

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

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

YEAR ENDED JUNE 30, 2021

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
YEAR ENDED JUNE 30, 2021**

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**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
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Independent Auditors' Report

Board of Trustees
Darlington County School District
Darlington, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the **Darlington County School District** (the School District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the School District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note II.J. to the financial statements, in 2021 the District adopted new accounting guidance, GASB Statement No. 84 *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedules of pension liabilities and contributions, and schedules of OPEB liabilities and contributions, on pages 3–10 and 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 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 purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) 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 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 1, 2021, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 School 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 School District's internal control over financial reporting and compliance.



Florence, South Carolina
December 1, 2021

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

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, 2021.

Please read it in conjunction with the District's basic financial statements which begin on page 11.

Financial Highlights

Darlington County School District Superintendent and Board of Education have exercised a conservative approach to budgeting and expenditures. After the non-spendable, restricted, committed, and assigned fund balance, there is \$34,849,456 in unassigned general fund balance at June 30, 2021. 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, 2021, yields at least three months balance of operating expenditures based on monthly average expenditures of the current fiscal year. The District's general fund balance decreased by \$7,671,121 as a result of Board approved transfers to capital projects.

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.

Our focus will continue to be sustainable educational programs that focus on student achievement gains and the purposeful investment in the maintenance of the various subsystems which directly support the instructional process. The pandemic that we found ourselves facing in March of 2020 forced us to work with unprecedented challenges that have made us reassess everything about the way we operate. As a District we have responded positively and continue to work daily to improve the processes used to 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 11 and 12) provide information about the activities of the District as a whole and present a longer-term view of their finances. Fund financial statements start on page 13. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of student groups.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Reporting the District as a Whole

Government-wide Financial Statements

Our analysis of the District as a whole begins on page 5. 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 7. The fund financial statements begin on page 13 and provide detailed information about the most significant funds – not the District as a whole. Most funds are required to be established by the South Carolina State Department of Education. Other funds are established by the District to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The District's two kinds of funds – governmental and proprietary – use different accounting approaches.

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

- 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>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current & other assets	\$ 110,727	\$ 100,139	\$ 525	\$ 1,077	\$ 111,252	\$ 101,216
Capital assets	169,366	164,985	907	1,027	170,273	166,012
Total assets	<u>280,093</u>	<u>265,124</u>	<u>1,432</u>	<u>2,104</u>	<u>281,525</u>	<u>267,228</u>
Deferred outflows	<u>48,951</u>	<u>25,127</u>	<u>-</u>	<u>-</u>	<u>48,951</u>	<u>25,127</u>
Current liabilities	22,330	20,900	1	1	22,331	20,901
Long term liabilities	<u>316,465</u>	<u>284,635</u>	<u>-</u>	<u>-</u>	<u>316,465</u>	<u>284,635</u>
Total liabilities	<u>338,795</u>	<u>305,535</u>	<u>1</u>	<u>1</u>	<u>338,796</u>	<u>305,536</u>
Deferred inflows	<u>13,712</u>	<u>17,686</u>	<u>-</u>	<u>-</u>	<u>13,712</u>	<u>17,686</u>
Net Position:						
Net investment in capital assets	118,741	127,201	907	1,026	119,648	128,227
Restricted	14,265	32,057	-	-	14,265	32,057
Unrestricted	<u>(156,469)</u>	<u>(192,228)</u>	<u>525</u>	<u>1,077</u>	<u>(155,944)</u>	<u>(191,151)</u>
Total Net Position	<u>\$ (23,463)</u>	<u>\$ (32,970)</u> *	<u>\$ 1,432</u>	<u>\$ 2,103</u>	<u>\$ (22,031)</u>	<u>\$ (30,867)</u>

* Current and other assets and prior year Net Position were restated in the prior year for the effect of reclassification of \$1,176,899 in Pupil Activities Funds to the Special Projects Fund due to the implementation of GASB Statement No. 84 *Fiduciary Activities*. See Note II.J. to the financial statements for further information.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenue:						
Charges for services	\$ 1,188	\$ 170	\$ 35	\$ 145	\$ 1,223	\$ 315
Operating grants	69,602	69,241	4,741	5,898	74,343	75,139
Capital grants	49	339	-	-	49	339
General revenues:						
Property taxes	69,356	57,286	-	-	69,356	57,286
Sales taxes	7,539	6,717	-	-	7,539	6,717
State aid	59	31	-	-	59	31
Other general revenue	159	1,637	1	1	160	1,638
Total Revenue	<u>147,952</u>	<u>135,420</u>	<u>4,777</u>	<u>6,044</u>	<u>152,729</u>	<u>141,464</u>
Program expenses:						
Instruction	77,854	72,364	-	-	77,854	72,364
Support services	56,276	53,139	-	-	56,276	53,139
Community services	-	34	-	-	-	34
Intergovernmental	3,599	4,286	-	-	3,599	4,286
Interest on long term debt	1,547	1,661	-	-	1,547	1,661
Unallocated depreciation	540	518	-	-	540	518
Food service	-	-	5,252	6,121	5,252	6,121
Total Expenses	<u>139,817</u>	<u>132,002</u>	<u>5,252</u>	<u>6,121</u>	<u>145,070</u>	<u>138,123</u>
Excess before transfers	8,135	3,418	(476)	(77)	7,659	3,341
Transfers	195	195	(195)	(195)	-	-
Increase in net position	<u>\$ 8,330</u>	<u>\$ 3,613</u>	<u>\$ (671)</u>	<u>\$ (272)</u>	<u>\$ 7,659</u>	<u>\$ 3,341</u>

Total revenues increased by 8% from the prior year. Program expenses increased 5.2% above last year. Total net position increased by \$7,658,030 in 2021 and by \$3,341,633 in 2020.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Governmental Activities

The net position of the District's governmental activities increased by \$8,329,763, largely as a result of changes in net pension and OPEB obligations, as well as by the recharacterization of pupil activities as special revenue funds due to the implementation of GASB Statement No. 84, which increased charges for services by \$1,015,803 in the current year.

Business-Type Activities

The District's business-type activity is its food service operation. The United States Department of Agriculture reimburses the District under its child nutrition and agricultural commodity sharing programs which provides a significant portion of its revenue. Very little of the revenue is generated through direct charges to users of the food service. Since the federal government sets USDA reimbursements, the ability of food service to operate in the black is a function of operational efficiency. During the year, food service's total net position decreased by \$671,733, which is primarily due to excess costs incurred during the pandemic.

Financial Analysis of Governmental Funds

The District's governmental funds (as presented on the balance sheet beginning on page 13) reported a combined fund balance of \$91,122,767 which increased by \$8,708,887 compared to last year's total of \$82,413,880. The schedule below illustrates the fund balance and total change in fund balance as of June 30, 2021.

	Fund Balance June 30, 2021	Fund Balance June 30, 2020 *	Increase (Decrease)
General	\$ 35,085,334	\$ 42,756,455	\$ (7,671,121)
Special Projects	4,249,946	3,678,486	571,460
School Building	38,142,314	25,523,325	12,618,989
Debt Service	13,645,173	10,455,614	3,189,559
Total	\$ 91,122,767	\$ 82,413,880	\$ 8,708,887

* As restated for the inclusion of Pupil Activities Funds in the Special Projects Fund due to the implementation of GASB Statement No. 84 *Fiduciary Activities*. See Note II.J. to the financial statements for further information.

The District's combined fund balance increase is due primarily to the delay and postponement of additional major capital projects during the pandemic.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

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

	2021 Amount	2020 Amount	Percentage Change
Revenues			
Taxes	\$ 41,333,038	\$ 36,315,845	13.82%
Other local sources	282,149	625,449	-54.89%
State	56,023,158	55,563,918	0.83%
Federal	900	-	
Intergovernmental	41,506	128,496	-67.70%
	<u>\$ 97,680,751</u>	<u>\$ 92,633,708</u>	5.45%

	2021 Amount	2020 Amount	Percentage Change
Expenditures by object			
Salaries	\$ 57,588,265	\$ 56,720,505	1.53%
Fringe benefits	24,392,423	24,442,812	-0.21%
Purchased services	5,370,480	5,150,904	4.26%
Supplies and materials	4,805,158	4,630,813	3.76%
Capital outlay	201,834	308,476	-34.57%
Insurance & miscellaneous	930,642	1,256,989	-25.96%
Intergovernmental	344	2,044	-83.17%
	<u>\$ 93,289,145</u>	<u>\$ 92,512,542</u>	0.84%

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 \$776,603 or .84% over the prior year.

General fund revenue (including net transfers in and out of \$12,062,727) was less than expenditures during the fiscal year, resulting in a decrease to the general fund balance of \$7,671,121.

Other Funds

The Special Projects fund revenues were greater than expenditures (including net transfers in and out of \$1,018,439) during the fiscal year resulting in an increase of \$571,460 to fund balance. As a result of the implementation of GASB Statement No. 84 *Fiduciary Activities*, the Special Projects funds now include the Pupil Activities Funds that were previously reflected as an Agency Fund. Details for the Special Projects Funds are provided on pages 75-84.

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, 2021**

The School Building fund balance increased by \$12,618,989. This included transfers in from the general fund of \$15,683,688 for capital projects, transfers out to the debt service fund of \$673,978, the issuance of the annual General Obligation Bond in the amount of \$8,250,000 and capital and related expenditures of \$10,694,955. 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 fiscal years.

The Debt Service fund balance increased by \$3,189,559. 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 a decrease in net position of \$671,733 during 2021, compared to a decrease of \$271,866 in the prior year. Total revenues decreased by \$1,268,226 to \$4,775,648. Total expenses were \$5,252,381 for the current year which was a decrease of \$868,359 from the prior year. The pandemic has had a huge negative impact on our Food Service operations.

Budgetary Analysis

For the fiscal year ended June 30, 2021 the District chose to pass a continuing resolution due to the pandemic imposed by the Coronavirus and the unknown impact of the economy as a result of the state-wide closures.

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, 2021 the Board of Education approved a General Obligation Bond in the amount of \$8,250,000 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 seventeen open construction projects in progress at June 30, 2021 including a roofing project, capital repairs, a district wide video surveillance project and completion of the final components of the three new elementary school projects.

