>-</u>	<u>5,163,000</u>	<u>16,125,513</u>	<u>56,432,804</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 51,010,266</u>	<u>\$ 8,670,267</u>	<u>\$ 3,318,648</u>	<u>\$ 6,165,703</u>	<u>\$ 16,255,249</u>	<u>\$ 85,420,133</u>

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$	56,432,804
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Amounts reported for governmental activities in the Statement of Net Assets 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.		922,198
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Bond issue costs are reported as an expenditure in the governmental funds. The cost is deferred in the statement of net assets. The cost is \$399,285 and accumulated amortization is \$105,132.		294,153
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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.		1,265,653
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Capital assets used for governmental activities are not financial resources and therefore are not reported in governmental funds. The cost of assets is \$211,227,165 and the accumulated depreciation is \$110,121,812.		101,105,353
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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:

Notes payable	\$	(16,907)	
Bonds payable		(41,370,000)	
Less: issuance premium		(1,878,038)	
Compensated absences payable		(1,084,885)	
Accrued interest payable		(654,535)	
		(45,004,365)	(45,004,365)

NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$	<u>115,015,796</u>
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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 REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2012**

	General Fund	Special Projects Fund	EIA
REVENUES			
Local property taxes	\$ 26,863,601	\$ 2,439,434	\$ -
Sales taxes	-	-	-
Other local	328,866	1,517,805	-
Total local	27,192,467	3,957,239	-
State	40,947,928	1,610,817	7,720,253
Federal	-	9,963,996	-
Intergovernmental	168,581	-	-
Total Revenues	<u>68,308,976</u>	<u>15,532,052</u>	<u>7,720,253</u>
EXPENDITURES			
Current			
Instruction	34,531,663	7,180,088	6,492,919
Support services	27,014,080	5,196,985	866,126
Community services	426	-	-
Intergovernmental	111,924	3,033,750	128,478
Debt service			
Principal	76,501	-	-
Interest	584	-	-
Fees	-	-	-
Capital outlay	-	-	-
Total Expenditures	<u>61,735,178</u>	<u>15,410,823</u>	<u>7,487,523</u>
Excess of Revenues Over (Under) Expenditures	<u>6,573,798</u>	<u>121,229</u>	<u>232,730</u>
OTHER FINANCING SOURCES (USES)			
General obligation bonds issuance	-	-	-
Transfers in	1,702,197	-	896,375
Transfers out	(45,048)	(403,092)	(1,129,105)
Total Other Financing Sources (Uses)	<u>1,657,149</u>	<u>(403,092)</u>	<u>(232,730)</u>
Net Change in Fund Balance	8,230,947	(281,863)	-
FUND BALANCE			
July 1, 2011	<u>24,463,685</u>	<u>2,731,522</u>	<u>-</u>
June 30, 2012	<u>\$ 32,694,632</u>	<u>\$ 2,449,659</u>	<u>\$ -</u>

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

School Building Fund	Debt Service Fund	Total Governmental Funds
\$ -	\$ 4,593,530	\$ 33,896,565
-	4,871,043	4,871,043
<u>575,530</u>	<u>34,623</u>	<u>2,456,824</u>
575,530	9,499,196	41,224,432
896,374	259,233	51,434,605
-	-	9,963,996
-	-	<u>168,581</u>
<u>1,471,904</u>	<u>9,758,429</u>	<u>102,791,614</u>
-	-	48,204,670
1,087,236	-	34,164,427
-	-	426
-	-	3,274,152
-	6,450,000	6,526,501
8,688	2,052,916	2,062,188
-	1,240	1,240
<u>3,782,394</u>	<u>-</u>	<u>3,782,394</u>
<u>4,878,318</u>	<u>8,504,156</u>	<u>98,015,998</u>
<u>(3,406,414)</u>	<u>1,254,273</u>	<u>4,775,616</u>
5,000,000	-	5,000,000
8,688	-	2,607,260
<u>(896,375)</u>	<u>-</u>	<u>(2,473,620)</u>
<u>4,112,313</u>	<u>-</u>	<u>5,133,640</u>
705,899	1,254,273	9,909,256
<u>4,457,101</u>	<u>14,871,240</u>	<u>46,523,548</u>
<u>\$ 5,163,000</u>	<u>\$ 16,125,513</u>	<u>\$ 56,432,804</u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012**

TOTAL NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS	\$	9,909,256
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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 in the governmental funds. Deferred tax revenues decreased by this amount during the year.		(225,461)
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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 (\$4,488,687) exceeded capital outlay (\$3,782,394) in the period.		(706,293)
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In the Statement of Net Assets, 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.		145,025
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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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. 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:			
Notes payable		76,501	
Bonds payable		6,450,000	
Amortization of bond issuance costs		(16,341)	
Amortization of bond premiums		104,336	
		1,614,496	1,614,496

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	\$	(1,084,885)	
Prior year		1,205,172	
Accrued interest			
Current year		(654,535)	
Prior year		678,702	
		144,454	144,454

Change in Net Assets of Governmental Activities	\$	10,881,477
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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 ASSETS -
PROPRIETARY FUNDS
JUNE 30, 2012**

	Enterprise Fund - Food Service Program
ASSETS	
Current assets	
Cash and cash equivalents	\$ 225
Due from other governmental units	368,665
Due from other funds	421,563
Inventories	29,914
Total current assets	820,367
Noncurrent assets	
Equipment	2,969,259
Less accumulated depreciation	(2,110,318)
Total noncurrent assets	858,941
Total assets	1,679,308
LIABILITIES	
Current liabilities	
Accounts payable	6,424
Total current liabilities	6,424
Total liabilities	6,424
NET ASSETS	
Invested in capital assets	858,941
Unrestricted	813,943
Total net assets	\$ 1,672,884

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 ASSETS -
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2012**

	Enterprise Fund - Food Service Program
OPERATING REVENUES	
Proceeds from sale of meals	\$ 568,936
Special sales and miscellaneous	203,088
Interest Income	6
	772,030
OPERATING EXPENSES	
Food costs	2,500,807
Salaries and wages	2,032,943
Supplies and materials	484,732
Depreciation	145,060
Other operating costs	197,427
	5,360,969
Total Operating Expenses	5,360,969
Operating Loss	(4,588,939)
NONOPERATING REVENUES (EXPENSES)	
USDA Reimbursements	4,476,868
Commodities received from USDA	378,119
Other federal and state aid	442
	4,855,429
Total Nonoperating Revenues (Expenses)	4,855,429
Income Before Transfers	266,490
Transfers Out	(170,000)
Changes in Net Assets	96,490
NET ASSETS	
July 1, 2011	1,576,394
June 30, 2012	\$ 1,672,884

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, 2012**

	Enterprise Fund - Food Service Program
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from patrons	\$ 772,030
Payments to employees for services	(2,032,943)
Payments to supplies for goods and services	(3,027,662)
	(4,288,575)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	6
	6
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Nonoperating grants received	4,477,310
Transfers to other funds	(170,000)
	4,307,310
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(18,667)
	(18,667)
Net increase in cash and cash equivalents	74
Cash and cash equivalents - July 1, 2011	151
	225
Cash and cash equivalents - June 30, 2012	\$ 225
Reconciliation of operating loss to net cash provided (used) by operating activities:	
Operating loss	\$ (4,588,939)
Adjustments to reconcile operating income to net cash received from (used by) operating activities:	
Depreciation	145,060
Commodities used	378,119
Changes in assets and liabilities:	
(Increase) decrease in due from governmental units	(358,318)
(Increase) decrease in receivables	137,513
(Increase) decrease in inventory	1,919
Increase (decrease) in payables	(3,929)
Net cash used by operating activities	\$ (4,288,575)

Noncash noncapital financing activities:

During the year, the District received \$378,119 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 ASSETS AND LIABILITIES - AGENCY FUND
JUNE 30, 2012**

		Agency Funds
ASSETS		
	Cash and cash equivalents	\$ 775,671
	TOTAL ASSETS	<u>\$ 775,671</u>
LIABILITIES		
	Due to schools	\$ 775,671
	TOTAL LIABILITIES	<u>\$ 775,671</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, 2012**

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.

Discretely Presented Component Units. CHOICES of Florence Inc., (a Charter School of Florence and Darlington) provides education and training for out-of-school youths between the ages of 12 and 17 in the Florence/Darlington area. The charter school, which is owned and operated by a non-profit organization under an agreement with the Darlington County School District, began operations in August 2002. The agreement is governed by state statutes which – as interpreted by the State Department of Education – require the inclusion of charter schools as discretely presented component units of the sponsoring district. CHOICES of Florence Inc. is funded by both the Darlington County School District and the Florence One School District, but is physically located within the bounds of the Darlington County School District. Financial statements of CHOICES of Florence Inc. may be available at the school's administrative offices at 1405 Poinsett Drive, Florence, SC 29501.

Significant transactions between the component unit and the School District for the fiscal year ended June 30, 2012, are as follows:

Support from the School District to the Charter School	<u>\$80,626</u>
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B. Basis of Presentation

Government-wide Statements:

The government-wide financial statements (i.e., the statement of net assets 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 a 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 are 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.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements:

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

The School District reports the following major governmental funds:

1. General Fund – The General Fund of the School District is used to account for all financial resources except those required to be accounted for in another fund. All property taxes, intergovernmental revenue, charges for services, Education Finance Act revenue, and miscellaneous revenue are recorded in this fund except amounts which are specifically collected to service debt or for which the School District collects funds in a fiduciary capacity. Operational expenditures for general instruction, support services, general administration, and other departments of the School District are paid through the General Fund.
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, 2012

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.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

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, 2012**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

The School District's government-wide financial statements and proprietary funds apply all applicable Government Accounting Standards Board (GASB) pronouncements, as well as the requirements of Financial Accounting Standards Board (FASB) statements and interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs), issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. Governments also have the option of applying subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The School District has elected not to follow subsequent private-sector guidance.

D. Assets, Liabilities and Equity

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.

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 assets, except for net residual amounts due between governmental and business-type activities, which are presented as internal balances.

3. 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.

4. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities 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, 2012**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities and Equity (Continued)

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

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

5. 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.

6. 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.

7. Accrued liabilities and long-term obligations

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.

Bond premiums and discounts, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities and Equity (Continued)

8. Net assets and fund equity

Government-wide Statements:

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

- a. Invested in capital assets, net of related debt – 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 assets – Consists of net assets 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 assets – All other net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted.”

Fund Statements:

Beginning with fiscal year 2011, the School District implemented accounting standards that provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance—amounts that are not in spendable form (such as inventory) or are required to be maintained intact. The District's inventories totaling \$104,556 are classified as nonspendable.
- Restricted fund balance—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. The District had a total of \$5,936,672 in restricted fund balance, which is comprised of \$3,708,722 restricted for contractual obligations, \$705,584 restricted for E Rate funding, \$1,403,789 restricted for Medicaid and \$118,577 restricted for other items.
- Committed fund balance—amounts constrained to specific purposes by the School District itself, using its highest level of decision-making authority (i.e., Board of Education). To be reported as committed, amounts cannot be used for any other purpose unless the School District takes the same highest level action to remove or change the constraint. The District had \$5,163,000 committed for capital projects.
- Assigned fund balance—amounts the School District intends to use for a specific purpose. Intent can be expressed by the School District Board of Education or by an official or body to which the School District Board of Education delegates the authority. The District had a total of \$14,675,554 in assigned fund balance. In the General Fund \$583,000 is assigned for index of tax paying ability, \$232,500 is assigned for landscaping, \$481,900 is assigned for cameras, \$322,542 is assigned for technology improvements and \$298,535 is assigned for other items. In the Special Projects Fund \$226,526 is assigned for activity buses, \$49,946 is assigned for adult banquet and \$63,814 assigned for other items. In the Debt Service Fund \$12,416,791 is assigned for debt service. .
- Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the general fund. The District had a total of \$30,553,022 in unassigned fund balance.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. 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 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, 2012 the carrying amount of the School District's deposits was \$9,762,296 and the bank balance was \$10,229,643. 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 \$52,863,155.

