

# **Discovery School of Lancaster County**

**South Carolina Department of Education**

**CHARTER SCHOOL**

**2013 ANNUAL REPORT**

**December 31, 2013**

**Charter School Submission Deadline to Sponsor:**

**December 31, 2013**

**Sponsor Submission Deadline to SCDE:**

**January 31, 2014**

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## **I. INTRODUCTION**

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Pursuant to S.C. Code Ann. § 59-40-140(H), the South Carolina Department of Education (SCDE) has developed this annual report template for charter schools to use in reporting to their sponsors. A charter school is required to submit, at least annually to its sponsor, a report that shall include the following, at a minimum:

- (1) the number of students enrolled in the charter school from year to year;
- (2) the success of students in achieving the specific educational goals for which the charter school was established;
- (3) an analysis of achievement gaps among major groupings of students in both proficiency and growth;
- (4) the identity and certification status of the teaching staff;
- (5) the financial performance and sustainability of the sponsor's charter schools; and
- (6) board performance and stewardship including compliance with applicable laws.

The report shall provide all other information as required by the charter school sponsor and the SCDE.

In turn, sponsors are required by law to annually evaluate the following conditions that warrant the nonrenewal or revocation of a school's charter:

- the commission of a material violation of the conditions, standards, or procedures provided for in the charter application;
- failure to make or meet reasonable progress, as defined in the charter application, toward pupil achievement standards as identified in the charter application;
- failure to meet generally accepted standards of fiscal management; and
- violation of any law from which the school was not specifically exempted.

This annual report template is designed to elicit a comprehensive picture of a charter school's recently completed academic year as it relates to the school's performance in those areas impacting charter school accountability: academic achievement, compliance, operations/governance, and financial viability.

## **II. ANNUAL REPORT SUBMISSION GUIDELINES**

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**Annual Report Submission:** The annual report shall be due on **December 31** following each full school year in which the charter school is in operation. The board of trustees of a charter school should make the annual report available to the parents or guardians of the students enrolled in the charter school. In accordance with S.C. Code Ann. § 59-40-140 (H), the charter school shall submit an annual report to its sponsor, and the sponsor shall compile the annual reports of all of its charter schools into a single document that must be submitted to the SCDE by January 31. Insofar as the sponsor of a charter school is the charter school's local education agency (LEA), the charter school is advised to submit its annual report to the sponsor's superintendent.

**Submission Requirements:** One hard copy of the annual report is due to the charter school sponsor no later than **5:00 p.m. on December 31**. The hard copy must include all charts. Additionally, the charter school must submit an electronic version of the full report (including all charts) in PDF format to the sponsor.

**Document Length:** Each question in the application template that requires a written response includes a page limit. Answers should stay within those guidelines.

**Format:** All pages of the report should include standard one-inch margins and page numbers, and all text should be easily readable in a font size no smaller than 11 point.

**Cover Page:** Provide a cover page that includes the charter school's name and the date of the report.

**Table of Contents:** Provide a clearly labeled table of contents that lists major sections and appendices.

**Annual Report Review:** All reports must be clear and fully complete in order to be evaluated by both the sponsor and the SCDE. The SCDE will review annual reports upon their submission in the compilation document from the sponsor that includes the annual reports of each of the sponsor's schools (S.C. Code Ann. § 59-40-55(A)).

### III. ANNUAL REPORT QUESTIONS

#### 1. GENERAL SCHOOL INFORMATION

1. General School Information	
Name of School	Discovery School of Lancaster County
Year School Opened	2000
Charter Renewal Date	2018
Grade Level(s)	K-5
School Address(es)	302 West Dunlap Street Lancaster, SC 29720
School Website Address	<a href="http://www.dis.lancasterschools.org">www.dis.lancasterschools.org</a>
Name of School Leader	Thomas H. McDuffie
School Leader's Phone Number and E-mail	803-416-8874 tom.mcduffie@lcsdmail.net
Name of Board President	Lou Prete
Board President's Phone Number and E-mail	803-285-8137 <a href="mailto:thepretes@jltiger.com">thepretes@jltiger.com</a>
Name of Sponsor/Local Education Agency	Lancaster County School District

#### 2. SCHOOL ENROLLMENT

2.1. Provide the following information regarding school enrollment:

135-day count enrollment for SY 2012–13	107
45-day count enrollment for SY 2013–14	107

2.2. Complete the following table regarding school enrollment:

	Maximum Enrollment Per Charter	45-Day Count	135-Day Count
Pre-K	n/a	n/a	n/a
K	18	18	18
Grade 1	18	18	18
Grade 2	18	18	18
Grade 3	18	18	18
Grade 4	18	18	17
Grade 5	18	18	18
Grade 6	n/a	n/a	n/a
Grade 7	n/a	n/a	n/a
Grade 8	n/a	n/a	n/a
Grade 9	n/a	n/a	n/a
Grade 10	n/a	n/a	n/a
Grade 11	n/a	n/a	n/a
Grade 12	n/a	n/a	n/a
<b>Total</b>	108	108	107

### 3. EDUCATIONAL PROGRAM AND ACCOUNTABILITY

In accordance with S.C. Code Ann. Regs. 43-601, section VII (B)(2), sponsors must use increases in student academic achievement for all groups of students as the most important factor when determining to renew or revoke a school's charter.

#### 3.1. Academic Performance

Attach the following appendices for the charter school:

- 2013 State Report Card (accessible at <http://ed.sc.gov/data/report-cards/>)
- 2013 ESEA Waiver Accountability Report (accessible at <http://ed.sc.gov/data/esea/>)

Using data from these appendices, include a narrative in which you

- Describe the school's statewide assessment results.-
- Provide an analysis of achievement gaps among major groupings of students in both proficiency and growth. Explain how the school will close gaps and maintain or improve results. (*Limit your response to three pages.*)

#### Narrative / Analysis of Assessment Results

Due to the small school and class sizes at Discovery School, comparative analysis of sub-groups is not applicable. Sub-group sizes are statistically insignificant and data are not included for any sub-groups on Discovery School's State Report Card.

Our main goal at Discovery School continues to be the implementation of Common Core and state standards through a multiple intelligences approach to teaching and learning. Students at Discovery School have achieved at relatively high levels on standardized assessments. Report card ratings, ESEA reports, as well as qualitative data as measured through rubrics and stakeholder surveys support the fact that Discovery School students are achieving at appropriate levels.

We will continue to provide substantive standards-based curricula and to implement innovative programs in accordance to all stipulations of our charter for the benefit of all students at the school.

#### 3.2 Charter School-Specific Academic Goals and Performance

Using the format below, identify the specific academic goals set forth in the school's current charter. For each academic goal, provide information and describe the success of students in achieving the specific educational goals for which the school was established. For goals not met, explain why and what steps the school is taking to progress towards goal attainment.

3.2 Academic Goals	
Goal # 1	Discovery School's ELA PASS "Met"/ "Exemplary" will increase by .5% yearly.
Measure/Metric	Analysis of students' PASS data. Expected growth of .5% annually based on Performance Goals from the School Renewal Plan.

