

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

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

YEAR ENDED JUNE 30, 2022

DARLINGTON COUNTY SCHOOL DISTRICT
Darlington, South Carolina

JUNE 30, 2022

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Darlington, South Carolina

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Independent Auditor's Report

To the Board of Trustees
Darlington County School District
Darlington, South Carolina

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of ***Darlington County School District*** (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of Darlington County School District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Darlington County School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Darlington County School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Darlington County School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Darlington County School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-11 and the other required supplementary information identified in the table of contents on pages 56-65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary financial information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The other supplementary financial information as listed in the table of contents and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary financial information, as listed in the table of contents, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2022, on our consideration of the 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 solely 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 the effectiveness of the District's 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 District's internal control over financial reporting and compliance.

Webster Rogus LLP

Charleston, South Carolina
December 6, 2022

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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, 2022.

Please read it in conjunction with the District's basic financial statements which begin on page 12.

Financial Highlights

Darlington County School District Superintendent and Board of Education have exercised a conservative approach to budgeting and expenditures. After the non-spendable, restricted, committed, and assigned fund balance, there is \$40,207,685 in unassigned general fund balance at June 30, 2022. In 2009, the Government Finance Officers Association approved a best practice that governmental entities, *at a minimum*, maintain in unrestricted (committed, assigned and unassigned) fund balance of no less than three months of regular general fund operating expenses. The District chooses to focus on unassigned fund balance which, at June 30, 2022, yields at least three months balance of operating expenditures based on monthly average expenditures of the current fiscal year. The District's net change in general fund balance increased by \$5,368,354.

The financial and academic strength is the culmination of several years' effort of using outcome driven methodologies and fiscally conservative approaches to managing the educational process. This method involves every facet of the organization and community, but begins in each classroom. Teachers are measured on the outcomes achieved by their students; principals are measured 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.

The District continues to stay focused on systems and processes that equitably grow student academic achievement. The District, schools, and teachers have implemented common platforms that are regularly evaluated for educational return on investment. Financial resources are allocated to those strategies that have been proven successful across the system. As we continue to work on student learning lag from the pandemic, the District has implemented new practices that especially target those learners farthest behind. As a District we continue to work daily on improving the processes we use and providing a positive environment where we can educate our students.

Overview of the Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 12 and 13) provide information about the activities of the District as a whole and present a longer-term view of their finances. Fund financial statements start on page 14. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of student groups.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Reporting the District as a Whole

Government-wide Financial Statements

Our analysis of the District as a whole begins on page 6. One of the most important questions asked about the District's finances is: "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that help answer this question. These statements include all assets and liabilities using the accrual basis of accounting which is similar to the accounting used by most private-sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

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

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

Analysis of the District's major funds begins on page 8. The fund financial statements begin on page 14 and provide detailed information about the most significant funds – not the District as a whole. Most funds are required to be established by the South Carolina State Department of Education. Other funds are established by the District to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The District's three kinds of funds – governmental, proprietary and fiduciary – use different accounting approaches.

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

- Proprietary funds – The District reports its food service operations in a proprietary fund. Proprietary funds are reported in the same way that all activities are reported in the government-wide financial statements (e.g., the Statement of Net Position and the Statement of Activities). In fact, the District's enterprise fund statements (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The largest portion of the District's net position reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. An additional portion of the District's net position represents resources subject to external restrictions on how they may be used.

Table I
Net Position (In thousands) at June 30

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current & other assets	\$ 120,510	\$ 110,727	\$ 2,757	\$ 525	\$ 123,267	\$ 111,252
Capital assets	166,893	169,366	794	907	167,687	170,273
Total assets	<u>287,403</u>	<u>280,093</u>	<u>3,551</u>	<u>1,432</u>	<u>290,954</u>	<u>281,525</u>
Deferred outflows	<u>60,198</u>	<u>48,951</u>	<u>-</u>	<u>-</u>	<u>60,198</u>	<u>48,951</u>
Current liabilities	22,029	22,330	1	1	22,030	22,331
Long term liabilities	312,911	316,465	-	-	312,911	316,465
Total liabilities	<u>334,940</u>	<u>338,795</u>	<u>1</u>	<u>1</u>	<u>334,941</u>	<u>338,796</u>
Deferred inflows	<u>28,596</u>	<u>13,712</u>	<u>-</u>	<u>-</u>	<u>28,596</u>	<u>13,712</u>
Net Position:						
Net investment in capital assets	101,851	118,741	794	907	102,645	119,648
Restricted	16,902	14,265	-	-	16,902	14,265
Unrestricted	(134,688)	(156,469)	2,757	525	(131,931)	(155,944)
Total Net Position	<u>\$ (15,935)</u>	<u>\$ (23,463)</u>	<u>\$ 3,551</u>	<u>\$ 1,432</u>	<u>\$ (12,384)</u>	<u>\$ (22,031)</u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues						
Program revenue:						
Charges for services	\$ 2,693	\$ 1,188	\$ 122	\$ 35	\$ 2,815	\$ 1,223
Operating grants	83,194	69,602	8,826	4,741	92,020	74,343
Capital grants	295	49	-	-	295	49
General revenues:						
Property taxes	70,621	69,356	-	-	70,621	69,356
Sales taxes	8,040	7,539	-	-	8,040	7,539
Miscellaneous	10	59	-	-	10	59
Other general revenue	211	159	-	1	211	160
Total Revenue	<u>165,064</u>	<u>147,952</u>	<u>8,948</u>	<u>4,776</u>	<u>174,012</u>	<u>152,728</u>
Program expenses:						
Instruction	86,691	77,854	-	-	86,691	77,854
Support services	64,897	56,276	-	-	64,897	56,276
Community services	-	-	-	-	-	-
Intergovernmental	3,929	3,599	-	-	3,929	3,599
Interest on long term debt	1,483	1,547	-	-	1,483	1,547
Unallocated depreciation	775	540	-	-	775	540
Food service	-	-	6,590	5,252	6,590	5,252
Total Expenses	<u>157,775</u>	<u>139,817</u>	<u>6,590</u>	<u>5,252</u>	<u>164,365</u>	<u>145,069</u>
Excess before transfers	<u>7,289</u>	<u>8,135</u>	<u>2,358</u>	<u>(476)</u>	<u>9,647</u>	<u>7,659</u>
Transfers	240	195	(240)	(195)	-	-
Increase in net position	<u>\$ 7,529</u>	<u>\$ 8,330</u>	<u>\$ 2,118</u>	<u>\$ (671)</u>	<u>\$ 9,647</u>	<u>\$ 7,659</u>

Total revenues increased by 13.9% from the prior year. Program expenses increased 13.3% over the prior year. Total net position increased by \$9,647,777 in 2022 and by \$7,658,030 in 2021.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Governmental Activities

The net position of the District's governmental activities increased by \$7,528,817.

Business-Type Activities

The District's business-type activity is its food service operation. The United States Department of Agriculture (USDA) reimburses the District under its child nutrition and agricultural commodity sharing programs which provides a significant portion of its revenue. Very little of the revenue is generated through direct charges to users of 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 current fiscal year the USDA allowed the food service programs across the State to operate under the "summer seamless waiver". Under the waiver, anyone 0-18 years of age could be served a school meal, breakfast and lunch, free of charge. Our District had three kitchens open to the public each day as school was in session. Due to the waiver, our participation numbers increased exponentially, which in turn created a much larger revenue stream. With the rising cost of food, we also saw a significant increase in food cost but the additional revenue exceeded the cost. The food service's total net position increased for the year by \$3,550,662. During the current fiscal year equipment upgrades were put on hold, primarily due to supply chain issues, but the District plans to use the excess funds generated to replace aged equipment and make cafeteria upgrades where needed in the upcoming school year. The waiver ended on June 30, 2022.

Financial Analysis of Governmental Funds

The District's governmental funds (as presented on the balance sheet beginning on page 14) reported a combined fund balance of \$102,560,491 which increased by \$11,437,724 compared to last year's total of \$91,122,767. The schedule below illustrates the fund balance and total change in fund balance as of June 30, 2022.

	Fund Balance June 30, 2022	Fund Balance June 30, 2021	Increase (Decrease)
General	\$ 40,453,688	\$ 35,085,334	\$ 5,368,354
Special Projects	4,567,918	4,249,946	317,972
School Building	41,025,018	38,142,314	2,882,704
Debt Service	16,513,867	13,645,173	2,868,694
Total	\$ 102,560,491	\$ 91,122,767	\$ 11,437,724

The District's combined fund balance increase is due to increased revenues and to the delay and postponement of additional major capital projects during the pandemic and its aftermath. Plans are already being discussed with the Board to resume implementing upgrades found in our Capital projects plan.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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

	2022 Amount	2021 Amount	Percentage Change
Revenues			
Taxes	\$ 42,113,618	\$ 41,333,038	1.89%
Other local sources	127,793	282,149	-54.71%
State	58,434,517	56,023,158	4.30%
Federal	1,300	900	
Intergovernmental	416,404	41,506	903.24%
	<u>\$ 101,093,632</u>	<u>\$ 97,680,751</u>	3.49%

	2022 Amount	2021 Amount	Percentage Change
Expenditures by object			
Salaries	\$ 62,337,204	\$ 57,588,265	8.25%
Fringe benefits	26,047,455	24,392,423	6.79%
Purchased services	5,728,416	5,370,480	6.66%
Supplies and materials	4,988,244	4,805,158	3.81%
Capital outlay	124,800	201,834	-38.17%
Insurance & miscellaneous	1,137,775	930,642	22.26%
Intergovernmental	2,056	344	497.56%
	<u>\$ 100,365,950</u>	<u>\$ 93,289,145</u>	7.59%

The table above shows that the largest portion (88%) of general fund expenditures is for salaries and fringe benefits. The District is a service entity and as such is labor intensive.

General fund expenditures increased by \$7,076,804 or 7.59% over the prior year.

General fund revenue (including net transfers in of \$4,640,672) was more than expenditures during the fiscal year, resulting in an increase to the general fund balance of \$5,368,354.

Other Funds

The Special Projects fund operates essentially on a quasi-break-even basis. Revenues were greater than expenditures (including net transfers out of \$2,255,385) during the fiscal year resulting in an increase of \$317,972 to fund balance. Details are provided on pages 75-82.

The Education Improvement Act (EIA) fund demonstrates a break-even increase in revenue (i.e., revenue and expenditures increased by the same amount). As for funds within this category, unused funds in the first year can remain unearned into the next year. Details are provided on pages 85-89.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

The School Building fund balance increased by \$2,882,704. This included transfers in from the general fund of \$675,000 for capital maintenance funds, the issuance of the annual General Obligation Bond in the amount of \$9,000,000 and capital and related expenditures of \$7,035,184. Any unspent funds in this fund balance will be used to pay for expenditures related to new and ongoing capital projects in the next two to three fiscal years.

The Debt Service fund balance increased by \$2,868,694. The increase in this fund balance is the accumulation of our debt service allocations that will be used to pay off the recently issued bond and our other capital fund debts.

The School District's only Proprietary Fund (Enterprise Fund) is the Food Service Fund. This program had an increase in net position of \$3,550,662 during 2022, compared to a decrease of \$671,733 in the prior year. Total revenues increased by \$4,172,873 to \$8,948,521. Total expenses were \$6,589,561 for the current year which was an increase of \$1,337,180 from the prior year. As discussed earlier, operating under the "summer seamless waiver" is the primary reason for the increase in net position. The waiver ended on June 30, 2022.

Budgetary Analysis

Actual general fund revenues exceeded budgeted amounts by \$4,201,170. Delinquent tax collections, which are hard to predict year to year, exceeded the budgeted amount by \$2,500,000 and an increase in the Homestead Exemption Tier III funds received from the State attributed to \$2,000,000 in unexpected funds. Actual expenditures exceeded budgeted amounts by \$3,197,724. The overage is all attributable to Board approved holiday and retention bonuses that were paid during the year but not budgeted.

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

Capital Asset and Debt Management

Capital Assets

Each year the Board of Education approves a short term General Obligation Bond for continued capital improvements and technology throughout the District. In fiscal year June 30, 2022 the Board of Education approved a General Obligation Bond in the amount of \$9,000,000 for that purpose. In April of 2019 the Board of Education authorized the issuance of a \$60,000,000 General Obligation Bond, to be paid from the one percent sales tax collections for the construction of three elementary schools.

Facility construction and renovation is a major component of capital asset additions. There were nine open construction projects in progress at June 30, 2022 including facility upgrades, capital repairs and the continuance of the district wide video surveillance project.

Debt

As indicated above, the funds from the issuance of the \$60,000,000 GO Bond in April of 2019 were used to build three new elementary schools that were completed at the beginning of the 2022 fiscal year. That bond will be repaid from the proceeds of the one percent sales tax. The current year \$9,000,000 general obligation bond was repaid from the property tax collections in the debt service fund.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Factors Expected to Have an Effect on Future Operations

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

Contacting District Officials

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

BASIC FINANCIAL STATEMENTS

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2022**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 23,586,444	\$ 498,699	\$ 24,085,143
Cash and investments with County Treasurer	79,042,576	-	79,042,576
Due from other governmental units	17,931,111	84	17,931,195
Internal balances	(2,143,638)	2,143,638	-
Taxes receivable	1,084,541	-	1,084,541
Accounts receivable	762,925	-	762,925
Inventories	246,003	114,894	360,897
Capital assets not being depreciated	12,247,124	-	12,247,124
Capital assets, net of accumulated depreciation	154,645,795	793,917	155,439,712
TOTAL ASSETS	287,402,881	3,551,232	290,954,113
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension amounts	21,339,892	-	21,339,892
Deferred OPEB amounts	38,857,982	-	38,857,982
TOTAL DEFERRED OUTFLOWS OF RESOURCES	60,197,874	-	60,197,874
LIABILITIES			
Accounts payable	1,117,425	570	1,117,995
Accrued expenses	13,335,138	-	13,335,138
Unearned revenues	2,370,991	-	2,370,991
Due to other governmental units	195,765	-	195,765
Accrued interest payable	324,000	-	324,000
Noncurrent liabilities			
Due within one year	4,685,562	-	4,685,562
Due in more than one year	46,229,762	-	46,229,762
Net pension liability	122,418,636	-	122,418,636
Net OPEB liability	144,262,373	-	144,262,373
TOTAL LIABILITIES	334,939,652	570	334,940,222
DEFERRED INFLOWS OF RESOURCES			
Deferred pension amounts	19,229,728	-	19,229,728
Deferred OPEB amounts	9,365,990	-	9,365,990
TOTAL DEFERRED INFLOWS OF RESOURCES	28,595,718	-	28,595,718
NET POSITION			
Net investment in capital assets	101,851,309	793,917	102,645,226
Restricted for:			
Technical school	233,322	-	233,322
Grant requirements	3,304	-	3,304
Debt service	16,665,228	-	16,665,228
Unrestricted	(134,687,778)	2,756,745	(131,931,033)
TOTAL NET POSITION	\$ (15,934,615)	\$ 3,550,662	\$ (12,383,953)

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, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government							
Governmental activities							
Instruction	\$ 86,691,550	\$ 2,693,221	\$ 65,212,298	\$ 294,614	\$ (18,491,417)	\$ -	\$ (18,491,417)
Support services	64,896,869	-	17,981,859	-	(46,915,010)	-	(46,915,010)
Intergovernmental	3,929,205	-	-	-	(3,929,205)	-	(3,929,205)
Interest expense, net of deferred charges and premium amortization	1,482,712	-	-	-	(1,482,712)	-	(1,482,712)
Depreciation - unallocated *	774,854	-	-	-	(774,854)	-	(774,854)
Total governmental activities	<u>157,775,190</u>	<u>2,693,221</u>	<u>83,194,157</u>	<u>294,614</u>	<u>(71,593,198)</u>	<u>-</u>	<u>(71,593,198)</u>
Business-type activities							
Food services	6,589,561	122,393	8,825,913	-	-	2,358,745	2,358,745
Total business-type activities	<u>6,589,561</u>	<u>122,393</u>	<u>8,825,913</u>	<u>-</u>	<u>-</u>	<u>2,358,745</u>	<u>2,358,745</u>
Total primary government	<u>\$ 164,364,751</u>	<u>\$ 2,815,614</u>	<u>\$ 92,020,070</u>	<u>\$ 294,614</u>	<u>(71,593,198)</u>	<u>2,358,745</u>	<u>(69,234,453)</u>
General revenues:							
Property taxes levied for:							
General purposes					58,187,147	-	58,187,147
Florence-Darlington Technical College					3,601,305	-	3,601,305
Debt service					8,832,512	-	8,832,512
Sales taxes					8,040,054	-	8,040,054
Unrestricted revenue from use of money and property					210,919	215	211,134
Gain on land sale					9,782	-	9,782
Miscellaneous					296	-	296
Transfers					240,000	(240,000)	-
Total General Revenues and Transfers					<u>79,122,015</u>	<u>(239,785)</u>	<u>78,882,230</u>
Change in Net Position					7,528,817	2,118,960	9,647,777
Net Position							
July 1, 2021					<u>(23,463,432)</u>	<u>1,431,702</u>	<u>(22,031,730)</u>
June 30, 2022					<u>\$ (15,934,615)</u>	<u>\$ 3,550,662</u>	<u>\$ (12,383,953)</u>

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

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General Fund	Special Revenue Fund	EIA Fund	School Building Fund	Debt Service Fund	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 9,957,898	\$ 1,454,836	\$ -	\$ -	\$ 12,173,710	\$ 23,586,444
Cash and investments with County Treasurer	35,967,820	259,373	-	38,463,047	4,352,336	79,042,576
Property taxes receivables, net of allowance	825,715	73,426	-	-	185,400	1,084,541
Other Receivables	311,917	451,008	-	-	-	762,925
Due from other governmental units						
SC DOE	523,799	-	-	-	-	523,799
Federal government	-	17,407,312	-	-	-	17,407,312
Due from other funds	18,485,100	3,949,883	1,422,995	2,568,454	406,068	26,832,500
Inventories	246,003	-	-	-	-	246,003
TOTAL ASSETS	<u>\$ 66,318,252</u>	<u>\$ 23,595,838</u>	<u>\$ 1,422,995</u>	<u>\$ 41,031,501</u>	<u>\$ 17,117,514</u>	<u>\$ 149,486,100</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 1,117,293	\$ 132	\$ -	\$ -	\$ -	\$ 1,117,425
Accrued liabilities	13,335,138	-	-	-	-	13,335,138
Due to other governmental units	-	66,843	-	-	-	66,843
Due to SC Department of Education	-	65,579	63,343	-	-	128,922
Due to other funds	10,693,267	17,824,102	-	6,483	452,286	28,976,138
Unearned revenues	-	1,011,339	1,359,652	-	-	2,370,991
TOTAL LIABILITIES	<u>25,145,698</u>	<u>18,967,995</u>	<u>1,422,995</u>	<u>6,483</u>	<u>452,286</u>	<u>45,995,457</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable property taxes	718,866	59,925	-	-	151,361	930,152
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>718,866</u>	<u>59,925</u>	<u>-</u>	<u>-</u>	<u>151,361</u>	<u>930,152</u>
FUND BALANCES						
Nonspendable	246,003	-	-	-	-	246,003
Restricted	-	173,397	-	-	16,513,867	16,687,264
Committed	-	855,848	-	41,025,018	-	41,880,866
Assigned	-	1,526,066	-	-	-	1,526,066
Unassigned	40,207,685	2,012,607	-	-	-	42,220,292
TOTAL FUND BALANCES	<u>40,453,688</u>	<u>4,567,918</u>	<u>-</u>	<u>41,025,018</u>	<u>16,513,867</u>	<u>102,560,491</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 66,318,252</u>	<u>\$ 23,595,838</u>	<u>\$ 1,422,995</u>	<u>\$ 41,031,501</u>	<u>\$ 17,117,514</u>	<u>\$ 149,486,100</u>