Debt

As indicated above, the funds from the issuance of the \$60,000,000 GO Bond in April of 2019 are being used to build three new elementary schools. That bond will be repaid from the proceeds of the one percent sales tax. The current year \$8,250,000 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, 2021**

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, 2021**

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash and cash equivalents	\$ 22,169,702	\$ 452,352	\$ 22,622,054
Cash and investments with County Treasurer	75,198,912	-	75,198,912
Investment funds in escrow with bond refunding agent	1,395,736	-	1,395,736
Due from other governmental units	9,251,953	335,088	9,587,041
Internal balances	366,397	(366,397)	-
Taxes receivable	1,484,533	-	1,484,533
Accounts receivable	623,990	-	623,990
Inventories	235,878	103,923	339,801
Capital assets not being depreciated	79,156,673	-	79,156,673
Capital assets, net of accumulated depreciation	90,209,088	907,306	91,116,394
TOTAL ASSETS	280,092,862	1,432,272	281,525,134
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension amounts	22,223,568	-	22,223,568
Deferred OPEB amounts	26,727,169	-	26,727,169
TOTAL DEFERRED OUTFLOWS OF RESOURCES	48,950,737	-	48,950,737
LIABILITIES			
Accounts payable	2,035,707	570	2,036,277
Accrued expenses	11,122,786	-	11,122,786
Unearned revenues	3,632,935	-	3,632,935
Due to other governmental units	100,726	-	100,726
Accrued interest payable	351,458	-	351,458
Noncurrent liabilities			
Due within one year	5,086,583	-	5,086,583
Due in more than one year	51,019,327	-	51,019,327
Net pension liability	142,435,322	-	142,435,322
Net OPEB liability	123,010,138	-	123,010,138
TOTAL LIABILITIES	338,794,982	570	338,795,552
DEFERRED INFLOWS OF RESOURCES			
Deferred pension amounts	3,047,524	-	3,047,524
Deferred OPEB amounts	10,664,525	-	10,664,525
TOTAL DEFERRED INFLOWS OF RESOURCES	13,712,049	-	13,712,049
NET POSITION			
Net investment in capital assets	118,740,761	907,306	119,648,067
Restricted for:			
Technical school	418,991	-	418,991
Grant requirements	2,115	-	2,115
Debt service	13,844,074	-	13,844,074
Unrestricted	(156,469,373)	524,396	(155,944,977)
TOTAL NET POSITION	\$ (23,463,432)	\$ 1,431,702	\$ (22,031,730)

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, 2021**

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	\$ 77,854,474	\$ 1,188,207	\$ 46,625,665	\$ 29,889	\$ (30,010,713)	\$ -	\$ (30,010,713)
Support services	56,276,258	-	22,976,295	19,200	(33,280,763)	-	(33,280,763)
Intergovernmental	3,599,064	-	-	-	(3,599,064)	-	(3,599,064)
Interest expense, net of deferred charges and premium amortization	1,547,053	-	-	-	(1,547,053)	-	(1,547,053)
Depreciation - unallocated *	540,425	-	-	-	(540,425)	-	(540,425)
Total governmental activities	<u>139,817,274</u>	<u>1,188,207</u>	<u>69,601,960</u>	<u>49,089</u>	<u>(68,978,018)</u>	<u>-</u>	<u>(68,978,018)</u>
Business-type activities							
Food services	5,252,381	34,714	4,740,861	-	-	(476,806)	(476,806)
Total business-type activities	<u>5,252,381</u>	<u>34,714</u>	<u>4,740,861</u>	<u>-</u>	<u>-</u>	<u>(476,806)</u>	<u>(476,806)</u>
Total primary government	<u>\$ 145,069,655</u>	<u>\$ 1,222,921</u>	<u>\$ 74,342,821</u>	<u>\$ 49,089</u>	<u>(68,978,018)</u>	<u>(476,806)</u>	<u>(69,454,824)</u>
General revenues:							
Property taxes levied for:							
General purposes					56,345,162	-	56,345,162
Florence-Darlington Technical College					3,690,445	-	3,690,445
Debt service					9,320,420	-	9,320,420
Sales taxes					7,539,254	-	7,539,254
Unrestricted revenue from use of money and property					158,867	73	158,940
Miscellaneous					58,633	-	58,633
Transfers					195,000	(195,000)	-
Total General Revenues and Transfers					<u>77,307,781</u>	<u>(194,927)</u>	<u>77,112,854</u>
Change in Net Position					8,329,763	(671,733)	7,658,030
Net Position							
July 1, 2020, as restated					<u>(31,793,195)</u>	<u>2,103,435</u>	<u>(29,689,760)</u>
June 30, 2021					<u>\$ (23,463,432)</u>	<u>\$ 1,431,702</u>	<u>\$ (22,031,730)</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, 2021**

	General Fund	Special Projects Fund	EIA Fund	School Building Fund	Debt Service Fund	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 10,724,456	\$ 1,202,438	\$ -	\$ -	\$ 10,242,808	\$ 22,169,702
Cash and investments with County Treasurer	35,453,348	425,232	-	35,911,234	3,409,098	75,198,912
Property taxes receivables, net of allowance	1,151,725	94,422	-	-	238,386	1,484,533
Other Receivables	278,737	345,253	-	-	-	623,990
Due from other governmental units						
SC DOE	118,790	-	-	-	-	118,790
Federal government	-	9,133,163	-	-	-	9,133,163
Due from other funds	8,468,704	4,326,449	1,344,811	2,595,928	406,068	17,141,960
Inventories	235,878	-	-	-	-	235,878
TOTAL ASSETS	<u>\$ 56,431,638</u>	<u>\$ 15,526,957</u>	<u>\$ 1,344,811</u>	<u>\$ 38,507,162</u>	<u>\$ 14,296,360</u>	<u>\$ 126,106,928</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 1,670,859	\$ -	\$ -	\$ 364,848	\$ -	\$ 2,035,707
Accrued liabilities	11,122,786	-	-	-	-	11,122,786
Due to other governmental units	-	66,843	-	-	-	66,843
Due to SC Department of Education	-	33,883	-	-	-	33,883
Due to other funds	7,513,881	8,809,396	-	-	452,286	16,775,563
Unearned revenues	-	2,288,124	1,344,811	-	-	3,632,935
TOTAL LIABILITIES	<u>20,307,526</u>	<u>11,198,246</u>	<u>1,344,811</u>	<u>364,848</u>	<u>452,286</u>	<u>33,667,717</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable property taxes	1,038,778	78,765	-	-	198,901	1,316,444
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,038,778</u>	<u>78,765</u>	<u>-</u>	<u>-</u>	<u>198,901</u>	<u>1,316,444</u>
FUND BALANCES						
Nonspendable	235,878	-	-	-	-	235,878
Restricted	-	340,226	-	-	13,645,173	13,985,399
Committed	-	2,659,525	-	38,142,314	-	40,801,839
Assigned	-	1,269,140	-	-	-	1,269,140
Unassigned	34,849,456	(18,945)	-	-	-	34,830,511
TOTAL FUND BALANCES	<u>35,085,334</u>	<u>4,249,946</u>	<u>-</u>	<u>38,142,314</u>	<u>13,645,173</u>	<u>91,122,767</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 56,431,638</u>	<u>\$ 15,526,957</u>	<u>\$ 1,344,811</u>	<u>\$ 38,507,162</u>	<u>\$ 14,296,360</u>	<u>\$ 126,106,928</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, 2021**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 91,122,767

Amounts reported for governmental activities in the Statement of Net Position are different because of the following:

Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available. 1,316,444

Cash in escrow with bond refunding agent is not a financial resource and, therefore, is not reported as an asset in governmental funds. It is reported as a restricted asset in the statement of net position. 1,395,736

Capital assets used for governmental activities are not financial resources and, therefore, are not reported in governmental funds. The cost of assets is \$326,058,418, and the accumulated depreciation is \$156,692,657. 169,365,761

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	\$ 9,165,629	
Differences between expected and actual experience	1,645,170	
Differences between actual and projected investment earnings	10,482,228	
Change in assumptions	176,377	
Changes in proportion and differences between actual and proportionate share of contributions	754,164	22,223,568

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	\$ 4,038,048	
Differences between expected and actual experience	3,518,202	
Change in assumptions	18,305,444	
Changes in proportion and differences between actual and proportionate share of contributions	865,475	26,727,169

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	\$ (538,714)	
Changes in proportion and differences between actual and proportionate share of contributions	(2,508,810)	(3,047,524)

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	\$ (2,801,382)	
Differences between actual and projected investment earnings	(286,916)	
Change in assumptions	(4,898,892)	
Changes in proportion and differences between actual and proportionate share of contributions	(2,677,335)	(10,664,525)

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	\$ (142,435,322)	
OPEB liability	(123,010,138)	
Bonds payable	(50,625,000)	
Issuance premium	(3,811,455)	
Compensated absences payable	(1,669,455)	
Accrued interest payable	(351,458)	(321,902,828)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (23,463,432)

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, 2021**

	General Fund	Special Projects Fund	EIA	School Building Fund	Debt Service Fund	Total Governmental Funds
REVENUES						
Local property taxes	\$ 41,333,038	\$ 3,450,254	\$ -	\$ -	\$ 8,708,643	\$ 53,491,935
Sales taxes	-	-	-	-	7,539,254	7,539,254
Other local	282,149	3,601,531	-	54,234	9,296	3,947,210
Total local	41,615,187	7,051,785	-	54,234	16,257,193	64,978,399
State	56,023,158	3,551,199	6,790,749	-	611,777	66,976,883
Federal	900	15,943,971	-	-	-	15,944,871
Intergovernmental	41,506	-	-	-	-	41,506
Total Revenues	97,680,751	26,546,955	6,790,749	54,234	16,868,970	147,941,659
EXPENDITURES						
Current						
Instruction	53,990,908	9,878,909	3,076,067	-	-	66,945,884
Support services	39,096,057	11,440,844	1,296,654	551,348	-	52,384,903
Intergovernmental	344	3,598,720	-	-	-	3,599,064
Debt service						
Principal	-	-	-	-	12,050,000	12,050,000
Interest	-	-	-	8,688	2,303,389	2,312,077
Capital outlay	201,836	38,583	10,506	10,134,919	-	10,385,844
Total Expenditures	93,289,145	24,957,056	4,383,227	10,694,955	14,353,389	147,677,772
Excess of Revenues Over (Under) Expenditures	4,391,606	1,589,899	2,407,522	(10,640,721)	2,515,581	263,887
OTHER FINANCING SOURCES (USES)						
General obligation issuance	-	-	-	8,250,000	-	8,250,000
Transfers in	4,226,698	274,500	331,237	15,683,688	673,978	21,190,101
Transfers out	(16,289,425)	(1,292,939)	(2,738,759)	(673,978)	-	(20,995,101)
Total Other Financing Sources (Uses)	(12,062,727)	(1,018,439)	(2,407,522)	23,259,710	673,978	8,445,000
Net Change in Fund Balance	(7,671,121)	571,460	-	12,618,989	3,189,559	8,708,887
FUND BALANCE						
July 1, 2020, as restated	42,756,455	3,678,486	-	25,523,325	10,455,614	82,413,880
June 30, 2021	\$ 35,085,334	\$ 4,249,946	\$ -	\$ 38,142,314	\$ 13,645,173	\$ 91,122,767