<b>Target</b>	Composite target of all grade levels would equal 93.1% at “Met” / “Exemplary”.
<b>Actual Outcome and Explanation</b>	<p>Composite of all grade levels was actually 79.1% due to a combination of factors including the fact that 17% of the students in the 3<sup>rd</sup> grade class have been formally identified as having learning disabilities. In addition, the class had an inexperienced (1<sup>st</sup> year) teacher, who has since been moved to a different position working with younger students. Students identified as “learning disabled” are now receiving appropriate services through small-group work with our resource teacher and through in-class accommodations per requirements of their IEPs; however, these students typically do not do well on standardized tests.</p> <p>Steps that are being taken to improve student performance and achievement include the following: implementation of the Fast Forward Program; in-class cluster groupings based on MAP RIT scores and other data; adherence to Personal Education Plans for 100% of the students at Discovery School; implementation of a school-wide focus on Common Core State Standards through student portfolios with an emphasis on informational texts and research; faculty book studies related to academic rigor and critical thinking; use of the school’s Student Assistance Team and the RtI process as needed; continued emphasis on the Thinking Maps Program, Core Knowledge literature, Classworks, and the Renzulli Learning System; as well as increased focus on data analysis, progress monitoring, and communication with stakeholders.</p>

3.2 Academic Goals	
<b>Goal # 2</b>	Discovery School’s Math PASS “Met”/ “Exemplary” will increase by 1.5% yearly.
<b>Measure/Metric</b>	Analysis of students’ PASS data. Expected growth of 1.5% annually based on Performance Goals from the School Renewal Plan.
<b>Target</b>	Composite target of all grade levels would equal 79% at “Met” / “Exemplary”.
<b>Actual Outcome and Explanation</b>	<p>Composite of all grade levels was actually 70.3% due to a combination of factors including the fact that 17% of the students in the third grade class have been formally identified as having learning disabilities. In addition, the class had an inexperienced (1<sup>st</sup> year) teacher, who has since been moved to a different position working with younger students. Students identified as “learning disabled” are now receiving appropriate services through small-group work with our resource teacher and through in-class accommodations per requirements of their IEPs; however, these students typically do not do well on standardized tests.</p> <p>Steps that are being taken to improve student performance and achievement include the following: implementation of the Fast Forward Program; in-class cluster groupings based on MAP RIT scores and other data; adherence to Personal Education Plans for 100% of the students at Discovery School; implementation of a school-wide focus on Common Core State Standards through student portfolios with an emphasis on informational texts and research; faculty book studies related to academic rigor and critical thinking; use of the school’s Student Assistance Team and the RtI process as needed; continued emphasis on the Thinking Maps Program, My Math interventions, Classworks, and the Renzulli Learning System; as well as increased focus on data analysis, progress monitoring, and</p>

	communication with stakeholders.
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3.2 Academic Goals	
<b>Goal # 3</b>	Discovery School’s science PASS “Met”/ “Exemplary” will increase by 2% yearly.
<b>Measure/Metric</b>	Analysis of students’ PASS data. Expected growth of 2% annually based on Performance Goals from the School Renewal Plan.
<b>Target</b>	Composite target of all grade levels tested would equal 79.4% at “Met” / “Exemplary”.
<b>Actual Outcome and Explanation</b>	<p>Composite of all grade levels was 72.2% due to a combination of factors including the fact that 11% of the students in the fourth grade class have been formally identified as having learning disabilities. Students identified as “learning disabled” are receiving appropriate services through small-group work with our resource teacher and through in-class accommodations per requirements of their IEPs; however, these students typically do not do well on standardized tests. In addition, the small class sizes at Discovery School increase the probability of sampling bias in relation to standardized testing.</p> <p>Steps that are being taken to improve student performance and achievement include the following: implementation of the Fast Forward Program; in-class cluster groupings based on MAP RIT scores and other data; adherence to Personal Education Plans for 100% of the students at Discovery School; implementation of a school-wide focus on Common Core State Standards through student portfolios with an emphasis on informational texts and research; faculty book studies related to academic rigor and critical thinking; use of the school’s Student Assistance Team and the RtI process as needed; continued emphasis on the Thinking Maps Program, My Math interventions, Classworks, and the Renzulli Learning System; as well as increased focus on data analysis, progress monitoring, and communication with stakeholders.</p>

3.2 Academic Goals	
<b>Goal # 4</b>	Discovery School’s social studies PASS “Met”/ “Exemplary” will increase by .5% yearly.
<b>Measure/Metric</b>	Analysis of students’ PASS data. Expected growth of .5% annually based on Performance Goals from the School Renewal Plan.
<b>Target</b>	Composite target of all grade levels tested would equal 94.9% at “Met” / “Exemplary”.
<b>Actual Outcome and Explanation</b>	<p>Composite of all grade levels was 88.9% due to a combination of factors including the fact that 11% of the students in the fourth grade class have been formally identified as having learning disabilities. Students identified as “learning disabled” are receiving appropriate services through small-group work with our resource teacher and through in-class accommodations per requirements of their IEPs; however, these students typically do not do well on standardized tests. In addition, the small class sizes at Discovery School increase the probability of sampling bias in relation to standardized testing.</p>



	Steps that are being taken to improve student performance and achievement include the following: implementation of the Fast Forward Program; in-class cluster groupings based on MAP RIT scores and other data; adherence to Personal Education Plans for 100% of the students at Discovery School; implementation of a school-wide focus on Common Core State Standards through student portfolios with an emphasis on informational texts and research; faculty book studies related to academic rigor and critical thinking; use of the school's Student Assistance Team and the RtI process as needed; continued emphasis on the Thinking Maps Program, Core Knowledge literature and social studies, Classworks, and the Renzulli Learning System; as well as increased focus on data analysis, progress monitoring, and communication with stakeholders.
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#### 4. SCHOOL STAFF

Provide the requested information in the table below regarding all instructional staff (tab to create a new line).

4. School Instructional Staff		
Name	Certification	Course(s) Taught
Mary Beth Williamson	Early Childhood	Kindergarten / all
Sarah Trapp	Early Childhood	1 <sup>st</sup> grade / all
Gena Rogers	Early Childhood	2 <sup>nd</sup> grade / all
Sherry Bowers	Early Childhood / Elementary	3 <sup>rd</sup> grade / all
Brad McGee	Elementary	4 <sup>th</sup> & 5 <sup>th</sup> grades / ELA & social studies
Brittany McManus	Elementary	4 <sup>th</sup> & 5 <sup>th</sup> grades / math & science
Lori Yarborough	Early Childhood / Elementary	Lead teacher / all grades
Robin Helm	n/a	Music / all grades (part-time)
Vicki Robinson	Elementary	Creative Movement / all grades (part-time)
Renee Wright	n/a	Art / all grades (part-time)
Gayle Adams	Elementary / Guidance	Guidance (part-time)

## 5. FINANCIAL PERFORMANCE AND SUSTAINABILITY

Attach as appendices, the school's audited FY2013 report on financial statements; the FY2014 approved school budget; an updated five-year budget, and the FY2014 capital plan (if applicable).

Provide a narrative below to explain any variances between the budgets for FY2013 and FY2014. Please note that the capital plan should identify all planned capital projects in progress or expected to be initiated within the next ten years. Capital projects include the following:

- the acquisition, construction, or expansion of a school building, either through new construction or renovation of an existing building;
- substantial renovation or rehabilitation of a school building currently in use by the charter school;
- major renovations or replacements of building systems in a school building currently in use by the charter school, such as roofs, HVAC systems, building envelopes, plumbing and electrical systems, telecommunications systems, etc.;
- major acquisition of furnishings, fixtures, and equipment that are appurtenant to the acquisition, construction, renovation, or expansion of a school building; and
- acquisition and development of adjacent land for new or expanded playgrounds, athletic fields, parking, or other related activities.

Routine repair and maintenance projects needed to maintain existing facilities in good order should not be included in the school's capital plan. For each identified capital project, the capital plan should include the following:

- a description of the project;
- the current status of the project;
- the current estimated schedule for the completion of the project;
- the current estimated cost for the project;
- information on how the school plans to finance the project; and
- whether the school has established a capital project reserve account for the project and, if so, the balance in the account as of June 30 of the fiscal year just ended.

### **Capital Plan**

Discovery School leases classroom and office space from the Lancaster County School District. Routine maintenance is included in the lease agreement. Major renovations to the building (including new heating and air, new lighting, and improved security features) have been made within the last ten years. There are no major capital improvements planned for Discovery School at this time.