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		\$ 102,560,491
Amounts reported for governmental activities in the Statement of Net Position are different because of the following:		
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.		930,152
Capital assets used for governmental activities are not financial resources and, therefore, are not reported in governmental funds. The cost of assets is \$331,665,785, and the accumulated depreciation is \$167,014,217.		166,892,919
Deferred outflows related to pension expense are not available to pay for current expenditures and are, therefore, not reported or deferred in the funds:		
Contributions made subsequent to measurement date	\$ 10,642,193	
Differences between expected and actual experience	2,087,359	
Change in assumptions	6,702,844	
Changes in proportion and differences between actual and proportionate share of contributions	<u>1,907,496</u>	21,339,892
Deferred outflows related to OPEB expense are not available to pay for current expenditures and are, therefore, not reported or deferred in the funds:		
Contributions made subsequent to measurement date	\$ 4,362,369	
Differences between expected and actual experience	2,919,417	
Change in assumptions	29,329,226	
Changes in proportion and differences between actual and proportionate share of contributions	<u>2,246,970</u>	38,857,982
Deferred inflows related to pension expense do not consume current financial resources and are, therefore, not reported or deferred in the funds:		
Differences between expected and actual experience	\$ (165,439)	
Net difference between expected and actual investments	(17,792,674)	
Changes in proportion and differences between actual and proportionate share of contributions	<u>(1,271,615)</u>	(19,229,728)
Deferred inflows related to OPEB expense do not consume current financial resources and are, therefore, not reported or deferred in the funds:		
Differences between expected and actual experience	\$ (3,697,672)	
Differences between actual and projected investment earnings	(39,009)	
Change in assumptions	(3,473,648)	
Changes in proportion and differences between actual and proportionate share of contributions	<u>(2,155,661)</u>	(9,365,990)
Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:		
Net pension liability	\$ (122,418,636)	
OPEB liability	(144,262,373)	
Bonds payable	(45,930,000)	
Issuance premium	(3,191,980)	
Compensated absences payable	(1,793,344)	
Accrued interest payable	<u>(324,000)</u>	<u>(317,920,333)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ (15,934,615)</u>

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022**

	General Fund	Special Revenue Fund	EIA	School Building Fund	Debt Service Fund	Total Governmental Funds
REVENUES						
Local property taxes	\$ 42,113,618	\$ 3,480,118	\$ -	\$ -	\$ 8,784,823	\$ 54,378,559
Sales taxes	-	-	-	-	8,040,054	8,040,054
Other local	127,793	5,228,233	-	111,806	17,771	5,485,603
Total local	42,241,411	8,708,351	-	111,806	16,842,648	67,904,216
State	58,434,517	2,582,943	7,185,392	-	448,472	68,651,324
Federal	1,300	28,467,270	-	-	-	28,468,570
Intergovernmental	416,404	-	-	-	-	416,404
Total Revenues	101,093,632	39,758,564	7,185,392	111,806	17,291,120	165,440,514
EXPENDITURES						
Current						
Instruction	58,264,867	16,478,623	3,276,184	-	-	78,019,674
Support services	42,038,503	16,447,520	1,063,745	3,414,754	-	62,964,522
Intergovernmental	2,042	3,927,163	-	-	-	3,929,205
Debt service						
Principal	-	-	-	-	12,295,000	12,295,000
Interest	-	-	-	6,483	2,127,426	2,133,909
Fees	-	-	-	-	-	-
Capital outlay	60,538	331,901	25,176	3,613,947	-	4,031,562
Total Expenditures	100,365,950	37,185,207	4,365,105	7,035,184	14,422,426	163,373,872
Excess of Revenues Over (Under) Expenditures	727,682	2,573,357	2,820,287	(6,923,378)	2,868,694	2,066,642
OTHER FINANCING SOURCES (USES)						
General obligation issuance	-	-	-	9,000,000	-	9,000,000
Sale of real property	-	-	-	131,082	-	131,082
Transfers in	5,674,755	359,083	-	675,000	-	6,708,838
Transfers out	(1,034,083)	(2,614,468)	(2,820,287)	-	-	(6,468,838)
Total Other Financing Sources (Uses)	4,640,672	(2,255,385)	(2,820,287)	9,806,082	-	9,371,082
Net Change in Fund Balance	5,368,354	317,972	-	2,882,704	2,868,694	11,437,724
FUND BALANCE						
July 1, 2021	35,085,334	4,249,946	-	38,142,314	13,645,173	91,122,767
June 30, 2022	\$ 40,453,688	\$ 4,567,918	\$ -	\$ 41,025,018	\$ 16,513,867	\$ 102,560,491

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

TOTAL NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS		\$ 11,437,724
Amounts reported for governmental activities in the Statement of Activities are different because of the following:		
Because some property taxes will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are deferred inflows in the governmental funds. Deferred inflows and tax revenues decreased by this amount during the year.		(386,292)
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay (\$5,742,002) less than depreciation expense (\$7,982,285) in the period.		(2,240,283)
Pension expense that is related to the net pension liability as recorded in the Statement of Activities is based on the School District's proportionate share of the pension expense of the retirement system as a whole, whereas pension expense recorded in the funds is based on the use of current financial resources (e.g. required contributions). The differences are as follows:		
Amount recorded in the Statement of Activities	\$ (7,691,387)	
Amount recorded in the governmental funds	<u>10,642,193</u>	2,950,806
Other postemployment benefit expense that is related to the OPEB liability as recorded in the Statement of Activities is based on the School District's proportionate share of the OPEB Trust as a whole, whereas OPEB expense recorded in the funds is based on the use of current financial resources (e.g. required contributions). The differences are as follows:		
Amount recorded in the Statement of Activities	\$ (12,185,257)	
Amount recorded in the governmental funds	<u>4,362,370</u>	(7,822,887)
In the Statement of Activities only the gain on sales of the capital assets are reported, whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balances by the cost of the disposals sold less the gain on the sale.		(232,558)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The net effect of these differences in the treatment of debt and related items is as follows:		
Issuance of general obligation bonds		
General obligation bond proceeds	\$ (9,000,000)	
Bond refunding	4,263	
Principal repayments:		
Bonds payable	12,295,000	
Amortization of bond premiums	<u>619,475</u>	3,918,738
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	\$ (1,793,344)	
Prior year	1,669,455	
Accrued interest		
Current year	(324,000)	
Prior year	<u>351,458</u>	(96,431)
Change in Net Position of Governmental Activities		<u>\$ 7,528,817</u>

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
STATEMENT OF NET POSITION – PROPRIETY FUND
YEAR ENDED JUNE 30, 2022**

	Enterprise Fund - Food Service Program
ASSETS	
Current assets	
Cash and cash equivalents	\$ 498,699
Due from federal government	84
Due from other funds	2,143,638
Inventories	114,894
Total current assets	2,757,315
Noncurrent assets	
Equipment	4,006,525
Less accumulated depreciation	(3,212,608)
Total noncurrent assets	793,917
Total assets	3,551,232
LIABILITIES	
Current liabilities	
Accounts payable	570
Due to federal government	-
Total current liabilities	570
Total liabilities	570
NET POSITION	
Net investment in capital assets	793,917
Unrestricted	2,756,745
Total net position	\$ 3,550,662

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2022**

	<u>Enterprise Fund - Food Service Program</u>
OPERATING REVENUES	
Proceeds from sale of meals	\$ 108,769
Special sales and miscellaneous	13,624
Total Operating Revenues	<u>122,393</u>
OPERATING EXPENSES	
Food costs	3,485,877
Salaries and wages	2,163,423
Supplies and materials	726,890
Depreciation	113,390
Other operating costs	99,981
Total Operating Expenses	<u>6,589,561</u>
Operating Loss	<u>(6,467,168)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	215
USDA Reimbursements	8,476,955
Commodities received from USDA	348,958
Total Nonoperating Revenues (Expenses)	<u>8,826,128</u>
INCOME BEFORE TRANSFERS	<u>2,358,960</u>
OTHER FINANCING SOURCES (USES)	
Transfers Out	<u>(240,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(240,000)</u>
CHANGE IN NET POSITION	2,118,960
NET POSITION	
July 1, 2021	<u>1,431,702</u>
June 30, 2022	<u>\$ 3,550,662</u>

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
STATEMENT OF CASH FLOWS –
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2022**

	<u>Enterprise Fund - Food Service Program</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from patrons	\$ 122,393
Payments to employees for services	(2,163,423)
Payments to suppliers for goods and services	<u>(3,974,761)</u>
Net cash used in operating activities	<u>(6,015,791)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>215</u>
Net cash provided by investing activities	<u>215</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers to other funds	(240,000)
Nonoperating grants received	<u>6,301,923</u>
Net cash provided by noncapital financing activities	<u>6,061,923</u>
Net increase in cash and cash equivalents	46,347
Cash and cash equivalents - July 1, 2020	<u>452,352</u>
Cash and cash equivalents - June 30, 2021	<u>\$ 498,699</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (6,467,168)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:	
Depreciation	113,390
Commodities used	348,958
Changes in assets and liabilities:	
(Increase) decrease in inventory	<u>(10,971)</u>
Net cash used in operating activities	<u>\$ (6,015,791)</u>

Noncash noncapital financing activities:

During the year, the District received \$348,958 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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Darlington County School District (the School District) operates 1 preschool, 11 elementary schools, 3 middle schools, 1 elementary/middle school, 4 high schools, 1 alternative program, 1 career center program, 1 virtual academy program and 2 adult education program locations within the limits of Darlington County.

A. The Reporting Entity

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

B. Basis of Presentation

Government-wide Statements:

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements:

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

The School District reports the following major governmental funds:

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

2. Special Revenue Funds –

- a. Special Revenue Funds account for the operations of federal and state projects, as well as pupil activity funds, which are required by the South Carolina State Department of Education to be accounted for in separate funds.
 - b. Education Improvement Act (EIA) 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. Capital Project Fund - 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:

5. Proprietary Fund –

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

C. Measurement Focus and Basis of Accounting

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

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

The *government-wide financial statements* are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period, except for federal and state grant revenue which is considered available if collected within six months. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

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

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

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

D. Assets, Liabilities and Net Position/Fund Balance

1. Deposits and investments

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

2. Interfund Receivables and Payables

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

3. Receivables

All trade and property tax receivables are shown net of an allowance for uncollectables.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

4. Prepaids

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

5. 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). Commodities not consumed as of year-end are recorded as inventory at fair value as determined by the USDA.

6. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition 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 the life of an asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

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

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

7. Due from other governmental units

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. *Accrued liabilities and long-term obligations*

For government-wide activities, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

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

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

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The School District may have five items that qualify for reporting in this category as follows:

1. Pension and OPEB contributions made subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the subsequent year.
2. The net difference between the projected and actual earnings on pension plan and OPEB investments which is deferred and amortized over a closed five-year period.
3. The differences between expected and actual experience which is amortized into pension and OPEB expense beginning in the year the deferral occurs over a closed period equal to the average remaining service lives of all plan participants.
4. The changes in proportion and differences between employer contribution and proportionate share of contributions to pension and OPEB plans, which will be deferred and amortized over the remaining service lives of all plan participants.
5. Changes in actuarial assumptions of pension and OPEB plans, which will be deferred and amortized over the remaining service lives of all plan participants.

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School District may have the following items that qualify for reporting in this category:

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

9. *Deferred Outflows / Inflows of Resources and Unearned Revenue (Continued)*

Deferred Inflows of Resources (continued)

1. The differences between expected and actual experience, which is amortized into pension and OPEB expense beginning in the year the deferral occurs over a closed period equal to the average remaining service lives of all plan participants.
2. The changes in proportion and differences between employer contribution and proportionate share of contributions to pension and OPEB plans, which will be deferred and amortized over the remaining service lives of all plan participants.
3. Changes in actuarial assumptions of pension and OPEB plans, which will be deferred and amortized over the remaining service lives of all plan participants.

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

Unearned Revenue

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

10. *Compensated absences*

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

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

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

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

11. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the South Carolina Retirement System (SCRS) and the Police Officers Retirement System (PORS), and additions to/deductions from SCRS's and PORS's fiduciary net position have been determined on the same basis as they are reported by SCRS and PORS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

12. Other post-employment benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the South Carolina Retiree Health Insurance Trust Fund (SCRHITF), and additions to/deductions from the SCRHITF's fiduciary net positions have been determined on the same basis as they are reported by the SCRHITF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

13. On-behalf payments

The School District receives on-behalf payments from the State of South Carolina to be used for SCRS, PORS, and OPEB contributions. The School District reports revenue for the on-behalf amount paid in the period during which the payment was made by the state. The expenditure is recognized in the fund statements in the period during which the amount was paid, while the expense is recognized in the government-wide statements in the subsequent year to coincide with the measurement date of the SCRS and PORS retirement plans and the SCRHITF.

14. Net position and fund balance

Government-wide Statements:

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

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

14. Net position and fund balance (continued)

Net Position Flow Assumption:

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

Fund Statements:

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

Nonspendable – This classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Inventory is the portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources. Leases are the portion of fund balance that are not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

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

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

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

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

14. Net position and fund balance (continued)

Fund Balance Flow Assumption

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

15. 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.

16. Fair Value

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

17. Encumbrances

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

II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

Deposits

Custodial Credit Risk – Deposits – In the case of deposits, this is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. Deposits of the School District are subject to South Carolina state statutes for custodial credit risk. The statutes provide that banks accepting deposits of funds from local government units must furnish an indemnity bond or pledge as collateral obligations of the United States, South Carolina, political subdivisions of South Carolina, the Federal National Mortgage Association, the Federal Home Loan Bank, the Federal Farm Credit Bank, or the Federal Home Loan Mortgage Corporation. In accordance with the aforementioned statute, the School District's policy requires deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. Deposited funds may be invested in demand or time deposits, continuously and fully secured with direct obligations of or obligations guaranteed by the United States of America having a market value not less than the amount of such monies. At June 30, 2022, the carrying amount of the School District's deposits was

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

A. Deposits and Investments (Continued)

Deposits (continued)

\$11,911,432, and the bank balance was \$11,503,235. 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 funds held by the Darlington County Treasurer in the amount of \$79,042,573.

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.

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

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

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the School District's investment in a single issuer. The School District places no limit on the amount that may be invested in any one issuer. See below for the distribution of the School District's investments.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

A. Deposits and Investments (Continued)

Investments (continued)

Concentration of Credit Risk (continued)

<u>Investment Type</u>	<u>% of Portfolio</u>	<u>Fair Value</u>
Mutual Fund-Government Portfolio for liquidity Cash and Investments	13.35%	12,173,711
held by County Treasurer	86.65%	<u>79,042,573</u>
Total	100.00%	<u>\$ 91,216,284</u>

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.

As of June 30, 2022, the School District had the following investments:

<u>Investment Type</u>	<u>Fair Value Level</u>	<u>Credit Rating ^</u>	<u>Fair Value</u>	<u>< One Year</u>
Mutual Fund	1	AAAm	12,173,711	12,173,711
Cash and Investments held by County Treasurer	N/A	NR	<u>79,042,573</u>	<u>79,042,573</u>
Total			<u>\$ 91,216,284</u>	<u>\$ 91,216,284</u>

^ If available, credit ratings are from Standard & Poor's

NR - Not rated

N/A - Not applicable

See Note I. D. 15 for details of the School District's fair value hierarchy

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

B. Property Taxes

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

Taxes on real estate and personal property, other than vehicles licensed by the South Carolina Department of Highways and Public Transportation, are billed in September on property owned on the preceding December 31. They are due by January 18 and become delinquent on March 15. Taxes on vehicles licensed by the South Carolina Department of Highways and Public Transportation are assessed on a cyclical basis and are due within 30 days of assessment.

The general operations millage is 182.4 mills (\$18.24 per \$100 assessed valuation), and debt service fund millage is 30.30 mills (\$3.03 per \$100 assessed valuation).