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, 2021**

TOTAL NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS		\$ 8,708,887
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.		10,378
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 (\$10,385,844) exceeded depreciation expense (\$6,004,728) in the period.		4,381,116
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	\$ (14,062,160)	
Amount recorded in the governmental funds	<u>9,165,629</u>	(4,896,531)
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	\$ (8,133,522)	
Amount recorded in the governmental funds	<u>4,038,049</u>	(4,095,473)
In the Statement of Net Position, accumulated payments to escrow agent and investment earnings accrued in escrow in connection with an advance refunding of bonds are treated as an asset. This is the amount that relates to the adjustment for the change in the fair market value of that asset. This relates to the Qualified Zone Academy Bond discussed in footnote II. G.		68,140
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	\$ (8,250,000)	
Principal repayments:		
Bonds payable	12,050,000	
Amortization of bond premiums	<u>665,522</u>	4,465,522
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	\$ (1,669,455)	
Prior year	1,325,817	
Accrued interest		
Current year	(351,458)	
Prior year	<u>382,820</u>	<u>(312,276)</u>
Change in Net Position of Governmental Activities		<u>\$ 8,329,763</u>

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
STATEMENT OF NET POSITION -
PROPRIETARY FUNDS
JUNE 30, 2021**

	<u>Enterprise Fund - Food Service Program</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 452,352
Due from federal government	335,088
Inventories	<u>103,923</u>
Total current assets	<u>891,363</u>
Noncurrent assets	
Equipment	4,006,525
Less accumulated depreciation	<u>(3,099,219)</u>
Total noncurrent assets	<u>907,306</u>
Total assets	<u>1,798,669</u>
LIABILITIES	
Current liabilities	
Accounts payable	570
Due to other funds	<u>366,397</u>
Total current liabilities	<u>366,967</u>
Total liabilities	<u>366,967</u>
NET POSITION	
Net investment in capital assets	907,306
Unrestricted	<u>524,396</u>
Total net position	<u>\$ 1,431,702</u>

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021**

	<u>Enterprise Fund - Food Service Program</u>
OPERATING REVENUES	
Proceeds from sale of meals	\$ 34,348
Special sales and miscellaneous	366
Total Operating Revenues	<u>34,714</u>
OPERATING EXPENSES	
Food costs	2,357,272
Salaries and wages	2,063,615
Supplies and materials	607,770
Depreciation	119,452
Other operating costs	104,272
Total Operating Expenses	<u>5,252,381</u>
Operating Loss	<u>(5,217,667)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	73
CRF per pupil funding	197,809
USDA Reimbursements	4,162,884
Commodities received from USDA	380,168
Total Nonoperating Revenues (Expenses)	<u>4,740,934</u>
INCOME BEFORE TRANSFERS	<u>(476,733)</u>
OTHER FINANCING SOURCES (USES)	
Transfers Out	(195,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(195,000)</u>
CHANGE IN NET POSITION	(671,733)
NET POSITION	
July 1, 2020	<u>2,103,435</u>
June 30, 2021	<u>\$ 1,431,702</u>

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
STATEMENT OF CASH FLOWS –
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021**

	<u>Enterprise Fund - Food Service Program</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from patrons	\$ 34,714
Payments to employees for services	(2,063,615)
Payments to suppliers for goods and services	<u>(1,766,961)</u>
Net cash used in operating activities	<u>(3,795,862)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>73</u>
Net cash provided by investing activities	<u>73</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers to other funds	(195,000)
Nonoperating grants received	<u>4,025,688</u>
Net cash provided by noncapital financing activities	<u>3,830,688</u>
Net increase in cash and cash equivalents	34,899
Cash and cash equivalents - July 1, 2020	<u>417,453</u>
Cash and cash equivalents - June 30, 2021	<u>\$ 452,352</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (5,217,667)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:	
Depreciation	119,452
Commodities used	380,168
Changes in assets and liabilities:	
(Increase) decrease in due from other funds	793,675
(Increase) decrease in inventory	<u>128,510</u>
Net cash used in operating activities	<u>\$ (3,795,862)</u>

Noncash noncapital financing activities:

During the year, the District received \$380,168 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, 2021**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Darlington County School District (the School District) operates 13 elementary schools, 3 middle schools, 1 elementary/middle school, 4 high schools, 1 alternative school, and 1 career center within the limits of Darlington County.

A. The Reporting Entity

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

B. Basis of Presentation

Government-wide Statements:

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

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

Fund Financial Statements:

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Separate financial statements are provided for governmental funds, 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, 2021**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

2. Special Revenue Funds –

- a. Special Projects 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:

Proprietary Funds:

5. 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, 2021**

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 uncollectibles.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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 assets lives are not capitalized.

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

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, 2021**

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

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:

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.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.”

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.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Nonspendable – Amounts that cannot be spent either because they are not in spendable form, such as inventory or prepaid items or which are required to be maintained intact, such as a trust.

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

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

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

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

Fund Balance Flow Assumption

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

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.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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, 2021, the carrying amount of the School District’s deposits was \$12,379,246, and the bank balance was \$5,877,613. 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 \$75,198,912.

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.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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

A. Deposits and Investments (Continued)

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.

Investment Type	% of Portfolio	Fair Value
FNMA REMIC	0.08%	\$ 66,254
FNMA Participation Certificates	0.42%	364,803
FHLMC	0.40%	348,927
U S Treasury Note	0.25%	217,965
U S Treasury Bond	0.00%	2,312
GNMA Participation		
Pass-Through Certificates	0.46%	395,475
Investment funds in escrow with bond refunding agent		1,395,736
Mutual Fund-Government Portfolio for liquidity	11.80%	10,242,808
Cash and Investments held by County Treasurer	86.59%	75,198,912
Total	100.00%	\$ 86,837,456

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.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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

A. Deposits and Investments (Continued)

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, 2021, the School District had the following investments:

Investment Type	Fair Value Level	Credit Rating ^	Fair Value	Investment Maturities in Years			
				< One Year	One to Five Years	Six to Ten Years	Other
FNMA REMIC	1	N/A	\$ 66,254	\$ -	\$ -	\$ -	\$ 66,254
FNMA Participation Certificates	1	N/A	364,803	47,370	-	270,855	46,578
FHLMC	1	N/A	348,927	-	273,915	-	75,012
U S Treasury Note	1	Aaa	217,965	4,030	213,935	-	-
U S Treasury Bond	1	Aaa	2,312	-	-	-	2,312
GNMA Participation							
Pass-Through Certificates	1	N/A	395,475	-	-	-	395,475
Investment funds in escrow with bond refunding agent			1,395,736	51,400	487,850	270,855	585,631
Mutual Fund	1	AAAm	10,242,808	10,242,808	-	-	-
Cash and Investments held by County Treasurer	N/A	NR	75,198,912	75,198,912	-	-	-
Total			\$ 86,837,456	\$ 85,493,120	\$ 487,850	\$ 270,855	\$ 585,631

^ 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.

B. Property Taxes

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

Taxes on real estate and personal property, other than vehicles licensed by the South Carolina Department of Highways and Public Transportation, are billed in September on property owned on the preceding December 31. They are due by January 16 and become delinquent on March 17. Taxes on vehicles licensed by the South Carolina Department of Highways and Public Transportation are assessed on a cyclical basis and are due within 30 days of assessment.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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

B. Property Taxes (Continued)

The general operations millage is 180.20 mills (\$18.02 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	\$ 5,540,612	\$ 399,707	\$ 868,448	\$ -
Intergovernmental	118,790	9,133,163	-	335,088
Other	278,737	345,253	-	-
Gross receivables	<u>5,938,139</u>	<u>9,878,123</u>	<u>868,448</u>	<u>335,088</u>
Less allowance for uncollectible property tax	<u>(4,388,887)</u>	<u>(305,285)</u>	<u>(630,062)</u>	<u>-</u>
Net receivables	<u><u>\$ 1,549,252</u></u>	<u><u>\$ 9,572,838</u></u>	<u><u>\$ 238,386</u></u>	<u><u>\$ 335,088</u></u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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

D. Capital Assets

Capital assets activity for the year ended June 30, 2021, was as follows:

	Balance 6/30/2020	Additions	Deletions	Transfers	Balance 6/30/2021
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 7,237,541	\$ -	\$ -	\$ -	\$ 7,237,541
Construction in progress	65,011,444	9,101,636	-	(2,193,948)	71,919,132
Total capital assets, not being depreciated	<u>72,248,985</u>	<u>9,101,636</u>	<u>-</u>	<u>(2,193,948)</u>	<u>79,156,673</u>
Capital assets, being depreciated					
Building and improvements	204,139,563	246,204	-	129,000	204,514,767
Land improvements	21,887,385	336,484	-	2,064,948	24,288,817
Equipment	17,396,643	701,518	-	-	18,098,161
Total capital assets, being depreciated	<u>243,423,591</u>	<u>1,284,206</u>	<u>-</u>	<u>2,193,948</u>	<u>246,901,745</u>
Totals	<u>315,672,576</u>	<u>10,385,842</u>	<u>-</u>	<u>-</u>	<u>326,058,418</u>
Less accumulated depreciation for					
Building and improvements	(130,793,849)	(4,122,654)	-	-	(134,916,503)
Land improvements	(7,826,009)	(1,068,135)	-	-	(8,894,144)
Equipment	(12,068,073)	(813,937)	-	-	(12,882,010)
Total accumulated depreciation	<u>(150,687,931)</u>	<u>(6,004,726)</u>	<u>-</u>	<u>-</u>	<u>(156,692,657)</u>
Total capital assets, being depreciated, net	<u>92,735,660</u>	<u>(4,720,520)</u>	<u>-</u>	<u>2,193,948</u>	<u>90,209,088</u>
Governmental activities capital assets, net	<u>\$ 164,984,645</u>	<u>\$ 4,381,116</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169,365,761</u>
	Balance 6/30/2020	Additions	Deletions	Balance 6/30/2021	
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>4,006,525</u>	
Less accumulated depreciation for					
Food service equipment	(2,979,767)	(119,452)	-	(3,099,219)	
Total accumulated depreciation	<u>(2,979,767)</u>	<u>(119,452)</u>	<u>-</u>	<u>(3,099,219)</u>	
Total capital assets, being depreciated, net	<u>1,026,758</u>	<u>(119,452)</u>	<u>-</u>	<u>907,306</u>	
Business-type activities capital assets, net	<u>\$ 1,026,758</u>	<u>\$ (119,452)</u>	<u>\$ -</u>	<u>\$ 907,306</u>	

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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	\$ 5,284,159
Support Services	180,142
Unallocated	540,425
Total governmental activities	\$ 6,004,726
Business-type activities	
Food Service	\$ 119,452
Total business-type activities	\$ 119,452

E. Transfers In (Out) From Other Funds

Transfers in (out) from other funds for the year ended June 30, 2021, consisted of the following:

	Transfers In	Transfers Out
General Fund	\$ 4,226,698	\$ 16,289,425
Special Projects Fund	274,500	1,292,939
Education Improvement Act Fund	331,237	2,738,759
School Building Fund	15,683,688	673,978
Debt Service Fund	673,978	-
Total governmental funds	21,190,101	20,995,101
Food Service Fund	-	195,000
Total proprietary fund	-	195,000
Total transfers	\$ 21,190,101	\$ 21,190,101

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, 2021**

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

F. Interfund Receivables and Payables

Interfund balances at June 30, 2021, consisted of the following individual fund receivables and payables:

	Receivable	Payable
General Fund	\$ 8,468,704	\$ 7,513,881
Special Projects Fund	4,326,449	8,809,396
Education Improvement Act Fund	1,344,811	-
School Building Fund	2,595,928	-
Debt Service Fund	406,068	452,286
Total governmental funds	17,141,960	16,775,563
Food Service Fund	-	366,397
Total proprietary fund	-	366,397
Total balances	\$ 17,141,960	\$ 17,141,960

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, 2021, the following changes took place in the long-term liabilities:

	Balance 6/30/2020	Additions	Reductions	Balance 6/30/2021	Due Within One Year
General obligation bonds	\$ 54,425,000	\$ 8,250,000	\$ 12,050,000	\$ 50,625,000	\$ 4,695,000
Plus deferred amount:					
For issuance premium	4,476,977	-	665,522	3,811,455	-
Total general obligation bonds	58,901,977	8,250,000	12,715,522	54,436,455	4,695,000
Compensated absences	1,325,816	737,932	394,293	1,669,455	391,583
Total long-term liabilities	\$ 60,227,793	\$ 8,987,932	\$ 13,109,815	\$ 56,105,910	\$ 5,086,583

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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 to 25-year serial bonds with principal maturing each year.