## 6. BOARD PERFORMANCE AND STEWARDSHIP, INCLUDING COMPLIANCE WITH APPLICABLE LAWS

Provide the requested information in the table below regarding the Board of Trustees (tab to add new row).

6. Board Members			
Name	Address/E-mail	Background	Elected/Appointed
Lou Prete	521 Rock Springs Road Lancaster, SC 29720 <a href="mailto:thepretes@jltiger.com">thepretes@jltiger.com</a>	Business/community	elected
April Mathis	1696 Sharon Lane Lancaster, SC 29720 <a href="mailto:amathis@comporium.net">amathis@comporium.net</a>	Business/community	elected
Laurin Mullins	1711 Robin Drive Lancaster, SC 29720 <a href="mailto:laurinmullins@gmail.com">laurinmullins@gmail.com</a>	parent	elected
Chris Timmons	1206 Westmoreland Drive Lancaster, SC 29720 <a href="mailto:Christopher.timmons@lcsdmail.net">Christopher.timmons@lcsdmail.net</a>	Educator/school administrator	elected
Pam Giardiello	554 Plantation Road Lancaster, SC 29720 <a href="mailto:pamelagiardiello@yahoo.com">pamelagiardiello@yahoo.com</a>	Higher Education / USCL	elected
Kimberly Waldo	1906 Sardis Drive Lancaster, SC 29720 <a href="mailto:wkwaldo@comporium.net">wkwaldo@comporium.net</a>	educator	elected
Tonya Rape	2068 Shiloh Unity Road Lancaster, SC 209720 <a href="mailto:Tonya.rape@comporium.com">Tonya.rape@comporium.com</a>	Business / community	elected

Board of Trustee Compliance	Response
Number of board members required per charter.	7
Date of most recent board election.	April 2013
Link to website where agendas are published, if published online. If not, provide the address of the office where they are maintained.	302 West Dunlap Street Lancaster, SC 29720
Link to website where minutes are published, if published online. If not, provide the address of the office where they are maintained.	302 West Dunlap Street Lancaster, SC 29720
Provide evidence that all board members have completed an orientation program as required by S.C. Code Ann. § 59-40-155, within one year of taking office.	All governing board members participated in board training through the SC Public Charter School Alliance. Certification of training is on file at the Discovery School main office.
Number and name of active committees.	<ol style="list-style-type: none"> <li>1. Steering Committee</li> <li>2. Oversight Committee</li> <li>3. Public Relations Committee</li> <li>4. Expansion Committee</li> <li>5. Lottery Committee</li> <li>6. Grants Committee</li> </ol>

	<b>7. Facilities Committee</b>
Board meeting dates during the 2013 calendar year.	<ul style="list-style-type: none"> <li>• August 27, 2012</li> <li>• September 17, 2012</li> <li>• October 29, 2012</li> <li>• November 19, 2012</li> <li>• December 3, 2012</li> <li>• February 11, 2013</li> <li>• March 18, 2013</li> <li>• April 8, 2013</li> <li>• May 20, 2013</li> <li>• June 17, 2013</li> </ul>
Date of Board Self-Evaluation, if conducted, and include a copy as an appendix if available.	n/a

### **7. ADDITIONAL INFORMATION REQUIRED BY THE SPONSOR**

The Sponsor is permitted to request additional information as part of this annual report. Such additional information should be included in this section and submitted to the SCDE with the sponsor's annual report.

**Discovery School of Lancaster County**

1320 Westwood Road  
Lancaster, SC 29720

**Grades** K-5 Elementary School  
**Enrollment** 108 Students  
**Principal** Thomas H. McDuffie 803-285-8430  
**Superintendent** Dr. Richard E. Moore 803-286-6972  
**Board Chair** Mr. Robert Parker 803-286-6972

THE STATE OF SOUTH CAROLINA  
**2013 ANNUAL SCHOOL REPORT CARD**

**RATINGS OVER 5-YEAR PERIOD**

YEAR	ABSOLUTE RATING	GROWTH RATING
2013	Good	Good
2012	Excellent	Excellent
2011	Excellent	Excellent
2010	Excellent	Excellent
2009	Average	Good

**DEFINITIONS OF SCHOOL RATING TERMS**

- Excellent - School performance substantially exceeds the standards for progress toward the 2020 SC Performance Vision
- Good - School performance exceeds the standards for progress toward the 2020 SC Performance Vision
- Average - School performance meets the standards for progress toward the 2020 SC Performance Vision
- Below Average - School is in jeopardy of not meeting the standards for progress toward the 2020 SC Performance Vision
- At-Risk - School performance fails to meet the standards for progress toward the 2020 SC Performance Vision

**SOUTH CAROLINA PERFORMANCE VISION**

By 2020 all students will graduate with the knowledge and skills necessary to compete successfully in the global economy, participate in a democratic society and contribute positively as members of families and communities.

<http://ed.sc.gov>  
<http://www.eoc.sc.gov>

Percent of Student PASS Records Matched for Purpose of Computing Growth Rating

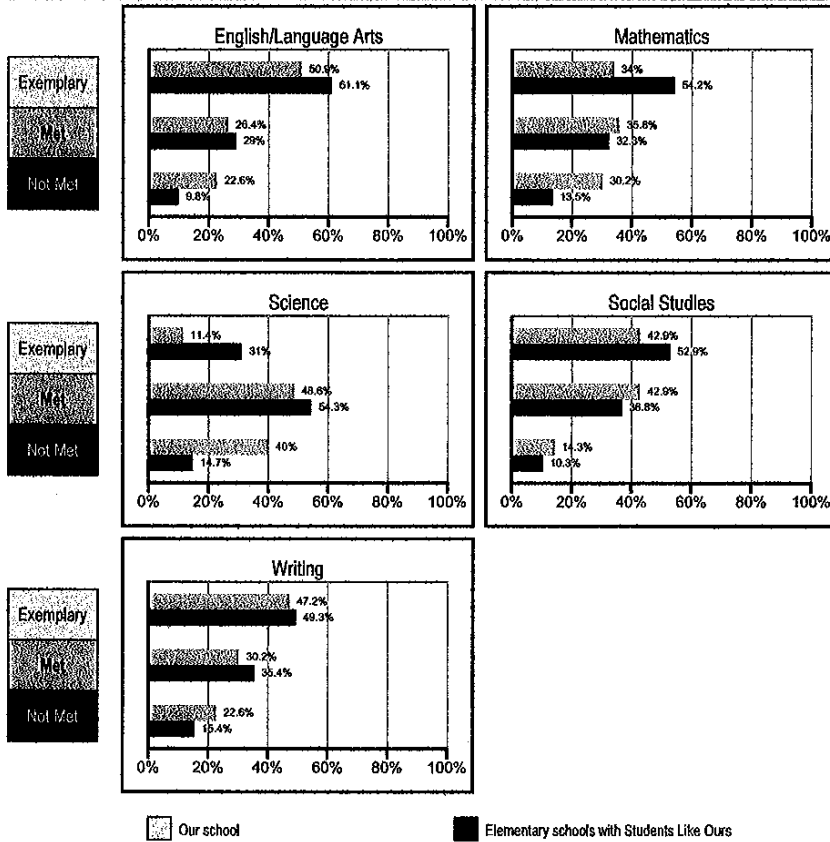
Percent of students tested in 2012-13 whose 2011-12 test scores were located | 100%

ABSOLUTE RATINGS OF ELEMENTARY SCHOOLS WITH STUDENTS LIKE OURS\*

Excellent	Good	Average	Below Average	At-Risk
29	2	0	0	0

\* Ratings are calculated with data available by 12/14/2013.