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

C. Receivables

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

	<u>General</u>	<u>Special Projects</u>	<u>Debt Service</u>	<u>Food Service Program</u>
Receivables				
Property taxes	\$ 3,589,636	\$ 264,460	\$ 595,198	\$ -
Intergovernmental	523,799	17,407,312	-	84
Other	311,917	451,008	-	-
Gross receivables	<u>4,425,352</u>	<u>18,122,780</u>	<u>595,198</u>	<u>84</u>
Less allowance for uncollectible property tax	<u>(2,763,921)</u>	<u>(191,034)</u>	<u>(409,798)</u>	<u>-</u>
Net receivables	<u>\$ 1,661,431</u>	<u>\$ 17,931,746</u>	<u>\$ 185,400</u>	<u>\$ 84</u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

D. Capital Assets

Capital assets activity for the year ended June 30, 2022, was as follows:

	Balance 6/30/2021	Additions	Deletions	Transfers	Balance 6/30/2022
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 7,237,542	\$ 1,207,300	\$ (121,297)	\$ 121,297	\$ 8,444,842
Construction in progress	71,919,132	51,409	(111,261)	(68,056,998)	3,802,282
Total capital assets, not being depreciated	<u>79,156,674</u>	<u>1,258,709</u>	<u>(232,558)</u>	<u>(67,935,701)</u>	<u>12,247,124</u>
Capital assets, being depreciated					
Building and improvements	204,514,767	1,755,641	-	65,303,835	271,574,243
Land improvements	24,288,817	1,010,714	-	249,301	25,548,832
Equipment	18,098,161	1,716,938	(23,375)	2,382,565	22,174,289
Total capital assets, being depreciated	<u>246,901,745</u>	<u>4,483,293</u>	<u>(23,375)</u>	<u>67,935,701</u>	<u>319,297,364</u>
Totals	<u>326,058,419</u>	<u>5,742,002</u>	<u>(255,933)</u>	<u>-</u>	<u>331,544,488</u>
Less accumulated depreciation for					
Building and improvements	(134,916,505)	(5,596,083)	-	-	(140,512,588)
Land improvements	(8,894,144)	(1,187,342)	-	-	(10,081,486)
Equipment	(12,882,010)	(1,198,860)	23,375	-	(14,057,495)
Total accumulated depreciation	<u>(156,692,659)</u>	<u>(7,982,285)</u>	<u>23,375</u>	<u>-</u>	<u>(164,651,569)</u>
Total capital assets, being depreciated, net	<u>90,209,086</u>	<u>(3,498,992)</u>	<u>-</u>	<u>67,935,701</u>	<u>154,645,795</u>
Governmental activities capital assets, net	<u>\$ 169,365,760</u>	<u>\$ (2,240,283)</u>	<u>\$ (232,558)</u>	<u>\$ -</u>	<u>\$ 166,892,919</u>
Business-type Activities					
Capital assets, being depreciated					
Food service equipment	\$ 4,006,525	\$ -	\$ -	\$ -	\$ 4,006,525
Total capital assets, being depreciated	<u>4,006,525</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,006,525</u>
Less accumulated depreciation for					
Food service equipment	(3,099,218)	(113,390)	-	-	(3,212,608)
Total accumulated depreciation	<u>(3,099,218)</u>	<u>(113,390)</u>	<u>-</u>	<u>-</u>	<u>(3,212,608)</u>
Total capital assets, being depreciated, net	<u>907,307</u>	<u>(113,390)</u>	<u>-</u>	<u>-</u>	<u>793,917</u>
Business-type activities capital assets, net	<u>\$ 907,307</u>	<u>\$ (113,390)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 793,917</u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

D. Capital Assets (Continued)

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

Governmental activities	
Instruction	\$ 6,864,765
Support Services	319,291
Unallocated	774,854
Total governmental activities	\$ 7,958,910
Business-type activities	
Food Service	\$ 113,390
Total business-type activities	\$ 113,390

E. Transfers In (Out) From Other Funds

Transfers in (out) from other funds for the year ended June 30, 2022, consisted of the following:

	Transfers In	Transfers Out
General Fund	\$ 5,674,755	\$ 1,034,083
Special Projects Fund	359,083	2,614,468
Education Improvement Act Fund	-	2,820,287
School Building Fund	675,000	-
Debt Service Fund	-	-
Total governmental funds	6,708,838	6,468,838
Food Service Fund	-	240,000
Total proprietary fund	-	240,000
Total transfers	\$ 6,708,838	\$ 6,708,838

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

F. Interfund Receivables and Payables

Interfund balances at June 30, 2022, consisted of the following individual fund receivables and payables:

	Receivable	Payable
General Fund	\$ 18,485,100	\$ 10,693,267
Special Projects Fund	3,949,883	17,824,102
Education Improvement Act Fund	1,422,995	-
School Building Fund	2,568,454	6,483
Debt Service Fund	406,068	452,286
Total governmental funds	26,832,500	28,976,138
Food Service Fund	2,143,638	-
Total proprietary fund	2,143,638	-
Total balances	\$ 28,976,138	\$ 28,976,138

Interfund balances largely result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

G. Long-Term Debt

Changes in Long-Term Liabilities

During the year ended June 30, 2022, the following changes took place in the long-term liabilities:

	Balance 6/30/2021	Additions	Reductions	Balance 6/30/2022	Due Within One Year
General obligation bonds	\$ 50,625,000	\$ 9,000,000	\$ 13,695,000	\$ 45,930,000	\$ 3,465,000
Plus deferred amount:					
For issuance premium	3,811,455	-	619,475	3,191,980	571,077
Total general obligation bonds	54,436,455	9,000,000	14,314,475	49,121,980	4,036,077
Compensated absences	1,669,455	773,374	649,485	1,793,344	649,485
Total long-term liabilities	\$ 56,105,910	\$ 9,773,374	\$ 14,963,960	\$ 50,915,324	\$ 4,685,562

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

G. Long-Term Debt (Continued)

General Obligation Bonds

The School District issues general obligation bonds to provide funds for the acquisition, construction, and major improvement of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 5-year to 25-year serial bonds with principal maturing each year.

General obligation bonds payable at June 30, 2022, are comprised of the following individual issues:

	Interest Rates	Balance
2018 GOB Series	2.68%	\$ 45,930,000

The annual requirements for debt service on General Obligation Bonds outstanding at June 30, 2022, are summarized as follows:

Year ending June 30,	Principal	Interest	Total
2023	3,465,000	1,944,000	5,409,000
2024	3,640,000	1,770,750	5,410,750
2025	3,825,000	1,588,750	5,413,750
2026	4,025,000	1,397,500	5,422,500
2027	4,230,000	1,196,250	5,426,250
2028-2032	24,165,000	2,891,150	27,056,150
2033	2,580,000	77,400	2,657,400
Subtotal	45,930,000	10,865,800	56,795,800
Plus deferred amounts:			
Bond premiums	3,191,980	-	3,191,980
Total	\$ 49,121,980	\$ 10,865,800	\$ 59,987,780

In April 2018, the School District issued General Obligation Bonds, Series 2018, in the amount of \$60,000,000, plus issuance premium of \$5,831,785. The proceeds, net of issuance costs in the amount of \$423,641, were used to refund the 2017 BAN; the remainder to be used for capital improvements. The bonds bear interest at rates ranging from 3.0% to 5.0%. Principal is paid semiannually with payments ranging from \$1,825,000 to \$5,015,000. The bonds mature in 2033 and will be paid by a 1% sales tax levied in Darlington County for the purpose of capital improvements.

In September 2021, the School District issued a General Obligation Bond, Series 2021, in the amount of \$9,000,000, including interest at a rate of 0.450%. The net proceeds were used for capital improvements. The bond matured in March 2022, and was paid by sales tax revenues collected and recorded in the debt service fund.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

H. Food Service

Federal Guidelines

The School District's Food Service Fund administers the lunch programs in accordance with the United States Department of Agriculture (USDA) guidelines. Revenues are provided from USDA reimbursements and cash collections. The meals served to pupils are classified as regular, reduced, or free lunches by the Food Service Program. The type of meal served determines the amount of reimbursement from the USDA. Reimbursements may be in the form of cash or commodities.

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.

I. Fund Balances

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

	General Fund	Special Projects Fund	School Building Fund	Debt Service Fund
Fund balances:				
Nonspendable				
Inventories and prepaid items	\$ 246,003	\$ -	\$ -	\$ -
Restricted:				
Debt service	-	-	-	16,513,867
Restricted grants	-	3,304	-	-
Florence Darlington Technical College	-	170,093	-	-
Restricted total	-	173,397	-	16,513,867
Committed:				
Local fund	-	202,290	-	-
Administrative claiming	-	56,895	-	-
Erate Funding	-	594,798	-	-
Medicaid Federal	-	1,865	-	-
Capital projects	-	-	41,025,018	-
Committed total	-	855,848	41,025,018	-
Assigned:				
Pupil activities	-	1,454,823	-	-
Adult banquet	-	68,893	-	-
District buses extracurricular	-	2,350	-	-
Assigned total	-	1,526,066	-	-
Unassigned	40,207,685	2,012,607	-	-
	<u>\$ 40,453,688</u>	<u>\$ 4,567,918</u>	<u>\$ 41,025,018</u>	<u>\$ 16,513,867</u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

III. OTHER INFORMATION

A. Defined Benefit Pension Plans

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee, and co-fiduciary of the Systems and the assets of the retirement trust funds.

Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

PEBA issues a Comprehensive Annual Financial Report ("CAFR") containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina, and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan Description

- The South Carolina Retirement System ("SCRS"), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.
- The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired employees of state agencies, institutions of higher education, public school districts and individuals first elected to the S.C. General Assembly at or after the general election in November 2012. State ORP participants direct the investment of their funds into an account administered by one of four third party service providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party service providers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes.
- The South Carolina Police Officers Retirement System ("PORS"), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges, and magistrates.

Membership

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

III. OTHER INFORMATION (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

- SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.
- State ORP - As an alternative to membership in SCRS, certain newly hired state, public school, and higher education employees and individuals first elected to the S.C. General Assembly at or after the November 2012 general election have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member's account with the ORP service provider for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.
- PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation. A brief summary of the benefit terms for each system is presented below.

- SCRS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five or eight year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

III. OTHER INFORMATION (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

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

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2021. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rate as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85 percent, then the Board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July 1, and annually thereafter as necessary, the Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

III. OTHER INFORMATION (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

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

<u>SCRS</u>	<u>Fiscal year ended June 30, 2021</u>	<u>Fiscal year ended June 30, 2022</u>
Employee Class Two	9.00% of earnable compensation	9.00% of earnable compensation
Employee Class Three	9.00% of earnable compensation	9.00% of earnable compensation
	<u>Fiscal year ended June 30, 2021</u>	<u>Fiscal year ended June 30, 2022</u>
Employer Class Two	15.41% of earnable compensation	16.41% of earnable compensation
Employer Class Three	15.41% of earnable compensation	16.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation	0.15% of earnable compensation
	<u>Fiscal year ended June 30, 2021</u>	<u>Fiscal year ended June 30, 2022</u>
<u>PORS</u>		
Employee Class Two	9.75% of earnable compensation	9.75% of earnable compensation
Employee Class Three	9.75% of earnable compensation	9.75% of earnable compensation
	<u>Fiscal year ended June 30, 2021</u>	<u>Fiscal year ended June 30, 2022</u>
Employer Class Two	17.84% of earnable compensation	18.84% of earnable compensation
Employer Class Three	17.84% of earnable compensation	18.84% of earnable compensation
Employer Incidental Death Benefit	0.20% of earnable compensation	0.20% of earnable compensation
Employer Accidental Death Program	0.20% of earnable compensation	0.20% of earnable compensation

Non-employer Contributions

Employer's proportionate shares were calculated on the basis of employer contributions remitted to the plan by employers and non-employer contributions appropriated in the State's budget. In an effort to offset a portion of the burden of the increased contribution requirement for employers, the General Assembly funded 1 percent of the SCRS and PORS contribution increases for fiscal year 2022. The State budget appropriated these funds directly to PEBA, and a credit was issued for each employer to use when submitting their quarterly remittances to PEBA. For the fiscal year ended June 30, 2022, PEBA provided non-employer contributions to the District in the amount of \$580,789 which is shown as revenue in the general fund.

The School District's actual contributions to SCRS and PORS, net of the state credit, for the year ended June 30, 2022, were \$10,628,778 and \$13,415, respectively, which equaled the required contributions.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

III. OTHER INFORMATION (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

Actuarial Assumptions and Methods

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019, for first use in the July 1, 2022, actuarial valuation.

The June 30, 2021, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in PEBA's report were determined by their consulting actuary, Gabriel, Roeder, Smith, and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2020. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2021, using generally accepted actuarial principles.

The following provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2022:

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Actuarial assumptions:		
Investment rate of return	7.00%	7.00%
Projected salary increases	3.0% to 11.0%*	3.5% to 10.5%*
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

* Varies by service and includes inflation at 2.25%

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Assumptions used in the determination of the June 30, 2021, TPL are as follows:

Former Job Class	Males	Females
Educators	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

III. OTHER INFORMATION (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

Net Pension Liability

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

<u>Measurement Period Ended June 30,</u>	<u>Fiscal Year Ended June 30,</u>	<u>SCRS</u>	<u>PORS</u>	<u>Total</u>
2020	2021	\$ 142,264,874	\$ 170,448	\$ 142,435,322
2021	2022	\$ 122,295,060	\$ 123,576	\$ 122,418,636

The total pension liability is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The School District's proportionate share of the net pension liability was calculated on the basis of historical employer contributions. Although GASB 68 encourages the use of the employer's projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is considered acceptable. For the measurement period ended June 30, 2021 and 2020, the School District's percentage of the SCRS and PORS net pension liability were 0.565101% and 0.556771% and 0.00480% and 0.005140%, respectively.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

The following table presents the collective net pension liability of the School District calculated using the discount rate of 7.00%, as well as what the School District's net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.00%) or 1.00% higher (8.00%) than the current rate.

Sensitivity of the District's Proportional Share of Net Pension Liability to Changes in the Discount Rate			
<u>System</u>	<u>1.00% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1.00% Increase (8.00%)</u>
SCRS	\$ 160,191,293	\$ 122,295,060	\$ 90,795,439
PORS	179,295	123,576	77,936
	<u>\$ 160,370,588</u>	<u>\$ 122,418,636</u>	<u>\$ 90,873,375</u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

III. OTHER INFORMATION (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon the 20-year capital markets assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2021 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentages and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.00% assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75% real rate of return and a 2.25% inflation component.

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
Public Equity	46.00%	6.87%	3.16%
Bonds	26.00%	0.27%	0.07%
Private Equity	9.00%	9.68%	0.87%
Private Debt	7.00%	5.47%	0.38%
Real Assets	12.00%		
Real Estate	9.00%	6.01%	0.54%
Infrastructure	3.00%	5.08%	0.15%
Total Expected Real Return	<u>100.00%</u>		5.18%
Inflation for Actuarial			<u>2.25%</u>
Total Expected Nominal			<u>7.43%</u>

Plan Fiduciary Net Position

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

Pension Expense and Deferred Outflows (Inflows) of Resources

For the year ended June 30, 2022, the School District recognized pension expense of \$7,691,387 in the Statement of Activities.

At June 30, 2022, the School District reported deferred outflows (inflows) of resources related to pensions in governmental activities from the following sources:

**DARLINGTON COUNTY SCHOOL DISTRICT
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

III. OTHER INFORMATION (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
	SCRS	
Pension contributions made subsequent to measurement date	\$ 10,628,778	\$ -
Differences in actual and expected experience	2,083,155	165,054
Assumption changes	6,694,030	-
Changes in proportion and differences between District's contributions and proportionate share of contributions	1,882,422	1,260,978
Net differences between projected and actual earnings on plan investments	<u>-</u>	<u>17,764,969</u>
	<u><u>\$ 21,288,385</u></u>	<u><u>\$ 19,191,001</u></u>
	PORS	
Pension contributions made subsequent to measurement date	\$ 13,415	\$ -
Differences in actual and expected experience	4,204	385
Assumption changes	8,814	-
Changes in proportion and differences between District's contributions and proportionate share of contributions	25,074	10,637
Net differences between projected and actual earnings on plan investments	<u>-</u>	<u>27,705</u>
	<u><u>\$ 51,507</u></u>	<u><u>\$ 38,727</u></u>

The School District reported \$10,642,193 deferred outflows of resources related to contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows (inflows) of resources will be recognized in pension expense in future years. The following schedule reflects the amortization of the School District's proportional share of the net balance of remaining deferred outflows (inflows) of resources at June 30, 2022. Average remaining service lives of all employees provided with pensions through the pension plans at June 30, 2021, measurement date was 3.91 years for SCRS and 4.13 years for PORS.

<u>Measurement Period Ending June 30,</u>	<u>Fiscal Year Ending June 30,</u>	<u>SCRS</u>	<u>PORS</u>
2022	2023	\$ 1,163,339	\$ (8,429)
2023	2024	(370,117)	(4,309)
2024	2025	1,046,206	3,266
2025	2026	<u>6,691,966</u>	<u>10,107</u>
Net Balance of Deferred Outflows / (Inflows) of Resources		<u><u>\$ 8,531,394</u></u>	<u><u>\$ 635</u></u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

III. OTHER INFORMATION (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

Payables to the pension plans

At June 30, 2022, the School District reported a payable of \$2,724,115 and \$3,307 for the outstanding amount of contributions due to SCRS and PORS. The liability will be paid in the normal course of paying year-end obligations.

B. Defined Contribution Pension Plan

The School District contributes to the State Optional Retirement Program ("State ORP"), a defined contribution pension plan that is offered as an alternative to the SCRS defined benefit plan. Participation in the State ORP is available to certain newly hired state, public school, and higher education employees, and individuals newly elected to the SC General Assembly beginning with the November 2012 general election. Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers. For this reason, State ORP programs are not considered part of the retirement systems for financial statement purposes. Employee and Employer contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employers to the member's account with investment providers for the employee contribution (9%) and a portion of the employer contribution (5%). A direct remittance is also required to SCRS for the remaining portion of the employer contribution (11.41%) and an incidental death benefit contribution (.15%), if applicable, which is retained by SCRS.

For the year ended June 30, 2022, employee contributions totaled \$184,565, and the School District recognized pension expense of \$233,987.

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

The South Carolina Public Employee Benefit Authority (PEBA), which is described in Note III.A, is the state agency responsible for the administration and management of the state's employee insurance programs and other post-employment benefits trusts. By law, the State Fiscal Accountability Authority (SFAA) also reviews certain PEBA Board decisions in administering the State Health Plan and other post-employment benefits (OPEB).

PEBA, Insurance Benefits issues audited financial statements and required supplementary information for the OPEB Trust Funds. This information is publicly available through the Insurance Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA – Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina, and therefore, OPEB Trust fund financial information is also included in the comprehensive annual financial report of the state.

C. Postemployment Benefits Other than Pensions

Plan Description

The Other Post-Employment Benefits Trust Fund (OPEB Trust), which refers to the South Carolina Retiree Health Insurance Trust Fund (SCRHITF), was established by the State of South Carolina as Act 195, which became effective on May 2008. The SCRHITF was created to fund and account for the employer costs of the State's retiree health and dental plans.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

III. OTHER INFORMATION (CONTINUED)

C. Postemployment Benefits Other than Pensions (Continued)

In accordance with Act 195, the OPEB Trust is administered by the PEBA, Insurance Benefits, and the State Treasurer is the custodian of the funds held in trust. The Board of Directors of PEBA has been designated as the Trustee.

The OPEB Trust is a cost-sharing multiple-employer defined benefit OPEB plan. Article 5 of the State Code of Laws defines the plan and authorizes the Trustee to at any time adjust the plan, including its benefits and contributions, as necessary to insure the fiscal stability of the plan. In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental and long-term disability benefits to retired State and school district employees and their covered dependents.

Benefits

The SCRHITF is a healthcare plan that covers retired employees of the State of South Carolina, including all agencies and public school districts. The SCRHITF provides health and dental insurance benefits to eligible retirees. Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires beginning employment May 2, 2008, and after, retirees are eligible for benefits if they have established 25 years of service for 100% employer funding and 15-24 years of service for 50% employer funding.