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, 2012, \$3,471,400 was in a repurchase agreement held by the counterparty, or its trust department or agent for the School District.

As of June 30, 2012, the School District had the following investments and maturities:

Investment Type	Fair Value	Weighted Average Maturity (Days)
Repurchase Agreement	\$ 3,471,400	1

DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

II. DETAILED NOTES ON ALL 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.

As of June 30, 2012, the School District's investment in the repurchase agreement was collateralized by unrated securities with a market value of \$3,471,400.

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, 2012**

II. DETAILED NOTES ON ALL 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 is property taxes.

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 \$20,146,675), is \$199,643,099. The general operations millage is 168.68 mills (\$16.868 per \$100 assessed valuation), and debt service fund millage is 22 mills (\$2.19 per \$100 assessed valuation).

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

C. Receivables

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

	<u>General</u>	<u>Special Projects</u>	<u>EIA</u>	<u>Debt Service</u>	<u>Food Service Program</u>
Receivables					
Property taxes	\$ 2,027,154	\$ 169,690	\$ -	\$ 335,457	\$ -
Sales taxes	-	-	-	1,259,515	-
Intergovernmental	647,714	4,039,144	405,277	-	368,665
Accounts	10,666	2,060	214	-	-
Gross receivables	<u>2,685,534</u>	<u>4,210,894</u>	<u>405,491</u>	<u>1,594,972</u>	<u>368,665</u>
Less allowance for uncollectible property tax	<u>(1,019,713)</u>	<u>(67,139)</u>	<u>-</u>	<u>(143,502)</u>	<u>-</u>
Net receivables	<u>\$ 1,665,821</u>	<u>\$ 4,143,755</u>	<u>\$ 405,491</u>	<u>\$ 1,451,470</u>	<u>\$ 368,665</u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

II. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets

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

	Balance 6/30/2011	Additions	Deletions	Transfers	Balance 6/30/2012
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 6,965,909	\$ -	\$ -	\$ -	\$ 6,965,909
Construction in progress	1,159,554	1,723,072	(957,608)	-	1,925,018
Total capital assets, not being depreciated	8,125,463	1,723,072	(957,608)	-	8,890,927
Capital assets, being depreciated					
Building and improvements	178,999,662	1,667,555	-	-	180,667,217
Land improvements	8,170,298	1,287,892	-	-	9,458,190
Equipment	12,149,348	61,483	-	-	12,210,831
Total capital assets, being depreciated	199,319,308	3,016,930	-	-	202,336,238
Totals at historical cost	207,444,771	4,740,002	(957,608)	-	211,227,165
Less accumulated depreciation for					
Building and improvements	(96,563,226)	(3,625,854)	-	-	(100,189,080)
Land improvements	(1,809,518)	(439,121)	-	-	(2,248,639)
Equipment	(7,260,381)	(423,712)	-	-	(7,684,093)
Total accumulated depreciation	(105,633,125)	(4,488,687)	-	-	(110,121,812)
Total capital assets, being depreciated, net	93,686,183	(1,471,757)	-	-	92,214,426
Governmental activities capital assets, net	<u>\$ 101,811,646</u>	<u>\$ 251,315</u>	<u>\$ (957,608)</u>	<u>\$ -</u>	<u>\$ 101,105,353</u>

	Balance 6/30/2011	Additions	Deletions	Transfers	Balance 6/30/2012
Business-type Activities					
Capital assets, being depreciated					
Food service equipment	\$ 2,950,592	\$ 18,667	\$ -	\$ -	\$ 2,969,259
Less accumulated depreciation for					
Food service equipment	(1,965,258)	(145,060)	-	-	(2,110,318)
Business-type activities capital assets, net	<u>\$ 985,334</u>	<u>\$ (126,393)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 858,941</u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

II. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets (Continued)

	Balance 6/30/2011	Additions	Deletions	Transfers	Balance 6/30/2012
Component Unit Activities					
Capital assets, being depreciated					
Building and improvements	\$ 556,695	\$ -	\$ -	\$ -	\$ 556,695
Equipment	62,415	-	-	-	62,415
Total capital assets being depreciated	<u>619,110</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>619,110</u>
Less accumulated depreciation for					
Building and improvements	(97,404)	(23,155)	-	-	(120,559)
Equipment	(62,415)	-	-	-	(62,415)
Total accumulated depreciation	<u>(159,819)</u>	<u>(23,155)</u>	<u>-</u>	<u>-</u>	<u>(182,974)</u>
Component unit activities capital assets, net	<u>\$ 459,291</u>	<u>\$ (23,155)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 436,136</u>

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

Governmental activities		Business-type activities	
Instruction	\$ 3,905,592	Food Service	\$ 145,060
Support Services	231,957	Total business -type activities	<u>\$ 145,060</u>
Unallocated	351,138		
Total governmental activities	<u>\$ 4,488,687</u>	Component unit activities	
		Support services	\$ 23,155
		Total component unit activities	<u>\$ 23,155</u>

E. Transfers from (to) Other Funds

Transfers from (to) other funds for the year ended June 30, 2012, consisted of the following:

	Transfers In	Transfers Out
General Fund	\$ 1,702,197	\$ 45,048
Special Projects Fund	-	403,092
Education Improvement Act Fund	896,375	1,129,105
School Building Fund	8,688	896,375
Total governmental funds	<u>2,607,260</u>	<u>2,473,620</u>
Food Service Fund	-	170,000
Total proprietary fund	<u>-</u>	<u>170,000</u>
Pupil Activities Fund	36,360	-
Total fiduciary funds	<u>36,360</u>	<u>-</u>
Total transfers	<u>\$ 2,643,620</u>	<u>\$ 2,643,620</u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

II. DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Transfers from (to) Other Funds (Continued)

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.

F. Interfund Receivables and Payables

Interfund balances at June 30, 2012, consisted of the following individual fund receivables and payables:

	Receivable	Payable
General Fund	\$ 4,283,195	\$ 8,202,731
Special Projects Fund	4,526,512	3,609,364
Education Improvement Act Fund	2,913,157	69,783
School Building Fund	334,533	947,153
Debt Service Fund	350,071	-
Total governmental funds	12,407,468	12,829,031
Food Service Fund	421,563	-
Total proprietary fund	421,563	-
Total balances	\$ 12,829,031	\$ 12,829,031

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. Deferred Revenues

Governmental funds report deferred revenue in the fund financial statement in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At June 30, 2012, the various components of deferred and unearned revenue reported in the governmental funds were as follows:

	Fund Statement	Government-wide
Deferred		
Property taxes receivable	\$ 922,198	\$ -
Unearned		
Grant revenue	5,707,654	5,707,654
	\$ 6,629,852	\$ 5,707,654

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

II. DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Bond Issue Costs

Bond issue costs shown on the Statement of Net Assets are being amortized over the life of the outstanding bonds. Changes in bond issue costs for the year ended June 30, 2012, are as follows:

	June 30, 2011	Increases	Decreases	June 30, 2012
Bond issue costs 2005 General Obligation Bonds	\$ 399,285	\$ -	\$ -	\$ 399,285
Less accumulated amortization 2005 General Obligation Bonds	(88,791)	-	(16,341)	(105,132)
Net bond issue costs	\$ 310,494	\$ -	\$ (16,341)	\$ 294,153

I. Long-Term Debt

Changes in Long-Term Liabilities

During the year ended June 30, 2012, the following changes took place in the long-term liabilities:

	Balance 6/30/2011	Additions	Reductions	Balance 6/30/2012	Due Within One Year
General obligation bonds	\$ 42,820,000	\$ 5,000,000	\$ 6,450,000	\$ 41,370,000	\$ 1,505,000
Plus deferred amount:					
For issuance premium	1,982,374	-	104,336	1,878,038	-
Total general obligation bonds	44,802,374	5,000,000	6,554,336	43,248,038	1,505,000
Installment notes payable	93,408	-	76,501	16,907	16,907
Total long-term debt	44,895,782	5,000,000	6,630,837	43,264,945	1,521,907
Compensated absences	1,205,172	270,125	390,412	1,084,885	372,009
Total long-term liabilities	\$ 46,100,954	\$ 5,270,125	\$ 7,021,249	\$ 44,349,830	\$ 1,893,916

Interest and other charges paid on long term debt for the year totaled \$2,062,188.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

II. DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. 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, 2012, are comprised of the following individual issues:

	Interest Rates	Balance
2005 School Building Bonds	3.25-5.13%	\$ 39,970,000
2006 Advance Refunding Bonds (QZAB)	3.50%	1,400,000
		\$ 41,370,000

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, 2012, against the \$48,000,000 in general obligations bonds totaled \$39,970,000.

The annual requirements for debt service on General Obligation Bonds outstanding at June 30, 2012, are summarized as follows:

Year ending June 30.	Principal	Interest	Total
2013	\$ 1,505,000	\$ 1,963,606	\$ 3,468,606
2014	1,560,000	1,888,356	3,448,356
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
2018-22	11,430,000	6,776,206	18,206,206
2023-27	12,615,000	4,018,876	16,633,876
2028-32	9,185,000	840,376	10,025,376
Subtotal	41,370,000	20,665,312	62,035,312
Plus (less) deferred amounts:			
Bond premiums	1,878,038	-	1,878,038
Total	\$ 43,248,038	\$ 20,665,312	\$ 63,913,350

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

II. DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. 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 \$1,265,653 on deposit with the advance refunding agent are included in the government-wide statement of net assets. The balance on deposit has been invested in U.S. Treasury and Agency obligations and is not collateralized or insured against declines in value.

Installment Notes Payable

The District also has installment notes payable with other governmental entities to provide funds for improved energy efficiency. The original amount of notes issued in prior years was \$733,271 from the SC Energy Office. Because interest rates determined by a governmental agency are excluded by Accounting Principles Bulletin 21 from the imputed interest rules applicable to notes with stated rates below market, the face amounts of these notes has not been discounted.

The notes are secured by promissory notes as follows:

	Interest Rates	Balance
SC Energy Office	1.00%	\$ 8,748
SC Energy Office	1.00%	8,159
		\$ 16,907

The annual requirements for debt service for notes payable outstanding at June 30, 2012, which are paid out of the general fund, are as follows:

Year ending June 30,	Principal	Interest	Total
2013	\$ 16,907	\$ 11	\$ 16,918
Total	\$ 16,907	\$ 11	\$ 16,918

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

II. DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Long-Term Debt (Continued)

Defeased Debt-Qualified Zone Academy Bonds

Qualified Zone Academy Bonds (QZAB) are issued pursuant to Section 1397E of the Internal Revenue Code of 1986. As such, tax credits will be issued to the lessor and the School District is not liable for interest payments. In November 2000, the School District issued a QZAB in the form of a lease-purchase agreement in the amount of \$938,882. Under the agreement, the School District deposited \$464,000 in an escrow account, which without additional contributions from the School District is guaranteed to be sufficient to satisfy the bond when it matures in November 2013. At June 30, 2012, the accreted value of the escrow account was \$942,035. As the arrangement qualifies as an in-substance defeasance, the debt and balance of the escrow account are not included on the financial statements.

Short Term Debt Issuance

The District issued \$5,000,000 of General Obligation Bonds, Series 2011 during the current fiscal year, which were repaid by June 30, 2012. This activity is included in the disclosure of the changes in long-term liabilities.

J. 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 \$378,119 of commodities consumed during the year ended June 30, 2012.

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.