Palmetto Assessment of State Standards (PASS)



\* Elementary schools with Students Like Ours are elementary schools with poverty indices of no more than 5% above or below the index for the school.

Definition of Critical Terms

Exemplary	"Exemplary" means the student demonstrated exemplary performance in meeting the grade level standard.
Met	"Met" means the student met the grade level standard.
Not Met	"Not Met" means that the student did not meet the grade level standard.

Abbreviations for Missing Data

N/A-Not Applicable | N/AV-Not Available | N/C-Not Collected | N/R-Not Reported | I/S-Insufficient Sample

## School Profile

	Our School	Change from Last Year	Elementary Schools with Students Like Ours	Median Elementary School
<b>Students (n=106)</b>				
First graders who attended full-day kindergarten	100.0%	No Change	100.0%	100.0%
Retention rate	0.0%	No Change	0.5%	0.9%
Attendance rate	97.3%	Up from 97.2%	96.8%	96.3%
Served by gifted and talented program	16.7%	N/A	14.6%	7.2%
With disabilities	12.0%	N/A	9.9%	12.4%
Older than usual for grade	0.0%	N/A	1.4%	1.9%
Out-of-school suspensions or expulsions for violent and/or criminal offenses	0.0%	No Change	0.0%	0.0%
<b>Teachers (n=7)</b>				
Teachers with advanced degrees	33.3%	No Change	70.4%	62.5%
Continuing contract teachers	60.0%	Down from 66.7%	90.3%	83.3%
Teachers returning from previous year	57.4%	Down from 64.4%	90.5%	88.3%
Teacher attendance rate	95.3%	Down from 97.4%	94.5%	95.0%
Average teacher salary*	\$37,837	Up 3.3%	\$50,045	\$48,193
Professional development days/teacher	11.4 days	Down from 15.9 days	11.6 days	11.0 days
<b>School</b>				
Principal's years at school	13.0	Up from 12.0	5.0	4.0
Student-teacher ratio in core subjects	N/R	N/R	21,1 to 1	20,1 to 1
Prime instructional time	88.9%	Down from 91.5%	90.2%	90.0%
Opportunities in the arts	Good	No Change	Good	Good
SACS accreditation	Yes	No Change	Yes	Yes
Parents attending conferences	100.0%	No Change	100.0%	100.0%
Character development program	Good	No Change	Excellent	Excellent
Dollars spent per pupil**	\$6,634	Up 1.7%	\$7,010	\$7,364
Percent of expenditures for instruction**	64.0%	Down from 65.3%	69.0%	68.0%
Percent of expenditures for teacher salaries**	64.0%	Down from 64.1%	87.0%	66.0%

\* Includes current year teachers contracted for 185 or more days.

\*\* Prior year audited financial data are reported.

## Report of Principal and School Improvement Council

The mission of Discovery School is for students to be self-motivated problem solvers and lifelong learners, who demonstrate mastery of grade level and Core Knowledge standards. An exemplary faculty and staff provide a safe, nurturing learning environment, supported by parents and the larger community. Along with district and community support and efforts of our business partners, we continue to strive to meet our mission. Our school goals directly relate to Lancaster County Schools' academic goals. At Discovery School, we have established goals focused on raising student achievement through incorporation of Gardner's Theory of Multiple Intelligences and strategies normally used with gifted and talented learners. Discovery School serves 108 students from across Lancaster County in grades K-5. Discovery School contributes to the overall growth of students through an annual school-wide thematic focus. Last year our focus on STEM (science, technology, engineering and math) successfully sparked student interest in these vital areas. Our PTO continues to work toward improving opportunities for our students through a variety of fund-raising efforts. Our Governing Board, Advisory Board, and School Improvement Council continue to work closely with the leadership team at Discovery School to promote student success. Our school is proud to have been recognized in the past year as a Palmetto Gold Award recipient for student achievement. Discovery School is committed to having a high quality instructional team at all levels that is certified and highly qualified. Several of our faculty and staff hold degrees beyond the bachelor level and one has received National Board Certification. Our teachers work within their grade levels to provide quality instruction. Many hours are provided to enhance teaching skills through professional development that primarily focuses on research-based best practices to improve teaching skills, knowledge, and instructional delivery. Discovery School continues to strive toward providing a successful learning environment for all students. With the assistance of a dedicated staff and support of our community and stakeholders, we continue to assure that no child is left behind.

Tom McDuffie, Site Manager  
Lou Prete, SIC Chairperson

## Evaluations by Teachers, Students and Parents

	Teachers	Students*	Parents*
Number of surveys returned	11	18	17
Percent satisfied with learning environment	100%	100%	94.1%
Percent satisfied with social and physical environment	100%	94.5%	100.1%
Percent satisfied with school-home relations	100%	100%	94.1%

\* Only students at the highest elementary school grade level and their parents were included.

## Abbreviations for Missing Data

N/A--Not Applicable    N/AV--Not Available    N/C--Not Collected    N/R--Not Reported    I/S--Insufficient Sample



## ESEA/Federal Accountability Rating System

In July 2013, the South Carolina Department of Education was granted a waiver from several accountability requirements of the federal Elementary and Secondary Education Act (ESEA). This waiver allowed SC to replace the former pass/fail system with one that utilizes more of the statewide assessments already in place and combine these subject area results with graduation rate (in high schools) to determine if each school met the target or made progress toward the target. This analysis results in a letter grade for the school rather than the pass/fail system of previous years. For a detailed review of the matrix for each school and districts that determined the letter grade, please use the following link: <http://ed.sc.gov/data/esea/> or request this information from your child's district or school.

Overall Weighted Points Total	95.0
Overall Grade Conversion	A

Index Score	Grade	Description
90-100	A	Performance substantially exceeds the state's expectations.
80-89.9	B	Performance exceeds the state's expectations.
70-79.9	C	Performance meets the state's expectations.
60-69.9	D	Performance does not meet the state's expectations.
Less than 60	F	Performance is substantially below the state's expectations

## Accountability Indicator for Title I Schools

Discovery School of Lancaster County school has been designated as a:

- Title I Reward School for Performance - among the highest performing Title I schools in a given year.
- Title I Reward School for Progress - one of the schools with substantial progress in student subgroups.
- Title I Focus School - one of the schools with the highest average performance gap between subgroups.
- Title I Priority School - one of the 5% lowest performing Title I schools.
- Title I School - does not qualify as Reward, Focus or Priority School.
- Non-Title I School - therefore the designations above are not applicable.

## Teacher Quality and Student Attendance

	Our District	State
Classes in low poverty schools not taught by highly qualified teachers	6.2%	2.3%
Classes in high poverty schools not taught by highly qualified teachers	3.8%	4.9%

	Our School	State Objective	Met State Objective
Classes not taught by highly qualified teachers	8.3%	0.0%	No
Student attendance rate	97.3%	94.0%*	Yes

\* Or greater than last year

## Abbreviations for Missing Data

N/A: Not Applicable; N/AV: Not Available; N/C: Not Calculated; N/R: Not Reported; UO: Unknown/Unofficial

## Performance By Group

Subgroups	ELA Mean	Math Mean	Science Mean	Social Studies Mean	ELA % Tested	Math % Tested
Grades 3-5						
All Students	663.5	645.9	609.6	657.8	98.2	100.0
Male	N/A	N/A	N/A	N/A	N/A	N/A
Female	N/A	N/A	N/A	N/A	N/A	N/A
White	663.9	651.6	610.6	659.8	97.2	100.0
African American	N/A	N/A	N/A	N/A	N/A	N/A
Asian/Pacific Islander	N/A	N/A	N/A	N/A	N/A	N/A
Hispanic	N/A	N/A	N/A	N/A	N/A	N/A
American Indian/Alaskan	N/A	N/A	N/A	N/A	N/A	N/A
Disabled	N/A	N/A	N/A	N/A	N/A	N/A
Limited English Proficient	N/A	N/A	N/A	N/A	N/A	N/A
Subsidized meals	N/A	N/A	N/A	N/A	N/A	N/A
Annual Measurable Objective (AMO)	635.0	635.0	635.0	635.0	95.0	95.0