General obligation bonds payable at June 30, 2021, are comprised of the following individual issues:

	Interest Rates	Balance
2018 GOB Series	2.68%	\$ 49,225,000
2006 Advance Refunding Bonds (QZAB)	3.50%	1,400,000
		\$ 50,625,000

The annual requirements for debt service on General Obligation Bonds outstanding at June 30, 2021, are summarized as follows:

Year ending June 30,	Principal	Interest	Total
2022	\$ 4,695,000	\$ 2,108,750	\$ 6,803,750
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
2027-2031	23,230,000	3,855,050	27,085,050
2032-2033	7,745,000	309,750	8,054,750
Subtotal	50,625,000	12,974,550	63,599,550
Plus deferred amounts:			
Bond premiums	3,811,455	-	3,811,455
Total	\$ 54,436,455	\$ 12,974,550	\$ 67,411,005

In September 2016, the School District issued Equipment Acquisition Financing, Series 2016, in the amount of \$2,600,000. The net proceeds were used to purchase iPads and laptops. Payments were due annually in one installment of \$673,978, which included principal and interest at a rate of 1.35%. These bonds matured in December 2020.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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

G. Long-Term Debt (Continued)

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.

In September 2020, the School District issued a General Obligation Bond, Series 2020, in the amount of \$8,250,000, including interest at a rate of 0.76%. The net proceeds were used for capital improvements. The bond matured in March 2021, and was paid by sales tax revenues collected and recorded in the debt service fund.

Advance Refunding

During the 2006 fiscal year, the District issued a Qualified Zone Academy Bond (QZAB) in the amount of \$1,400,000. Under the agreement, the District deposited \$700,000 in an escrow account and is required to pay an additional \$139,007 in annual payments of \$8,688 over 16 years. Because the amount deposited did not completely satisfy the District's financial commitment to retire the bonds, the transaction does not qualify as an in-substance defeasance. Therefore, the debt of \$1,400,000 and an accumulated restricted asset of \$1,395,736 on deposit with the advance refunding agent are included in the government-wide Statement of Net Position. The balance on deposit has been invested in U.S. Treasury and Agency obligations and is not collateralized or insured against declines in value. The bond matures in October 2021.

H. Food Service

Federal Guidelines

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

The food service expenditures are inclusive of \$380,168 of commodities consumed during the year ended June 30, 2021.

Administrative Costs

The General Fund performs certain administrative functions and pays for certain costs of the Food Service Fund. The School District's accounting policies for food service operations reflect these expenditures in the General Fund.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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

I. Fund Balances

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

	General Fund	Special Projects Fund	School Building Fund	Debt Service Fund
Fund balances:				
Nonspendable				
Inventories and prepaid items	\$ 235,878	\$ -	\$ -	\$ -
Restricted:				
Debt service	-	-	-	13,645,173
Restricted grants	-	2,115	-	-
Florence Darlington Technical College	-	338,111	-	-
Restricted total	-	340,226	-	13,645,173
Committed:				
Local fund	-	686,579	-	-
Administrative claiming	-	1,322,510	-	-
Erate Funding	-	564,241	-	-
Medicaid Federal	-	86,195	-	-
Capital projects	-	-	38,142,314	-
Committed total	-	2,659,525	38,142,314	-
Assigned:				
Pupil activities	-	1,202,424	-	-
Adult banquet	-	65,372	-	-
District buses extracurricular	-	1,344	-	-
Assigned total	-	1,269,140	-	-
Unassigned	34,849,456	(18,945)	-	-
	<u>\$ 35,085,334</u>	<u>\$ 4,249,946</u>	<u>\$ 38,142,314</u>	<u>\$ 13,645,173</u>

J. Equity Restatement

As a result of the implementation of GASB Statement No. 84 *Fiduciary Activities*, which addressed the criteria for identifying fiduciary activities of all state and local governments, management determined that the activity for the Pupil Activities Funds, which had previously been reflected as an agency fund, should be reclassified as special revenue funds. The effect of these changes on the governmental activities in the government-wide financial statements and the Special Projects special revenue fund is as follows:

	Governmental Activities	Special Projects Fund
Net position/Fund balance as previously reported	\$ (32,970,094)	\$ 2,501,587
Reclassification of Pupil Activity Funds	1,176,899	1,176,899
Net position/Fund balance as restated	<u>\$ (31,793,195)</u>	<u>\$ 3,678,486</u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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, 2021**

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, 2021**

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, 2020. 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 first, 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, 2021**

III. OTHER INFORMATION (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

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

	Fiscal year ended June 30, 2020	Fiscal year ended June 30, 2021
SCRS		
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
	Fiscal year ended June 30, 2020	Fiscal year ended June 30, 2021
Employer Class Two	15.41% of earnable compensation	15.41% of earnable compensation
Employer Class Three	15.41% of earnable compensation	15.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation	0.15% of earnable compensation
	Fiscal year ended June 30, 2020	Fiscal year ended June 30, 2021
PORS		
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
	Fiscal year ended June 30, 2020	Fiscal year ended June 30, 2021
Employer Class Two	17.84% of earnable compensation	17.84% of earnable compensation
Employer Class Three	17.84% of earnable compensation	17.84% 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 2021. 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, 2021, PEBA provided non-employer contributions to the County in the amount of \$580,806 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, 2021, were \$9,152,474 and \$13,155, respectively, which equaled the required contributions.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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, 2021 actuarial valuation.

The June 30, 2019, 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, 2019. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2020, 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, 2021:

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Actuarial assumptions:		
Investment rate of return	7.25%	7.25%
Projected salary increases	3.0% to 12.5%*	3.5% to 9.5%*
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 2016 Public Retirees of South Carolina Mortality table (2016 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

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

Former Job Class	Males	Females
Educators	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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>
2019	2020	\$ 126,228,562	\$ 108,719	\$ 126,337,281
2020	2021	\$ 142,264,874	\$ 170,448	\$ 142,435,322

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, 2020 and 2019, the School District's percentage of the SCRS and PORS net pension liability were 0.556771% and 0.552806% and 0.005140% and 0.003794%, respectively.

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. 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 7.25 percent, as well as what the School District's net pension liability would be if it were calculated using a discount rate that is 1.00 percent lower (6.25 percent) or 1.00 percent higher (8.25 percent) 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 (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1.00% Increase (8.25%)</u>
SCRS	\$ 176,319,825	\$ 142,264,874	\$ 113,828,518
PORS	225,651	170,448	126,133
	<u>\$ 176,545,476</u>	<u>\$ 142,435,322</u>	<u>\$ 113,954,651</u>

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.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
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JUNE 30, 2021**

III. OTHER INFORMATION (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2020 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 7.25 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 5.0 percent real rate of return and a 2.25 percent 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>
Global Equity	51.00%		
Global Public Equity	35.00%	7.81%	2.73%
Private Equity	9.00%	8.91%	0.80%
Equity Options Strategies	7.00%	5.09%	0.36%
Real Assets	12.00%		
Real Estate (Private)	8.00%	5.55%	0.44%
Real Estate (REITs)	1.00%	7.78%	0.08%
Infrastructure (Private)	2.00%	4.88%	0.10%
Infrastructure (Public)	1.00%	7.05%	0.07%
Opportunistic	8.00%		
Global Tactical Asset	7.00%	3.56%	0.25%
Other Opportunistic	1.00%	4.41%	0.04%
Credit	15.00%		
High Yield Bonds/ Bank	4.00%	4.21%	0.17%
Emerging Markets Debt	4.00%	3.44%	0.14%
Private Debt	7.00%	5.79%	0.41%
Rate Sensitive	14.00%		
Core Fixed Income	13.00%	1.60%	0.21%
Cash and Short Duration	1.00%	0.56%	0.01%
Total Expected Real Return	<u>100.00%</u>		5.80%
Inflation for Actuarial			<u>2.25%</u>
Total Expected Nominal			<u>8.05%</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, 2021, the School District recognized pension expense of \$14,062,160 in the Statement of Activities.

At June 30, 2021, the School District reported deferred outflows (inflows) of resources related to pensions in governmental activities from the following sources:

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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	\$ 9,152,474	\$ -
Differences in actual and expected experience	1,641,548	537,964
Assumption changes	174,297	-
Changes in proportion and differences between District's contributions and proportionate share of contributions	700,290	2,502,881
Net differences between projected and actual earnings on plan investments	<u>10,464,774</u>	<u>-</u>
	<u>\$ 22,133,383</u>	<u>\$ 3,040,845</u>
	PORS	
Pension contributions made subsequent to measurement date	\$ 13,155	\$ -
Differences in actual and expected experience	3,622	750
Assumption changes	2,080	-
Changes in proportion and differences between District's contributions and proportionate share of contributions	53,874	5,929
Net differences between projected and actual earnings on plan investments	<u>17,454</u>	<u>-</u>
	<u>\$ 90,185</u>	<u>\$ 6,679</u>

The School District reported \$9,165,629 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, 2022. 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, 2021. Average remaining service lives of all employees provided with pensions through the pension plans at June 30, 2020, measurement date was 3.984 years for SCRS and 4.176 years for PORS.

<u>Measurement Period Ending June 30,</u>	<u>Fiscal Year Ending June 30,</u>	<u>SCRS</u>	<u>PORS</u>
2021	2022	\$ (1,139,043)	\$ (32,856)
2022	2023	(2,302,863)	(17,790)
2023	2024	(3,831,317)	(13,676)
2024	2025	<u>(2,666,841)</u>	<u>(6,029)</u>
Net Balance of Deferred Outflows / (Inflows) of Resources		<u>\$ (9,940,064)</u>	<u>\$ (70,351)</u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

III. OTHER INFORMATION (CONTINUED)

A. Defined Benefit Pension Plans (Continued)

Payables to the pension plans

At June 30, 2021, the School District reported a payable of \$2,528,593 and \$3,093 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 percent) and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution (10.41 percent) and an incidental death benefit contribution (.15 percent), if applicable, which is retained by SCRS.