Contributions and Funding Policies

Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires these postemployment benefits to be funded through annual appropriations by the General Assembly for active employees to the PEBA, Insurance Benefits and participating retirees to PEBA, except for the portion funded through the pension surcharge and provided from the other applicable sources of the PEBA, Insurance Benefits. For active employees who are not funded by State General Fund appropriations, participating employers are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office. The covered payroll surcharge for the year ended June 30, 2021 was 6.25%. The South Carolina Retirement System collects the monthly surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF include mandatory transfers of accumulated PEBA, Insurance Benefits' reserves and income generated from investments.

Employer contributions also include the implicit subsidy or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs.

The School District's required and actual employer contributions are as follows:

Year ended June 30, 2022	SCRHITF
Required contributions	\$ 4,362,370
Actual contributions	\$ 4,362,370

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

III. OTHER INFORMATION (CONTINUED)

C. Postemployment Benefits Other than Pensions (Continued)

Actuarial Assumptions and Methods

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plans (as understood by the employer and plan participants) and include the types of benefits provided at the time the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation for SCRHITF:

Valuation Date:	June 30, 2020
Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Investment Rate of Return:	2.75%, net of OPEB Plan investment expense; including inflation
Single Discount Rate:	1.92% as of June 30, 2021
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ended June 30, 2019
Mortality:	For healthy retirees, the 2020 Public Retirees of South Carolina Mortality Table for Males and the 2020 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on a fully generational basis by the 80% of Scale UMP to account for future mortality improvements and adjusted with multipliers based on plan experience.
Health Care Trend Rate:	Initial trend starting at 6.00% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 15 years
Aging Factors:	Based on plan specific experience
Retiree Participation:	79% for retirees who are eligible for funded premiums 59% for retirees that are eligible for Partially Funded Premiums 20% for retirees that are eligible for Non-Funded Premiums
Notes:	The discount rate changed from 2.14% as of June 30, 2020, to 1.92% as of June 30, 2021; demographic and salary increases assumptions were updated to reflect the 2020 SCRS experience study and the health care trend rates were reset to better reflect the plan's anticipated experience.

Roll Forward Disclosure

The actuarial valuation was performed as of June 30, 2020. Update procedures were used to roll forward the total OPEB liability to June 30, 2021.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

III. OTHER INFORMATION (CONTINUED)

C. Postemployment Benefits Other than Pensions (Continued)

Net OPEB Liability

The Net OPEB Liability (NOL) represents the Trust's Total OPEB Liability (TOL) determined in accordance with GASB No. 74 less the Trust's fiduciary net position. The School District's proportionate share of the Net OPEB liability was calculated using its payroll-related contributions over the measurement period. This method is expected to be reflective of the employer's long-term contribution effort as well as be transparent to individual employers and their external auditors. For the measurement periods ended June 30, 2021 and 2020, the School District's percentage of the SCRHITF net OPEB liability was 0.692797% and 0.681442%, respectively.

The School District's proportionate share of the NOL amounts for SCRHITF is presented below:

<u>Measurement Period Ended June 30,</u>	<u>Fiscal Year Ended June 30,</u>	<u>SCRHITF</u>
2020	2021	\$ 123,010,138
2021	2022	\$ 144,262,373

Single Discount Rate

The Single Discount Rate of 1.92% was used to measure the total OPEB liability for the SCRHITF. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the plan's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

Long-term Expected Rate of Return

The long-term expected rate of returns represents assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2018 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation. This information is summarized in the table below.

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Allocation-Weighted Long-Term Expected Real Rate of Return</u>
U.S. Domestic Fixed Income	80.00%	0.60%	0.48%
Cash equivalents	20.00%	0.35%	0.07%
Total	100.00%		0.55%
Expected Inflation			2.25%
Total Return			2.80%
Investment Return Assumption			2.75%

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

III. OTHER INFORMATION (CONTINUED)

C. Postemployment Benefits Other than Pensions (Continued)

Sensitivity Analysis

The following table presents the School District's proportionate share of the SCRHITF's net OPEB liability calculated using a Single Discount Rate of 1.92% as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	Sensitivity of the District's Proportional Share of SCRHITF OPEB Liability to Changes in the Discount Rate		
	1.00% Decrease	Current Discount Rate	1.00% Increase
	0.92%	1.92%	2.92%
Proportionate Share of SCRHITF Net OPEB	\$ 173,871,841	\$ 144,262,373	\$ 120,918,954

Regarding the sensitivity of the School District's proportionate share of the SCRHITF's net OPEB liability to changes in the healthcare cost trend rates, the following table presents the School District's proportionate share of the net OPEB liability, calculated using the assumed trend rates as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using a trend rate that is 1% lower or 1% higher:

	Sensitivity of the District's Proportional Share of SCRHITF OPEB Liability to Changes in the Health Care Cost Trend Rate		
	1.00% Decrease	Current Cost Trend Rate	1.00% Increase
Proportionate Share of SCRHITF Net OPEB	\$ 115,737,250	\$ 144,262,373	\$ 182,271,153

Plan Fiduciary Net Position

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

OPEB Expense and Deferred Outflows (Inflows) of Resources

For the year ended June 30, 2022, the School District recognized OPEB expense of \$12,185,257.

At June 30, 2022, the School District reported deferred outflows (inflows) of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made subsequent to measurement date	\$ 4,362,370	\$ -
Differences in actual and expected experience	2,919,417	3,697,672
Assumption changes	29,329,225	3,473,648
Changes in proportion and differences between District's contributions and proportionate share of contributions	2,246,970	2,155,661
Net differences between projected and actual earnings on plan investments	-	39,009
	\$ 38,857,982	\$ 9,365,990

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

III. OTHER INFORMATION (CONTINUED)

C. Postemployment Benefits Other than Pensions (Continued)

The School District reported \$4,362,370 as deferred outflows of resources related to contributions subsequent to the measurement date which will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. The difference between projected and actual earnings on OPEB plan investments are reported as deferred outflows (inflows) of resources and will be amortized over a closed five-year period and recognized in pension expense in future years. The difference between expected and actual experience, changes in assumptions, and changes in proportionate share are reported as deferred outflows (inflows) of resources and will be amortized over the average of the expected remaining service lives of all employees that are provided OPEB through the OPEB plan (active and inactive members) determined as of the beginning of the measurement period.

Average remaining service lives of all employees that are provided OPEB through the OPEB plan at the June 30, 2021, measurement date was 6.929 years for SCRHITF. The following schedule reflects the amortization of the School District's proportional share of the net balance of remaining deferred inflows at June 30, 2022.

<u>Measurement Period Ending June 30,</u>	<u>Fiscal year Ending June 30,</u>	<u>SCRHITF</u>
2022	2023	\$ (3,870,651)
2023	2024	(3,830,341)
2024	2025	(3,766,465)
2025	2026	(6,326,234)
2026	2027	(5,363,820)
Thereafter	Thereafter	(1,972,111)
Net Balance of Deferred Outflows / (Inflows) of Resources		<u><u>\$ (25,129,622)</u></u>

Payables to the OPEB plans

At June 30, 2022, the School District reported a payable of \$1,050,157 for the outstanding amount of contributions to the SCRHITF. The liability will be paid in the normal course of paying year-end obligations.

D. On-Behalf Payments

For the year ended June 30, 2022, the State of South Carolina paid payments to the SCRS and the SCRHITF on behalf of the participants in those plans. The District's proportionate share of those payments is as follows:

<u>Plan</u>	<u>Amount</u>
SCRS	\$ 580,789
SCRHITF	\$ 13,423

These contributions are recorded in the General Fund and the Special Revenue Fund, respectively, as revenue and expenditures. They are not reflected in the government-wide financial statements. The School District is not legally responsible for these contributions.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

III. OTHER INFORMATION (CONTINUED)

E. Commitments and Contingent Liabilities

Litigation

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

Grants

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

Construction Commitments

The School District has entered into contracts for various construction projects. Outstanding obligations at June 30, 2022, are as follows:

<u>Project</u>	<u>Contract Amounts</u>	<u>Expended to Date</u>	<u>Remaining Commitment</u>
Administrative Building/Water Line	\$ 173,728	\$ 170,466	\$ 3,262
Replace Stair Treads	42,005	35,188	6,817
Windows/Roll Up Doors Projects	383,773	381,323	2,450
Mobile Replacement/Repair Projects	101,250	91,645	9,605
District Wide Video Surveillance Project	3,422,179	3,413,602	8,577
	<u>\$ 4,122,935</u>	<u>\$ 4,092,224</u>	<u>\$ 30,711</u>

F. 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 2022, 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.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

III. OTHER INFORMATION (CONTINUED)

F. Risk Management (Continued)

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.

G. Tax Abatements

The State of South Carolina has enacted Fee-in-Lieu of Tax Acts and Special Source Revenue Credit Acts as part of Title 12 of the South Carolina Code of Laws in support of economic development. The legislation allows the counties to enter into negotiated fee-in-lieu of tax ("FILOT") arrangements with entities in exchange for making investments in facilities and jobs in the county. The FILOT's typically include millage caps and reduced assessment ratios for entities who commit to certain investment and employment targets. Some FILOT's also include Special Source Revenue Credits which further reduce the negotiated fee by a percentage for a specified period.

The District is subjected to tax abatements granted by Darlington County since Darlington County provides funding to the District based on millage. For the fiscal year ended June 30, 2022, Darlington County abated property taxes totaling \$4,259,921 of which \$2,864,453 would have been paid to the District without abatements. The County does not provide any reimbursement to the District to offset abatements.

H. Pending GASB Statements

The GASB has issued the following statements:

GASB Statement No. 92, *Omnibus 2022*, intended to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

III. OTHER INFORMATION (CONTINUED)

H. Pending GASB Statements (Continued)

- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP)
- Disclosures related to nonmonetary transactions
- Pledges of future revenues when resources are not received by the pledging government
- Clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*
- Terminology used in Statement 53 to refer to resource flows statements.

Effective Date: The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 100, *Accounting Changes and Error Corrections*—an amendment of GASB Statement No. 62 intends to enhance accounting and financial reporting requirements for accounting changes and error corrections. This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also addresses corrections of errors in previously issued financial statements and prescribes the accounting and financial reporting for each of the several types of accounting change and for error corrections.

Effective date is for fiscal years beginning after June 30, 2023. Earlier application is encouraged.

GASB Statement No. 101, *Compensated Absences* requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The statement establishes guidance for the amount and timing of the liability and simplifies the required disclosures.

Effective date is for fiscal years beginning after December 15, 2023. Earlier application is encouraged.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

III. OTHER INFORMATION (CONTINUED)

H. Pending GASB Statements (Continued)

GASB Statement No. 94, *Public-Private and Public Partnerships and Available Payment Arrangements*, intended to improve financial reporting by addressing issues related to public private and public partnership arrangements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The School District will implement the new guidance with the 2023 financial statements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, intended to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset an intangible asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The School District will implement the new guidance with the 2023 financial statements.

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

I. Subsequent Events

The School District issued a general obligation bond in the amount of \$9.5 million, with interest at .2.87%, due in full by March 1, 2023.

Subsequent events have been evaluated through December 6, 2022, which is the date the financial statements were available to be issued.

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
BUDGETARY COMPARISON SCHEDULE – BUDGETED MAJOR GOVERNMENTAL FUND -
GENERAL FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
REVENUES				
Local	\$ 38,040,246	\$ 38,040,246	\$ 42,241,411	\$ 4,201,165
State	55,967,952	55,967,952	58,434,517	2,466,565
Federal	-	-	1,300	1,300
Intergovernmental	130,000	130,000	416,404	286,404
Total Revenue	<u>94,138,198</u>	<u>94,138,198</u>	<u>101,093,632</u>	<u>6,955,434</u>
EXPENDITURES				
Current				
Instruction	53,771,268	53,718,631	58,264,867	4,546,236
Support services	43,492,108	43,463,495	42,099,041	(1,364,454)
Intergovernmental	4,000	4,000	2,042	(1,958)
Total Expenditures	<u>97,267,376</u>	<u>97,186,126</u>	<u>100,365,950</u>	<u>3,179,824</u>
Excess of Revenues Over (Under)				
Expenditures	<u>(3,129,178)</u>	<u>(3,047,928)</u>	<u>727,682</u>	<u>3,775,610</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,093,866	4,093,866	5,674,755	1,580,889
Transfers out	(956,000)	(1,045,938)	(1,034,083)	11,855
Total Other Financing Sources	<u>3,137,866</u>	<u>3,047,928</u>	<u>4,640,672</u>	<u>1,592,744</u>
Net Change in Fund Balance	<u>\$ 8,688</u>	<u>\$ -</u>	5,368,354	<u>\$ 5,368,354</u>
FUND BALANCE				
July 1, 2021			<u>35,085,334</u>	
June 30, 2022			<u>\$ 40,453,688</u>	

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
NOTES TO BUDGETARY COMPARISON SCHEDULE – BUDGETED MAJOR GOVERNMENTAL FUND -
GENERAL FUND
YEAR ENDED JUNE 30, 2022**

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

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

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

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

Budget appropriations and encumbrances and unused expenditures lapse at year-end.

The final budget amendments presented are necessary based on the operating activities of the District. The budget was amended to move funds from Support services to Instruction to fund increases in fringe benefits and allow purchases technology and related supplies rather than purchases for administration. These amendments are allowed as the policy allows for funds to be transferred between functions.

The presentation of the statement of revenue and expenses differs from that of the budgetary comparison schedule by presenting \$60,538 as capital outlay rather than support services.

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

Measurement Year Ended June 30	Fiscal Year Ended June 30	School District's proportion of the net pension liability	School District's proportionate share of the net pension liability (asset)	School District's covered employee payroll	School District's share of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	2022	0.565101%	\$ 122,295,060	\$ 62,556,296	195%	60.70%
2020	2021	0.556771%	\$ 142,264,874	\$ 60,819,061	234%	50.70%
2019	2020	0.552806%	\$ 126,228,562	\$ 56,949,559	222%	54.40%
2018	2019	0.576048%	\$ 129,074,010	\$ 58,450,403	221%	54.10%
2017	2018	0.575309%	\$ 129,511,308	\$ 56,939,255	227%	53.30%
2016	2017	0.578946%	\$ 123,662,011	\$ 54,957,042	225%	52.90%
2015	2016	0.574162%	\$ 108,892,592	\$ 52,746,766	206%	57.00%
2014	2015	0.577055%	\$ 99,349,740	\$ 51,397,206	193%	59.92%

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

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

Measurement Year Ended June 30	Fiscal Year Ended June 30	School District's proportion of the net pension liability	School District's proportionate share of the net pension liability (asset)	School District's covered payroll	School District's share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	2022	0.00480%	\$ 123,576	\$ 72,222	171%	70.40%
2020	2021	0.00514%	\$ 170,448	\$ 77,646	220%	58.80%
2019	2020	0.00379%	\$ 108,719	\$ 55,022	198%	62.70%
2018	2019	0.00424%	\$ 120,247	\$ 59,859	201%	61.70%
2017	2018	0.00091%	\$ 24,985	\$ 12,285	203%	60.90%
2016	2017	0.00013%	\$ 3,272	\$ -	0.0%	60.40%
2015	2016	0.00000%	\$ -	\$ -	0.0%	64.60%
2014	2015	0.00019%	\$ 3,561	\$ 2,270	157%	67.55%

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

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

<u>Year Ended June 30</u>	<u>Contractual required contribution</u>	<u>Contributions relative to contractual required contributions</u>	<u>Contribution deficiency (excess)</u>	<u>School District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
2022	\$ 10,628,778	\$ 10,628,778	\$ -	\$ 67,677,413	15.71%
2021	\$ 9,152,474	\$ 9,152,474	\$ -	\$ 62,556,296	14.63%
2020	\$ 8,881,053	\$ 8,881,053	\$ -	\$ 60,819,061	14.60%
2019	\$ 7,710,800	\$ 7,710,800	\$ -	\$ 56,949,559	13.54%
2018	\$ 7,344,368	\$ 7,344,368	\$ -	\$ 58,450,403	12.57%
2017	\$ 6,582,178	\$ 6,582,178	\$ -	\$ 56,939,255	11.56%
2016	\$ 6,078,249	\$ 6,078,249	\$ -	\$ 54,957,042	11.06%
2015	\$ 5,749,399	\$ 5,749,399	\$ -	\$ 52,746,766	10.90%
2014	\$ 5,553,238	\$ 5,553,238	\$ -	\$ 51,397,206	10.80%

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

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

Year Ended June 30	Contractual required contribution	Contributions relative to contractual required contributions	Contribution deficiency (excess)	School District's covered payroll	Contributions as a percentage of covered payroll
2022	\$ 13,415	\$ 13,415	\$ -	\$ 69,794	19.22%
2021	\$ 13,155	\$ 13,155	\$ -	\$ 72,222	18.21%
2020	\$ 11,671	\$ 11,671	\$ -	\$ 77,646	15.03%
2019	\$ 9,469	\$ 9,469	\$ -	\$ 55,022	17.21%
2018	\$ 9,905	\$ 9,905	\$ -	\$ 59,859	16.55%
2017	\$ 1,749	\$ 1,749	\$ -	\$ 12,285	14.24%
2016	\$ -	\$ -	\$ -	\$ -	0.00%
2015	\$ -	\$ -	\$ -	\$ -	0.00%
2014	\$ 287	\$ 287	\$ -	\$ 2,270	12.64%

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -
SOUTH CAROLINA RETIREMENT SYSTEM AND POLICE OFFICERS RETIREMENT SYSTEM
JUNE 30, 2022**

A. Summary of Actuarial Methods and Significant Assumptions

The following table provides a summary of the actuarial assumptions and methods used to calculate the total pension liability as of June 30, 2022, the most recent measurement date.

	SCRS	PORS
Valuation date	7/1/2019	7/1/2019
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level percent of pay	Level percent of pay
Amortization period	28 years maximum, closed period*	28 years maximum, closed period*
Asset valuation method	5-year smoothed	5-year smoothed
Actuarial assumptions		
Inflation rate	2.25%	2.25%
Projected salary increases	3.0% to 11.0% (varies by service)	3.5% to 10.5% (varies by service)
Investment rate of return	7.25%	7.25%
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

* Pension reform legislation enacted effective July 1, 2017 schedules the amortization period to be reduced one year for the next 10 years, to 20 years.