## Abbreviations for Missing Data

N/A-Not Applicable N/AV-Not Available N/C-Not Collected N/R-Not Reported I/S-Insufficient Sample

## PASS Performance By Grade Level

	Grade	Enrollment 1st Day of Testing	% Tested	% Not Met	% Met	% Exemplary	% Met or Exemplary
English/Language Arts							
2012	3	18	100	11.1	33.3	55.6	88.9
	4	18	100	11.6	29.4	58.8	88.2
	5	18	100	N/A	N/A	N/A	100
	6	N/A	N/A	N/A	N/A	N/A	N/A
	7	N/A	N/A	N/A	N/A	N/A	N/A
	8	N/A	N/A	N/A	N/A	N/A	N/A
2013	3	18	94.4	29.4	23.5	47.1	70.6
	4	18	100	17.6	23.5	58.8	82.4
	5	18	100	16.7	33.3	50	83.3
	6	N/A	N/A	N/A	N/A	N/A	N/A
	7	N/A	N/A	N/A	N/A	N/A	N/A
	8	N/A	N/A	N/A	N/A	N/A	N/A
Mathematics							
2012	3	18	100	33.3	27.8	38.9	66.7
	4	18	100	23.6	36.3	41.2	76.5
	5	18	100	11.1	38.9	50	88.9
	6	N/A	N/A	N/A	N/A	N/A	N/A
	7	N/A	N/A	N/A	N/A	N/A	N/A
	8	N/A	N/A	N/A	N/A	N/A	N/A
2013	3	18	100	55.6	27.8	16.7	44.4
	4	18	100	17.6	41.2	41.2	82.4
	5	18	100	16.7	38.9	44.4	83.3
	6	N/A	N/A	N/A	N/A	N/A	N/A
	7	N/A	N/A	N/A	N/A	N/A	N/A
	8	N/A	N/A	N/A	N/A	N/A	N/A
Science							
2012	3	9	I/S	I/S	I/S	I/S	I/S
	4	18	100	N/A	N/A	N/A	76.5
	5	9	I/S	I/S	I/S	I/S	I/S
	6	N/A	N/A	N/A	N/A	N/A	N/A
	7	N/A	N/A	N/A	N/A	N/A	N/A
	8	N/A	N/A	N/A	N/A	N/A	N/A
2013	3	9	I/S	I/S	I/S	I/S	I/S
	4	18	100	29.4	52.9	17.6	70.6
	5	9	I/S	I/S	I/S	I/S	I/S
	6	N/A	N/A	N/A	N/A	N/A	N/A
	7	N/A	N/A	N/A	N/A	N/A	N/A
	8	N/A	N/A	N/A	N/A	N/A	N/A

**Appendix B**

**2013 - ESEA / Federal  
Accountability System**

**LANCASTER > DISCOVERY SCHOOL OF LANCASTER**

KEY	Index Score	Grade	Description
	90-100	A	Performance substantially exceeds the state's expectations.
	80-89.9	B	Performance exceeds the state's expectations.
	70-79.9	C	Performance meets the state's expectations.
	60-69.9	D	Performance does not meet the state's expectations.
	Less than 60	F	Performance is substantially below the state's expectations.
	Blank	*	Insufficient data available to calculate an ESEA grade.

2013 Annual Measurable Objectives (AMO)			
	Elementary School	Middle School	High School
English Language Arts (ELA)	635	628	226
Math	635	628	223
Science / Biology	635	628	77
Social Studies / History	635	628	73
ELA - Percent Tested	95	95	95
Math - Percent Tested	95	95	95
Graduation Rate	N/A	N/A	74.1

<b>Overall Weighted Points Total</b>	<b>95</b>
<b>Overall Grade Conversion</b>	<b>A</b>
Points Total - Elementary Grades	95

**Matrix Key**

1 = Met State Objective

0 = Did not meet State Objective

0.1-0.9 = Level of Improvement between previous year and current year

**ELEMENTARY SCHOOL**

**MATRIX**

TITLE	ELA	Math	Science	Social	ELA	Math
	Proficiency Met/Improved	Proficiency Met/Improved	Proficiency Met/Improved	Studies Proficiency Met/Improved	Percent Tested	Percent Tested
ALL STUDENTS	1	1	0	1	1	1
Male						
Female						
White	1	1	0	1	1	1
African-American						
Asian / Pacific Islander						
Hispanic						
American Indian / Alaskan						
Disabled						
LEP						
Subsidized Meals						
<b>Total Number of Points</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Total Number of Objectives</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Percent of Objectives Met</b>	<b>100</b>	<b>100</b>	<b>0</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Weight</b>	<b>0.35</b>	<b>0.35</b>	<b>0.05</b>	<b>0.05</b>	<b>0.1</b>	<b>0.1</b>
<b>Weighted Points Subtotal</b>	<b>35</b>	<b>35</b>	<b>0</b>	<b>5</b>	<b>10</b>	<b>10</b>

**Points Total**

**95**

Note:

SC-ALT scores were included in the calculations where appropriate.

**DISCOVERY SCHOOL OF LANCASTER COUNTY**

**LANCASTER, SOUTH CAROLINA**

**AS OF AND FOR THE YEAR ENDED  
JUNE 30, 2013**

DISCOVERY SCHOOL OF LANCASTER COUNTY

LANCASTER, SOUTH CAROLINA

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AS OF AND FOR THE YEAR ENDED  
JUNE 30, 2013

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Discovery School of Lancaster County  
Lancaster, South Carolina

### Report on the Financial Statements

We have audited the accompanying financial statements of Discovery School of Lancaster County (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Discovery School of Lancaster County as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole.

**Other Matters**

## Other Information

The accompanying Schedule of Activities in the South Carolina Department of Education Format for the year ended June 30, 2013 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied 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 basic 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, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2013, on our consideration of Discovery School of Lancaster County'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 our testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



Columbia, South Carolina  
December 2, 2013

DISCOVERY SCHOOL OF LANCASTER COUNTY

LANCASTER, SOUTH CAROLINA

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2013

<b>Assets</b>	
<b>Current Assets</b>	
Accounts Receivable	\$ 34,950
<b>Total Current Assets</b>	<u>34,950</u>
<b>Total Assets</b>	<u><u>34,950</u></u>
<b>Liabilities and Net Assets</b>	
<b>Current Liabilities</b>	
Accounts Payable	<u>34,950</u>
<b>Total Current Liabilities</b>	<u>34,950</u>
<b>Total Liabilities</b>	<u>34,950</u>
<b>Net Assets</b>	
Unrestricted	<u>-</u>
<b>Total Net Assets</b>	<u>-</u>
<b>Total Liabilities and Net Assets</b>	<u><u>34,950</u></u>

The Accompanying Notes are an Integral Part of These Financial Statements

**DISCOVERY SCHOOL OF LANCASTER COUNTY**  
**LANCASTER, SOUTH CAROLINA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	<b>Unrestricted</b>
<b>Support and Revenue</b>	
Local Funding Passed Through Local School District	\$ 659,369
Federal Funding Passed Through Local School District	8,011
	<u>667,380</u>
<b>Total Support and Revenue</b>	<u>667,380</u>
<b>Expenses</b>	
Instruction	438,256
Support Services	229,124
	<u>667,380</u>
<b>Total Expenses</b>	<u>667,380</u>
<b>Change in Net Assets</b>	<u>-</u>
<b>Net Assets at Beginning of Year</b>	<u>-</u>
<b>Net Assets at End of Year</b>	<u>-</u>