III. OTHER INFORMATION

A. South Carolina Retirement System

Plan Description

The South Carolina Retirement System (SCRS) is a cost sharing multi-employer defined benefit pension plan administered by the Retirement Division of the State Budget and Control Board. The South Carolina Retirement System offers retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance benefits, and survivor benefits. The Plan's provisions are established under Title 9 of the SC Code of Laws. Both employees and employers are required to contribute to the Plan under authority of Title 9 of the SC Code of Laws. A Comprehensive Annual Financial Report containing financial statement and required supplementary information for the South Carolina Retirement System is issued and publicly available by writing the South Carolina Retirement Systems, P.O. Box 11960, Columbia, SC 29211-1960.

Funding Policy

Plan members are required to contribute 6.50% of their annual covered salary, and the School District is required to contribute at an actuarially determined rate. The current rate is 9.385% of annual covered payroll.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

III. OTHER INFORMATION (CONTINUED)

A. South Carolina Retirement System (Continued)

In addition to the above rates, participating employers of the South Carolina Retirement System contribute .15% of payroll to provide a group life insurance benefit for their participants. State agencies and school districts participating in the South Carolina Retirement System contribute an additional 4.3% for retiree health insurance coverage.

The current rate is 14 percent of the annual covered payroll. The School District's contributions to SCRS for the years ended June 30, 2012, 2011, and 2010, were \$7,035,705, \$6,933,119 and \$7,250,620, respectively. All employer contributions are equal to the required contribution for each year.

Post-employment benefits for life insurance are actuarially funded by the South Carolina Retirement System.

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.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

III. OTHER INFORMATION (CONTINUED)

C. Commitments and Contingent Liabilities (Continued)

Construction Commitments

The School District has entered into contracts for various construction projects. Outstanding obligations at June 30, 2012, are as follows:

Project	Contract Amounts	Expended to Date	Remaining Commitment
Carolina Roof Replacement	\$ 497,209	\$ 436,675	\$ 60,534
North Hartsville Roof Replacement	372,294	126,334	245,960
Thornwell Renovations	35,550	5,000	30,550
Darlington High Electrical Upgrade	1,592,048	606,357	985,691
	<u>\$ 2,497,101</u>	<u>\$ 1,174,366</u>	<u>\$ 1,322,735</u>

D. Risk Management

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

During 2012, 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. Budgetary information

Expenditures in excess of budgeted amounts at the legal level of control are disclosed in the Budgetary Comparison Schedule – Budgeted Major Governmental Funds for the General Fund.

DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

III. OTHER INFORMATION (CONTINUED)

F. Pending GASB Statements

The GASB has issued Statement No. 61, "The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34" for periods beginning after June 15, 2012. The effect of implementation of this statement on the financial statements for the District's year ending June 30, 2013 has not yet been determined.

The GASB has issued Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" for periods beginning after December 15, 2011. The effect of implementation of this statement on the financial statements for the District's year ending June 30, 2013 has not yet been determined.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, intends to improve financial reporting by clarifying the appropriate use of the financial statement elements "deferred outflows of resources" and "deferred inflows of resources" to ensure consistency in financial reporting. The statement is effective for financial statements for periods beginning after December 15, 2012. The District will implement the new guidance with the 2013 financial statements.

GASB Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*, intends to improve financial reporting by resolving conflicting guidance in previous pronouncements regarding the accounting and presentation of risk financing activities, operating leases and certain loan transactions. The statement is effective for financial statements for periods beginning after December 15, 2012. The District will implement the new guidance with the 2013 financial statements.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, intends to improve financial reporting for most governments that provide their employees with pension benefits. The statement is effective for financial statements for periods beginning after June 15, 2014. The District will implement the new guidance with the 2015 financial statements. Management has not yet determined the impact implementation of these standards will have on the District's financial statements, if any.

G. Subsequent Events

Subsequent events have been evaluated through November 20, 2012, which is the date the financial statements were available to be issued. Subsequent to June 30, 2012, 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.

The District's discretely presented component unit, CHOICES of Florence Inc., (a Charter School of Florence and Darlington) serves two separate school districts under separate charter agreements with each district. The exact date of expiration of those agreements is subject to legal determination. As a charter school, the charter school must have charter agreements in effect with the districts served and must operate under a Local Education Authority (LEA). The charter school's ability to continue operations is contingent upon the renewal of its charter agreement(s) and upon obtaining permission to operate under the auspices of another LEA.

There were no other subsequent events requiring disclosure as of this date.

**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, 2012**

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
REVENUES				
Local	\$ 23,327,462	\$ 23,327,462	\$ 27,192,467	\$ 3,865,005
State	38,517,063	39,402,384	40,947,928	1,545,544
Intergovernmental	200,000	200,000	168,581	(31,419)
Total Revenue	<u>62,044,525</u>	<u>62,929,846</u>	<u>68,308,976</u>	<u>5,379,130</u>
EXPENDITURES				
Current				
Instruction	33,644,387	34,040,060	34,531,663	491,603
Support services	29,434,275	29,430,705	27,014,080	(2,416,625)
Community services	-	-	426	426
Intergovernmental	131,720	131,720	111,924	(19,796)
Debt Service				
Principal	71,460	71,460	76,501	5,041
Interest	5,513	5,513	584	(4,929)
Total Expenditures	<u>63,287,355</u>	<u>63,679,458</u>	<u>61,735,178</u>	<u>(1,944,280)</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,242,830)</u>	<u>(749,612)</u>	<u>6,573,798</u>	<u>7,323,410</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,400,997	1,400,997	1,702,197	301,200
Transfers out	(158,167)	(158,167)	(45,048)	113,119
Total Other Financing Sources	<u>1,242,830</u>	<u>1,242,830</u>	<u>1,657,149</u>	<u>414,319</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 493,218</u>	<u>8,230,947</u>	<u>\$ 7,737,729</u>
FUND BALANCE				
July 1, 2011			<u>24,463,685</u>	
June 30, 2012			<u>\$ 32,694,632</u>	

The accompanying notes to budgetary comparison schedule are an integral part of this schedule.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN
MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED)
NOTES TO BUDGETARY COMPARISON SCHEDULE –
BUDGETED MAJOR GOVERNMENTAL FUND
YEAR ENDED JUNE 30, 2012**

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. One budgetary amendment was made during the year adjusting revenues and expenditures as follows:

		General
Revenues	\$	885,321
Expenditures	\$	392,103

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, 2012**

Page 1 of 7

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
REVENUES				
1000 Revenue from Local Sources				
1110 Ad Valorem Taxes - Including Delinquent (Independent)	\$ 21,770,339	\$ 21,770,339	\$ 24,769,279	\$ 2,998,940
1140 Penalties & Interest on Taxes (Independent)				
1280 Revenue in Lieu of Taxes (Independent and Dependent)	75,000	75,000	111,815	36,815
1510 Interest on Investments	1,455,123	1,455,123	1,982,507	527,384
1920 Contributions & Donations Private Sectors	27,000	27,000	101,405	74,405
1990 Miscellaneous Local Revenue	-	-	2,027	2,027
1999 Revenue from Other Local Sources	-	-	65,222	65,222
	-	-	160,212	160,212
Total Local Sources	<u>23,327,462</u>	<u>23,327,462</u>	<u>27,192,467</u>	<u>3,865,005</u>
2000 Intergovernmental Revenue				
2100 Payments from governmental units	<u>200,000</u>	<u>200,000</u>	<u>168,581</u>	<u>(31,419)</u>
Total Intergovernmental Sources	<u>200,000</u>	<u>200,000</u>	<u>168,581</u>	<u>(31,419)</u>
3000 Revenue from State Sources				
3100 Restricted State Funding				
3113 12 Month AG Revenue	-	-	11,093	11,093
3130 Special Programs				
3131 Handicapped Transportation	-	-	11,825	11,825
3160 School Bus Driver's Salary	539,663	539,663	710,600	170,937
3162 Transportation Workers' Compensation	61,912	61,912	62,584	672
3180 Fringe Benefits Employer Contributions	8,393,356	8,393,356	8,776,703	383,347
3181 Retiree Insurance	1,358,298	1,358,298	1,674,111	315,813
3300 Education Finance Act				
3310 Full-Time Programs				
3311 Kindergarten	1,204,420	1,261,710	1,287,873	26,163
3312 Primary	3,576,735	3,746,868	3,821,347	74,479
3313 Elementary	5,160,026	5,405,470	5,502,868	97,398
3314 High School	3,048,719	3,193,736	3,029,518	(164,218)
3315 Trainable Mentally Handicapped	125,336	131,298	149,983	18,685
3316 Speech Handicapped	985,276	1,032,142	988,909	(43,233)
3317 Homebound	77,572	81,262	93,398	12,136
3320 Part-Time Programs				
3321 Emotionally Handicapped	79,534	83,317	104,917	21,600
3322 Educable Mentally Handicapped	341,846	358,106	347,884	(10,222)
3323 Learning Disabilities	1,913,897	2,004,934	2,061,899	56,965
3324 Hearing Handicapped	166,570	174,493	161,065	(13,428)
3325 Visually Handicapped	36,753	38,501	39,656	1,155
3326 Orthopedically Handicapped	24,096	25,242	40,916	15,674
3327 Vocational	1,676,240	1,755,973	1,715,495	(40,478)
3330 Other EFA Programs				
3331 Autism	195,276	204,565	260,632	56,067

**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, 2012**

Page 2 of 7

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
REVENUES (CONTINUED)				
3000 Revenue from State Sources (Continued)				
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	4,000,291	4,000,291	4,536,768	536,477
3830 Merchant's Inventory Tax	271,980	271,980	271,981	1
3890 Other State Property Tax Revenues	152,000	152,000	153,060	1,060
3900 Other State Sources				
3992 State Forest Commission Revenue	6,100	6,100	11,676	5,576
	<u>38,517,063</u>	<u>39,402,384</u>	<u>40,947,928</u>	<u>1,545,544</u>
	<u>62,044,525</u>	<u>62,929,846</u>	<u>68,308,976</u>	<u>5,379,130</u>
EXPENDITURES				
100 Instruction				
110 General Instruction				
111 Kindergarten Programs				
100 Salaries	1,525,025	1,525,025	1,546,000	20,975
200 Employee Benefits	599,845	599,845	591,789	(8,056)
400 Supplies and Materials	16,612	17,662	19,881	2,219
112 Primary Programs				
100 Salaries	3,352,477	3,352,477	2,775,369	(577,108)
200 Employee Benefits	1,117,806	1,117,806	1,156,837	39,031
400 Supplies and Materials	59,016	62,149	78,437	16,288
113 Elementary Programs				
100 Salaries	6,439,728	6,813,651	7,717,856	904,205
200 Employee Benefits	2,435,404	2,435,404	2,498,937	63,533
300 Purchased Services	80,555	81,055	21,077	(59,978)
400 Supplies and Materials	181,577	184,151	183,032	(1,119)
114 High School Programs				
100 Salaries	5,948,926	5,948,926	6,019,155	70,229
140 Terminal Leave	-	-	20,357	20,357
200 Employee Benefits	1,951,357	1,951,357	1,969,694	18,337
300 Purchased Services	117,200	113,800	63,891	(49,909)
400 Supplies and Materials	209,571	228,864	375,282	146,418
115 Career & Technology Education Program				
100 Salaries	1,311,196	1,311,196	1,283,280	(27,916)
200 Employee Benefits	419,589	419,589	409,026	(10,563)
300 Purchased Services-Other than Tuition	600	600	464	(136)
400 Supplies and Materials	43,975	43,975	25,647	(18,328)
120 Exceptional Programs				
121 Educable Mentally Handicapped				
100 Salaries	1,051,720	1,051,720	1,098,097	46,377
200 Employee Benefits	417,711	417,711	407,956	(9,755)
400 Supplies and Materials	5,070	5,070	4,549	(521)
122 Trainable Mentally Handicapped				
100 Salaries	542,563	542,563	544,442	1,879
200 Employee Benefits	208,403	208,403	195,010	(13,393)
400 Supplies and Materials	5,640	5,640	5,495	(145)
125 Hearing Handicapped				
100 Salaries	621,361	621,361	612,356	(9,005)
200 Employee Benefits	219,977	219,977	219,949	(28)
300 Purchased Services	-	-	7,316	7,316
400 Supplies and Materials	1,690	290	427	137