For the year ended June 30, 2021, employee contributions totaled \$78,227, and the School District recognized pension expense of \$206,150.

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, 2021**

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, 2020 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, 2021	SCRHITF
Required contributions	\$ 4,038,049
Actual contributions	\$ 4,038,049

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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, 2019
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:	2.45% as of June 30, 2020
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ended June 30, 2015
Mortality:	For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. Multipliers are applied to the base tables based on gender and employment type.
Health Care Trend Rate:	Initial trend starting at 6.40% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 14 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 3.13% as of June 30, 2019 to 2.45% as of June 30, 2020; updates were also made to the healthcare trend rate assumption, including an adjustment to reflect the repeal of the "Cadillac Tax".

Roll Forward Disclosure

The actuarial valuation was performed as of June 30, 2019. 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, 2021**

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, 2020 and 2019, the School District's percentage of the SCRHITF net OPEB liability was 0.681442% and 0.676646%, 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>
2019	2020	\$ 102,319,191
2020	2021	\$ 123,010,138

Single Discount Rate

The Single Discount Rate of 2.45% 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, 2021**

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 2.45% 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 1.45%	Current Discount Rate 2.45%	1.00% Increase 3.45%
Proportionate Share of SCRHITF Net OPEB	\$ 146,775,786	\$ 123,010,138	\$ 104,019,608

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	\$ 99,564,900	\$ 123,010,138	\$ 153,800,484

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, 2021, the School District recognized OPEB expense of \$8,133,522.

At June 30, 2021, 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	\$ 4,038,048	\$ -
Differences in actual and expected experience	3,518,202	2,801,382
Assumption changes	18,305,444	4,898,892
Changes in proportion and differences between District's contributions and proportionate share of contributions	865,475	2,677,335
Net differences between projected and actual earnings on plan investments	-	286,916
	\$ 26,727,169	\$ 10,664,525

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

III. OTHER INFORMATION (CONTINUED)

C. Postemployment Benefits Other than Pensions (Continued)

The School District reported \$4,038,049 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, 2021. 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, 2020, measurement date was 7.139 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, 2021.

<u>Measurement Period Ending June 30,</u>	<u>Fiscal year Ending June 30,</u>	<u>SCRHITF</u>
2021	2022	\$ (1,407,189)
2022	2023	(1,367,540)
2023	2024	(1,304,659)
2024	2025	(2,390,172)
2025	2026	(2,660,795)
Thereafter	Thereafter	<u>(2,894,241)</u>
Net Balance of Deferred Outflows / (Inflows) of Resources		<u>\$ (12,024,596)</u>

Payables to the OPEB plans

At June 30, 2021, the School District reported a payable of \$1,038,381 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, 2021, 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	\$ 580,806
SCRHITF	\$ 16,186

These contributions are recorded in the General Fund and the Special Projects 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, 2021**

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, 2021, are as follows:

<u>Project</u>	<u>Contract Amounts</u>	<u>Expended to Date</u>	<u>Remaining Commitment</u>
NHE Roof Project	\$ 244,183	\$ 112,444	131,739
MHS Bathroom Renovations	27,204	22,204	5,000
IT Generator Project	196,240	140,932	55,308
Parking Lot Paving Projects	551,283	249,301	301,982
HHS Ulmer Gym Repairs	81,150	48,350	32,800
Sidewalk Replacement/Repair Projects	47,050	43,788	3,262
Windows/Roll Up Doors Projects	421,672	108,375	313,297
Mobile Replacement/Repair Projects	101,250	91,645	9,605
District Wide Video Surveillance Project	3,422,179	3,413,602	8,577
New Darlington Elementary School	21,649,223	20,834,157	815,066
New Lamar Elementary School	22,969,076	22,154,010	815,066
New Hartsville Elementary School	23,266,300	22,641,023	625,277
	<u>\$ 72,976,810</u>	<u>\$ 69,859,831</u>	<u>\$ 3,116,979</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 2021, 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.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

III. OTHER INFORMATION (CONTINUED)

F. Risk Management (Continued)

In addition, the School District insures the risk of job-related injury or illness to its employees through participation in the South Carolina School Boards Insurance Trust, a public entity risk pool operating for the benefit of the School Districts. The School District pays an annual premium to the South Carolina School Boards Insurance Trust. Additional premium assessments may be required for workers' compensation claims based on the School District's claims experience.

For the above risk management programs, the School District has not significantly reduced insurance coverages from the previous year, and settled claims in excess of insurance coverage for the last three years were immaterial. For each of the public entity risk pools in which it participates, the School District has effectively transferred all risk with no liability for unfunded claims.

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, 2021, Darlington County abated property taxes totaling \$5,195,729 of which \$3,498,653 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. 87, *Leases*, requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. This Statement establishes a single model for lease accounting based on the foundation principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset with the goal of enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement, as amended by GASB Statement No. 95, are effective for reporting periods beginning after June 15, 2021. The School District will implement the new guidance with the 2022 financial statements.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, intended to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplify accounting for interest cost incurred before the end of a construction period. The Statement requires that such interest cost be recognized as an expense in the period in which the cost is incurred for financial statements using the economic resources measurement focus, and accordingly, this interest cost will not be included in the historical cost of a capital asset reported in a business- type activity or enterprise fund. The requirements of this Statement, as amended by GASB Statement No. 95, are effective for reporting periods beginning after December 15, 2020. The School District will implement the new guidance with the 2022 financial statements.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

III. OTHER INFORMATION (CONTINUED)

H. Pending GASB Statements (Continued)

GASB Statement No. 92, *Omnibus 2020*, 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:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports.
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan.
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits.
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements.
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition.
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers.
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature.
- Terminology used to refer to derivative instruments.
- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective, as amended by GASB Statement 94, for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective, as amended by GASB Statement 94, for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective, as amended by GASB Statement 94, for government acquisitions occurring in reporting periods beginning after June 15, 2021.

Earlier application is encouraged and is permitted by topic. The School District will implement the new guidance with the 2022 financial statements.

GASB Statement 93, *Replacement of Interbank Offered Rates*, intended to address issues expected to arise in debt or other agreements related to the cessation of the London Interbank Offered Rate (LIBOR) at the end of 2021. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement, as amended by GASB Statement No. 95, are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged. The School District will implement the new guidance with the 2022 financial statements.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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. Uncertainties

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a "Public Health Emergency of International Concern." The COVID-19 outbreak is disrupting global and national economies and affecting donors of all types. The extent of the impact of COVID-19 on the District's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the District's donors, employees, and related Districts, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the School District's financial condition or results of operations is uncertain.

J. Subsequent Events

The School District issued a general obligation bond in the amount of \$9 million, with interest at .450%, due in full by March 1, 2022.

Subsequent events have been evaluated through December 1, 2021, 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, 2021**

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
REVENUES				
Local	\$ 35,592,210	\$ 35,592,199	\$ 41,615,187	\$ 6,022,988
State	55,986,555	55,986,555	56,023,158	36,603
Federal	-	-	900	900
Intergovernmental	300,000	300,000	41,506	(258,494)
Total Revenue	<u>91,878,765</u>	<u>91,878,754</u>	<u>97,680,751</u>	<u>5,801,997</u>
EXPENDITURES				
Current				
Instruction	52,824,274	53,100,848	53,990,908	890,060
Support services	41,440,471	41,165,286	39,297,893	(1,867,393)
Intergovernmental	4,000	2,600	344	(2,256)
Total Expenditures	<u>94,268,745</u>	<u>94,268,734</u>	<u>93,289,145</u>	<u>(979,589)</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,389,980)</u>	<u>(2,389,980)</u>	<u>4,391,606</u>	<u>6,781,586</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,504,668	3,504,668	4,226,698	722,030
Transfers out	(1,114,688)	(1,114,688)	(16,289,425)	(15,174,737)
Total Other Financing Sources	<u>2,389,980</u>	<u>2,389,980</u>	<u>(12,062,727)</u>	<u>(14,452,707)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(7,671,121)	<u>\$ (7,671,121)</u>
FUND BALANCE				
July 1, 2020			<u>42,756,455</u>	
June 30, 2021			<u>\$ 35,085,334</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, 2021**

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 \$201,836 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 SEVEN 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
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 SEVEN 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
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 EIGHT 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
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 EIGHT 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
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, 2021**

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, 2021, 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	29 years maximum, closed period*	29 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 12.5% (varies by service)	3.5% to 9.5% (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 FIVE 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
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 FIVE 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>
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, 2020, the most recent measurement date.

Valuation Date:	June 30, 2019
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:	2.45% as of June 30, 2020
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ended June 30, 2015
Mortality:	For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. Multipliers are applied to the base tables based on gender and employment type.
Health Care Trend Rate:	Initial trend starting at 6.40% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 14 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 3.13% as of June 30, 2019 to 2.45% as of June 30, 2020; updates were also made to the healthcare trend rate assumption, including an adjustment to reflect the repeal of the “Cadillac Tax”.

Roll Forward Disclosure

The actuarial valuation was performed as of June 30, 2019. Update procedures were used to roll forward the total OPEB liability to June 30, 2021.

OTHER SUPPLEMENTARY FINANCIAL INFORMATION

**COMBINING AND INDIVIDUAL
FUND SCHEDULES**

GOVERNMENTAL FUNDS

GENERAL FUND

GENERAL FUND

To account for all financial resources except those required to be accounted for in another fund. All property taxes, intergovernmental revenues, and miscellaneous revenues are recorded in this fund except amounts which are specifically collected to service debt or which the School District collects for others in a fiduciary capacity. Operational expenditures for general education, support services, and other departments of the School District are paid through the General Fund.