The Accompanying Notes are an Integral Part of These Financial Statements

**DISCOVERY SCHOOL OF LANCASTER COUNTY**  
**LANCASTER, SOUTH CAROLINA**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	<b>Instruction</b>	<b>Support Services</b>	<b>Total</b>
<b>Expenses</b>			
Contracted Services	\$ 425,703	\$ 225,323	\$ 651,026
Building Lease	10,500	-	10,500
Copier Expense	1,800	-	1,800
Travel	253	-	253
Administrative Fees	-	52	52
Supplies and Materials	-	3,749	3,749
	<hr/>		
<b>Total Expenses</b>	<b>438,256</b>	<b>229,124</b>	<b>667,380</b>
	<hr/>		

The Accompanying Notes are an Integral Part of These Financial Statements

**DISCOVERY SCHOOL OF LANCASTER COUNTY**  
**LANCASTER, SOUTH CAROLINA**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

<b>Cash Flows from Operating Activities</b>	
Increase in Net Assets	\$ -
Changes in Operating Assets and Liabilities:	
Decrease in Accounts Receivable	1,077
Decrease in Accounts Payable	<u>(1,077)</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>-</u>
<b>Net Change in Cash and Cash Equivalents</b>	-
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>-</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u><u>-</u></u>

The Accompanying Notes are an Integral Part of These Financial Statements

**DISCOVERY SCHOOL OF LANCASTER COUNTY**  
**LANCASTER, SOUTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Note 1 Summary of Significant Accounting Policies**

**Description of the Charter School**

Discovery School of Lancaster County (the "School") is a nonprofit organization incorporated in the State of South Carolina and organized under the South Carolina Charter School Act of 1996. The School's charter was approved on August 19, 1999, by the Lancaster County School Board of Trustees. A charter school is an independent public school, governed by an independent board of directors. To encourage innovation, charter schools operate free from a number of state laws and regulations. The Lancaster County School Board of Trustees made a motion to renew the charter agreement with Discovery School of Lancaster County on April 15, 2008 for a ten-year period beginning with the 2008-2009 school year. The School serves approximately 108 students in grades K through 5 in Lancaster County, South Carolina.

The School operates under all accounting and personnel policies and reporting requirements applicable to the Lancaster County School District. All of the staff members at the Discovery School are employees of the Lancaster County School District. Under the current agreement, the School is protected by the District property and casualty insurance as well as workers' compensation provided through the South Carolina Boards Insurance Trust.

Charter schools are funded similarly to other public schools in that state and local funds are allocated for each enrolled student. Charter schools may charge for selected additional costs consistent with those permitted by school districts. Because a charter school receives local, state and federal funds, they may not charge tuition.

**Reporting Entity**

The School is considered a component unit of the Lancaster County School District. A component unit, although a legally separate entity, is, in substance, part of the Lancaster County School District's operations. The School has no component units for which it is considered to be financially accountable.

**Management Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the statement of financial position and the reported amounts of revenues and expenses for the operating period. Actual results could vary from those estimates.

**Basis of Accounting**

The financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded as the related liability is incurred.

**Basis of Presentation**

The School is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Accordingly, net assets of the School and changes therein are classified and reported as follows:

**Note 1 Summary of Significant Accounting Policies (Continued)**

**Basis of Presentation (Continued)**

**Unrestricted Net Assets** - Net assets that are not subject to donor-imposed stipulations.

**Temporarily Restricted Net Assets** - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the School and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Permanently Restricted Net Assets** - Net assets subject to donor-imposed stipulations require that they be maintained permanently by the School. Generally, the donors of these assets permit the School to use all or part of the income earned on any related investments for general or specific purposes.

At June 30, 2013, the School did not have any net assets. The School expends all of the funds it receives during the year. The School does not own any assets that represent any of the three classes of net assets.

**Accounts Receivable**

Accounts receivable are stated at the amounts management expects to collect from outstanding balances. At June 30, 2013, the School's accounts receivable is \$34,950.

**Revenues**

Grants, contributions and other revenues are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Revenues from grants are presented as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. Revenues that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

100% of the School's revenue is funding passed through Lancaster County School District.

**Cash and Cash Equivalents**

For the purpose of the Statement of Cash Flows, the School considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The School does not have any outstanding cash balances at June 30, 2013.

**Financial Instruments**

The following methods and assumptions were used by the School to estimate fair value of each class of financial asset and liability for which it is practical to estimate that value. The School did not change the methods and assumptions used to determine fair value of its financial instruments during the year ended June 30, 2013.

*Accounts Receivable and Accounts Payable:* Fair values approximate respective carrying values due to the short maturities of those instruments.



**Note 1 Summary of Significant Accounting Policies (Continued)**

**Deferred Revenue**

Deferred revenue represents revenues collected but not earned as of June 30, 2013. As of June 30, 2013, the School had no deferred revenue.

**Income Taxes**

The School is a charitable organization as described in Section 501(c)(3) of the Internal Revenue Code, and is exempt from federal and state income taxes. In addition, the School qualifies for the charitable deduction under Section 170(b)(1)(A)(ii) and has been classified as an organization other than a private foundation under Section 509(a) of the Internal Revenue Code and is, therefore, not subject to federal excise taxes. The School is not currently undergoing examination of any previously filed tax returns; however, the returns filed for the two most recent years remain available for examination by taxing authorities. Management is not aware of any tax positions in the returns which have less than a 50% chance of being affirmed under examination.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Expenses are charged to Instruction and Support Services on the basis of specific identification or, if not applicable, on a percentage basis determined by management. Support Services include those expenses that are not directly identifiable with any other specific function but provide overall support and direction of the School.

**Note 2 Operating Leases**

The School leases office and classroom space at the Central School from the Lancaster County School District. The current lease began on July 1, 2008 and expires on June 30, 2018. The space consists of six regular classrooms, three portable classrooms, one media center/computer lab, one teacher workroom, a conference room and three offices. The lease expense for the School District's building during the year ended June 30, 2013 was \$10,500.

The future minimum lease payments based upon current leasing arrangements for the next five years, are as follows:

2014	\$10,500
2015	10,500
2016	10,500
2017	10,500
2018	10,500

**Note 3 Related Party Transactions**

The Discovery School is a component unit of the Lancaster County School District. As part of their charter agreement, the School relies wholly on the District for its financial accounting and reporting and also adheres to most of all the District's policies, procedures and guidelines. The School receives 100% of its funding through the District from local and federal support. During the current fiscal year, the School leased building space from the District in the amount of \$10,500 that was charged to expense. The details of this agreement are shown in Note 2. At June 30, 2013, the School had a balance due from the District in the amount of \$34,950. This outstanding balance relates to instructional and support services provided to the School by the District that was paid subsequent to year end with the local support passed through from the Lancaster County School District.

**Note 4 Subsequent Events**

The School evaluated the effects subsequent events would have on the financial statements through the date of the Auditors' Report, which is the date the financial statements were available for issuance. As a result of this evaluation, no events requiring disclosure were noted.