**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, 2012**

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
EXPENDITURES (CONTINUED)				
100 Instruction (Continued)				
126 Speech Handicapped				
100 Salaries	\$ 523,183	\$ 523,183	\$ 538,407	\$ 15,224
200 Employee Benefits	173,273	173,273	174,835	1,562
300 Purchased Services	24,400	24,400	422	(23,978)
400 Supplies and Materials	1,728	1,728	1,314	(414)
127 Learning Disabilities				
100 Salaries	2,100,556	2,100,556	2,019,489	(81,067)
200 Employee Benefits	683,960	683,960	661,950	(22,010)
400 Supplies and Materials	5,136	5,136	3,599	(1,537)
128 Emotionally Handicapped				
100 Salaries	132,512	132,512	116,251	(16,261)
200 Employee Benefits	46,984	46,984	48,539	1,555
400 Supplies and Materials	2,000	2,000	2,000	-
130 Preschool Programs				
131 Pre-school Handicapped-Speech (5 yr. olds)				
100 Salaries	46,943	46,943	46,943	-
200 Employee Benefits	14,239	14,239	14,192	(47)
133 Pre-school Handicapped-Self-contained (5 yr. olds)				
100 Salaries	-	-	688	688
200 Employee Benefits	-	-	1,351	1,351
137 Preschool Handicapped - Self- Contained (3 & 4 yr. olds)				
100 Salaries	133,503	133,503	113,847	(19,656)
200 Employee Benefits	56,576	56,576	46,161	(10,415)
139 Early Childhood Programs				
100 Salaries	193,408	193,408	236,973	43,565
200 Employee Benefits	76,575	76,575	85,118	8,543
140 Special Programs				
145 Homebound				
100 Salaries	100,000	100,000	137,334	37,334
200 Employee Benefits	22,800	22,800	31,041	8,241
300 Purchased Services	2,800	2,800	27,066	24,266
149 Other Special Programs				
100 Salaries	16,742	16,742	16,742	-
200 Employee Benefits	15,637	15,637	14,515	(1,122)
300 Purchased Services	3,800	3,800	5,810	2,010
400 Supplies and Materials	1,600	1,600	1,604	4
160 Other Exceptional Programs				
161 Autism				
100 Salaries	91,865	91,865	89,237	(2,628)
200 Employee Benefits	35,086	35,086	34,055	(1,031)
170 Summer School Program				
173 High School Summer School				
200 Employee Benefits	11	11	-	(11)

**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, 2012**

Page 4 of 7

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
EXPENDITURES (CONTINUED)				
100 Instruction (Continued)				
180 Adult/Continuing Educational Programs				
181 Adult Basic Education Programs				
100 Salaries	\$ 88,285	\$ 88,285	\$ 92,785	\$ 4,500
200 Employee Benefits	29,411	29,411	34,544	5,133
300 Purchased Services	5,826	5,826	-	(5,826)
400 Supplies and Materials	-	-	100	100
190 Instructional Pupil Activity				
100 Salaries	103,885	103,885	67,962	(35,923)
200 Employee Benefits	27,069	27,069	15,181	(11,888)
Total Instruction	33,644,387	34,040,060	34,531,663	491,603
200 Support Services				
210 Pupil Services				
211 Attendance and Social Work Services				
100 Salaries	257,356	257,354	262,116	4,762
200 Employee Benefits	78,540	78,840	75,339	(3,501)
300 Purchased Services	21,427	21,427	19,529	(1,898)
400 Supplies and Materials	5,044	5,044	4,318	(726)
600 Other Objects	235	235	158	(77)
212 Guidance Services				
100 Salaries	1,302,403	1,302,403	1,328,355	25,952
200 Employee Benefits	425,805	425,805	425,049	(756)
300 Purchased Services	1,592	1,592	354	(1,238)
400 Supplies and Materials	8,176	8,176	6,363	(1,813)
213 Health Services				
300 Purchased Services	2,860	2,560	592	(1,968)
400 Supplies and Materials	8,830	8,830	9,638	808
214 Psychological Services				
100 Salaries	172,353	172,353	173,393	1,040
200 Employee Benefits	60,021	60,021	55,990	(4,031)
400 Supplies and Materials	2,800	2,800	2,718	(82)
220 Instructional Staff Services				
221 Improvement of Instruction - Curriculum Development				
100 Salaries	123,261	125,899	124,506	(1,393)
140 Terminal Leave	-	-	7,157	7,157
200 Employee Benefits	46,912	47,514	36,877	(10,637)
300 Purchased Services	400,411	397,460	438,095	40,635
400 Supplies and Materials	101,013	102,331	85,939	(16,392)
600 Other Objects	158	158	158	-
222 Library and Media Services				
100 Salaries	966,225	966,225	1,009,431	43,206
200 Employee Benefits	344,235	344,235	348,742	4,507
400 Supplies and Materials	48,434	48,921	47,176	(1,745)
223 Supervision of Special Programs				
100 Salaries	143,663	143,663	156,663	13,000
140 Terminal Leave	-	-	19,311	19,311
200 Employee Benefits	42,160	42,160	47,642	5,482
300 Purchased Services	2,599	2,599	2,294	(305)
400 Supplies and Materials	7,111	4,311	5,937	1,626
224 Improvement of Instruction - Inservice and Staff Training				
100 Salaries	-	1,572	1,520	(52)
200 Employee Benefits	-	358	342	(16)
300 Purchased Services	67,341	59,098	34,786	(24,312)
400 Supplies and Materials	2,035	332	217	(115)

**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, 2012**

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	Budgeted Amounts		Actual	Variance -
	Original	Final		Over (Under)
EXPENDITURES (CONTINUED)				
200 Support Services (Continued)				
230 General Administration Services				
231 Board of Education				
100 Salaries	\$ 62,700	\$ 62,700	\$ 58,516	\$ (4,184)
200 Employee Benefits	68,156	68,156	74,187	6,031
300 Purchased Services	55,150	55,150	45,960	(9,190)
318 Audit Services	35,000	35,000	28,725	(6,275)
400 Supplies and Materials	5,180	5,180	2,375	(2,805)
600 Other Objects	212,018	212,018	24,391	(187,627)
232 Office of the Superintendent				
100 Salaries	239,679	239,679	244,054	4,375
140 Terminal Leave	-	-	37,362	37,362
200 Employee Benefits	68,521	68,521	74,899	6,378
300 Purchased Services	26,180	26,180	3,137	(23,043)
400 Supplies and Materials	200,303	200,303	13,178	(187,125)
600 Other Objects	800	800	996	196
233 School Administration				
100 Salaries	4,386,414	4,386,414	4,340,538	(45,876)
140 Terminal Leave	-	-	5,138	5,138
200 Employee Benefits	1,489,971	1,489,971	1,452,412	(37,559)
300 Purchased Services	100,296	94,236	115,175	20,939
400 Supplies and Materials	21,794	22,209	20,157	(2,052)
600 Other Objects	15,770	15,770	15,248	(522)
250 Finance and Operations Services				
252 Fiscal Services				
100 Salaries	433,637	433,637	442,636	8,999
200 Employee Benefits	135,869	135,869	138,088	2,219
300 Purchased Services	32,000	32,000	24,548	(7,452)
400 Supplies and Materials	36,000	36,000	34,423	(1,577)
600 Other Objects	500	500	410	(90)
253 Facilities Acquisitions and Construction				
300 Purchased Services	150,222	150,222	277,262	127,040
254 Operation and Maintenance of Plant				
100 Salaries	2,565,215	2,565,215	2,464,499	(100,716)
140 Terminal Leave	-	-	15,605	15,605
200 Employee Benefits	1,097,474	1,097,474	1,027,721	(69,753)
300 Purchased Services	1,235,980	1,235,980	1,196,877	(39,103)
400 Supplies and Materials	386,694	395,103	370,718	(24,385)
470 Energy	2,983,432	2,983,432	2,601,064	(382,368)
500 Capital Outlay	714,400	714,400	-	(714,400)
600 Other Objects	773,393	773,393	762,652	(10,741)
255 Student Transportation				
100 Salaries	2,198,973	2,198,973	1,532,728	(666,245)
200 Employee Benefits	1,163,969	1,163,969	663,375	(500,594)
300 Purchased Services	55,000	55,000	63,949	8,949
400 Supplies and Materials	7,000	7,000	6,454	(546)
600 Other Objects	-	-	760	760
256 Food Service				
100 Salaries	-	-	73,750	73,750
200 Employee Benefits	620,604	620,604	1,068,923	448,319
257 Internal Services				
100 Salaries	72,425	72,425	55,951	(16,474)
200 Employee Benefits	19,694	19,694	19,710	16
300 Purchased Services	3,238	3,238	11,706	8,468
400 Supplies and Materials	7,500	7,500	4,251	(3,249)
258 Security				
100 Salaries	100,388	100,388	106,388	6,000
200 Employee Benefits	37,403	37,403	37,826	423
300 Purchased Services	414,475	414,475	334,214	(80,261)
260 Central Support Services				
262 Planning, Research, Development and Evaluation				
300 Purchased Services	3,100	2,841	905	(1,936)
400 Supplies and Materials	19,500	21,826	21,688	(138)

**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, 2012**

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	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
EXPENDITURES (CONTINUED)				
200 Support Services (Continued)				
260 Central Support Services				
263 Information Services				
100 Salaries	\$ 105,207	\$ 105,207	\$ 107,207	\$ 2,000
200 Employee Benefits	39,164	39,164	38,696	(468)
300 Purchased Services	25,695	23,478	17,428	(6,050)
400 Supplies and Materials	23,570	25,787	23,239	(2,548)
600 Other Objects	2,900	2,900	4,715	1,815
264 Staff Services				
100 Salaries	306,622	306,622	317,032	10,410
140 Terminal Leave	-	-	7,863	7,863
200 Employee Benefits	100,297	100,297	104,853	4,556
300 Purchased Services	22,121	22,121	14,887	(7,234)
400 Supplies and Materials	13,465	13,465	13,299	(166)
600 Other Objects	13,358	13,358	1,005	(12,353)
266 Technology and Data Processing Services				
100 Salaries	546,141	543,141	542,511	(630)
200 Employee Benefits	178,603	178,603	187,809	9,206
300 Purchased Services	458,911	465,911	481,092	15,181
400 Supplies and Materials	134,357	130,357	111,623	(18,734)
500 Capital Outlay	7,989	7,989	4,268	(3,721)
270 Support Services Pupil Activity				
271 Pupil Services Activities				
100 Salaries	405,096	405,096	289,437	(115,659)
200 Employee Benefits	92,362	92,362	59,318	(33,044)
300 Purchased Services	21,000	21,000	15,000	(6,000)
400 Supplies and Materials	38,400	38,723	26,564	(12,159)
Total Support Services	<u>29,434,275</u>	<u>29,430,705</u>	<u>27,014,080</u>	<u>(2,416,625)</u>
300 Community Services				
390 Other Community Services				
300 Purchased Services	-	-	426	426
Total Community Services	<u>-</u>	<u>-</u>	<u>426</u>	<u>426</u>
400 Other Charges				
410 Intergovernmental Expenditures				
411 Payments to the State Department of Education				
720 Transits	31,088	31,088	31,298	210
416 Payments to Public Charter Schools				
720 Transits	100,632	100,632	80,626	(20,006)
Total Intergovernmental Expenditures	<u>131,720</u>	<u>131,720</u>	<u>111,924</u>	<u>(19,796)</u>
500 Debt Service				
610 Redemption of Principal	71,460	71,460	76,501	5,041
620 Interest	5,513	5,513	584	(4,929)
Total Debt Service	<u>76,973</u>	<u>76,973</u>	<u>77,085</u>	<u>112</u>
TOTAL EXPENDITURES	<u>63,287,355</u>	<u>63,679,458</u>	<u>61,735,178</u>	<u>(1,944,280)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,242,830)</u>	<u>(749,612)</u>	<u>6,573,798</u>	<u>7,323,410</u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2012**