B. Contribution Rates

The actual contribution rates and the actuarially determined contribution rates for the SCRS and PORS are determined in accordance with Section 9-1-1085 of the South Carolina Code. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75% for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS by two percentage points and further scheduled employer contributions rates to increase by a minimum of one percentage point each year through July 1, 2022. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a 10-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY –
SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND
LAST SIX FISCAL YEARS**

Measurement Year Ended June 30	Fiscal Year Ended June 30	School District's proportion of the net OPEB liability	School District's proportionate share of the net OPEB liability (asset)	School District's covered payroll	School District's share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2021	2022	0.692797%	\$ 144,262,373	\$ 64,608,822	223%	7.48%
2020	2021	0.681442%	\$ 123,010,138	\$ 62,814,244	196%	8.39%
2019	2020	0.676646%	\$ 102,319,191	\$ 59,178,297	173%	8.44%
2018	2019	0.701331%	\$ 99,382,705	\$ 60,480,786	164%	7.91%
2017	2018	0.698481%	\$ 94,608,107	\$ 58,901,776	161%	7.60%
2016	2017	0.698481%	\$ 101,060,638	\$ 56,892,374	178%	N/A*

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

* Not available

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS – OPEB -
SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND
LAST SIX FISCAL YEARS**

<u>Year Ended June 30</u>	<u>Contractual required contribution</u>	<u>Contributions relative to contractual required contributions</u>	<u>Contribution deficiency (excess)</u>	<u>School District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
2022	\$ 4,362,370	\$ 4,362,370	\$ -	\$ 69,797,924	6.25%
2021	\$ 4,038,049	\$ 4,038,049	\$ -	\$ 64,608,822	6.25%
2020	\$ 3,925,890	\$ 3,925,890	\$ -	\$ 62,814,244	6.25%
2019	\$ 3,580,287	\$ 3,580,287	\$ -	\$ 59,178,297	6.05%
2018	\$ 3,326,443	\$ 3,326,443	\$ -	\$ 60,480,786	5.50%
2017	\$ 3,139,465	\$ 3,139,465	\$ -	\$ 58,901,776	5.30%

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OPEB -
SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND**

A. Summary of Actuarial Methods and Significant Assumptions

The following table provides a summary of the actuarial assumptions and methods used to calculate the total OPEB liability as of June 30, 2021, the most recent measurement date.

Valuation Date:	June 30, 2020
Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Investment Rate of Return:	2.75%, net of OPEB Plan investment expense; including inflation
Single Discount Rate:	1.92% as of June 30, 2021
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ended June 30, 2019
Mortality:	For healthy retirees, the 2020 Public Retirees of South Carolina Mortality Table for Males and the 2020 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on a fully generational basis by the 80% of Scale UMP to account for future mortality improvements and adjusted with multipliers based on plan experience.
Health Care Trend Rate:	Initial trend starting at 6.00% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 15 years
Aging Factors:	Based on plan specific experience
Retiree Participation:	79% for retirees who are eligible for Funded Premiums 59% for retirees that are eligible for Partially Funded Premiums 20% for retirees that are eligible for Non-Funded Premiums
Notes:	The discount rate changed from 2.14% as of June 30, 2020, to 1.92% as of June 30, 2021; demographic and salary increases assumptions were updated to reflect the 2020 SCRS experience study and the health care trend rates were reset to better reflect the plan's anticipated experience.

Roll Forward Disclosure

The actuarial valuation was performed as of June 30, 2020. Update procedures were used to roll forward the total OPEB liability to June 30, 2021.

OTHER SUPPLEMENTARY INFORMATION

**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, 2022**

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
REVENUES				
1000 Revenue from Local Sources				
1100 Taxes Levied/Assessed by the LEA				
1110 Ad Valorem Taxes - Including Delinquent (Independent)	\$ 35,050,246	\$ 35,050,246	\$ 39,248,609	\$ 4,198,363
1140 Penalties & Interest on Taxes (Independent)	90,000	90,000	147,427	57,427
1200 Revenue from Local Governmental Units Other Than LEAS				
1280 Revenue in Lieu of Taxes (Independent and Dependent)	2,700,000	2,700,000	2,717,582	17,582
1500 Earnings on Investments				
1510 Interest on Investments	150,000	150,000	79,495	(70,505)
1990 Other Revenue from Local Sources				
1993 Insurance Proceeds	-	-	291	291
1999 Revenue from Other Local Sources	50,000	50,000	48,007	(1,993)
Total Local Sources	<u>38,040,246</u>	<u>38,040,246</u>	<u>42,241,411</u>	<u>4,201,165</u>
2000 Intergovernmental Revenue				
2100 Payments from other governmental units	130,000	130,000	416,404	286,404
Total Intergovernmental Sources	<u>130,000</u>	<u>130,000</u>	<u>416,404</u>	<u>286,404</u>
3000 Revenue from State Sources				
3100 Restricted State Funding				
3130 Special Programs				
3131 Handicapped Transportation	-	-	3,286	3,286
3160 School Bus Driver Salary	1,004,886	1,004,886	1,158,557	153,671
3161 EAA Bus Driver Salary and Fringe	-	-	3,005	3,005
3162 Transportation Workers' Compensation	54,764	54,764	54,764	-
3180 Fringe Benefits Employer Contributions	11,507,379	11,507,379	11,280,256	(227,123)
3181 Retiree Insurance	2,937,399	2,937,399	3,024,535	87,136
3186 State Aid to Classroom - Teacher Salary	2,870,294	2,870,294	2,902,431	32,137
3300 State Aid to Classrooms - Education Finance Act (EFA)				
3310 Full-Time Programs				
3311 Kindergarten	1,028,617	1,028,617	1,050,286	21,669
3312 Primary	3,147,839	3,147,839	3,188,625	40,786
3313 Elementary	5,675,452	5,675,452	5,283,453	(391,999)
3314 High School	3,242,538	3,242,538	2,635,077	(607,461)
3315 Trainable Mentally Handicapped	88,851	88,851	84,841	(4,010)
3316 Speech Handicapped	1,123,057	1,123,057	1,161,033	37,976
3317 Homebound	2,631	2,631	12,813	10,182
3320 Part-Time Programs				
3321 Emotionally Handicapped	120,090	120,090	108,770	(11,320)
3322 Educable Mentally Handicapped	263,643	263,643	257,732	(5,911)

(Continued)

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance -
	Original	Final		Over (Under)
REVENUES (CONTINUED)				
3320 Part-Time Programs (Continued)				
3323 Learning Disabilities	\$ 2,391,525	\$ 2,391,525	\$ 2,364,216	\$ (27,309)
3324 Hearing Handicapped	96,578	96,578	100,993	4,415
3325 Visually Handicapped	38,631	38,631	56,903	18,272
3326 Orthopedically Handicapped	72,828	72,828	73,856	1,028
3327 Pre-Career & Career Technology	1,667,929	1,667,929	2,307,593	639,664
3330 Miscellaneous EFA Programs				
3331 Autism	694,206	694,206	697,884	3,678
3332 High Achieving Students	329,199	329,199	295,779	(33,420)
3334 Limited English Proficiency	49,413	49,413	48,790	(623)
3351 Academic Assistance	1,051,917	1,051,917	980,253	(71,664)
3352 Pupils in Poverty	2,677,982	2,677,982	2,620,157	(57,825)
3353 Dual Credit Enrollment	35,323	35,323	29,654	(5,669)
3392 NBC Excess EFA Formula	-	-	65,267	65,267
3800 State Revenue in Lieu of Taxes				
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	3,748,257	3,748,257	3,748,257	-
3820 Homestead Exemption (Tier 2)	1,372,910	1,372,910	1,372,904	(6)
3825 Reimbursement for Property Tax Relief (Tier 3)	6,436,814	6,436,814	8,570,539	2,133,725
3830 Merchant's Inventory Tax	272,000	272,000	271,981	(19)
3840 Manufacturer's Depreciation Reimbursement	1,000,000	1,000,000	1,407,736	407,736
3890 Other State Property Tax Revenues	375,000	375,000	631,502	256,502
3900 Other State Revenue				
3992 State Forest Commission Revenue	10,000	10,000	-	(10,000)
3993 PEBA on-Behalf	580,000	580,000	580,789	789
Total State Sources	55,967,952	55,967,952	58,434,517	2,466,565
4000 Revenue from Federal Sources				
4900 Other Federal Sources				
4999 Revenue from Other Federal Sources	-	-	1,300	1,300
Total Federal Sources	-	-	1,300	1,300
TOTAL REVENUES	94,138,198	94,138,198	101,093,632	6,955,434
EXPENDITURES				
100 Instruction				
110 General Instruction				
111 Kindergarten Programs				
100 Salaries	2,272,909	2,292,460	2,281,581	(10,879)
200 Employee Benefits	960,156	1,046,767	1,036,388	(10,379)
400 Supplies and Materials	24,880	24,907	20,349	(4,558)
112 Primary Programs				
100 Salaries	6,329,384	6,169,323	6,561,184	391,861
200 Employee Benefits	2,511,648	2,528,793	2,722,051	193,258
400 Supplies and Materials	71,840	77,770	60,883	(16,887)
113 Elementary Programs				
100 Salaries	11,141,050	10,665,750	10,257,625	(408,125)
200 Employee Benefits	3,980,416	4,113,732	4,052,742	(60,990)
300 Purchased Services	70,700	62,700	23,079	(39,621)
400 Supplies and Materials	350,715	367,511	269,760	(97,751)

(Continued)

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
EXPENDITURES (CONTINUED)				
100 Instruction (Continued)				
110 General Instruction (Continued)				
114 High School Programs				
100 Salaries	\$ 9,860,694	\$ 9,497,972	\$ 13,815,364	\$ 4,317,392
200 Employee Benefits	3,833,061	3,902,433	4,347,814	445,381
300 Purchased Services	732,550	902,615	826,445	(76,170)
400 Supplies and Materials	263,651	303,907	259,670	(44,237)
115 Career & Technology Education Programs				
100 Salaries	1,386,958	1,358,859	1,326,583	(32,276)
200 Employee Benefits	548,957	554,405	568,918	14,513
400 Supplies and Materials	37,500	73,200	61,573	(11,627)
118 Montessori Programs				
100 Salaries	125,418	146,544	145,494	(1,050)
200 Employee Benefits	56,412	67,663	65,070	(2,593)
400 Supplies and Materials	-	10,140	10,639	499
120 Exceptional Programs				
121 Educable Mentally Handicapped				
100 Salaries	1,068,028	1,038,103	1,068,016	29,913
200 Employee Benefits	455,297	448,685	478,630	29,945
400 Supplies and Materials	6,119	5,279	4,998	(281)
122 Trainable Mentally Handicapped				
100 Salaries	508,653	507,564	583,513	75,949
200 Employee Benefits	226,043	198,216	211,542	13,326
300 Purchased Services	43,526	28,026	16,440	(11,586)
400 Supplies and Materials	5,550	5,550	4,124	(1,426)
123 Orthopedically Handicapped				
100 Salaries	-	33,647	35,113	1,466
124 Visually Handicapped				
200 Employee Benefits	-	-	1,883	1,883
125 Hearing Handicapped				
100 Salaries	487,262	479,878	485,881	6,003
200 Employee Benefits	284,880	261,357	250,417	(10,940)
300 Purchased Services	4,500	54,500	136,780	82,280
400 Supplies and Materials	10,184	10,184	4,319	(5,865)
126 Speech Handicapped				
100 Salaries	452,947	453,081	464,742	11,661
200 Employee Benefits	245,234	217,175	205,918	(11,257)
300 Purchased Services	13,400	13,400	3,836	(9,564)
400 Supplies and Materials	1,100	1,100	206	(894)
127 Learning Disabilities				
100 Salaries	2,189,787	2,418,631	2,310,571	(108,060)
200 Employee Benefits	855,116	914,571	851,765	(62,806)
300 Purchased Services	12,000	36,258	23,819	(12,439)
400 Supplies and Materials	12,815	15,715	14,759	(956)
128 Emotionally Handicapped				
100 Salaries	223,428	206,092	215,654	9,562
200 Employee Benefits	94,070	93,429	102,199	8,770
400 Supplies and Materials	1,505	1,505	1,467	(38)

(Continued)

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
EXPENDITURES (CONTINUED)				
100 Instruction (Continued)				
130 Preschool Programs				
131 Pre-school Handicapped-Speech (5 yr. olds)				
100 Salaries	\$ 114,473	\$ 165,507	\$ 165,439	\$ (68)
200 Employee Benefits	52,358	67,373	57,689	(9,684)
400 Supplies and Materials	90	90	-	(90)
133 Pre-school Handicapped-Self-contained (5 yr. olds)				
100 Salaries	126,082	128,440	125,324	(3,116)
200 Employee Benefits	66,064	66,304	68,470	2,166
400 Supplies and Materials	250	250	-	(250)
137 Preschool Handicapped - Self- Contained (3 & 4 yr. olds)				
100 Salaries	180,275	180,967	200,963	19,996
200 Employee Benefits	80,625	80,625	90,350	9,725
400 Supplies and Materials	1,008	1,008	235	(773)
140 Special Programs				
141 Gifted and Talented - Academic				
300 Purchased Services	6,800	6,700	2,695	(4,005)
600 Other Objects	200	200	150	(50)
145 Homebound				
100 Salaries	134,638	134,638	106,298	(28,340)
200 Employee Benefits	41,598	39,014	36,438	(2,576)
300 Purchased Services	65,000	65,000	34,954	(30,046)
147 CERDEP				
200 Employee Benefits	7,404	-	18,013	18,013
400 Supplies and Materials	-	8,750	5,190	(3,560)
148 Gifted and Talented - Artistic				
100 Salaries	1,000	1,000	-	(1,000)
200 Employee Benefits	566	566	-	(566)
300 Purchased Services	1,000	1,000	-	(1,000)
400 Supplies and Materials	3,000	3,000	-	(3,000)
149 Other Special Programs				
100 Salaries	26,656	-	-	-
200 Employee Benefits	35,090	-	171	171
300 Purchased Services	8,000	8,000	1,053	(6,947)
160 Other Exceptional Programs				
160 Other Exceptional Programs				
161 Autism				
100 Salaries	247,699	388,980	397,508	8,528
200 Employee Benefits	123,934	133,304	128,430	(4,874)
400 Supplies and Materials	150	150	161	11
170 Summer School Programs				
171 Primary Summer School				
400 Supplies and Materials	2,500	2,500	-	(2,500)
172 Elementary Summer School				
100 Salaries	31,000	31,000	-	(31,000)
200 Employee Benefits	940	940	-	(940)
400 Supplies and Materials	1,000	1,000	-	(1,000)

(Continued)

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
EXPENDITURES (CONTINUED)				
100 Instruction (Continued)				
170 Summer School Programs (Continued)				
173 High School Summer School				
100 Salaries	\$ 13,500	\$ 13,500	\$ -	\$ (13,500)
200 Employee Benefits	1,280	1,280	-	(1,280)
400 Supplies and Materials	1,500	1,500	-	(1,500)
174 Gifted and Talented Summer School				
100 Salaries	15,400	15,413	33,413	18,000
200 Employee Benefits	4,559	4,559	10,468	5,909
300 Purchased Services	8,200	8,200	2,441	(5,759)
400 Supplies and Materials	1,737	1,737	1,702	(35)
175 Instructional Programs Beyond Regular School Day				
100 Salaries	12,996	-	5,213	5,213
200 Employee Benefits	7,306	-	655	655
300 Purchased Services	6,717	6,717	1,036	(5,681)
400 Supplies and Materials	3,350	3,350	11,328	7,978
180 Adult/Continuing Educational Programs				
181 Adult Basic Education Programs				
100 Salaries	229,865	183,075	191,562	8,487
200 Employee Benefits	91,699	77,284	79,293	2,009
300 Purchased Services	4,000	4,000	-	(4,000)
400 Supplies and Materials	-	-	13	13
182 Adult Secondary Education Programs				
100 Salaries	-	-	30,985	30,985
200 Employee Benefits	-	-	4,645	4,645
400 Supplies and Materials	4,295	4,295	-	(4,295)
183 Adult English Literacy (ESL)				
100 Salaries	-	305	305	-
200 Employee Benefits	-	95	95	-
188 Parenting/Family Literacy				
100 Salaries	-	-	100	100
200 Employee Benefits	-	-	3,587	3,587
190 Instructional Pupil Activity				
100 Salaries	183,279	200,228	192,780	(7,448)
200 Employee Benefits	61,842	67,390	65,911	(1,479)
Total Instruction	53,771,268	53,718,631	58,264,867	4,546,236
200 Support Services				
210 Pupil Services				
211 Attendance and Social Work Services				
100 Salaries	552,274	563,851	514,779	(49,072)
200 Employee Benefits	253,905	238,428	226,931	(11,497)
300 Purchased Services	41,998	39,998	24,175	(15,823)
400 Supplies and Materials	14,600	16,400	8,323	(8,077)

(Continued)

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
EXPENDITURES (CONTINUED)				
200 Support Services (Continued)				
210 Pupil Services (Continued)				
212 Guidance Services				
100 Salaries	\$ 2,071,311	\$ 2,150,092	\$ 2,083,726	\$ (66,366)
200 Employee Benefits	864,097	890,392	892,289	1,897
300 Purchased Services	3,825	3,030	-	(3,030)
400 Supplies and Materials	9,635	10,175	-	(10,175)
213 Health Services				
100 Salaries	377,533	505,536	825,288	319,752
200 Employee Benefits	178,434	233,169	354,638	121,469
300 Purchased Services	50,600	50,600	99,141	48,541
400 Supplies and Materials	16,128	16,328	14,301	(2,027)
214 Psychological Services				
100 Salaries	169,325	274,358	230,407	(43,951)
200 Employee Benefits	110,837	94,097	84,980	(9,117)
400 Supplies and Materials	2,800	2,800	3,184	384
215 Exceptional Program Services				
400 Supplies and Materials	-	-	233	233
217 Instructional Staff Services				
200 Employee Benefits	-	-	13,021	13,021
221 Improvement of Instruction - Curriculum Development				
100 Salaries	289,691	296,057	305,369	9,312
200 Employee Benefits	122,123	123,581	146,628	23,047
300 Purchased Services	32,543	32,043	15,691	(16,352)
400 Supplies and Materials	133,560	118,527	67,961	(50,566)
600 Other Objects	527	1,053	1,053	-
222 Library and Media Services				
100 Salaries	1,275,802	1,245,876	1,236,275	(9,601)
200 Employee Benefits	551,180	561,306	584,079	22,773
300 Purchased Services	24,999	25,876	23,959	(1,917)
400 Supplies and Materials	54,055	53,555	48,908	(4,647)
223 Supervision of Special Programs				
100 Salaries	498,708	498,734	502,528	3,794
200 Employee Benefits	187,111	187,266	192,000	4,734
300 Purchased Services	19,915	32,568	48,809	16,241
400 Supplies and Materials	14,700	14,700	8,936	(5,764)
600 Other Objects	200	4,800	4,776	(24)
224 Improvement of Instruction - Inservice and Staff Training				
200 Employee Benefits	-	-	1,163	1,163
300 Purchased Services	197,691	189,754	61,347	(128,407)
400 Supplies and Materials	22,005	24,770	15,970	(8,800)