The following Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual for the General Fund has been prepared in the format mandated by the South Carolina State Department of Education. The account numbers shown on the statement are also mandated by the South Carolina Department of Education.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021**

Page 1 of 9

	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)	\$ 32,182,199	\$ 32,182,199	\$ 38,408,148	\$ 6,225,949
1140 Penalties & Interest on Taxes (Independent)	130,000	130,000	127,218	(2,782)
1200 Revenue from Local Governmental Units Other Than LEAS				
1280 Revenue in Lieu of Taxes (Independent and Dependent)	2,400,000	2,400,000	2,797,672	397,672
1500 Earnings on Investments				
1510 Interest on Investments	800,000	800,000	93,931	(706,069)
1900 Other Revenue from Local Sources				
1993 Receipt of Insurance Proceeds	-	-	57,320	57,320
1999 Revenue from Other Local Sources	80,011	80,000	130,898	50,898
Total Local Sources	<u>35,592,210</u>	<u>35,592,199</u>	<u>41,615,187</u>	<u>6,022,988</u>
2000 Intergovernmental Revenue				
2100 Payments from other governmental units	300,000	300,000	41,506	(258,494)
Total Intergovernmental Sources	<u>300,000</u>	<u>300,000</u>	<u>41,506</u>	<u>(258,494)</u>
3000 Revenue from State Sources				
3100 Restricted State Funding				
3130 Special Programs				
3131 Handicapped Transportation	-	-	14,121	14,121
3160 School Bus Driver Salary	889,681	889,681	1,025,038	135,357
3161 EAA Bus Driver Salary and Fringe	-	-	2,551	2,551
3162 Transportation Workers' Compensation	56,115	56,115	54,764	(1,351)
3180 Fringe Benefits Employer Contributions	11,548,849	11,548,849	10,847,773	(701,076)
3181 Retiree Insurance	2,687,948	2,687,948	2,937,399	249,451
3186 State Aid to Classroom - Teacher Salary	1,810,164	1,810,164	1,975,677	165,513
3189 Teacher Step	-	-	421,116	421,116
3300 State Aid to Classrooms - Education Finance Act (EFA)				
3310 Full-Time Programs				
3311 Kindergarten	1,162,948	1,162,948	986,266	(176,682)
3312 Primary	3,471,315	3,471,315	3,002,488	(468,827)
3313 Elementary	6,150,923	6,150,923	5,469,294	(681,629)
3314 High School	2,603,108	2,603,108	2,771,711	168,603
3315 Trainable Mentally Handicapped	97,261	97,261	87,164	(10,097)
3316 Speech Handicapped	1,278,453	1,278,453	1,088,006	(190,447)
3317 Homebound	15,307	15,307	6,010	(9,297)
3320 Part-Time Programs				
3321 Emotionally Handicapped	111,275	111,275	122,422	11,147
3322 Educable Mentally Handicapped	875,992	875,992	264,818	(611,174)

**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, 2021**

Page 2 of 9

	Budgeted Amounts		Actual	Variance -
	Original	Final		Over (Under)
REVENUES (CONTINUED)				
3320 Part-Time Programs (Continued)				
3323 Learning Disabilities	\$ 1,612,022	\$ 1,612,022	\$ 2,367,132	\$ 755,110
3324 Hearing Handicapped	125,264	125,264	98,178	(27,086)
3325 Visually Handicapped	50,374	50,374	32,696	(17,678)
3326 Orthopedically Handicapped	66,414	66,414	74,151	7,737
3327 Pre-Career & Career Technology	2,560,396	2,560,396	2,036,305	(524,091)
3330 Miscellaneous EFA Programs				
3331 Autism	613,462	613,462	690,679	77,217
3332 High Achieving Students	363,946	363,946	317,033	(46,913)
3334 Limited English Proficiency	56,129	56,129	48,180	(7,949)
3351 Academic Assistance	1,054,779	1,054,779	1,014,600	(40,179)
3352 Pupils in Poverty	2,782,432	2,782,432	2,585,897	(196,535)
3353 Dual Credit Enrollment	39,440	39,440	30,478	(8,962)
3392 NBC Excess EFA Formula	-	-	68,659	68,659
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	1,372,909	(1)
3825 Reimbursement for Property Tax Relief (Tier 3)	6,899,411	6,899,411	7,863,797	964,386
3830 Merchant's Inventory Tax	271,980	271,980	271,981	1
3840 Manufacturer's Depreciation Reimbursement	700,000	700,000	1,219,901	519,901
3890 Other State Property Tax Revenues	320,000	320,000	524,901	204,901
3900 Other State Revenue				
3992 State Forest Commission Revenue	10,000	10,000	-	(10,000)
3993 PEBA on-Behalf	580,000	580,000	580,806	806
Total State Sources	55,986,555	55,986,555	56,023,158	36,603
4000 Revenue from Federal Sources				
4900 Other Federal Sources				
4999 Revenue from Other Federal Sources	-	-	900	900
Total Federal Sources	-	-	900	900
TOTAL REVENUES	91,878,765	91,878,754	97,680,751	5,801,997
EXPENDITURES				
100 Instruction				
110 General Instruction				
111 Kindergarten Programs				
100 Salaries	2,130,388	2,153,788	2,236,949	83,161
200 Employee Benefits	954,227	968,313	1,011,758	43,445
400 Supplies and Materials	27,480	27,480	22,711	(4,769)
112 Primary Programs				
100 Salaries	6,061,828	6,031,994	6,021,580	(10,414)
200 Employee Benefits	2,511,191	2,488,837	2,485,984	(2,853)
400 Supplies and Materials	72,465	78,995	71,164	(7,831)
113 Elementary Programs				
100 Salaries	10,924,026	10,967,516	10,679,596	(287,920)
200 Employee Benefits	4,014,799	4,091,548	4,089,475	(2,073)
300 Purchased Services	74,400	67,245	20,085	(47,160)
400 Supplies and Materials	357,615	393,040	300,478	(92,562)

**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, 2021**

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
EXPENDITURES (CONTINUED)				
100 Instruction (Continued)				
110 General Instruction (Continued)				
114 High School Programs				
100 Salaries	\$ 9,507,387	\$ 9,686,906	\$ 11,086,236	\$ 1,399,330
200 Employee Benefits	3,855,969	3,935,611	3,817,800	(117,811)
300 Purchased Services	730,350	729,950	726,869	(3,081)
400 Supplies and Materials	269,341	271,058	221,324	(49,734)
115 Career & Technology Education Programs				
100 Salaries	1,325,456	1,264,054	1,284,134	20,080
200 Employee Benefits	549,219	525,393	539,774	14,381
400 Supplies and Materials	56,100	68,452	52,457	(15,995)
118 Montessori Programs				
100 Salaries	97,663	97,663	98,197	534
200 Employee Benefits	47,671	47,671	47,171	(500)
120 Exceptional Programs				
121 Educable Mentally Handicapped				
100 Salaries	1,001,149	1,041,994	1,085,682	43,688
200 Employee Benefits	434,125	407,673	455,995	48,322
400 Supplies and Materials	6,424	6,424	4,659	(1,765)
122 Trainable Mentally Handicapped				
100 Salaries	608,217	551,285	527,184	(24,101)
200 Employee Benefits	218,475	227,322	192,238	(35,084)
300 Purchased Services	-	46,560	44,684	(1,876)
400 Supplies and Materials	5,675	5,675	3,020	(2,655)
123 Orthopedically Handicapped				
100 Salaries	-	-	6,109	6,109
124 Visually Handicapped				
100 Salaries	-	-	10,512	10,512
200 Employee Benefits	-	-	83	83
125 Hearing Handicapped				
100 Salaries	554,108	554,881	544,323	(10,558)
200 Employee Benefits	266,005	299,592	262,988	(36,604)
300 Purchased Services	4,500	5,500	2,777	(2,723)
400 Supplies and Materials	10,184	9,184	6,299	(2,885)
126 Speech Handicapped				
100 Salaries	538,095	388,540	445,327	56,787
200 Employee Benefits	235,285	200,868	174,801	(26,067)
300 Purchased Services	13,400	13,400	18,418	5,018
400 Supplies and Materials	1,100	1,100	213	(887)
127 Learning Disabilities				
100 Salaries	2,159,028	2,130,132	2,250,564	120,432
200 Employee Benefits	840,271	831,997	869,533	37,536
300 Purchased Services	12,000	45,894	77,582	31,688
400 Supplies and Materials	12,905	14,899	10,010	(4,889)
128 Emotionally Handicapped				
100 Salaries	183,492	196,472	173,869	(22,603)
200 Employee Benefits	81,610	85,829	80,792	(5,037)
400 Supplies and Materials	1,505	1,505	1,428	(77)

**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, 2021**

	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	\$ 173,372	\$ 173,372	\$ 175,249	\$ 1,877
200 Employee Benefits	63,379	63,379	56,771	(6,608)
400 Supplies and Materials	100	100	-	(100)
133 Pre-school Handicapped-Self-contained (5 yr. olds)				
100 Salaries	140,002	140,002	131,712	(8,290)
200 Employee Benefits	70,486	70,486	70,926	440
400 Supplies and Materials	250	250	-	(250)
137 Preschool Handicapped - Self- Contained (3 & 4 yr. olds)				
100 Salaries	137,520	191,499	185,841	(5,658)
200 Employee Benefits	67,635	84,658	86,397	1,739
400 Supplies and Materials	1,033	1,033	1,258	225
139 Early Childhood Programs				
300 Purchased Services	6,800	6,800	-	(6,800)
600 Other Objects	200	200	-	(200)
140 Special Programs				
145 Homebound				
100 Salaries	132,362	132,362	92,714	(39,648)
200 Employee Benefits	40,902	40,902	33,915	(6,987)
300 Purchased Services	65,000	65,000	49,726	(15,274)
147 CERDEP				
100 Salaries	-	9,736	-	(9,736)
200 Employee Benefits	-	3,231	-	(3,231)
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	179	(2,821)
149 Other Special Programs				
100 Salaries	134,735	93,475	-	(93,475)
200 Employee Benefits	57,773	37,066	-	(37,066)
300 Purchased Services	8,000	8,000	-	(8,000)
160 Other Exceptional Programs				
161 Autism				
100 Salaries	229,093	243,144	355,685	112,541
200 Employee Benefits	109,668	118,504	114,709	(3,795)
400 Supplies and Materials	150	150	1,409	1,259
170 Summer School Programs				
171 Primary Summer School				
200 Employee Benefits	-	-	36	36
400 Supplies and Materials	2,500	2,500	2,272	(228)
172 Elementary Summer School				
100 Salaries	31,000	31,000	1,120	(29,880)
200 Employee Benefits	940	940	98	(842)
400 Supplies and Materials	1,000	1,000	500	(500)

**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, 2021**

	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	625	(875)
174 Gifted and Talented Summer School				
100 Salaries	15,417	15,417	15,500	83
200 Employee Benefits	4,559	4,559	4,737	178
300 Purchased Services	8,200	8,200	-	(8,200)
400 Supplies and Materials	1,737	6,737	4,273	(2,464)
175 Instructional Programs Beyond Regular School Day				
100 Salaries	12,996	12,996	3,760	(9,236)
200 Employee Benefits	7,306	7,306	1,142	(6,164)
300 Purchased Services	6,717	6,717	2,511	(4,206)
400 Supplies and Materials	3,350	3,350	-	(3,350)
180 Adult/Continuing Educational Programs				
181 Adult Basic Education Programs				
100 Salaries	187,719	187,721	194,477	6,756
200 Employee Benefits	77,210	78,558	76,660	(1,898)
300 Purchased Services	4,000	4,000	-	(4,000)
182 Adult Secondary Education Programs				
100 Salaries	-	8,124	36,246	28,122
200 Employee Benefits	-	-	5,759	5,759
300 Purchased Services	-	-	591	591
400 Supplies and Materials	-	6,295	6,676	381
188 Parenting/Family Literacy				
200 Employee Benefits	-	2,487	2,483	(4)
190 Instructional Pupil Activity				
100 Salaries	182,086	183,094	161,210	(21,884)
200 Employee Benefits	62,103	62,412	50,909	(11,503)
Total Instruction	52,824,274	53,100,848	53,990,908	890,060
200 Support Services				
210 Pupil Services				
211 Attendance and Social Work Services				
100 Salaries	483,543	484,696	461,493	(23,203)
200 Employee Benefits	215,460	215,813	204,230	(11,583)
300 Purchased Services	41,998	41,998	13,226	(28,772)
400 Supplies and Materials	14,600	14,588	8,875	(5,713)
600 Other Objects	235	235	351	116