Page 7 of 7

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Transfers from (to) Other Funds				
5220 Transfer from Special Revenue Fund	\$ 60,000	\$ 60,000	\$ 112,796	\$ 52,796
5230 Transfer from Special Revenue EIA Fund	1,088,479	1,088,479	1,129,105	40,626
5280 Transfer from Other Funds Indirect Costs	252,518	252,518	460,296	207,778
421-710 Transfer to Special Revenue Fund	(68,586)	(68,586)	-	68,586
424-710 Transfer to School Building Fund	(8,688)	(8,688)	(8,688)	-
426-710 Transfer to Pupil Activity Fund	(36,360)	(36,360)	(36,360)	-
420-710 Transfers to General Fund	(44,533)	(44,533)	-	44,533
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,242,830</u>	<u>1,242,830</u>	<u>1,657,149</u>	<u>414,319</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>\$ 493,218</u>	<u>8,230,947</u>	<u>\$ 7,737,729</u>
FUND BALANCE				
July 1, 2011			<u>24,463,685</u>	
June 30, 2012			<u>\$ 32,694,632</u>	

SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

**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, 2012**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre- school Handi- capped (CG Projects) (205/206)
REVENUES			
1000 Revenues from Local Sources			
1110 Ad Valorem Taxes - Including Delinquent (Independent)	\$ -	\$ -	\$ -
1140 Penalties & Interest on Taxes (Independent)	-	-	-
1280 Revenue in Lieu of Taxes (Independent and Dependent)	-	-	-
1500 Earnings from Investments			
1510 Interest on Investments	-	-	-
1900 Other Revenue From Local Sources			
1910 Rentals	-	-	-
1920 Contributions and Donations from Private Sources	-	-	-
1930 Medicaid	-	-	-
1990 Miscellaneous Local Revenue	-	-	-
1999 Revenue from Other Local Sources	-	-	-
Total Local Sources	-	-	-
3000 Revenues from State Sources			
3100 Restricted State Funding			
3110 Occupational Education Program			
3117 EEDA Middle and High School Career Awareness	-	-	-
3118 EEDA Career Specialists	-	-	-
3120 General Education			
3125 Career and Technology Education Equipment	-	-	-
3127 Student Health and Fitness	-	-	-
3130 Special Programs			
3136 Student Health and Fitness Nurse	-	-	-
3190 Miscellaneous Restricted State Grants			
3199 Other Restricted State Grants	-	-	-
3300 Education Finance Act			
3313 Elementary	-	-	-
3314 High School	-	-	-
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	-	-	-
3900 Other State Revenue			
3991 ADEPT	-	-	-
Total State Sources	-	-	-

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	CHOICES Charter School
\$ -	\$ -	\$ -	\$ 2,287,902	\$ 2,287,902	\$ -
-	-	-	14,416	14,416	-
-	-	-	137,116	137,116	-
-	-	-	1,113	1,113	10
-	-	-	3,910	3,910	-
-	-	-	277,772	277,772	36,222
-	-	-	540,786	540,786	-
-	-	-	512,820	512,820	-
-	-	-	181,404	181,404	21,977
-	-	-	3,957,239	3,957,239	58,209
-	-	2,546	-	2,546	-
-	-	270,159	-	270,159	-
-	-	81,161	-	81,161	-
-	-	17,381	-	17,381	-
-	-	354,479	-	354,479	-
-	-	-	2,668	2,668	-
-	-	-	-	-	130,885
-	-	-	-	-	94,779
-	-	28,821	-	28,821	-
-	-	708,165	-	708,165	-
-	-	-	116,013	116,013	-
-	-	-	16,439	16,439	-
-	-	12,985	-	12,985	-
-	-	1,475,697	135,120	1,610,817	225,664

**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, 2012**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre- school Handi- capped (CG Projects) (205/206)
REVENUES (CONTINUED)			
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	5,061,918	-	-
4315 Title I Stimulus	175,149	-	-
4333 Enhancing Education Through Technology (E2T2), Title II	-	-	-
4341 Language Instruction for Limited English Proficient Immigrant Students, Title III (Carryover Provision)	-	-	-
4344 McKinney-Ventro Homeless Educational Assistance Act (ARRA)	-	-	-
4346 Teacher Incentive Grant	-	-	-
4351 Improving Teacher Quality	-	-	-
4400 Adult Education			
4410 Basic	-	-	-
4500 Programs for Children with Disabilities			
4510 Individuals with Disabilities Education Act	-	2,116,667	-
4520 Pre-school Grants	-	-	116,135
4540 Individuals with Disabilities Education Act - Stimulus	-	124,058	-
4550 IDEA Preschool (ARRA)	-	9,679	-
4800 USDA Reimbursements			
4810 School Lunch and After School Snacks Program	-	-	-
4830 School Breakfast Program	-	-	-
4900 Other Federal Sources			
4930 WIA Revenue	-	-	-
4999 Revenue from Other Federal Sources	-	-	-
	<u>5,237,067</u>	<u>2,250,404</u>	<u>116,135</u>
Total Federal Sources			
TOTAL REVENUES	<u>5,237,067</u>	<u>2,250,404</u>	<u>116,135</u>
EXPENDITURES			
100 Instruction			
110 General Instruction			
111 Kindergarten Programs			
100 Salaries	268,292	-	-
200 Employee Benefits	62,479	-	-
300 Purchased Services	3,140	-	-
400 Supplies and Materials	15,454	-	-
112 Primary Programs			
100 Salaries	478,387	-	15,496
200 Employee Benefits	181,202	-	3,406
300 Purchased Services	7,552	-	-
400 Supplies and Materials	6,538	-	-
113 Elementary Programs			
100 Salaries	609,499	-	-
200 Employee Benefits	210,922	-	-
300 Purchased Services	33,436	-	-
400 Supplies and Materials	149,115	-	-
500 Capital Outlay	70,268	-	-
600 Other Objects	-	-	-

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	CHOICES Charter School
\$ 216,443	\$ -	\$ -	\$ -	\$ 216,443	\$ -
-	-	-	-	5,061,918	-
-	-	-	-	175,149	-
-	-	-	39,091	39,091	-
-	-	-	11,747	11,747	-
-	-	-	618	618	-
-	-	-	650,518	650,518	-
-	-	-	683,560	683,560	-
-	154,561	-	-	154,561	-
-	-	-	-	2,116,667	-
-	-	-	-	116,135	-
-	-	-	-	124,058	-
-	-	-	-	9,679	-
-	-	-	-	-	19,286
-	-	-	-	-	5,408
-	-	-	187,715	187,715	-
-	-	-	416,137	416,137	-
<u>216,443</u>	<u>154,561</u>	<u>-</u>	<u>1,989,386</u>	<u>9,963,996</u>	<u>24,694</u>
<u>216,443</u>	<u>154,561</u>	<u>1,475,697</u>	<u>6,081,745</u>	<u>15,532,052</u>	<u>308,567</u>
-	-	-	-	268,292	-
-	-	-	3,809	66,288	-
-	-	-	-	3,140	-
-	-	-	84	15,538	-
-	-	708,165	388,215	1,590,263	-
-	-	-	133,651	318,259	-
-	-	-	-	7,552	-
-	-	-	(449)	6,089	-
-	-	41,831	352,703	1,004,033	106,377
-	-	4,370	89,451	304,743	73
-	-	-	13,416	46,852	14,386
-	-	-	79,420	228,535	12,241
-	-	-	-	70,268	-
-	-	-	-	-	120

**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, 2012**

	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)			
114 High School Programs			
100 Salaries	\$ 210,135	\$ -	\$ -
200 Employee Benefits	69,522	-	-
300 Purchased Services	18,430	-	-
400 Supplies and Materials	54,676	-	-
600 Other Objects	-	-	-
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	-	17,280	-
200 Employee Benefits	-	7,561	-
122 Trainable Mentally Handicapped			
100 Salaries	-	202,470	-
200 Employee Benefits	-	88,651	-
300 Purchased Services	-	20,671	-
400 Supplies and Materials	-	3,300	-
126 Speech Handicapped			
100 Salaries	-	91,181	-
200 Employee Benefits	-	37,537	-
127 Learning Disabilities			
100 Salaries	-	64,694	-
200 Employee Benefits	-	36,762	-
500 Capital Outlay	-	110,808	-
130 Pre-School Programs			
131 Pre School Handicapped Speech (5 yr. olds)			
100 Salaries	-	16,733	-
200 Employee Benefits	-	9,268	-
132 Preschool Handicapped Itinerant (5 yr. olds)			
100 Salaries	-	-	51,716
200 Employee Benefits	-	-	15,283
137 Preschool Handicapped Self Contained (3&4 yr. olds)			
100 Salaries	-	16,969	-
200 Employee Benefits	-	7,437	-
139 Early Childhood Program			
200 Employee Benefits	472	-	-
400 Supplies and Materials	10	-	-
140 Special Programs			
142 Disadvantaged			
300 Purchased Services	-	-	-
400 Supplies and Materials	467	-	-
145 Homebound			
300 Purchased Services	-	3,041	-
149 Other Special Programs			
100 Salaries	-	28,046	-
200 Employee Benefits	-	15,624	-
400 Supplies and Materials	-	-	-

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	CHOICES Charter School
\$ -	\$ -	\$ -	\$ 308,689	\$ 518,824	\$ 70,918
-	-	-	31,471	100,993	49
-	-	-	8,775	27,205	9,591
-	-	-	38,685	93,361	9,937
-	-	-	-	-	80
-	-	-	38,540	38,540	-
-	-	-	11,562	11,562	-
86,000	-	-	8,602	94,602	-
52,151	-	81,161	904	134,216	-
-	-	-	-	17,280	-
-	-	-	-	7,561	-
-	-	-	-	202,470	-
-	-	-	-	88,651	-
-	-	-	-	20,671	-
-	-	-	-	3,300	-
-	-	-	20,642	111,823	-
-	-	-	4,626	42,163	-
-	-	-	-	64,694	-
-	-	-	-	36,762	-
-	-	-	-	110,808	-
-	-	-	-	16,733	-
-	-	-	-	9,268	-
-	-	-	-	51,716	-
-	-	-	-	15,283	-
-	-	-	-	16,969	-
-	-	-	-	7,437	-
-	-	-	-	472	-
-	-	-	-	10	-
-	-	-	15	15	-
-	-	-	603	1,070	-
-	-	-	-	3,041	-
-	-	-	463	28,509	-
-	-	-	110	15,734	-
-	-	-	2,095	2,095	-

**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, 2012**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre- school Handi- capped (CG Projects) (205/206)
EXPENDITURES (CONTINUED)			
100 Instruction (Continued)			
160 Other Exceptional Programs			
161 Autism			
100 Salaries	\$ -	\$ 95,623	\$ -
200 Employee Benefits	-	44,046	-
300 Purchased Services	-	4,886	-
170 Summer School Programs			
172 Elementary Summer School			
100 Salaries	1,910	-	-
200 Employee Benefits	451	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
175 Instructional Programs Beyond Regular School Day			
100 Salaries	35,216	-	-
200 Employee Benefits	8,000	-	-
300 Purchased Services	495,339	-	-
400 Supplies and Materials	6,089	-	-
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	-	-	-
188 Parenting/Family Literacy			
100 Salaries	141,915	-	-
200 Employee Benefits	60,111	-	-
300 Purchased Services	1,590	-	-
400 Supplies and Materials	39,071	-	-
190 Instruction Pupil Activity			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
Total Instruction	<u>3,239,688</u>	<u>922,588</u>	<u>85,901</u>