(Continued)

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
EXPENDITURES (CONTINUED)				
200 Support Services (Continued)				
230 General Administration Services				
231 Board of Education				
100 Salaries	\$ 60,200	\$ 60,200	\$ 59,168	\$ (1,032)
200 Employee Benefits	47,909	47,654	13,857	(33,797)
300 Purchased Services	112,725	112,725	42,243	(70,482)
318 Audit Services	50,875	50,875	50,875	-
400 Supplies and Materials	6,000	6,000	3,758	(2,242)
600 Other Objects	144,295	67,287	44,403	(22,884)
232 Office of the Superintendent				
100 Salaries	567,980	493,440	493,736	296
200 Employee Benefits	220,980	193,726	195,947	2,221
300 Purchased Services	85,300	85,300	85,621	321
400 Supplies and Materials	44,500	100,399	94,775	(5,624)
600 Other Objects	6,700	6,700	3,487	(3,213)
233 School Administration				
100 Salaries	5,123,626	5,088,623	5,083,978	(4,645)
200 Employee Benefits	2,194,022	2,201,996	2,230,197	28,201
300 Purchased Services	187,225	188,805	110,323	(78,482)
400 Supplies and Materials	68,625	113,285	107,297	(5,988)
600 Other Objects	23,760	34,314	31,749	(2,565)
250 Finance and Operations Services				
251 Student Transportation (Federal/District Mandated):				
100 Salaries	-	-	2,867	2,867
200 Employee Benefits	-	-	357	357
252 Fiscal Services				
100 Salaries	693,562	692,922	717,434	24,512
200 Employee Benefits	284,865	282,888	289,276	6,388
300 Purchased Services	32,075	38,280	23,530	(14,750)
400 Supplies and Materials	48,500	48,500	28,951	(19,549)
600 Other Objects	51,000	17,505	536	(16,969)
253 Facilities Acquisitions and Construction				
300 Purchased Services	181,864	128,464	14,723	(113,741)
400 Supplies and Materials	40,000	42,000	37,671	(4,329)
520 Construction Services	16,400	16,400	-	(16,400)
530 Construction Services	100,000	100,000	60,537	(39,463)
254 Operation and Maintenance of Plant				
100 Salaries	4,170,869	4,143,959	4,131,497	(12,462)
200 Employee Benefits	1,939,102	1,951,366	1,927,368	(23,998)
300 Purchased Services	1,973,815	2,006,111	1,473,580	(532,531)
400 Supplies and Materials	3,798,245	3,781,979	3,419,137	(362,842)
530 Construction Services	-	7,200	7,200	-
540 Improvements other	100,000	100,000	57,063	(42,937)
600 Other Objects	850,447	872,051	871,476	(575)

(Continued)

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
EXPENDITURES (CONTINUED)				
200 Support Services (Continued)				
250 Finance and Operations Services (Continued)				
255 Student Transportation				
100 Salaries	\$ 2,046,694	\$ 1,837,006	\$ 2,065,174	\$ 228,168
200 Employee Benefits	943,220	886,002	1,023,352	137,350
300 Purchased Services	74,300	70,299	26,887	(43,412)
400 Supplies and Materials	28,000	32,801	27,703	(5,098)
600 Other Objects	900	100	25	(75)
256 Food Service				
200 Employee Benefits	1,266,309	1,147,202	1,203,952	56,750
257 Internal Services				
100 Salaries	81,342	81,342	81,448	106
200 Employee Benefits	39,798	39,875	40,233	358
300 Purchased Services	315,650	315,650	219,312	(96,338)
400 Supplies and Materials	7,800	7,800	(1,025)	(8,825)
258 Security				
100 Salaries	133,656	133,656	133,656	-
200 Employee Benefits	81,161	61,417	64,350	2,933
300 Purchased Services	955,090	955,090	840,288	(114,802)
400 Supplies and Materials	9,936	9,936	-	(9,936)
260 Central Support Services				
262 Planning				
300 Purchased Services	4,650	4,650	2,723	(1,927)
400 Supplies and Materials	19,700	19,700	-	(19,700)
263 Information Services				
100 Salaries	264,556	240,168	256,140	15,972
200 Employee Benefits	108,175	101,027	106,335	5,308
300 Purchased Services	37,950	37,950	18,098	(19,852)
400 Supplies and Materials	20,250	20,250	12,659	(7,591)
600 Other Objects	5,500	5,500	4,668	(832)
264 Staff Services				
100 Salaries	507,750	528,687	573,282	44,595
200 Employee Benefits	191,116	205,335	222,840	17,505
300 Purchased Services	48,500	53,000	39,270	(13,730)
400 Supplies and Materials	24,000	23,500	25,397	1,897
500 Capital Outlay				
600 Other Objects	5,500	6,027	1,516	(4,511)
266 Technology and Data Processing Services				
100 Salaries	1,295,206	1,339,983	1,296,179	(43,804)
200 Employee Benefits	532,695	558,760	562,260	3,500
300 Purchased Services	1,795,617	1,862,416	1,406,027	(456,389)
400 Supplies and Materials	209,696	207,029	304,179	97,150
600 Other Objects	300	351	351	-

(Continued)

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
EXPENDITURES (CONTINUED)				
270 Support Services Pupil Activity				
271 Pupil Services Activities				
100 Salaries	\$ 672,717	\$ 684,388	\$ 743,065	\$ 58,677
200 Employee Benefits	198,986	213,524	211,849	(1,675)
300 Purchased Services	37,500	51,800	29,222	(22,578)
400 Supplies and Materials	39,570	32,558	28,552	(4,006)
600 Other Objects	119,005	106,015	173,062	67,047
	<u>43,492,108</u>	<u>43,463,495</u>	<u>42,099,041</u>	<u>(1,364,454)</u>
400 Other Charges				
410 Intergovernmental Expenditures				
411 Payments to the State Department of Education				
720 Transits	4,000	4,000	2,042	(1,958)
	<u>4,000</u>	<u>4,000</u>	<u>2,042</u>	<u>(1,958)</u>
Total Intergovernmental Expenditures	<u>4,000</u>	<u>4,000</u>	<u>2,042</u>	<u>(1,958)</u>
TOTAL EXPENDITURES	<u>97,267,376</u>	<u>97,186,126</u>	<u>100,365,950</u>	<u>3,179,824</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,129,178)</u>	<u>(3,047,928)</u>	<u>727,682</u>	<u>3,775,610</u>
OTHER FINANCING SOURCES (USES)				
Transfers from (to) Other Funds				
5230 Transfer from Special Revenue EIA Fund	2,784,116	2,784,116	2,820,287	36,171
5280 Transfer from Other Funds Indirect Costs	1,309,750	1,309,750	2,854,468	1,544,718
421-710 Transfer to Special Revenue Funds	(281,000)	(370,938)	(359,083)	11,855
424-710 Transfer to Capital Projects Fund	(675,000)	(675,000)	(675,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,137,866</u>	<u>3,047,928</u>	<u>4,640,672</u>	<u>1,592,744</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>\$ -</u>	<u>5,368,354</u>	<u>\$ 5,368,354</u>
FUND BALANCE				
July 1, 2021			<u>35,085,334</u>	
June 30, 2022			<u>\$ 40,453,688</u>	

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – SPECIALREVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Student Activity Funds (700's)	Total
REVENUES									
1000 Revenues from Local Sources									
1100 Taxes Levied/Assessed by the LEA									
1110 Ad Valorem Taxes - Including Delinquent (Independent)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,287,076	\$ -	\$ 3,287,076
1140 Penalties & Interest on Taxes (Independent)	-	-	-	-	-	-	14,156	-	14,156
1200 Revenue from Local Governmental Units Other Than LEAs									
1280 Revenue in Lieu of Taxes (Independent and Dependent)	-	-	-	-	-	-	178,886	-	178,886
1500 Earnings On Investments									
1510 Interest on Investments	-	-	-	-	-	-	1,847	-	1,847
1700 Pupil Activities:									
1790 Other Pupil Activity Income	-	-	-	-	-	-	-	1,862,278	1,862,278
1900 Other Revenue From Local Sources									
1910 Rentals	-	-	-	-	-	-	1,560	-	1,560
1920 Contributions and Donations from Private Sources	-	-	-	-	-	-	38,497	-	38,497
1930 Special Needs Transportation - Medicaid	-	-	-	-	-	-	476,576	-	476,576
1990 Miscellaneous Local Revenue	-	-	-	-	-	-	-	-	-
1999 Revenue from Other Local Sources	-	-	-	-	-	-	2,847,475	-	2,847,475
Total Local Sources	-	-	-	-	-	-	6,846,073	1,862,278	8,708,351
3000 Revenues from State Sources									
3100 Restricted State Funding									
3110 Occupational Education									
3118 EEDA Career Specialists	-	-	-	-	-	423,086	-	-	423,086
3120 General Education									
3127 Student Health and Fitness - PE Teachers	-	-	-	-	-	64,729	-	-	64,729
3130 Special Programs									
3134 Child Early Reading Development and Education Program (CERDEP) - Full Day 4K	-	-	-	-	-	10,000	-	-	10,000
3135 Reading Coaches	-	-	-	-	-	888,343	-	-	888,343
3136 Student Health and Fitness - Nurses	-	-	-	-	-	330,813	-	-	330,813
3143 GEER CERDEP Summer	-	-	-	-	-	15,843	-	-	15,843
3156 Adult Education	-	-	-	-	-	2,194	-	-	2,194
3190 Miscellaneous Restricted State Grants									
3193 Education License Plates	-	-	-	-	-	4,039	-	-	4,039
3198 Technology Professional Development (Carryover Onl	-	-	-	-	-	-	-	-	-
3199 Other Restricted State Grants	-	-	-	-	-	-	631	-	631

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Student Activity Funds (700's)	Total
REVENUES (CONTINUED)									
3000 Revenues from State Sources (Continued)									
3800 State Revenue in Lieu of Taxes									
3820 Homestead Exemption (Tier 2)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 129,617	\$ -	\$ 129,617
3830 Merchant's Inventory Tax	-	-	-	-	-	-	16,439	-	16,439
3890 Other State Property Tax Revenues	-	-	-	-	-	-	31,250	-	31,250
3900 Other State Revenue									
3994 PEBA Nonemployer Contributions	-	-	-	-	-	13,423	-	-	13,423
3995 CRF Per Pupil Funding	-	-	-	-	-	-	652,536	-	652,536
Total State Sources	-	-	-	-	-	1,752,470	830,473	-	2,582,943
4000 Revenue from Federal Sources									
4200 Occupational Education									
4210 Perkins Aid, Title I - Career and Technology Education - Basic Grants to States	-	-	-	257,233	-	-	-	-	257,233
4300 Elementary and Secondary Education Act of 1965 (ESEA)									
4310 Title I Basic State Grant Provisions (Carryover Provision)	4,611,976	-	-	-	-	-	395,240	-	5,007,216
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III	-	-	-	-	-	-	14,640	-	14,640
4343 McKinney-Vento Homeless	-	-	-	-	-	-	14,619	-	14,619
4351 Supporting Effective Instruction	-	-	-	-	-	-	587,374	-	587,374
4400 Adult Education									
4410 Basic Adult Education	-	-	-	-	151,746	-	-	-	151,746
4500 Programs for Children with Disabilities									
4510 Individuals with Disabilities Education Act (IDEA)	-	2,728,318	-	-	-	-	-	-	2,728,318
4520 Pre-school Grants for Children with Disabilities (IDEA)	-	-	98,346	-	-	-	-	-	98,346
4900 Other Federal Sources									
4924 21st Century Community Learning Center Program (Title IV, 21st Century Schools)	-	-	-	-	-	-	14,238	-	14,238
4931 ARP-IDEA	-	-	-	-	-	-	68,742	-	68,742
4974 ESSER III	-	-	-	-	-	-	11,161,443	-	11,161,443
4977 ESSER II	-	-	-	-	-	-	7,285,244	-	7,285,244
4990 Other Federal Revenue									
4997 Title IV - SSAE	-	-	-	-	-	-	546,537	-	546,537
4999 Revenue from Other Federal Sources	-	-	-	-	-	-	531,574	-	531,574
Total Federal Sources	4,611,976	2,728,318	98,346	257,233	151,746	-	20,619,651	-	28,467,270
TOTAL REVENUES	4,611,976	2,728,318	98,346	257,233	151,746	1,752,470	28,296,197	1,862,278	39,758,564

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207/208)	Adult Education (243)	Restricted State Grants (900's)	Special Revenue Programs (200's/800's)	Student Activity Funds (700's)	Total
EXPENDITURES									
100 Instruction									
110 General Instruction									
111 Kindergarten Programs									
100 Salaries	\$ 50,194	\$ -	\$ -	\$ -	\$ -	\$ 55,373	\$ 148,988	\$ -	\$ 254,555
200 Employee Benefits	19,901	-	-	-	-	24,749	56,777	-	101,427
300 Purchased Services	-	-	-	-	-	-	71,783	-	71,783
400 Supplies and Materials	32,899	-	-	-	-	-	-	-	32,899
112 Primary Programs									
100 Salaries	239,388	-	-	-	-	392,935	1,521,234	-	2,153,557
200 Employee Benefits	131,240	-	-	-	-	177,026	603,807	-	912,073
300 Purchased Services	-	-	-	-	-	-	95,083	-	95,083
400 Supplies and Materials	321,712	-	-	-	-	4,039	171,842	-	497,593
113 Elementary Programs									
100 Salaries	581,587	-	-	-	-	219,545	2,133,475	-	2,934,607
200 Employee Benefits	261,430	-	-	-	-	83,445	683,779	-	1,028,654
300 Purchased Services	486	-	-	-	-	-	84,849	-	85,335
400 Supplies and Materials	402,039	-	-	-	-	-	712,555	-	1,114,594
114 High School Programs									
100 Salaries	-	-	-	-	-	-	1,111,710	-	1,111,710
200 Employee Benefits	-	-	-	-	-	-	277,148	-	277,148
300 Purchased Services	-	-	-	-	-	-	250,344	-	250,344
400 Supplies and Materials	-	-	-	-	-	-	36,838	-	36,838
115 Career and Technology Education Programs									
100 Salaries	-	-	-	-	-	-	57,913	-	57,913
200 Employee Benefits	-	-	-	-	-	-	14,507	-	14,507
300 Purchased Services	-	-	-	18,439	-	-	-	-	18,439
400 Supplies and Materials	-	-	-	64,254	-	-	981	-	65,235
540 Capital Outlay	-	-	-	62,463	-	-	-	-	62,463
120 Exceptional Programs									
121 Educable Mentally Handicapped									
100 Salaries	-	230,628	-	-	-	-	86,360	-	316,988
200 Employee Benefits	-	111,846	-	-	-	-	32,119	-	143,965
122 Trainable Mentally Handicapped									
100 Salaries	-	149,073	-	-	-	-	-	-	149,073
200 Employee Benefits	-	66,558	-	-	-	-	-	-	66,558
300 Purchased Services	-	-	-	-	-	-	40,933	-	40,933
124 Visually Handicapped									
100 Salaries	-	-	-	-	-	-	173,985	-	173,985
200 Employee Benefits	-	-	-	-	-	-	76,873	-	76,873
400 Supplies and Materials	-	2,838	-	-	-	-	-	-	2,838
125 Hearing Handicapped									
100 Salaries	-	-	-	-	-	-	115,815	-	115,815
200 Employee Benefits	-	-	-	-	-	-	53,418	-	53,418

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

EXPENDITURES (CONTINUED)	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207/208)	Adult Education (243)	Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Student Activity Funds (700's)	Total
100 Instruction (Continued)									
120 Exceptional Programs									
126 Speech Handicapped									
100 Salaries	\$ -	\$ 147,802	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 147,802	
200 Employee Benefits	-	64,889	-	-	-	-	-	64,889	
300 Purchased Services	-	-	-	-	-	8,523	-	8,523	
127 Learning Disabilities									
100 Salaries	-	190,514	-	-	-	141,992	-	332,506	
200 Employee Benefits	-	79,774	-	-	-	52,578	-	132,352	
300 Purchased Services	-	-	-	-	-	5,934	-	5,934	
400 Supplies and Materials	-	38,236	-	-	-	9,857	-	48,093	
128 Emotionally Handicapped									
100 Salaries	-	19,445	-	-	-	-	-	19,445	
200 Employee Benefits	-	11,181	-	-	-	-	-	11,181	
130 Preschool Programs									
137 Preschool Handicapped Self-Contained (3 & 4 yr. olds)									
100 Salaries	-	-	43,862	-	-	-	-	43,862	
200 Employee Benefits	-	-	25,126	-	-	-	-	25,126	
140 Special Programs									
142 Disadvantaged									
400 Supplies and Materials	9,854	-	-	-	-	14,619	-	24,473	
145 Homebound									
147 CERDEP									
100 Salaries	-	-	-	-	19,669	403,988	-	423,657	
200 Employee Benefits	-	-	-	-	6,174	217,012	-	223,186	
149 Other Special Programs									
100 Salaries	-	23,056	-	-	-	-	-	23,056	
200 Employee Benefits	-	5,034	-	-	-	-	-	5,034	
160 Other Exceptional Programs									
161 Autism									
100 Salaries	-	191,539	-	-	-	-	-	191,539	
200 Employee Benefits	-	104,196	-	-	-	-	-	104,196	
400 Supplies and Materials	-	1,062	-	-	-	-	-	1,062	

Other

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Student Activity Funds (700's)	Total
EXPENDITURES (CONTINUED)									
100 Instruction (Continued)									
170 Summer School Programs									
171 Primary Summer School									
100 Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 691,883	\$ -	\$ 691,883
200 Employee Benefits	-	-	-	-	-	-	191,329	-	191,329
400 Supplies and Materials	-	-	-	-	-	-	38,497	-	38,497
172 Elementary Summer School									
100 Salaries	-	-	-	-	-	-	193,640	-	193,640
200 Employee Benefits	-	-	-	-	-	-	47,609	-	47,609
173 High School Summer School									
100 Salaries	-	-	-	-	-	-	116,839	-	116,839
200 Employee Benefits	-	-	-	-	-	-	30,936	-	30,936
174 Gifted and Talented Summer School									
400 Supplies and Materials	-	-	-	-	-	-	1,603	-	1,603
175 Instructional Programs Beyond Regular School Day									
100 Salaries	-	-	-	-	-	-	394,862	-	394,862
200 Employee Benefits	-	-	-	-	-	-	101,217	-	101,217
300 Purchased Services	-	-	-	-	-	-	6,426	-	6,426
400 Supplies and Materials	1,251	-	-	-	-	-	9,107	-	10,358
180 Adult/Continuing Educational Programs									
181 Adult Basic Education Programs									
100 Salaries	-	-	-	-	40,000	-	-	-	40,000
200 Employee Benefits	-	-	-	-	10,047	-	-	-	10,047
300 Purchased Services	-	-	-	-	2,529	-	-	-	2,529
400 Supplies and Materials	-	-	-	-	3,937	-	-	-	3,937
182 Adult Secondary Education Programs									
100 Salaries	-	-	-	-	60,000	-	-	-	60,000
200 Employee Benefits	-	-	-	-	18,508	-	-	-	18,508
300 Purchased Services	-	-	-	-	4,600	-	-	-	4,600
400 Supplies and Materials	-	-	-	-	10,465	2,194	-	-	12,659
188 Parenting/Family Literacy									
100 Salaries	216,222	-	-	-	-	-	-	-	216,222
200 Employee Benefits	101,871	-	-	-	-	-	-	-	101,871
300 Purchased Services	3,156	-	-	-	-	-	-	-	3,156
400 Supplies and Materials	84,998	-	-	-	-	-	4,241	-	89,239
Total Instruction	2,458,228	1,437,671	68,988	145,156	150,086	985,149	11,295,808	-	16,541,086