**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, 2021**

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
EXPENDITURES (CONTINUED)				
200 Support Services (Continued)				
210 Pupil Services (Continued)				
212 Guidance Services				
100 Salaries	\$ 2,006,223	\$ 1,963,410	\$ 1,952,751	\$ (10,659)
200 Employee Benefits	829,432	806,005	806,423	418
300 Purchased Services	3,825	2,661	733	(1,928)
400 Supplies and Materials	10,175	9,436	6,379	(3,057)
213 Health Services				
100 Salaries	396,327	348,953	587,459	238,506
200 Employee Benefits	186,861	181,977	265,151	83,174
300 Purchased Services	50,600	50,600	42,035	(8,565)
400 Supplies and Materials	16,128	16,128	10,291	(5,837)
214 Psychological Services				
100 Salaries	266,422	213,118	239,994	26,876
200 Employee Benefits	112,869	111,959	92,099	(19,860)
300 Purchased Services	-	-	35,646	35,646
400 Supplies and Materials	2,800	2,800	1,086	(1,714)
220 Instructional Staff Services				
221 Improvement of Instruction - Curriculum Development				
100 Salaries	276,274	267,486	279,822	12,336
200 Employee Benefits	118,359	115,669	117,085	1,416
300 Purchased Services	32,543	37,360	19,033	(18,327)
400 Supplies and Materials	133,560	122,577	79,807	(42,770)
600 Other Objects	527	527	527	-
222 Library and Media Services				
100 Salaries	1,257,467	1,237,451	1,209,800	(27,651)
200 Employee Benefits	542,661	544,570	536,992	(7,578)
300 Purchased Services	21,144	24,997	23,134	(1,863)
400 Supplies and Materials	56,290	56,714	50,690	(6,024)
223 Supervision of Special Programs				
100 Salaries	466,881	401,258	388,107	(13,151)
200 Employee Benefits	168,501	148,420	148,887	467
300 Purchased Services	19,915	163,380	72,253	(91,127)
400 Supplies and Materials	14,700	110,405	45,514	(64,891)
600 Other Objects	200	200	176	(24)
224 Improvement of Instruction - Inservice and Staff Training				
200 Employee Benefits	-	-	609	609
300 Purchased Services	193,866	170,354	58,857	(111,497)
400 Supplies and Materials	21,005	20,785	12,417	(8,368)

**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, 2021**

	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	\$ 55,213	\$ 58,230	\$ 3,017
200 Employee Benefits	48,165	46,640	64,475	17,835
300 Purchased Services	113,600	113,391	51,183	(62,208)
318 Audit Services	50,000	50,000	44,575	(5,425)
400 Supplies and Materials	6,000	6,000	3,517	(2,483)
600 Other Objects	143,335	86,344	43,286	(43,058)
232 Office of the Superintendent				
100 Salaries	473,296	506,828	484,924	(21,904)
200 Employee Benefits	186,994	197,498	186,458	(11,040)
300 Purchased Services	85,300	45,300	21,751	(23,549)
400 Supplies and Materials	44,500	44,255	17,405	(26,850)
600 Other Objects	6,700	6,700	3,113	(3,587)
233 School Administration				
100 Salaries	5,085,928	4,964,298	5,022,220	57,922
200 Employee Benefits	2,208,591	2,154,389	2,129,948	(24,441)
300 Purchased Services	185,854	166,645	119,277	(47,368)
400 Supplies and Materials	77,505	96,568	60,103	(36,465)
600 Other Objects	23,760	24,056	26,361	2,305
250 Finance and Operations Services				
251 Student Transportation (Federal/District Mandated):				
100 Salaries	-	-	32,285	32,285
300 Purchased Services	-	-	23,317	23,317
252 Fiscal Services				
100 Salaries	666,523	668,017	681,819	13,802
140 Terminal Leave	-	-	18,322	18,322
200 Employee Benefits	276,591	277,048	284,362	7,314
300 Purchased Services	32,075	22,075	18,764	(3,311)
400 Supplies and Materials	48,500	48,633	23,113	(25,520)
600 Other Objects	51,000	1,000	536	(464)
253 Facilities Acquisitions and Construction				
300 Purchased Services	184,504	144,504	25,513	(118,991)
400 Supplies and Materials	30,000	40,000	31,056	(8,944)
500 Capital Outlay	92,200	187,956	159,669	(28,287)
254 Operation and Maintenance of Plant				
100 Salaries	3,557,057	3,472,120	3,633,820	161,700
200 Employee Benefits	1,717,728	1,714,855	1,765,031	50,176
300 Purchased Services	1,724,689	1,644,342	1,163,214	(481,128)
400 Supplies and Materials	974,555	977,440	822,216	(155,224)
470 Energy	2,871,820	2,871,820	2,625,432	(246,388)
500 Capital Outlay	75,000	104,206	36,059	(68,147)
600 Other Objects	850,448	850,448	831,094	(19,354)

**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, 2021**

	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	\$ 1,871,076	\$ 1,826,960	\$ 1,836,443	\$ 9,483
200 Employee Benefits	905,082	883,258	903,954	20,696
300 Purchased Services	74,300	74,300	40,039	(34,261)
400 Supplies and Materials	28,000	29,400	26,650	(2,750)
600 Other Objects	900	900	4,505	3,605
256 Food Service				
200 Employee Benefits	1,225,083	1,214,058	1,219,529	5,471
257 Internal Services				
100 Salaries	72,810	72,810	74,333	1,523
200 Employee Benefits	32,447	32,447	38,100	5,653
300 Purchased Services	315,650	315,650	179,243	(136,407)
400 Supplies and Materials	7,800	7,800	663	(7,137)
258 Security				
100 Salaries	128,208	128,208	130,772	2,564
200 Employee Benefits	59,750	59,750	60,007	257
300 Purchased Services	955,090	955,090	910,371	(44,719)
400 Supplies and Materials	9,936	9,936	468	(9,468)
260 Central Support Services				
262 Planning				
300 Purchased Services	4,650	4,650	1,741	(2,909)
400 Supplies and Materials	19,700	23,500	19,841	(3,659)
263 Information Services				
100 Salaries	253,171	253,171	256,755	3,584
200 Employee Benefits	92,757	92,757	105,750	12,993
300 Purchased Services	37,950	36,735	16,772	(19,963)
400 Supplies and Materials	20,250	21,465	13,799	(7,666)
600 Other Objects	5,500	5,500	6,393	893
264 Staff Services				
100 Salaries	545,839	545,839	554,146	8,307
200 Employee Benefits	207,747	207,747	220,205	12,458
300 Purchased Services	46,500	46,500	20,744	(25,756)
400 Supplies and Materials	16,000	24,100	13,297	(10,803)
500 Capital Outlay				
540 Equipment	1,500	-	-	-
600 Other Objects	15,500	15,500	951	(14,549)
266 Technology and Data Processing Services				
100 Salaries	1,289,175	1,277,034	1,258,954	(18,080)
200 Employee Benefits	528,782	513,114	538,861	25,747
300 Purchased Services	1,537,830	1,788,736	1,497,564	(291,172)
400 Supplies and Materials	189,628	226,696	170,779	(55,917)
600 Other Objects	300	300	176	(124)

**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, 2021**

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
EXPENDITURES (CONTINUED)				
270 Support Services Pupil Activity				
271 Pupil Services Activities				
100 Salaries	\$ 646,161	\$ 646,161	\$ 622,041	\$ (24,120)
200 Employee Benefits	202,175	202,175	171,336	(30,839)
300 Purchased Services	26,750	26,750	28,250	1,500
400 Supplies and Materials	39,570	64,490	52,446	(12,044)
500 Capital Outlay	-	-	6,107	6,107
600 Other Objects	113,095	56,680	11,528	(45,152)
Total Support Services	<u>41,440,471</u>	<u>41,165,286</u>	<u>39,297,893</u>	<u>(1,867,393)</u>
400 Other Charges				
410 Intergovernmental Expenditures				
411 Payments to the State Department of Education				
720 Transits	4,000	2,600	344	(2,256)
Total Intergovernmental Expenditures	<u>4,000</u>	<u>2,600</u>	<u>344</u>	<u>(2,256)</u>
TOTAL EXPENDITURES	<u>94,268,745</u>	<u>94,268,734</u>	<u>93,289,145</u>	<u>(979,589)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,389,980)</u>	<u>(2,389,980)</u>	<u>4,391,606</u>	<u>6,781,586</u>
OTHER FINANCING SOURCES (USES)				
Transfers from (to) Other Funds				
5230 Transfer from Special Revenue EIA Fund	2,708,998	2,708,998	2,738,759	29,761
5280 Transfer from Other Funds Indirect Costs	795,670	795,670	1,487,939	692,269
421-710 Transfer to Special Revenue Funds	(371,000)	(371,000)	(274,500)	96,500
422-710 Transfer to Special Revenue Funds - EIA	(150,000)	(150,000)	(331,237)	(181,237)
424-710 Transfer to Capital Projects Fund	(593,688)	(593,688)	(15,683,688)	(15,090,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,389,980</u>	<u>2,389,980</u>	<u>(12,062,727)</u>	<u>(14,452,707)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>\$ -</u>	<u>(7,671,121)</u>	<u>\$ (7,671,121)</u>
FUND BALANCE				
July 1, 2020			<u>42,756,455</u>	
June 30, 2021			<u>\$ 35,085,334</u>	

SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

**SPECIAL REVENUE FUNDS:
SPECIAL PROJECTS FUND**

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)
REVENUES			
1000 Revenues from Local Sources			
1100 Taxes Levied/Assessed by the LEA			
1110 Ad Valorem Taxes - Including Delinquent (Independent)	\$ -	\$ -	\$ -
1140 Penalties & Interest on Taxes (Independent)	-	-	-
1200 Revenue from Local Governmental Units Other Than LEAs			
1280 Revenue in Lieu of Taxes (Independent and Dependent)	-	-	-
1500 Earnings On Investments			
1510 Interest on Investments	-	-	-
1700 Pupil Activities:			
1790 Other Pupil Activity Income	-	-	-
1900 Other Revenue From Local Sources			
1930 Special Needs Transportation - Medicaid	-	-	-
1990 Miscellaneous Local Revenue			
1999 Revenue from Other Local Sources	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Local Sources	<u>-</u>	<u>-</u>	<u>-</u>
3000 Revenues from State Sources			
3100 Restricted State Funding			
3118 EEDA Career Specialists	-	-	-
3120 General Education			
3127 Student Health and Fitness - PE Teachers	-	-	-
3130 Special Programs			
3134 Child Early Reading Development and Education Program (CERDEP) - Full Day 4K	-	-	-
3135 Reading Coaches	-	-	-
3136 Student Health and Fitness - Nurses	-	-	-
3143 GEER CERDEP Summer	-	-	-
3190 Miscellaneous Restricted State Grants			
3199 Other Restricted State Grants	-	-	-