<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>	<u>CHOICES Charter School</u>
\$ -	\$ -	\$ -	\$ -	\$ 95,623	\$ -
-	-	-	-	44,046	-
-	-	-	-	4,886	-
-	-	-	17,650	19,560	-
-	-	-	4,253	4,704	-
-	-	-	13,189	13,189	-
-	-	-	7,535	7,535	-
-	-	-	70,464	105,680	-
-	-	-	30,023	38,023	-
-	-	-	30,236	525,575	-
-	-	-	53,872	59,961	-
-	50,000	-	24,420	74,420	-
-	11,250	-	9,615	20,865	-
-	5,831	-	8,936	14,767	-
-	4,000	-	1,500	5,500	-
-	37,560	-	-	37,560	-
-	6,750	-	-	6,750	-
-	5,831	-	-	5,831	-
-	21,734	-	-	21,734	-
-	-	-	240	142,155	-
-	-	-	53	60,164	-
-	-	-	-	1,590	-
-	-	-	453	39,524	-
-	-	-	5,520	5,520	-
-	-	-	1,236	1,236	-
<u>138,151</u>	<u>142,956</u>	<u>835,527</u>	<u>1,815,277</u>	<u>7,180,088</u>	<u>223,772</u>

**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, 2012**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre- school Handi- capped (CG Projects) (205/206)
EXPENDITURES (CONTINUED)			
200 Support Services			
210 Pupil Services			
211 Attendance and Social Work Services			
100 Salaries	\$ -	\$ 18,130	\$ -
200 Employee Benefits	-	4,819	-
212 Guidance			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
213 Health			
100 Salaries	-	42,400	-
200 Employee Benefits	-	13,155	-
214 Psychological Services			
100 Salaries	-	480,475	-
200 Employee Benefits	-	157,351	-
300 Purchased Services	-	111,203	-
400 Supplies and Materials	-	-	-
215 Exceptional Program Services			
100 Salaries	-	48,215	-
200 Employee Benefits	-	16,382	-
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	979,802	-	-
200 Employee Benefits	296,476	-	-
300 Purchased Services	169,751	-	-
400 Supplies and Materials	33,038	-	-
223 Supervision of Special Programs			
100 Salaries	152,765	182,132	20,610
200 Employee Benefits	50,688	57,827	5,729
300 Purchased Services	4,665	9,089	-
400 Supplies and Materials	15,125	32,875	-
224 Improvement of Instruction - Inservice and Staff Training			
100 Salaries	23,927	2,215	-
200 Employee Benefits	6,789	448	-
300 Purchased Services	5,981	-	-
400 Supplies and Materials	17,479	8,781	-
233 School Administration			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
250 Finance and Operations Services			
251 Student Transportation			
300 Purchased Services	-	3,617	-
254 Operation and Maintenance of Plant			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
470 Energy	-	-	-

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	CHOICES Charter School
\$ -	\$ -	\$ -	\$ -	\$ 18,130	\$ -
-	-	-	-	4,819	-
22,082	-	-	-	22,082	-
9,789	-	-	-	9,789	-
2,000	-	-	-	2,000	-
2,000	-	1,731	-	3,731	-
-	-	266,085	42,400	350,885	-
-	-	88,396	13,151	114,702	-
-	-	-	17,312	497,787	-
-	-	-	3,869	161,220	-
-	-	-	-	111,203	-
-	-	-	710	710	-
-	-	-	-	48,215	-
-	-	-	-	16,382	-
-	-	189,577	-	189,577	-
-	-	80,582	-	80,582	-
-	-	815	-	815	-
-	-	-	399,860	1,379,662	-
-	-	-	125,327	421,803	-
29,600	-	-	12,186	211,537	-
1,998	-	-	4,481	39,517	-
7,569	-	-	55,324	418,400	-
3,254	-	-	19,701	137,199	-
-	4,338	2,190	3,892	24,174	-
-	2,082	1,607	-	51,689	-
-	-	5,325	67,103	98,570	-
-	-	1,200	20,590	29,027	-
-	-	-	21,697	27,678	-
-	-	2,662	12,928	41,850	-
-	-	-	25,125	25,125	-
-	-	-	2,003	2,003	-
-	-	-	-	3,617	-
-	-	-	6,504	6,504	-
-	-	-	1,866	1,866	-
-	-	-	55,397	55,397	16,050
-	-	-	91,845	91,845	309
-	-	-	-	-	17,985

**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, 2012**

	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)			
255 Pupil Transportation			
100 Salaries	\$ -	\$ -	\$ -
200 Employee Benefits	-	-	-
300 Purchased Services	-	3,704	-
400 Supplies and Materials	-	-	-
256 Food Services			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
257 Internal Services			
100 Salaries	-	-	-
260 Central Support Services			
266 Technology and Data Processing Services			
100 Salaries	52,695	-	-
200 Employee Benefits	15,414	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
Total Support Services	<u>1,824,595</u>	<u>1,192,818</u>	<u>26,339</u>
410 Intergovernmental			
411 Payments to State Department of Education			
720 Transits	-	-	-
412 Payments to Other Governmental Units			
720 Transits	-	-	-
416 Payments to Public Charter Schools			
720 Transits	-	-	-
Total Intergovernmental Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>5,064,283</u>	<u>2,115,406</u>	<u>112,240</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>172,784</u>	<u>134,998</u>	<u>3,895</u>
OTHER FINANCING SOURCES (USES)			
Transfers from (to) other funds			
420-710 Transfer to General Fund	-	(60,000)	-
431-791 Special Revenue Fund Indirect Costs	(172,784)	(74,998)	(3,895)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(172,784)</u>	<u>(134,998)</u>	<u>(3,895)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	-	-	-
FUND BALANCE			
July 1, 2011	-	-	-
June 30, 2012	<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	CHOICES Charter School
\$ -	\$ -	\$ -	\$ 198,178	\$ 198,178	\$ -
-	-	-	58,995	58,995	-
-	-	-	9,500	13,204	-
-	-	-	120,812	120,812	-
-	-	-	6,187	6,187	23,477
-	-	-	1,352	1,352	-
-	-	-	14,906	14,906	16,472
-	-	-	-	-	14,009
-	-	-	-	52,695	-
-	-	-	-	15,414	-
-	-	-	801	801	-
-	-	-	14,349	14,349	-
<u>78,292</u>	<u>6,420</u>	<u>640,170</u>	<u>1,428,351</u>	<u>5,196,985</u>	<u>88,302</u>
-	-	-	327,499	327,499	-
-	-	-	2,561,213	2,561,213	-
-	-	-	145,038	145,038	-
-	-	-	3,033,750	3,033,750	-
<u>216,443</u>	<u>149,376</u>	<u>1,475,697</u>	<u>6,277,378</u>	<u>15,410,823</u>	<u>312,074</u>
-	5,185	-	(195,633)	121,229	(3,507)
-	-	-	(52,796)	(112,796)	-
-	(5,185)	-	(33,434)	(290,296)	-
-	(5,185)	-	(86,230)	(403,092)	-
-	-	-	(281,863)	(281,863)	(3,507)
-	-	-	2,731,522	2,731,522	59,787
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,449,659</u>	<u>\$ 2,449,659</u>	<u>\$ 56,280</u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
NOTES TO COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2012**

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 State Restricted Grants:

905 Career and Technology Education Equipment
908 Refurbish Science Kits
916 ADEPT
919 Education License Plates
921 Computer Literacy Initiative
926 EEDA Miscellaneous
927 EEDA Eighth Grade Career Awareness
928 EEDA Career Specialists
933 Formative Assessment
936 Student Health and Fitness Nurse
937 Student Health and Fitness
945 SCRI High School
960 K-5 Enhancement
967 6-8 Enhancement

53

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

227	McKinney-Vento Homeless Assistance	826	Choices Charter School
242	Even Start	828	Action Learning - WHES
253	Enhancing Education Through Technology, Title II	834	Administrative Claiming M
264	Adult Ed - DSS Grant	842	DSAP Summer Program
267	Improving Teacher Quality	843	Adult Learning BES
268	Teacher Incentive Fund	855	Florence Darlington Technical College
269	ROTC	856	Byerly Grant HMS Foxes
280	Workforce Investment Act	859	Transportation Special Needs
283	Workforce Investment Act Out of School Youth	860	Special Education
284	Jobs for SC Grads	868	Adult Banquet
295	Bio Diesel Project	870	District Buses Extra Curricular
801	Extended School Year	879	Erate Funding
802	Local Fund	890	Medicaid Federal
812	Gear-Up	898	Coker Foundation
819	COMER Fund	899	Prof Mental Disable
824	Homework Center Grant		

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS - SPECIAL PROJECTS FUNDS
SUMMARY SCHEDULE FOR DESIGNATED RESTRICTED STATE GRANTS
YEAR ENDED JUNE 30, 2012**

<u>Subfund</u>	<u>Revenue</u>	<u>Programs</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Transfers In/(Out)</u>	<u>Deferred</u>
905	3125	Career and Technology Education Equipment	\$ 81,161	\$ 81,161	\$ -	\$ 128,445
908	3126	Refurbish Science Kits	-	-	-	10,889
916	3991	ADEPT	12,985	12,985	-	35,811
919	3193	Education License Plates	-	-	-	8,026
927	3117	EEDA Middle and High School Career Awareness	2,546	2,546	-	-
926	3116	EEDA at Risk	-	-	-	8,000
928	3118	EEDA Career Specialists	270,159	270,159	-	96,693
933	3123	Formative Assessment	-	-	-	68,959
936	3136	Student Health and Fitness Nurse	354,479	354,479	-	168,050
937	3127	Student Health and Fitness	17,381	17,381	-	265,468
945	3199	Other Restricted State Grants	-	-	-	45,618
960	3610	K-5 Enhancement	708,165	708,165	-	375,219
967	3607	6-8 Enhancement	28,821	28,821	-	27,789
			<u>\$ 1,475,697</u>	<u>\$ 1,475,697</u>	<u>\$ -</u>	<u>\$ 1,238,967</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, 2012**

REVENUES

3000 Revenue from State Sources	
3100 Restricted State Funding	
3161 EAA Bus Driver Salary and Fringe	\$ 2,721
3500 Education Improvement Act	
3509 Arts in Education	65,962
3511 Professional Development	78,033
3530 Trainable and Profoundly Mentally Disabled Student Services	62,009
3532 National Board Certification	515,775
3533 Teacher of the Year Awards	1,076
3538 Students At Risk of School Failure	2,641,164
3540 Four-Year Old Early Childhood Program	360,599
3542 Preschool Programs for Children with Disabilities	80,139
3544 High Achieving Students	284,476
3550 Teacher Salary Increase	929,419
3555 School Employer Contributions	199,686
3556 Adult Education	300,719
3558 Reading	133,901
3568 EAA - Technical Assistance	148,627
3577 Teacher Supplies	169,250
3578 High Schools That Work	12,875
3585 Aid to Districts - Special Education	78,753
3588 IDEA MOE Special Allocation	1,376,666
3592 Work-Based Learning	57,613
3597 Aid to Districts	71,932
3599 Other EIA	<u>148,858</u>
Total State Sources	<u>7,720,253</u>
 TOTAL REVENUES	 <u>7,720,253</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, 2012**