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – SPECIALREVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Student Activity Funds (700's)	Total
EXPENDITURES (CONTINUED)									
200 Support Services									
210 Pupil Services									
211 Attendance and Social Work Services									
100 Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,333	\$ -	\$ 8,333
200 Employee Benefits	-	-	-	-	-	-	3,174	-	3,174
212 Guidance Services									
100 Salaries	-	-	-	54,333	-	-	56,430	-	110,763
200 Employee Benefits	-	-	-	24,255	-	-	29,777	-	54,032
213 Health Services									
100 Salaries	-	40,924	-	-	-	225,901	309,381	-	576,206
200 Employee Benefits	-	5,977	-	-	-	104,912	167,464	-	278,353
300 Purchased Services	-	-	-	-	-	-	521,915	-	521,915
400 Supplies and Materials	-	-	-	-	-	-	2,426	-	2,426
214 Psychological Services									
100 Salaries	-	311,058	-	-	-	-	-	-	311,058
200 Employee Benefits	-	118,907	-	-	-	-	-	-	118,907
300 Purchased Services	-	-	-	-	-	-	10,912	-	10,912
400 Supplies and Materials	-	7,854	-	-	-	-	1,390	-	9,244
217 Career Specialist Services									
100 Salaries	-	-	-	-	-	285,710	209,300	-	495,010
200 Employee Benefits	-	-	-	-	-	137,376	85,834	-	223,210
220 Instructional Staff Services									
221 Improvement of Instruction - Curriculum Development									
100 Salaries	886,131	-	-	-	-	-	205,718	-	1,091,849
200 Employee Benefits	373,508	-	-	-	-	-	94,618	-	468,126
300 Purchased Services	75,656	-	-	23,650	-	-	166,578	-	265,884
400 Supplies and Materials	38,520	-	-	-	-	-	33,827	-	72,347
222 Library and Media Services									
100 Salaries	-	-	-	-	-	-	61,358	-	61,358
200 Employee Benefits	-	-	-	-	-	-	21,727	-	21,727
223 Supervision of Special Programs									
100 Salaries	152,732	342,391	21,431	6,336	-	-	147,417	-	670,307
200 Employee Benefits	67,670	151,712	7,926	3,503	-	-	75,904	-	306,715
300 Purchased Services	1,860	18,368	1	-	800	-	25,922	-	46,951
400 Supplies and Materials	5,923	32,484	-	-	860	-	9,310	-	48,577
224 Improvement of Instruction - Inservice and Staff Training									
100 Salaries	-	-	-	-	-	-	17,571	-	17,571
200 Employee Benefits	5	-	-	-	-	-	3,312	-	3,317
300 Purchased Services	107,739	-	-	-	-	-	1,058,480	-	1,166,219
400 Supplies and Materials	-	-	-	-	-	-	17,463	-	17,463
230 General Administration Services									
232 Office of Superintendent									
100 Salaries	-	-	-	-	-	-	78,978	-	78,978
200 Employee Benefits	-	-	-	-	-	-	27,356	-	27,356
300 Purchased Services	-	-	-	-	-	-	53,000	-	53,000
400 Supplies and Materials	-	-	-	-	-	-	75,487	-	75,487

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – SPECIALREVENUE FUND
YEAR ENDED JUNE 30, 2022**

EXPENDITURES (CONTINUED)	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207/208)	Adult Education (243)	Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Student Activity Funds (700's)	Total
200 Support Services (Continued)									
233 School Administration									
100 Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 366,468	\$ -	\$ 366,468
200 Employee Benefits	-	-	-	-	-	-	138,547	-	138,547
300 Purchased Services	-	-	-	-	-	-	7	-	7
400 Supplies & Materials	-	-	-	-	-	-	44,797	-	44,797
250 Finance and Operations Services									
251 Student Transportation (Federal/District Mandated):									
100 Salaries	-	-	-	-	-	-	200,425	-	200,425
200 Employee Benefits	-	-	-	-	-	-	59,376	-	59,376
300 Purchased Services	-	-	-	-	-	-	169,343	-	169,343
252 Fiscal Services									
100 Salaries	-	-	-	-	-	-	35,121	-	35,121
200 Employee Benefits	-	-	-	-	-	-	11,005	-	11,005
300 Purchased Services	-	-	-	-	-	-	27,826	-	27,826
253 Facilities Acquisition and Construction									
520 Capital Outlay	-	-	-	-	-	-	206,975	-	206,975
254 Operation and Maintenance of Plant									
100 Salaries	-	-	-	-	-	-	70,680	-	70,680
200 Employee Benefits	-	-	-	-	-	-	15,970	-	15,970
300 Purchased Services	-	-	-	-	-	-	220	-	220
400 Supplies and Materials	-	-	-	-	-	-	901,917	-	901,917
255 Pupil Transportation (State Mandated)									
100 Salaries	-	-	-	-	-	-	234,556	-	234,556
200 Employee Benefits	-	-	-	-	-	-	32,839	-	32,839
300 Purchased Services	-	-	-	-	-	-	10,730	-	10,730
256 Food Services									
100 Salaries	-	-	-	-	-	-	196,342	-	196,342
200 Employee Benefits	-	-	-	-	-	-	59,800	-	59,800
400 Supplies and Materials	-	-	-	-	-	-	39,943	-	39,943
258 Security:									
300 Purchased Services	-	-	-	-	-	-	38,262	-	38,262
400 Supplies and Materials	-	-	-	-	-	-	47,597	-	47,597
260 Central Support Services									
264 Staff Services									
100 Salaries	-	-	-	-	-	-	15,840	-	15,840
200 Employee Benefits	-	-	-	-	-	-	4,933	-	4,933
400 Supplies and Materials	-	-	-	-	-	-	24,347	-	24,347
266 Technology and Data Processing Services									
300 Purchased Services	-	-	-	-	-	-	958,223	-	958,223
400 Supplies and Materials	-	-	-	-	-	-	3,610,049	-	3,610,049

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207/208)	Adult Education (243)	Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Student Activity Funds (700's)	Total
EXPENDITURES (CONTINUED)									
200 Support Services (Continued)									
270 Support Services - Pupil Activity									
271 Pupil Service Activities									
100 Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,497	\$ -	\$ 3,497
200 Employee Benefits	-	-	-	-	-	-	973	-	973
600 Other Objects	-	-	-	-	-	-	4,613	-	4,613
660 Pupil Activity	-	-	-	-	-	-	-	942,583	942,583
272 Enterprise Activities									
660 Pupil Activity	-	-	-	-	-	-	-	773,427	773,427
273 Trust and Agency Activities									
660 Pupil Activity	-	-	-	-	-	-	-	252,952	252,952
Total Support Services	<u>1,709,744</u>	<u>1,029,675</u>	<u>29,358</u>	<u>112,077</u>	<u>1,660</u>	<u>753,899</u>	<u>11,111,583</u>	<u>1,968,962</u>	<u>16,716,958</u>
410 Intergovernmental									
411 Payments to South Carolina Department of Education									
720 Transits	-	-	-	-	-	-	86,455	-	86,455
412 Payments to Other Governmental Units									
720 Transits	-	-	-	-	-	-	3,827,286	-	3,827,286
419 Payments to PEBA Nonemployer Contributions									
720 Transits	-	-	-	-	-	13,422	-	-	13,422
Total Intergovernmental Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,422</u>	<u>3,913,741</u>	<u>-</u>	<u>3,927,163</u>
TOTAL EXPENDITURES	<u>4,167,972</u>	<u>2,467,346</u>	<u>98,346</u>	<u>257,233</u>	<u>151,746</u>	<u>1,752,470</u>	<u>26,321,132</u>	<u>1,968,962</u>	<u>37,185,207</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES									
	<u>444,004</u>	<u>260,972</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,975,065</u>	<u>(106,684)</u>	<u>2,573,357</u>
OTHER FINANCING SOURCES (USES)									
Transfers from (to) other funds									
	-	-	-	-	-	-	-	359,083	359,083
431.791 Special Revenue Fund Indirect Costs	<u>(444,004)</u>	<u>(260,972)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,909,492)</u>	<u>-</u>	<u>(2,614,468)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(444,004)</u>	<u>(260,972)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,909,492)</u>	<u>359,083</u>	<u>(2,255,385)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES									
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,573</u>	<u>252,399</u>	<u>317,972</u>
FUND BALANCE									
July 1, 2021									
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,047,522</u>	<u>1,202,424</u>	<u>4,249,946</u>
June 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,113,095</u>	<u>\$ 1,454,823</u>	<u>\$ 4,567,918</u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
NOTES TO COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2022**

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

243 Federal Adult Education

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

919	Education License Plates	936	Student Health and Fitness - Nurses
924	Child Early Reading Development and Education	937	Student Health and Fitness - PE Teachers
928	EEDA Career Specialists	956	Adult Education
935	Reading Coaches	994	PEBA Nonemployer Contributions

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

210	Title IV - SSAE	814	Hartsville Middle School Grants
217	CRF Pupil Funding	815	12-Month Ag Clemson Univ Grant
218	ESSER III	816	Lamar-Spaulling Elementary Grants
221	Title I Neglected & Delinquent	817	DCEF/Sonoco Grants WHE Grants
224	Nota M. Lowery 21st Century Community Learning Centers	818	Southside Early Childhood Center Grants
225	ESSER II	819	TEACH Foundation Grants
230	IDEA/ARP	820	Summer Reading
232	Mckinney-Vento Homeless ED Pilot program	822	Art Summer
237	Title I Targeted Support & Improvement	823	Darlington Middle School Grants
239	Title I Comprehensive Support and Improvement	824	REMS Grants
243	Federal Adult Education 243	828	DCVA Grants
264	Language Instruction for Limited English Proficient and	834	Administrative Claiming
267	Supporting Effective Instruction	836	COPS Grant
269	ROTC	837	District Office Grants
280	Workforce Investment Act	838	HHS Grants
284	Jobs for SC Grads	855	Florence Darlington Technical College
801	Spaulding Middle School Grants	859	Transportation Special Needs
802	Local Fund	866	Project Share
804	DHS Grants	868	Adult Banquet
805	United Way for Spec Ed	870	District Buses Extra Curricular
806	St John's Elementary Grants	879	Erate Funding
807	MHS Grants	890	Medicaid Federal
808	North Hartsville Elementary Grants	895	Breakfast After the Bell
809	CERRA Grant	896	Thornwell Grants Arts Grant
810	BDE Grants	898	Coker Foundation
811	School Pay-Clearing Acct	899	Prof Mental Disable
812	Gear-Up		

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
SUMMARY SCHEDULE FOR DESIGNATED RESTRICTED STATE GRANTS
YEAR ENDED JUNE 30, 2022**

<u>Subfund</u>	<u>Revenue</u>	<u>Programs</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Transfers In/(Out)</u>	<u>Unearned</u>
919	3193	Education License Plates	\$ 4,039	\$ 4,039	\$ -	\$ -
924	3134	Child Early Reading Development and Education Program (CERDEP) - Full Day 4K	10,000	10,000	-	2,849
924	3143	GEER CDEP Summer Reading Program	15,843	15,843	-	-
928	3118	EEDA Career Specialists	423,086	423,086	-	274,834
935	3135	Reading Coaches	888,343	888,344	-	345,499
936	3136	Student Health and Fitness - Nurses	330,813	330,813	-	19,929
937	3127	Student Health and Fitness - PE Teachers	64,729	64,729	-	336
956	3156	Adult Education	2,194	2,194	-	11,835
994	3994	PEBA Nonemployer Contributions	13,423	13,422	-	-
			<u>\$ 1,752,470</u>	<u>\$ 1,752,470</u>	<u>\$ -</u>	<u>\$ 655,282</u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
EDUCATION IMPROVEMENT ACT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – ALL PROGRAMS
YEAR ENDED JUNE 30, 2022**

REVENUES

3000 Revenue from State Sources

3500 Education Improvement Act

3502 ADEPT	\$	17,038
3509 Arts in Education		21,046
3518 Adoption List of Formative Assessment		109,045
3519 Grade 10 Assessments		69,299
3526 Refurbishment of Science Kits		53,615
3528 Industry Certifications/Credentials		74,063
3529 Career and Technology Education		130,431
3532 National Board Salary Supplement (No Carryover Provision)		244,613
3533 Teacher of the Year Awards		1,077
3536		92,649
3538 Students At Risk of School Failure		1,313,373
3541 Child Early Reading Development and Education Program (CERDEP) - Full Day 4K		994,501
3550 Teacher Salary Increase (No Carryover Provision)		2,274,035
3555 Teacher Salary Fringe (No Carryover Provision)		546,252
3556 Adult Education		355,044
3557 Summer Reading Program		103,643
3571 CSI and Priority Schools		76,012
3577 Teacher Supplies (No Carryover Provision)		217,800
3595 EEDA - Supplies and Materials		33,130
3597 Aid to Districts		439,241
3599 Other EIA		19,485

		7,185,392
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TOTAL REVENUES		7,185,392
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(Continued)

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
EDUCATION IMPROVEMENT ACT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – ALL PROGRAMS
(CONTINUED)
YEAR ENDED JUNE 30, 2022**

EXPENDITURES

100 Instruction		
110 General Instruction		
111 Kindergarten Programs		
100 Salaries	\$	16,000
200 Employee Benefits		4,575
112 Primary Programs		
100 Salaries		143,794
200 Employee Benefits		60,699
300 Purchased Services		300
400 Supplies and Materials		35,496
113 Elementary Programs		
100 Salaries		240,549
200 Employee Benefits		101,196
300 Purchased Services		8,232
400 Supplies and Materials		45,632
114 High School Programs		
100 Salaries		530,117
200 Employee Benefits		78,912
300 Purchased Services		37,977
400 Supplies and Materials		444,071
115 Career and Technology Education Programs		
300 Purchased Services		4,913
400 Supplies and Materials		174,405
540 Capital Outlay		25,176
120 Exceptional Programs		
121 Educatable Mentally Handicapped		
100 Salaries		735
200 Employee Benefits		64
124 Visually Handicapped		
100 Salaries		7,500
200 Employee Benefits		2,358
127 Learning Disabilities		
140 Special Programs		
147 CERDEP		
100 Salaries		662,532
200 Employee Benefits		322,872
300 Purchased Services		104
400 Supplies and Materials		8,993
170 Summer School Program		
171 Primary Summer School		
100 Salaries		7,970
200 Employee Benefits		2,129
300 Purchased Services		16,220
400 Supplies and Materials		64,816

(Continued)

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
EDUCATION IMPROVEMENT ACT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – ALL PROGRAMS
(CONTINUED)
YEAR ENDED JUNE 30, 2022**

EXPENDITURES (CONTINUED)

100 Instruction (Continued)		
180 Adult/Continuing Educational Programs		
181 Adult Basic Education Programs		
100 Salaries	112,375	
200 Employee Benefits	47,545	
400 Supplies and Materials	6,750	
182 Adult Secondary Education Programs		
100 Salaries	55,000	
200 Employee Benefits	16,814	
300 Purchased Services	4,414	
400 Supplies and Materials	10,125	
Total Instruction		3,301,360
200 Support Services		
210 Pupil Services		
211 Attendance and Social Work Services		
100 Salaries	31,667	
200 Employee Benefits	18,074	
212 Guidance Services		
300 Purchased Services	22,279	
400 Supplies and Materials	10,851	
213 Nursing Services		
100 Salaries	69,538	
200 Employee Benefits	23,111	
220 Instructional Staff Services		
221 Improvement of Instruction Curriculum Development		
100 Salaries	128,338	
200 Employee Benefits	55,966	
300 Purchased Services	5,905	
400 Supplies and Materials	-	
600 Other Objects		
223 Supervision of Special Programs		
100 Salaries	144,451	
200 Employee Benefits	58,208	
300 Purchased Services	1,501	
224 Improvement of Instruction Inservice and Staff Training		
300 Purchased Services	37,345	
400 Supplies and Materials	12,967	

(Continued)

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
EDUCATION IMPROVEMENT ACT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – ALL PROGRAMS
(CONTINUED)
YEAR ENDED JUNE 30, 2022**

EXPENDITURES (CONTINUED)	
200 Support Services (Continued)	
230 General Administration Services	
233 School Administration	
100 Salaries	132,181
200 Employee Benefits	49,458
300 Purchased Services	49,702
250 Finance and Operations Services	
251 Student Transportation	
100 Salaries	5,082
200 Employee Benefits	1,576
258 Security	
100 Salaries	32,759
200 Employee Benefits	15,344
260 Central Support Services	
264 Staff Services	
300 Purchased Services	4,246
260 Central Support Services	
266 Technology and Data Processing Services	
300 Purchased Services	110,045
400 Supplies and Materials	43,151
Total Support Services	<u>1,063,745</u>
TOTAL EXPENDITURES	<u>4,365,105</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>2,820,287</u>
OTHER FINANCING USES	
Transfers from (to) Other Funds	
420.710 Transfer to General Fund (Excludes Indirect Costs)	(2,820,287)
TOTAL OTHER FINANCING USES	<u>(2,820,287)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	-
FUND BALANCE	
July 1, 2021	<u>-</u>
June 30, 2022	<u><u>\$ -</u></u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
EDUCATION IMPROVEMENT ACT FUND
SUMMARY SCHEDULE BY PROGRAM
YEAR ENDED JUNE 30, 2022**