DISCOVERY SCHOOL OF LANCASTER COUNTY

LANCASTER, SOUTH CAROLINA

SCHEDULE OF ACTIVITIES IN THE SOUTH CAROLINA DEPARTMENT  
OF EDUCATION FORMAT

FOR THE YEAR ENDED JUNE 30, 2013

Unrestricted Net Assets	Non Profit Format	Total Governmental Funds	Special Revenue	
			IDEA 4510	General Fund
<b>Support and Revenue</b>				
Local Funding Through Local School District:				
Monthly Per Student Reimbursement (2100)	\$ 659,369	\$ 659,369		\$ 659,369
State and Federal Funding Passed Through Local School District:				
IDEA (4510)	8,011	8,011	\$ 8,011	-
<b>Total Support and Revenue</b>	<b>667,380</b>	<b>667,380</b>	<b>8,011</b>	<b>659,369</b>
<b>Expenses</b>				
<b>Instruction</b>				
General Instruction:				
Kindergarten Programs (111)				
Purchased Services	69,246	69,246		69,246
Primary Programs (112)				
Purchased Services	223,695	223,695		223,695
Elementary Programs (113)				
Purchased Services	118,485	118,485	8,011	110,474
Exceptional Programs (120)				
Learning Disabilities (127)				
Purchased Services	26,830	26,830		26,830
<b>Total Instruction</b>	<b>438,256</b>	<b>438,256</b>	<b>8,011</b>	<b>430,245</b>
<b>Support Services</b>				
Pupil Services (210)				
Guidance Services (212)				
Purchased Services	15,782	15,782		15,782
Supplies	931	931		931
Instructional Staff Services (220)				
Improvement of Instruction (224)				
Purchased Services	87,470	87,470		87,470
General Administration Services (230)				
School Administration (233)				
Purchased Services	122,071	122,071		122,071
Supplies	2,818	2,818		2,818
Other Objects	52	52		52
<b>Total Support Services</b>	<b>229,124</b>	<b>229,124</b>	<b>-</b>	<b>229,124</b>
<b>Total Expenses</b>	<b>667,380</b>	<b>667,380</b>	<b>8,011</b>	<b>659,369</b>
<b>Increase (Decrease) in Unrestricted Net Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Unrestricted Net Assets at Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Unrestricted Net Assets at End of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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C.C. McGregor, CPA 1906–1968	W.C. Stevenson, CPA	D.L. Richardson, CPA	D.K. Strickland, CPA	V.K. Laroche, CPA	G.P. Davis, CPA	
	B.T. Kight, CPA	E.C. Inabinet, CPA	J.P. McGuire, CPA	G.N. Mundy, CPA	H.J. Darver, CPA	
	G.D. Skipper, CPA	S.S. Luoma, CPA	L.H. Kelly, CPA	M.L. Layman, CPA	K.B. Snipes, CPA	
	L.R. Leaphart, Jr, CPA	T.M. McCall, CPA		P.A. Betette, Jr, CPA	D.M. Herpel, CPA	
	M.J. Binnicker, CPA	H.D. Brown, Jr, CPA		S. Wo, CPA	T.H. Moran, CPA	
	W.W. Francis, CPA	L.B. Salley, CPA		C.D. Hinchee, CPA	J.R. Lebednik, CPA	
				J.R. Matthews, II, CPA	T.L. Hartley, CPA	
				D.E. Knobloch, CPA		

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

To the Board of Directors of  
Discovery School of Lancaster County  
Lancaster, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Discovery School of Lancaster County (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statement of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 2, 2013.

### Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement or the School's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.


Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Discovery School of Lancaster County'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*.

## **Purpose of this Report**

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



Columbia, South Carolina  
December 2, 2013

**DISCOVERY SCHOOL OF LANCASTER COUNTY**

**LANCASTER, SOUTH CAROLINA**

**SCHEDULE OF FINDINGS**

**JUNE 30, 2013**

**1. Findings Related to the Financial Statements**

**Internal Control**

None Reported

**Compliance and Other Matters**

None Reported

**DISCOVERY SCHOOL OF LANCASTER COUNTY**

**LANCASTER, SOUTH CAROLINA**

**PRIOR YEAR AUDIT FINDINGS**

**JUNE 30, 2013**

**Finding 12-1**

Contact Person: Mr. Tom McDuffie, Leadership Team Director

Condition/Effect: During our audit we noted a material amount of unrecorded Accounts Receivable and Accounts Payable.

Corrective Action: Controls were put in place to effectively identify receivables and accounts payable during the current fiscal year.

# Budget Load and Update

Date forwarded to Finance: 8/28/2013

Original \_\_\_\_\_

Revision # 1

Fund Custodian Approval *TM*

Account Number	Budget amount currently on mainframe	Budget amount you want on mainframe	Difference Increase (decrease)
801.002.100.0000.12	\$632,539	-\$632,539	\$0
801.111.110.0000.12	\$35,029	\$39,200	(\$4,171)
801.111.115.0000.12	\$18,896	\$13,802	\$5,094
801.111.120.0000.12	\$500	\$500	\$0
801.112.110.0000.12	\$158,275	\$154,772	\$3,503
801.112.115.0000.12	\$13,090	\$6,545	\$6,545
801.112.120.0000.12	\$500	\$500	\$0
801.113.110.0000.12	\$87,240	\$87,240	\$0
801.113.120.0000.12	\$500	\$500	\$0
801.212.110.0000.12	\$10,878	\$10,878	\$0
801.224.110.0000.12	\$68,012	\$68,012	\$0
801.233.110.0000.12	\$31,699	\$31,699	\$0
801.233.115.0000.12	\$52,063	\$50,414	\$1,649
801.111.210.0000.12	\$10,450	\$10,972	(\$522)
801.112.210.0000.12	\$15,675	\$16,458	(\$783)
801.113.210.0000.12	\$10,450	\$10,972	(\$522)
801.224.210.0000.12	\$5,225	\$5,486	(\$261)
801.233.210.0000.12	\$12,566	\$13,193	(\$627)
801.111.220.0000.12	\$8,246	\$8,304	(\$58)
801.112.220.0000.12	\$26,039	\$25,115	\$924
801.113.220.0000.12	\$13,293	\$13,618	(\$325)
801.212.220.0000.12	\$1,648	\$1,688	(\$40)
801.224.220.0000.12	\$10,304	\$10,555	(\$251)
801.233.220.0000.12	\$12,690	\$12,745	(\$55)
801.111.230.0000.12	\$4,164	\$4,093	\$71
801.112.230.0000.12	\$13,148	\$12,379	\$769
801.113.230.0000.12	\$6,712	\$6,712	\$0
801.212.230.0000.12	\$832	\$832	\$0
801.224.230.0000.12	\$5,203	\$5,203	\$0
801.233.230.0000.12	\$6,408	\$6,282	\$126
801.112.312.0000.12	\$0	\$6,216	(\$6,216)
801.112.325.0000.12	\$10,500	\$10,500	\$0
801.113.323.0013.12	\$1,800	\$1,800	\$0
801.112.332.0000.12	\$0	\$500	(\$500)
801.223.395.0000.12	\$550	\$550	\$0
801.222.445.0000.12	\$932	\$932	\$0
801.233.410.0000.12	\$5,000	\$5,000	\$0
<b>Total</b>	<b>\$658,517</b>	<b>\$654,167</b>	
<b>Shortfall</b>	<b>\$25,978</b>	<b>\$21,628</b>	<b>\$4,350</b>