EXPENDITURES

100 Instruction		
110 General Instruction		
111 Kindergarten Programs		
100 Salaries	\$	50,298
200 Employee Benefits		14,718
400 Supplies and Materials		6,750
112 Primary Programs		
100 Salaries		1,231,021
200 Employee Benefits		423,853
300 Purchased Services		2,652
400 Supplies and Materials		46,773
113 Elementary Programs		
100 Salaries		677,618
200 Employee Benefits		219,406
300 Purchased Services		29,981
400 Supplies and Materials		194,253
114 High School Programs		
100 Salaries		878,535
200 Employee Benefits		257,428
300 Purchased Services		8,424
400 Supplies and Materials		109,823
115 Vocational Programs		
100 Salaries		7,500
200 Employee Benefits		1,684
300 Purchased Services		4,606
400 Supplies and Materials		21,703
120 Exceptional Programs		
121 Educable Mentally Handicapped		
100 Salaries		58,852
200 Employee Benefits		22,450
122 Trainable Mentally Handicapped		
100 Salaries		530,947
200 Employee Benefits		100,155
127 Learning Disabilities		
100 Salaries		62,399
200 Employee Benefits		21,409
300 Purchased Services		31,860
400 Supplies and Materials		397,247
130 Pre-School Programs		
137 Preschool Handicapped Self-contained		
100 Salaries		60,335
200 Employee Benefits		19,803
139 Early Childhood Programs		
100 Salaries		315,422
200 Employee Benefits		113,663
300 Purchased Services		325
140 Special Programs		
141 Gifted and Talented - Academic		
100 Salaries		186,589
200 Employee Benefits		54,068
143 Advanced Placement		
400 Supplies and Materials		3,206
149 Other Special Programs		
400 Supplies and Materials		21,447
160 Other Exceptional Programs		
161 Autism		
100 Salaries		91,678
200 Employee Benefits		23,357
170 Summer School Program		
172 Elementary Summer School		
400 Supplies and Materials		560

**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, 2012**

Page 3 of 4

EXPENDITURES (CONTINUED)

100 Instruction (Continued)	
170 Summer School Program (Continued)	
174 Gifted and Talented Summer School	
100 Salaries	\$ 15,759
200 Employee Benefits	3,059
300 Purchased Services	8,924
400 Supplies and Materials	4,448
175 Instructional Programs Beyond Regular School Day	
100 Salaries	15,969
200 Employee Benefits	3,388
300 Purchased Services	4,597
400 Supplies and Materials	1,347
180 Adult/Continuing Educational Programs	
181 Adult Basic Education Programs	
100 Salaries	30,935
200 Employee Benefits	7,126
400 Supplies and Materials	56,848
182 Adult Secondary Education Programs	
200 Employee Benefits	295
300 Purchased Services	5,732
400 Supplies and Materials	31,694
	31,694
Total Instruction	6,492,919
200 Support Services	
210 Pupil Services	
212 Guidance Services	
100 Salaries	7,500
200 Employee Benefits	1,692
213 Health Services	
300 Purchased Services	102,007
400 Supplies and Materials	2,770
214 Psychological Services	
300 Purchased Services	7,248
400 Supplies and Materials	1,700
215 Exceptional Program Services	
300 Purchased Services	12,271
400 Supplies and Materials	14,230
220 Instructional Staff Services	
221 Improvement of Instruction - Curriculum Development	
100 Salaries	164,681
140 Terminal Leave	233
200 Employee Benefits	62,620
300 Purchased Services	9,981
400 Supplies and Materials	367

**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, 2012**

Page 4 of 4

EXPENDITURES (CONTINUED)	
200 Support Services (Continued)	
220 Instructional Staff Services (Continued)	
223 Supervision of Special Programs	
100 Salaries	\$ 142,590
140 Terminal Leave	15,194
200 Employee Benefits	50,491
300 Purchased Services	5,312
224 Improvement of Instruction - Inservice and Staff Training	
100 Salaries	16,620
200 Employee Benefits	4,901
300 Purchased Services	38,905
400 Supplies and Materials	68,432
230 General Administration Services	
233 School Administration	
100 Salaries	80,337
200 Employee Benefits	18,450
250 Finance and Operations Services	
255 Student Transportation	
100 Salaries	2,721
258 Security	
100 Salaries	24,657
200 Employee Benefits	9,178
260 Central Support Services	
266 Technology and Data Processing Services	
400 Supplies and Materials	1,038
Total Support Services	
	<u>866,126</u>
400 Other Charges	
410 Intergovernmental Expenditures	
411 Payments to South Carolina Department of Education	
720 Transits	122,628
416 Payments to Public Charter Schools	
720 Transits	5,850
Total Intergovernmental Expenditures	
	<u>128,478</u>
TOTAL EXPENDITURES	
	<u>7,487,523</u>
EXCESS OF REVENUES OVER EXPENDITURES	
	<u>232,730</u>
OTHER FINANCING USES	
Transfers from (to) Other Funds	
5230 Transfers from Special Revenue EIA Fund	115,044
5250 Transfer from School Building Fund	896,375
420-710 Transfer to General Fund (Excludes Indirect Costs)	(1,129,105)
422-710 Transfers to EIA Fund	(115,044)
TOTAL OTHER FINANCING USES	
	<u>(232,730)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	
	-
FUND BALANCE	
July 1, 2011	<u>-</u>
June 30, 2012	<u>\$ -</u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
EDUCATION IMPROVEMENT ACT FUND - SUMMARY SCHEDULE BY PROGRAM
YEAR ENDED JUNE 30, 2012**

PROGRAM	Revenues	Expenditures	EIA Interfund	Other Fund	Deferred Revenue
			Transfers In/(Out)	Transfers In/(Out)	
3100 Restricted State Funding:					
3161 EAA Bus Driver Salary and Fringe	\$ 2,721	\$ 2,721	\$ -	\$ -	\$ -
3500 Education Improvement Act					
3502 ADEPT	-	-	-	-	9,903
3509 Arts in Education	65,962	65,962	-	-	3,348
3511 Professional Development	78,033	78,033	-	-	42,696
3526 Science Kits Refurbishment	-	-	-	-	121,072
3530 Trainable and Profoundly Mentally Disabled Student Service	62,009	62,009	-	-	49,197
3532 National Board Certification	515,775	515,775	-	-	-
3533 Teacher of the Year Awards	1,076	1,076	-	-	-
3538 Students At Risk of School Failure	2,641,164	3,652,583	115,044	896,375	1,685,292
3540 Four-Year Old Early Childhood Program	360,599	360,599	-	-	-
3542 Preschool Programs for Children with Disabilities	80,139	80,139	-	-	2,495
3544 High Achieving Student	284,476	284,476	-	-	151,993
3550 Teacher Salary Increase	929,419	-	-	(929,419)	-
3555 School Employer Contributions	199,686	-	-	(199,686)	-
3556 Adult Education	300,719	300,719	-	-	102,686
3558 Reading	133,901	18,857	(115,044)	-	63,155
3568 EAA - Technical Assistance	148,627	148,627	-	-	-
3577 Teacher Supplies	169,250	169,250	-	-	-
3578 High Schools That Work	12,875	12,875	-	-	10,344
3585 Aid to Districts - Special Education	78,753	78,753	-	-	656,909
3588 IDEA Maintenance of Effort	1,376,666	1,376,666	-	-	-
3592 Work-Based Learning	57,613	57,613	-	-	-
3597 Aid to Districts	71,932	71,932	-	-	266,312
3598 Flex Cost Savings	-	-	-	-	51,042
3599 Other EIA	148,858	148,858	-	-	32,421
TOTALS	\$ 7,720,253	\$ 7,487,523	\$ -	\$ (232,730)	\$ 3,248,865

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, 2012**

REVENUES	
1000 Revenue from Local Sources	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 23,898
1900 Other Revenue from Local Sources	
1910 Rentals	2,025
1920 Contributions & Donations Private Sources	213,080
1993 Receipt of Insurance Proceeds	336,442
1999 Revenue from other Local Sources	85
Total Local Sources	<u>575,530</u>
3000 Revenue from State Sources	
3100 Restricted State Funding	
3172 Children's Education Endowment (Barnwell Facilities Fund)	896,374
Total State Sources	<u>896,374</u>
TOTAL REVENUES	<u>1,471,904</u>
EXPENDITURES	
200 Support Services	
250 Finance and Operations Services	
253 Facilities Acquisition & Construction	
100 Salaries	93,547
200 Employee Benefits	29,857
300 Purchased Services	405,462
400 Supplies and Materials	558,370
500 Capital Outlay	
525 Buildings	2,944,535
530 Improvements Other Than Buildings	837,859
Total Support Services	<u>4,869,630</u>
500 Debt Service	
620 Interest	8,688
Total Debt Service	<u>8,688</u>
TOTAL EXPENDITURES	<u>4,878,318</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,406,414)</u>
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
422-710 Transfer to Special Revenue EIA Fund	(896,375)
TOTAL OTHER FINANCING SOURCES (USES)	<u>4,112,313</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	705,899
FUND BALANCE	
July 1, 2011	<u>4,457,101</u>
June 30, 2012	<u>\$ 5,163,000</u>

DEBT SERVICE FUND

DEBT SERVICE FUND

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

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

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2012**

	General Obligation Debt
REVENUES	
1000 Revenues from Local Sources	
1100 Taxes	
1110 Ad Valorem Taxes - Including Delinquent	\$ 4,309,660
1140 Penalties and Interest on Taxes (Independent)	27,515
1200 Revenue from Local Governmental Units other than LEA	
1280 Revenue in Lieu of Taxes	256,355
1500 Earnings on Investments	
1510 Interest on Investments	34,623
1900 Revenue from Local Sources	
1999 Sales Tax Revenue	4,871,043
	9,499,196
Total Local Sources	
3000 Revenues from State Sources	
3800 State Revenue in Lieu of Taxes	
3820 Homestead Exemption	217,390
3830 Merchant's Inventory Tax	41,843
	259,233
Total State Sources	
	9,758,429
TOTAL REVENUES	
EXPENDITURES	
500 Debt Service	
610 Redemption of Principal	6,450,000
620 Interest	2,052,916
690 Other Objects	1,240
	8,504,156
TOTAL EXPENDITURES	
	1,254,273
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	
FUND BALANCE	
July 1, 2011	14,871,240
June 30, 2012	\$ 16,125,513

PROPRIETARY FUND

PROPRIETARY FUND

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

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

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
PROPRIETARY FUND
SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS - FOOD SERVICE PROGRAM
YEAR ENDED JUNE 30, 2012**

Page 1 of 2

REVENUES

1000 Revenues from Local Sources		
1500 Earnings on Investments		
1510 Interest on Investments	\$	6
1600 Food Service		
1610 Lunch Sales to Pupils	398,922	
1620 Breakfast Sales to Pupils	61,308	
1630 Special Sales to Pupils	162,722	
1640 Lunch Sales to Adults	101,480	
1650 Breakfast Sales to Adults	7,226	
1660 Special Sales to Adults	38,485	
1900 Other Revenues from Local Sources		
1999 Revenue from Other Local Sources		1,881
Total Local Sources		772,024
3000 Revenues from State Sources		
3140 School Lunch		
3142 Program aid		442
Total State Sources		442
4000 Revenues from Federal Sources		
4800 USDA Reimbursement		
4810 School lunch program	3,155,325	
4830 School breakfast program	1,234,851	
4860 Fresh Fruit & Vegetable Program	86,692	
4900 Other Federal Sources		
4991 USDA commodities		378,119
Total Federal Sources		4,854,987
Total Revenues all Sources		5,627,459

OPERATING EXPENSES

200 Support Services		
256 Food Service		
100 Salaries	2,032,943	
140 Terminal Leave	7,051	
200 Employee Benefits	17	
300 Purchased Services	144,332	
400 Supplies and Materials	2,985,539	
500 Capital Outlay	145,060	
600 Other Objects		46,027
Total Operating Expenses		5,360,969

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
PROPRIETARY FUND
SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS - FOOD SERVICE PROGRAM
YEAR ENDED JUNE 30, 2012**