PROGRAM	Revenues	Expenditures	EIA Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	EIA Fund Unearned
3500 Education Improvement Act					
3502 ADEPT	\$ 17,038	\$ 17,038	\$ -	\$ -	\$ 18,485
3509 Arts in Education	21,046	21,046	-	-	-
3518 Adoption List of Formative Assessment	109,045	109,045	-	-	-
3519 Grade 10 Assessments	69,299	69,299	-	-	-
3526 Refurbishment of Science Kits	53,615	53,615	-	-	1,827
3528 Industry Certifications/Credentials	74,063	74,063	-	-	49,042
3529 Career and Technology Education	130,431	130,431	-	-	157,442
3532 National Board Salary Supplement (No Carryover Provision)	244,613	244,613	-	-	-
3533 Teacher of the Year Awards	1,077	1,077	-	-	-
3536 Health and Fitness Nurse	92,649	92,649	-	-	-
3538 Students At Risk of School Failure	1,313,373	1,313,373	-	-	283,610
3541 Child Early Reading Development and Education Program (CERDEP) - Full Day 4K	994,501	994,501	-	-	128,343
3550 Teacher Salary Increase (No Carryover Provision)	2,274,035	-	-	(2,274,035)	-
3555 Teacher Salary Fringe (No Carryover Provision)	546,252	-	-	(546,252)	-
3556 Adult Education	355,044	355,044	-	-	9,450
3557 Summer Reading Program	103,643	103,643	-	-	148,616
3571 CSI and Priority Schools	76,012	76,012	-	-	136,000
3577 Teacher Supplies (No Carryover Provision)	217,800	217,800	-	-	-
3595 EEDA - Supplies and Materials	33,130	33,130	-	-	14,628
3597 Aid to Districts	439,241	439,241	-	-	412,209
3599 Other EIA	19,485	19,485	-	-	-
TOTALS	<u>\$ 7,185,392</u>	<u>\$ 4,365,105</u>	<u>\$ -</u>	<u>\$ (2,820,287)</u>	<u>\$ 1,359,652</u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SCHOOL BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2022**

REVENUES	
1000 Revenue from Local Sources	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 111,806
Total Local Sources	<u>111,806</u>
TOTAL REVENUES	<u><u>111,806</u></u>
EXPENDITURES	
200 Support Services	
250 Finance and Operations Services	
253 Facilities Acquisition & Construction	
100 Salaries	
300 Purchased Services	31,962
510 Construction Services	1,607,300
500 Capital Outlay	
510 Land	-
520 Construction Services	1,649,525
525 Buildings	29,703
530 Improvements Other Than Buildings	588,938
545 Technology Equipment	3,790
550 Vehicles	141,958
600 Administrative	56,500
254 Operation and Maintenance of Plant	
300 Purchased Services	240,413
400 Supplies and Materials	400,996
520 Capital Outlay	25,888
530 Improvements Other Than Buildings	878,301
540 Equipment	285,925
260 Central Support Services	
266 Technology and Data Processings Services	
300 Purchased Services	8,577
400 Supplies and Materials	1,026,407
500 Capital Outlay	
270 Pupil Service Activities	
271 Pupil Services Activities	
400 Supplies and Materials	52,518
Total Support Services	<u>7,028,701</u>
500 Debt Service	
620 Interest	<u>6,483</u>
Total Debt Service	<u>6,483</u>
TOTAL EXPENDITURES	<u><u>7,035,184</u></u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u><u>(6,923,378)</u></u>
OTHER FINANCING SOURCES (USES)	
5310 Real Property Sales	131,082
5400 Proceeds on General Obligation Bonds	9,000,000
Interfund Transfers, From (To) Other Funds	
5210 Transfers from General Fund (Excludes Indirect Costs)	<u>675,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u><u>9,806,082</u></u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>2,882,704</u>
FUND BALANCE	
July 1, 2021	<u>38,142,314</u>
June 30, 2022	<u><u>\$41,025,018</u></u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2022**

REVENUES

1000 Revenues from Local Sources	
1100 Taxes	
1110 Ad Valorem Taxes - Including Delinquent	\$ 8,298,365
1140 Penalties and Interest on Taxes (Independent)	35,512
1200 Revenue from Local Governmental Units other than LEA	
1280 Revenue in Lieu of Taxes	450,946
1500 Earnings on Investments	
1510 Interest on Investments	17,771
1900 Revenue from Other Local Sources	
1999 Sales Tax Revenue	<u>8,040,054</u>
Total Local Sources	<u>16,842,648</u>
3000 Revenues from State Sources	
3800 State Revenue in Lieu of Taxes	
3820 Homestead Exemption	327,285
3830 Merchant's Inventory Tax	41,843
3890 Other State Property Tax Revenues	<u>79,344</u>
Total State Sources	<u>448,472</u>
TOTAL REVENUES	<u>17,291,120</u>

EXPENDITURES

500 Debt Service	
610 Redemption of Principal	12,295,000
620 Interest	<u>2,127,426</u>
TOTAL EXPENDITURES	<u>14,422,426</u>

EXCESS OF REVENUES AND OTHER FINANCING SOURCES
OVER EXPENDITURES

2,868,694

NET CHANGE IN FUND BALANCE

2,868,694

FUND BALANCE

July 1, 2021	<u>13,645,173</u>
June 30, 2022	<u><u>\$ 16,513,867</u></u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
PROPRIETARY FUND
SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION – FOOD SERVICE PROGRAM
YEAR ENDED JUNE 30, 2022**

REVENUES

1000 Revenues from Local Sources	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 215
1600 Food Service	
1610 Lunch Sales to Pupils	991
1630 Special Sales to Pupils	3,174
1640 Lunch Sales to Adults	108,377
1650 Breakfast Sales to Adults	392
1660 Special Sales to Adults	7,741
1900 Other Revenues from Local Sources	
1999 Revenue from Other Local Sources	1,718
Total Local Sources	<u>122,608</u>
4000 Revenues from Federal Sources	
4800 USDA Reimbursement	
4810 School Lunch and After School Snack Program, and Special Milk Program	5,451,361
4830 School Breakfast program	2,474,551
4860 Fresh Fruit & Vegetable Program	252,210
4971 SF CARES	298,833
4900 Other Federal Sources	
4999 USDA Commodities	348,958
Total Federal Sources	<u>8,825,913</u>
Total Revenues all Sources	<u>8,948,521</u>

OPERATING EXPENSES

200 Support Services	
250 Finance and Operations	
254 Maintenance	
100 Salaries	
256 Food Service	
100 Salaries	2,159,097
200 Support Services	4,326
300 Purchased Services (Exclude Energy Costs)	61,139
400 Supplies and Materials (Include Energy Costs)	4,212,767
500 Capital Outlay	
570 Depreciation	113,390
600 Other Objects	38,842
Total Operating Expenses	<u>6,589,561</u>

OPERATING INCOME (LOSS) 2,358,960

OTHER FINANCING SOURCES (USES)

Transfers from (to) Other Funds	
432.791 Food Service Fund Indirect Costs	(240,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(240,000)</u>

EXCESS OF REVENUES AND OTHER FINANCING SOURCES
OVER EXPENSES AND OTHER FINANCING USES 2,118,960

NET POSITION

July 1, 2021	<u>1,431,702</u>
June 30, 2022	<u>\$ 3,550,662</u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/
FEDERAL GOVERNMENT
JUNE 30, 2022**

<u>Program</u>	<u>Grant or Project Number</u>	<u>Revenue & Subfund Codes</u>	<u>Description</u>	<u>Amount Due to SDE/ Federal Government</u>	<u>Status of amounts Due to Grantor</u>
ESSER III	H63010497523	4974/218	Accrual Payroll Posting Error with Fringes	\$ 3,357.76	Unpaid
ESSER II	H63010497522	4977/225	Accrual Payroll Posting Error with Fringes	62,221.00	Unpaid
Summer Reading Camp	H6303557A	3557/357	Funds were not expended by the deadline	34,482.45	Unpaid
Comprehensive Support and Improvement Schools (CSI)	N/A	3571/371	Funds were not expended by the deadline	<u>28,861.04</u>	Unpaid
				<u>\$ 128,922.25</u>	

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
LOCATION RECONCILIATION SCHEDULE
YEAR ENDED JUNE 30, 2022**

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
04	Hartsville Middle	Middle School	School	\$ 8,913,676
05	Hartsville High	High School	School	13,378,767
06	Lamar High	High School	School	4,487,795
10	Spaulding Middle	Middle School	School	2,813,395
13	Brockington	Elementary School	School	3,665,987
15	Carolina Elementary	Elementary School	School	3,361,796
17	North Hartsville Elementary	Elementary School	School	5,750,629
18	Pate Elementary	Elementary School	School	4,207,020
20	Rosenwald Elementary/Middle	Elementary/Middle School	School	2,575,074
26	St. John's Elementary	Elementary School	School	6,375,642
27	Thornwell Elementary	Elementary School	School	3,641,412
30	Darlington High	High School	School	11,644,017
31	Darlington Middle	Middle School	School	9,013,243
32	Southside Early Childhood	Elementary School	School	4,387,034
33	Mayo Magnet	High School	School	3,750,879
34	J.L. Cain Elementary	Elementary School	School	5,702,887
35	Intervention School	Other (Alternative) School	School	1,042,387
36	Bay Road Elementary	Elementary School	School	5,080,094
37	Lamar-Spaulding Elementary	Elementary School	School	5,177,253
50	Superintendent	Non-School	Central	3,526,131
51	Operations	Non-School	Central	1,271,310
54	Curriculum & Instruction	Non-School	Central	1,660,752
55	Human Resources	Non-School	Central	2,597,870
56	Pupil Services	Non-School	Central	1,448,485
58	Transportation	Non-School	Central	4,016,616
59	Communications	Non-School	Central	404,341
60	Exceptional Education	Non-School	Central	2,184,347
62	Maintenance	Non-School	Central	2,684,130
63	Elementary Assistant Superintendent	Non-School	Central	3,885,279
64	Adult Education	Non-School	Central	1,143,753
65	Warehouse	Non-School	Central	234,657
66	Project Share	Non-School	Central	834,343
68	Food Service	Non-School	Central	865,642
69	Computer Services	Non-School	Central	8,812,019
72	Finance	Non-School	Central	24,707,185
91	Institute of Technology	Other (Career) School	School	2,775,546
92	Darlington County Virtual Academy	Other (Virtual) School	School	1,942,040
TOTAL EXPENDITURES FOR ALL FUNDS				\$ 169,963,433
	General Fund			\$ 100,365,950
	Special Revenue Fund			37,185,207
	Education Improvement Act Fund			4,365,105
	School Building Fund			7,035,184
	Debt Service Fund			14,422,426
	Food Service Fund			6,589,561
TOTAL EXPENDITURES FOR ALL FUNDS				\$ 169,963,433

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022**

LEA Subfund Code	Federal Grantor/ Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Agriculture				
Passed Through State Department of Education:				
Child Nutrition Cluster:				
600	National School Breakfast Program	10.553	N/A	\$ 2,474,551
600	National School Lunch Program - Cash Assistance	10.555	N/A	5,265,818
600	National School Lunch Program - Supply Chain Assistance Funding		N/A	185,542
600	Non-Cash Assistance (Commodities)	10.555	N/A	348,958
		Total 10.555		5,800,318
	Total Child Nutrition Cluster			8,274,869
603	Fresh Fruit and Vegetable Program	10.582	N/A	252,210
	Total U.S. Department of Agriculture			8,527,079
U.S. Department of Labor				
WIOA Cluster				
Passed Through Pee Dee Regional Council of Governments:				
280	WIOA Youth Activities	17.259	0Y507E1	220,914
Passed Through S.C. Department of Employment and Workforce:				
284	Jobs for America's Graduates	17.259	20JAG105	55,731
	Total WIOA Cluster			276,645
	Total U.S. Department of Labor			276,645
U.S. Department of Education				
Passed Through State Department of Education:				
Title I:				
201	Title I	84.010A	20 Title I (202)	18,401
201	Title I	84.010A	21 Title I (202)	1,376,793
201	Title I	84.010A	22 Title I	3,216,782
221	Title I - Neglected and Delinquent	84.010A	21 Title I N&D	6,735
221	Title I - Neglected and Delinquent	84.010A	22 Title I N&D	1,060
237	Title I - Targeted Support and Improvement	84.010A	19 Title I TSI	1,443
237	Title I - Targeted Support and Improvement	84.010A	20 Title I TSI	29,139
237	Title I - Targeted Support and Improvement	84.010A	21 Title I TSI	36,674
237	Title I - Targeted Support and Improvement	84.010A	22 Title I TSI	2,961
239	Title I - Comprehensive Support and Improvement	84.010A	19 Title I CSI	52,679
239	Title I - Comprehensive Support and Improvement	84.010A	20 Title I CSI	101,791
239	Title I - Comprehensive Support and Improvement	84.010A	21 Title I CSI	148,608
239	Title I - Comprehensive Support and Improvement	84.010A	22 Title I CSI	14,151
		Total 84.010A		5,007,216
Special Education Cluster:				
203	IDEA	84.027	20 IDEA	96,154
203	IDEA	84.027	21 IDEA	125,292
203	IDEA	84.027	22IDEA	2,478,519
204	Extended School Year	84.027	22 IDEA ESY	28,353
		Total 84.027		2,728,318
230	IDEA/ARP	84.027X	22 IDEA/ARP	68,742
		Total 84.027X		68,742
205	IDEA - Preschool Handicapped	84.173A	21 IDEA Preschool	10,290
205	IDEA - Preschool Handicapped	84.173A	22 IDEA Preschool	88,055
		Total 84.173A		98,346
	Total Special Education Cluster			2,895,406

(Continued)

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022**

LEA Subfund Code	Federal Grantor/ Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	Pass-Through Grantor's Number	Expenditures
	Career and Technology Education:			
207	Vocational Education	84.048A	21 CTE	\$ 75,443
207	Vocational Education	84.048A	22 CTE	181,790
		Total 84.048A		<u>257,233</u>
	Adult Education:			
243	Adult Education	84.002	20 Adult Ed Reverted Funds	9,065
243	Adult Education	84.002	22 Adult Ed	142,344
243	Adult Education	84.002	22 Adult Ed Reverted Funds	337
		Total 84.002		<u>151,746</u>
	COVID-19 ESSER Funds			
225	COVID-19 ESSER II	84.425D	ESSER II	7,285,244
		Total 84.425D		<u>7,285,244</u>
	American Rescue Plan-ESSER			
218	ESSER III - ARP	84.425U	ESSER III	11,161,443
		Total 84.425U		<u>11,161,443</u>
	Title IV			
210	Title IV - Student Support and Academic Enrichment	84.424A	19 Title IV - SSAE	148
210	Title IV - Student Support and Academic Enrichment	84.424A	20 Title IV - SSAE	99,496
210	Title IV - Student Support and Academic Enrichment	84.424A	21 Title IV - SSAE	284,727
210	Title IV - Student Support and Academic Enrichment	84.424A	22 Title IV - SSAE	162,166
		Total 84.424A		<u>546,537</u>
	21st Century Community Learning			
224	21st Century Community Learning Centers	84.287C	22 21st CCLC	14,238
	Title III			
264	English Language Acquisition State Grants	84.365	20 Title III	10,739
264	English Language Acquisition State Grants	84.365	21 Title III	2,425
264	English Language Acquisition State Grants	84.365	22 Title III	1,476
		Total 84.365		<u>14,640</u>
	McKinney-Vento Homeless			
232	McKinney-Vento Homeless Education	84.196A	21 McKinney-Vento	14,619
		Total 84.196A		<u>14,619</u>
	Title II			
267	Improving Teacher Quality State Grants	84.367	19 Title II Carryover from Prior Yr	485
267	Improving Teacher Quality State Grants	84.367	21 Title II Carryover from Prior Yr	81,986
267	Improving Teacher Quality State Grants	84.367	22 Title II	504,902
		Total 84.367		<u>587,374</u>
	Total U.S. Department of Education			<u>27,935,697</u>
	U.S. Department of Defense			
	Direct Programs:			
269	JROTC	12.357	N/A	254,929
	Total U.S. Department of Defense			<u>254,929</u>
	Total Federal Assistance Expended			<u>\$ 36,994,349</u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022**

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the School District under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

2. Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, consistent with the measurement focus and accounting basis used by the School District for expenditures. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

3. Indirect Cost Rate

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

**GOVERNMENT AUDITING STANDARDS AND
SINGLE AUDIT REPORTS**

**Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

Board of Trustees
Darlington County School District
Darlington, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Darlington County School District (the School District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 6, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs as item 2022-01 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Webster Rogus LLP

Charleston, South Carolina
December 6, 2022

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

Board of Trustees
Darlington County School District
Darlington, South Carolina

Report on Compliance for Each Major Federal Program

We have audited Darlington County School District's (the School District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2022. 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.

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School District's compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material non-compliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of

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internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtaining an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance we identified during the audit. **Report on Internal Control over Compliance**

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing on internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Charleston, South Carolina
December 6, 2022

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

II. – Financial Statement Findings

Material Weakness

2022-01 Year-end closing procedures

Condition: Year-end closing procedures were not scheduled and, or performed on a timely basis in order to meet the regulatory reporting deadlines.

Criteria: Year-end closing procedures should be scheduled and performed allowing sufficient time for annual independent audit procedures, documentation and review thereof; and drafting of the financial statement reporting package and review thereof; in order to publish the financial statement reporting package to the South Carolina Department of Education on or before December, 1st, the reporting due date.

Effect: Failure to schedule and perform year-end closing procedures on a timely basis potentially exposes the Darlington County School District to future funding being withheld or delayed.

Recommendation: Year-end closing procedures should be itemized and scheduled to provide sufficient time for annual independent audit procedures, documentation and review thereof; in order to publish the financial statement reporting package to the South Carolina Department of Education on or before December 1st, the reporting due date.

To facilitate year-end closing, audit and financial statement reporting a timeline should be developed and communicated. The timeline should include:

- A planning meeting to communicate the timeline and expectations.
- Periodic status meetings to monitor adherence to the timeline.
- Exit conference to review the drafted financial statement reporting package with management.
- Delivery and presentation of the financial statement reporting package to the Board of Trustees.
- Publish the financial statement reporting package to the South Carolina Department of Education on or before December 1st, the reporting due date.

Views of Responsible Officials and Planned Corrective Actions:

Action Taken: We concur with the recommendations and have already taken action to address the deficiencies in our year end processes. As a part of a District-wide job description engagement that HIL Consultants was hired to conduct in late April of 2022, there was a complete review of the Finance Department and Human Resources Department, and organizational and staffing recommendations were made. Their recommendations included additional staffing and reorganization of job duties in Finance to make the work flow more manageable and the demanding compliance deadlines more attainable. The Chief Financial Officer discussed staffing needs with the Superintendent and the Board at the annual board retreat in mid-June. The Finance Department hired two new staff members at the end of August 2022 and began implementing the recommended changes. It is the goal of the Finance team to have best practices in place for monthly, quarterly, and annual processes by the end of the current fiscal year ended June 30, 2023.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2022**

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

None