Date entered by Finance: \_\_\_\_\_





# Budget Request Form

## Salaries (100s)

FY 2013-2014

Fund

Function

School

Object	Name	Position	Current Salary	%	Salary
111.110.0000.12	Sherry Bowers	Kdgt	\$39,200	100%	\$39,200
111.115.0000.12	Mary Margaret Riester	K Instr Asst	\$13,802	100%	\$13,802
111.120.0000.12	Substitutes		\$500	100%	\$500
112.110.0000.12	Brooke Baker	Grade 1	\$33,361	100%	\$33,361
	Gena Rogers	Grade 2	\$38,699	100%	\$38,699
	Billie Morrison	Grade 3	\$39,200	100%	\$39,200
	4 Teachers	Enrichment	\$43,512	100%	\$43,512
	1 @ \$21 X 824 hrs = \$17,304				
	3 @ \$12 hr X 728 hrs = \$26,208 (2,184 total hours)				
112.115.0000.12	Hattie Shropshire	Pt Time Asst	\$6,545	100%	\$6,545
112.120.0000.12	Substitutes	1,2,3	\$500	100%	\$500
113.110.0000.12	Brad McGee	Grade 4	\$52,211	100%	\$52,211
	Brittany McManus	Grade 5	\$35,029	100%	\$35,029
113.120.0000.12	Substitutes	4,5	\$500	100%	\$500
212.110.0000.12	Gayle Adams	Guidance	\$10,878	100%	\$10,878
	\$21 X 518 hrs				
224.110.0000.12	Lori Yarborough	Lead Teacher	\$68,012	100%	\$68,012
233.110.0000.12	Tom McDuffie	Admin	\$31,699	40.49%	\$31,699
233.115.0000.12	Noemi Stuart	Bookkeeper	\$30,520	100%	\$30,520
233.115.0000.12	Shewanda Lathan	Receptionist	\$19,894	100%	\$19,894
				<b>Total</b>	<b>\$464,062</b>

300 S. Catawba Street, Lancaster, SC 29720



# Budget Request Form

## Employee Benefits (200s)

FY 2013-2014

Fund  
Function  
School

Estimated Insurance Rate for FY 13-14 is \$5,486 per FTE

Estimated retirement rate for FY 13-14 is 15.52%

Estimated FICA rate for FY 13-14 is 7.65%

Object	Description	Rate	Factor	Amount
	<b>INSURANCE:</b>			
111.210.0000.12	Sherry Bowers	\$5,486	100%	\$5,486
111.210.0000.12	Mary Margaret Riestler	\$5,486	100%	\$5,486
112.210.0000.12	Brooke Baker	\$5,486	100%	\$5,486
112.210.0000.12	Gena Rogers	\$5,486	100%	\$5,486
112.210.0000.12	Billie Morrison	\$5,486	100%	\$5,486
113.210.0000.12	Brad McGee	\$5,486	100%	\$5,486
113.210.0000.12	Brittany McManus	\$5,486	100%	\$5,486
224.210.0000.12	Lori Yarborough	\$5,486	100%	\$5,486
233.210.0000.12	Tom McDuffie	\$5,486	40.49%	\$2,221
233.210.0000.12	Amy Stuart	\$5,486	100%	\$5,486
233.210.0000.12	Shewanda Lathan	\$5,486	100%	\$5,486
	<b>RETIREMENT:</b>			
111.220.0000.12	Sherry Bowers	\$39,200	15.52%	\$6,084
111.220.0000.12	Mary Margaret Riestler	\$13,802	15.52%	\$2,142
111.220.0000.12	Substitutes	\$500	15.52%	\$78
112.220.0000.12	Brooke Baker	\$33,361	15.52%	\$5,178
112.220.0000.12	Gena Rogers	\$38,699	15.52%	\$6,006
112.220.0000.12	Billie Morrison	\$39,200	15.52%	\$6,084
112.220.0000.12	Enrichment Teachers	\$43,512	15.52%	\$6,753
112.220.0000.12	Hattie Shropshire	\$6,545	15.52%	\$1,016
112.220.0000.12	Substitutes	\$500	15.52%	\$78
113.220.0000.12	Brad McGee	\$52,211	15.52%	\$8,103
113.220.0000.12	Brittany McManus	\$35,029	15.52%	\$5,437
113.220.0000.12	Substitutes	\$500	15.52%	\$78
212.220.0000.12	Gayle Adams	\$10,878	15.52%	\$1,688
224.220.0000.12	Lori Yarborough	\$68,012	15.52%	\$10,555
233.220.0000.12	Tom McDuffie	\$31,699	15.52%	\$4,920
233.220.0000.12	Noemi Stuart	\$30,520	15.52%	\$4,737
233.220.0000.12	Shewanda Lathan	\$19,894	15.52%	\$3,088
	<b>FICA:</b>			
111.230.0000.12	Sherry Bowers	\$39,200	7.65%	\$2,999
111.230.0000.12	Mary Margaret Riestler	\$13,802	7.65%	\$1,056
111.230.0000.12	Substitutes	\$500	7.65%	\$38
112.230.0000.12	Brooke Baker	\$33,361	7.65%	\$2,552

# Budget Request Form

## Employee Benefits (200s)

FY 2013-2014

Fund  
Function  
School

Estimated Insurance Rate for FY 13-14 is \$5,486 per FTE  
Estimated retirement rate for FY 13-14 is 15.52%  
Estimated FICA rate for FY 13-14 is 7.65%

Object	Description	Rate	Factor	Amount
112.230.0000.12	Gena Rogers	\$38,699	7.65%	\$2,960
112.230.0000.12	Billie Morrison	\$39,200	7.65%	\$2,999
112.230.0000.12	Enrichment Teachers	\$43,512	7.65%	\$3,329
112.230.0000.12	Hattie Shropshire	\$6,545	7.65%	\$501
112.230.0000.12	Substitutes	\$500	7.65%	\$38
113.230.0000.12	Brad McGee	\$52,211	7.65%	\$3,994
113.230.0000.12	Brittany McManus	\$35,029	7.65%	\$2,680
113.230.0000.12	Substitutes	\$500	7.65%	\$38
212.230.0000.12	Gayle Adams	\$10,878	7.65%	\$832
224.230.0000.12	Lori Yarborough	\$68,012	7.65%	\$5,203
233.230.0000.12	Tom McDuffie	\$31,699	7.65%	\$2,425
233.230.0000.12	Noemi Stuart	\$30,520	7.65%	\$2,335
233.230.0000.12	Shewanda Lathan	\$19,894	7.65%	\$1,522
<b>Insurance and retirement rates are subject to change.</b>				
			<b>Total</b>	<b>\$164,605</b>

300 S. Catawba Street, Lancaster, SC 29720



# Budget Request Form

## Purchased Services (300s)

FY 2013-2014

Fund  
Function  
School

Object	Description	Amount
112.312.	Consultants	\$6,216
112.325.	Building Rent	\$10,500
112.332.	Travel	\$500
113.323.0013	Copier	\$1,800
223.395.	Form 990/Audit	\$550
	<b>Total</b>	<b>\$19,566</b>

300 S. Catawba Street, Lancaster, SC 29720



# **Budget Request Form**

## **Supplies and Materials (400s)**

**FY 2013-2014**

Fund  
Function  
School

<b>Object</b>	<b>Description</b>	<b>Amount</b>
222.445	Destiny License Renewal/Titlepeek	\$932
233.410	Office Supplies	\$5,000
	<b>Total</b>	<b>\$5,932</b>

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300 S. Catawba Street, Lancaster, SC 29720



## Appendix E

The projected budgets listed below are based on the assumption that salaries will increase each year by 2% for most employees and that insurance will increase by 10% for all full-time employees. In addition, the expectation is that revenue will increase sufficiently to cover the projected expenditures. These projections also assume that building lease and other expenditures remain relatively constant and that faculty and staff remain stable. The projections do not take into consideration any step increases.

### 5-Year Budget Projections

<b>Budget Categories</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>
<i>Salaries</i>	\$469,560.	\$475,708.	\$481,979.	\$488,376.	\$494,901.
<i>Benefits</i>	\$171,586.	\$179,290.	\$187,649.	\$196,730.	\$206,599.
<i>Purchased services</i>	\$19,566.	\$19,566.	\$19,566.	\$19,566.	\$19,566.
<i>Materials &amp; supplies</i>	\$5,932.	\$5,932.	\$5,932.	\$5,932.	\$5,932.
<b>Totals</b>	<b>\$666,644.</b>	<b>\$680,496.</b>	<b>\$695,126.</b>	<b>\$710,604.</b>	<b>\$726,998.</b>