Page 2 of 2

OPERATING INCOME (LOSS)	<u>\$ 266,490</u>
OTHER FINANCING SOURCES (USES)	
Transfers from (to) Other Funds	
432-791 Food Service Fund Indirect Costs	<u>(170,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(170,000)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENSES AND OTHER FINANCING USES	96,490
NET ASSETS	
July 1, 2011	<u>1,576,394</u>
June 30, 2012	<u><u>\$ 1,672,884</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, 2012**

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfer From</u>	<u>Balance June 30, 2012</u>
ASSETS					
Cash and cash equivalents	<u>\$ 736,813</u>	<u>\$ 2,360,749</u>	<u>\$ 2,358,251</u>	<u>\$ 36,360</u>	<u>\$ 775,671</u>
LIABILITIES					
Due to schools	<u>\$ 736,813</u>	<u>\$ 2,360,749</u>	<u>\$ 2,358,251</u>	<u>\$ 36,360</u>	<u>\$ 775,671</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, 2012**

RECEIPTS	
1000 Receipts from Local Sources	
1700 Pupil Activities	
1790 Other	\$ 2,360,749
Total Receipts from Local Sources	2,360,749
Total Receipts	2,360,749
DISBURSEMENTS	
273 Trust and Agency Activities	
660 Enterprise Activities	2,358,251
Total Disbursements	2,358,251
Excess of Receipts Over (Under) Disbursements	2,498
OTHER FINANCING SOURCES	
Interfund Transfers, From other Funds	
5210 Transfer from General Fund (Excludes Indirect Cost)	36,360
Total Other Financing Sources	36,360
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	38,858
DUE TO SCHOOLS	
July 1, 2011	736,813
June 30, 2012	\$ 775,671

COMPONENT UNIT

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
COMPONENT UNIT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - CHOICES CHARTER SCHOOL
YEAR ENDED JUNE 30, 2012**

Page 1 of 2

REVENUES

1000 Revenues from Local Sources	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 10
1900 Revenue from Local Sources	
1920 Contributions & Donations from Private Sources	36,222
1999 Revenue from Other Local Sources	21,977
	21,977
Total Local Sources	58,209
3000 Revenues from State Sources	
3300 Education Finance Act	
3313 Elementary	130,885
3314 High School	94,779
	94,779
Total State Sources	225,664
4000 Revenue from Federal Sources	
4800 USDA Reimbursements	
4810 School Lunch and After School Snacks Program	19,286
4830 School Breakfast Program	5,408
	5,408
Total Federal Sources	24,694
TOTAL REVENUES	308,567

EXPENDITURES

100 Instruction	
110 General Instruction	
113 Elementary Programs	
100 Salaries	106,377
200 Employee benefits	73
300 Purchased Services	14,386
400 Supplies and Materials	12,241
600 Other Objects	120

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
COMPONENT UNIT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - CHOICES CHARTER SCHOOL
YEAR ENDED JUNE 30, 2012**

Page 2 of 2

EXPENDITURES (CONTINUED)	
100 Instruction (Continued)	
114 High School Programs	
100 Salaries	\$ 70,918
200 Employee Benefits	49
300 Purchased Services	9,591
400 Supplies and Materials	9,937
600 Other Objects	80
	<hr/>
Total Instruction	223,772
	<hr/>
200 Support Services	
250 Finance and Operations Services	
254 Operation and Maintenance of Plant	
300 Purchased Services	16,050
400 Supplies and Materials	309
470 Energy	17,985
256 Food Services	
100 Salaries	23,477
400 Supplies and Materials	16,472
257 Internal Services	
100 Salaries	14,009
	<hr/>
Total Support Services	88,302
	<hr/>
TOTAL EXPENDITURES	312,074
	<hr/>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,507)
FUND BALANCE	
July 1, 2011	59,787
	<hr/>
June 30, 2012	\$ 56,280
	<hr/> <hr/>

OTHER SUPPLEMENTARY SCHEDULES

DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
DETAILED SCHEDULE OF DUE TO
STATE DEPARTMENT OF EDUCATION/
FEDERAL GOVERNMENT
JUNE 30, 2012

Program	Grant or Project Number	Revenue & Subfund Codes	Description	Amount Due to SDE/ Federal Government
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NONE

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
LOCATION RECONCILIATION SCHEDULE
YEAR ENDED JUNE 30, 2012**

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
4	Hartsville Middle	Middle School	School	\$ 7,006,056
5	Hartsville High	High School	School	9,952,783
6	Lamar High	High School	School	3,297,772
10	Spaulding Middle	Middle School	School	2,102,457
13	Brockington	Elementary School	School	2,668,732
14	Cain Elementary	Elementary School	School	2,416,953
15	Carolina Elementary	Elementary School	School	2,452,511
16	Lamar Elementary	Elementary School	School	2,139,453
17	North Hartsville Elementary	Elementary School	School	4,118,725
18	Pate Elementary	Elementary School	School	3,098,154
20	Rosenwald Elementary/Middle	Elementary School	School	1,558,220
23	Spaulding Elementary	Elementary School	School	1,400,964
24	Brunson-Dargan Elementary	Elementary School	School	1,928,602
26	St. John's Elementary	Elementary School	School	4,386,396
27	Thornwell Elementary	Elementary School	School	2,446,622
28	West Hartsville Elementary	Elementary School	School	1,568,889
29	Washington Street Elementary	Elementary School	School	2,279,132
30	Darlington High	High School	School	9,800,158
31	Darlington Middle	Elementary School	School	6,209,349
32	Southside Early Childhood	Elementary School	School	2,690,120
33	Mayo Magnet	High School	School	2,797,034
35	Intervention School	Other School	School	1,047,236
50	Superintendent	Non-School	Central	727,580
51	Operations	Non-School	Central	428,296
54	Curriculum & Instruction	Non-School	Central	2,398,549
55	Human Resources	Non-School	Central	588,739
56	Pupil Services	Non-School	Central	590,792
58	Transportation	Non-School	Central	2,749,487
59	Communications	Non-School	Central	200,724
60	Exceptional Education	Non-School	Central	1,862,244
62	Maintenance	Non-School	Central	1,454,076
63	Elementary Assistant Superintendent	Non-School	Central	454,139
64	Adult Education	Non-School	Central	699,481
65	Warehouse	Non-School	Central	83,587
66	Project Share	Non-School	Central	47,101
68	Food Service	Non-School	Central	415,417
69	Computer Services	Non-School	Central	1,464,815
72	Finance	Non-School	Central	12,164,579
91	Institute of Technology	Other School	School	2,039,294
TOTAL EXPENDITURES FOR ALL FUNDS				\$ 105,735,218
The above expenditures are reconciled to the District's financial statements as follows:				
General Fund				\$ 61,735,178
Special Projects Fund				15,410,823
Education Improvement Act Fund				7,487,523
School Building Fund				4,878,318
Debt Service Fund				8,504,156
Food Service Fund				5,360,969
Student Activity Fund				2,358,251
TOTAL EXPENDITURES FOR ALL FUNDS				\$ 105,735,218

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2012**

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	\$ 1,234,851
600	National School Lunch Program - Cash Assistance	10.555	N/A	3,155,325
600	National School Lunch Program - Non-Cash Assistance (Commodities)	10.555	N/A	378,119
	Total Child Nutrition Cluster			<u>4,768,295</u>
603	Fresh Fruit and Vegetable Program	10.582	12FF025-XX	<u>86,692</u>
	Total U.S. Department of Agriculture			<u>4,854,987</u>
U.S. Department of Labor				
	Pass-through -- South Carolina Dept. of Education			
280	WIA Youth Activities	17.259	1Y507E1	187,715
283	WIA Out of School Youth	17.259	1Y507E2	46,015
284	WIA Jobs for SC Grads	17.259	11JAG105	59,512
	Total 17.259			<u>293,242</u>
	Total U.S. Department of Labor			<u>293,242</u>
U.S. Department of Energy				
295	State Energy Program	81.041	S09-0001	<u>10,027</u>
	Total U.S. Department of Energy			<u>10,027</u>
U.S. Department of Education				
	Pass-through -- South Carolina Dept. of Education			
201	Title I Grants to LEA's	84.010	12BA025	4,869,211
237	Title I - School Improvements	84.010	11BJ025	175,889
	Total 84.010			<u>5,045,100</u>
222	ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	09SA025	170,496
223	ARRA School Improvement	84.389A	10SJ025	4,653
	Total 84.389			<u>175,149</u>
	Total Title I, Part A Cluster			<u>5,220,249</u>
268	Teacher Incentive Fund	84.374	12TT025	<u>650,518</u>
203	IDEA - Children with Disabilities	84.027	12CA025	2,106,920
204	Extended School Year	84.027	12CA025-01	9,747
	Total 84.027			<u>2,116,667</u>
205	Special Education - Preschool Grants	84.173	12CG025	116,135
215	ARRA - Special Education Grants to States, Recovery Act	84.391	11SC025	124,058
216	ARRA - Special Education - Preschool Grants, Recovery Act	84.392	11SG025	9,679
	Total Special Education Cluster (IDEA)			<u>2,366,539</u>
243	Adult Education - Basic Grants to States	84.002	12EA025	154,561
221	Title I - Boys Home	84.013	12ND025	16,818
207	Vocational Education Grant to State	84.048	12VA025	216,443
264	English Language Acquisition Grants	84.365	12BP025	11,747
267	Improving Teacher Quality State Grants	84.367	12TQ025	683,560
253	ARRA - Education Technology State Grants, Recovery Act	84.386	10SS025	39,091
227	ARRA - Education for Homeless Children and Youth, Recovery Act	84.387	10SM025	618
	Total pass-through -- South Carolina Dept. of Education			<u>9,360,144</u>
	Pass-through -- South Carolina Commission on Higher Education			
812	Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	P334S110019	<u>94,195</u>
	Total U.S. Department of Education			<u>9,454,339</u>
Other Federal Assistance				
U.S. Department of Defense				
	Direct Programs:			
269	JROTC	N/A	N/A	<u>206,388</u>
	Total U.S. Department of Defense			<u>206,388</u>
	Total Expenditures of Federal Awards			<u>\$ 14,818,983</u>

See accompanying note 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, 2012**

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***

**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 the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, 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, 2012, which collectively comprise Darlington County School District's basic financial statements and have issued our report thereon dated November 20, 2012. Our report includes a reference to other auditors. 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. Other auditors audited the financial statements of CHOICES of Florence, Inc, as described in our report on the School District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

Management of the School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

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Compliance and Other Matters

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

This report is intended solely for the information and use of management, Darlington County School Board, the South Carolina Department of Education, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Webster Rogus LLP

Summerville, South Carolina
November 20, 2012

Independent Auditor's Report on Compliance with Requirements that could have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

Board of Trustees
Darlington County School District
Darlington, South Carolina

Compliance

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 School District's major federal programs for the year ended June 30, 2012. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

The School District's basic financial statements include the operations of CHOICES of Florence, Inc, which received \$24,694 in federal awards which is not included in the schedule of expenditures of federal awards during the year ended June 30, 2012. Our audit, described below, did not include the operations of CHOICES of Florence, Inc, because the component unit engaged other auditors to perform an audit in accordance with OMB Circular A-133.

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. Our audit does not provide a legal determination of the School District's compliance with those requirements.

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

Internal Control Over Compliance

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

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, Darlington County School Board, the South Carolina Department of Education, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Summerville, South Carolina
November 20, 2012

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditors' report issued:

Unqualified

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:

Unqualified

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:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.553	School Breakfast Program
10.555	National School Lunch Program

Dollar threshold used to distinguish between type A and type B programs **\$444,569**

Auditee qualified as low-risk auditee? **x** Yes No

II. FINANCIAL STATEMENT FINDINGS

NONE

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

NONE

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2012**

No prior year audit findings