<u>CATE (VA Projects) (207/208)</u>	<u>Adult Education (243)</u>	<u>Other Designated Restricted State Grants (900's)</u>	<u>Other Special Revenue Programs (200's/800's)</u>	<u>Student Activity Funds (700's)</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 3,250,560	\$ -	\$ 3,250,560
-	-	-	13,228	-	13,228
-	-	-	186,466	-	186,466
-	-	-	1,406	-	1,406
-	-	-	-	1,015,803	1,015,803
-	-	-	370,568	-	370,568
-	-	-	2,213,754	-	2,213,754
-	-	-	6,035,982	1,015,803	7,051,785
-	-	335,781	-	-	335,781
-	-	67,257	-	-	67,257
-	-	2,663	-	-	2,663
-	-	834,720	-	-	834,720
-	-	316,956	-	-	316,956
-	-	3,498	-	-	3,498
-	-	-	266	-	266

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)
REVENUES (CONTINUED)			
3000 Revenues from State Sources (Continued)			
3800 State Revenue in Lieu of Taxes			
3820 Homestead Exemption (Tier 2)	\$ -	\$ -	\$ -
3830 Merchant's Inventory Tax	-	-	-
3840 Manufacturer's Depreciation Reimbursement	-	-	-
3890 Other State Property Tax Revenues	-	-	-
3900 Other State Revenue			
3994 PEBA Nonemployer Contributions	-	-	-
3995 CRF Per Pupil Funding	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total State Sources	<u>-</u>	<u>-</u>	<u>-</u>
4000 Revenue from Federal Sources			
4200 Occupational Education			
4210 Perkins Aid, Title I - Career and Technology Education - Basic Grants to States	-	-	-
4300 Elementary and Secondary Education Act of 1965 (ESEA)			
4310 Title I Basic State Grant Provisions (Carryover Provision)	4,919,625	-	-
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III	-	-	-
4351 Supporting Effective Instruction	-	-	-
4400 Adult Education			
4410 Basic Adult Education	-	-	-
4500 Programs for Children with Disabilities			
4510 Individuals with Disabilities Education Act (IDEA)	-	2,821,391	-
4520 Pre-school Grants for Children with Disabilities (IDEA)	-	-	90,741
4900 Other Federal Sources			
4924 21st Century Community Learning Center Program (Title IV, 21st Century Schools)	-	-	-
4975 Coronavirus Aid, Relief, and Economic Security Act (Cares Act)	-	-	-
4977 ESSER II	-	-	-
4990 Other Federal Revenue			
4997 Title IV - SSAE	-	-	-
4999 Revenue from Other Federal Sources	-	-	-
	<u>4,919,625</u>	<u>2,821,391</u>	<u>90,741</u>
Total Federal Sources	<u>4,919,625</u>	<u>2,821,391</u>	<u>90,741</u>
TOTAL REVENUES	<u>4,919,625</u>	<u>2,821,391</u>	<u>90,741</u>

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
\$ -	\$ -	\$ -	\$ 125,029	\$ -	\$ 125,029
-	-	-	17,139	-	17,139
-	-	-	72,048	-	72,048
-	-	-	25,975	-	25,975
-	-	16,186	-	-	16,186
-	-	-	1,733,681	-	1,733,681
-	-	1,577,061	1,974,138	-	3,551,199
208,898	-	-	-	-	208,898
-	-	-	85,429	-	5,005,054
-	-	-	4,934	-	4,934
-	-	-	534,599	-	534,599
-	178,048	-	-	-	178,048
-	-	-	-	-	2,821,391
-	-	-	-	-	90,741
-	-	-	12,057	-	12,057
-	-	-	3,751,099	-	3,751,099
-	-	-	2,578,263	-	2,578,263
-	-	-	272,048	-	272,048
-	-	-	486,839	-	486,839
208,898	178,048	-	7,725,268	-	15,943,971
208,898	178,048	1,577,061	15,735,388	1,015,803	26,546,955

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)
EXPENDITURES			
100 Instruction			
110 General Instruction			
111 Kindergarten Programs			
100 Salaries	\$ 59,386	\$ -	\$ -
200 Employee Benefits	25,982	-	-
400 Supplies and Materials	30,273	-	-
112 Primary Programs			
100 Salaries	241,669	-	-
200 Employee Benefits	147,732	-	-
400 Supplies and Materials	187,756	-	-
113 Elementary Programs			
100 Salaries	538,445	-	-
200 Employee Benefits	216,200	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	387,581	-	-
114 High School Programs			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
115 Career and Technology Education Programs			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
500 Capital Outlay	-	-	-
120 Exceptional Programs			
121 Educable Mentally Handicapped			
100 Salaries	-	233,786	-
200 Employee Benefits	-	101,088	-
122 Trainable Mentally Handicapped			
100 Salaries	-	161,325	-
200 Employee Benefits	-	79,538	-
124 Visually Handicapped			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
125 Hearing Handicapped			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
126 Speech Handicapped			
100 Salaries	-	206,549	-
200 Employee Benefits	-	105,649	-

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
\$ -	\$ -	\$ 53,333	\$ 103,354	\$ -	\$ 216,073
-	-	23,719	29,857	-	79,558
-	-	-	-	-	30,273
-	-	380,028	426,063	-	1,047,760
-	-	176,681	155,314	-	479,727
-	-	-	78,683	-	266,439
-	-	189,603	536,291	-	1,264,339
-	-	78,613	156,118	-	450,931
-	-	-	1,475	-	1,475
-	-	-	62,017	-	449,598
-	-	-	376,295	-	376,295
-	-	-	22,380	-	22,380
-	-	-	16,928	-	16,928
-	-	-	19,492	-	19,492
-	-	-	53,120	-	53,120
-	-	-	14,339	-	14,339
147,357	-	-	597	-	147,954
19,383	-	-	-	-	19,383
-	-	-	21,343	-	255,129
-	-	-	6,258	-	107,346
-	-	-	10,744	-	172,069
-	-	-	2,522	-	82,060
-	-	-	161,636	-	161,636
-	-	-	74,397	-	74,397
-	-	-	123,038	-	123,038
-	-	-	54,160	-	54,160
-	-	-	13,570	-	220,119
-	-	-	3,998	-	109,647

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)
EXPENDITURES (CONTINUED)			
100 Instruction (Continued)			
120 Exceptional Programs			
127 Learning Disabilities			
100 Salaries	\$ -	\$ 154,152	\$ -
200 Employee Benefits	-	59,136	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	125,678	-
128 Emotionally Handicapped			
100 Salaries	-	19,057	-
200 Employee Benefits	-	10,866	-
130 Preschool Programs			
131 Preschool Handicapped Speech (5-Yr.-Olds)			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
133 Preschool Handicapped Self-Contained (5-Yr.-Olds)			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
135 Preschool Handicapped Speech (3 & 4-Yr. Olds)			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
137 Preschool Handicapped Self-Contained (3 & 4 yr. olds)			
100 Salaries	-	-	43,069
200 Employee Benefits	-	-	21,028
139 Early Childhood Programs			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
140 Special Programs			
142 Disadvantaged			
400 Supplies and Materials	4,224	-	-
147 CERDEP			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
149 Other Special Programs			
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
160 Other Exceptional Programs			
161 Autism			
100 Salaries	-	230,583	-
200 Employee Benefits	-	105,757	-
400 Supplies and Materials	-	6,140	-

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
\$ -	\$ -	\$ -	\$ 41,509	\$ -	\$ 195,661
-	-	-	10,937	-	70,073
-	-	-	49,042	-	49,042
-	-	-	503	-	126,181
-	-	-	3,517	-	22,574
-	-	-	989	-	11,855
-	-	-	4,949	-	4,949
-	-	-	1,230	-	1,230
-	-	-	4,724	-	4,724
-	-	-	1,310	-	1,310
-	-	-	1,522	-	1,522
-	-	-	449	-	449
-	-	-	4,728	-	47,797
-	-	-	1,393	-	22,421
-	-	-	1,125	-	1,125
-	-	-	335	-	335
-	-	-	-	-	4,224
-	-	4,719	432,573	-	437,292
-	-	1,442	225,437	-	226,879
-	-	-	291	-	291
-	-	-	291	-	291
-	-	-	11,376	-	241,959
-	-	-	2,488	-	108,245
-	-	-	-	-	6,140

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)
EXPENDITURES (CONTINUED)			
100 Instruction (Continued)			
170 Summer School Programs			
171 Primary Summer School			
100 Salaries	\$ -	\$ -	\$ -
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
172 Elementary Summer School			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
173 High School Summer School			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
175 Instructional Programs Beyond Regular School Day			
100 Salaries	4,031	-	-
200 Employee Benefits	1,164	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	733	-	-
180 Adult/Continuing Educational Programs			
181 Adult Basic Education Programs			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
182 Adult Secondary Education Programs			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
188 Parenting/Family Literacy			
100 Salaries	214,085	-	-
200 Employee Benefits	96,881	-	-
300 Purchased Services	1,753	-	-
400 Supplies and Materials	62,594	-	-
Total Instruction	<u>2,220,489</u>	<u>1,599,304</u>	<u>64,097</u>

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
\$ -	\$ -	\$ -	\$ 176,733	\$ -	\$ 176,733
-	-	-	48,095	-	48,095
-	-	-	17,402	-	17,402
-	-	-	93,074	-	93,074
-	-	-	25,090	-	25,090
-	-	-	2,781	-	2,781
-	-	-	73,711	-	73,711
-	-	-	20,350	-	20,350
-	-	-	264	-	264
-	-	-	434,081	-	438,112
-	-	-	117,139	-	118,303
-	-	-	4,798	-	4,798
-	-	-	419,045	-	419,778
-	21,000	-	-	-	21,000
-	5,041	-	-	-	5,041
-	1,046	-	-	-	1,046
-	25,536	-	-	-	25,536
-	84,000	-	-	-	84,000
-	20,160	-	-	-	20,160
-	7,490	-	-	-	7,490
-	12,578	-	-	-	12,578
-	-	-	4,174	-	218,259
-	-	-	1,229	-	98,110
-	-	-	-	-	1,753
-	-	-	-	-	62,594
<u>166,740</u>	<u>176,851</u>	<u>908,138</u>	<u>4,762,673</u>	<u>-</u>	<u>9,898,292</u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)
EXPENDITURES (CONTINUED)			
200 Support Services			
210 Pupil Services			
211 Attendance and Social Work Services			
100 Salaries	\$ -	\$ -	\$ -
200 Employee Benefits	-	-	-
212 Guidance Services			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
213 Health Services			
100 Salaries	-	51,882	-
200 Employee Benefits	-	21,449	-
300 Purchased Services	-	-	-
214 Psychological Services			
100 Salaries	-	258,520	-
200 Employee Benefits	-	97,229	-
217 Career Specialist Services			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
220 Instructional Staff Services			
221 Improvement of Instruction - Curriculum Development			
100 Salaries	1,041,357	-	-
200 Employee Benefits	419,021	-	-
300 Purchased Services	9,433	-	-
400 Supplies and Materials	88,015	-	-
222 Library and Media Services			
100 Salaries	-	-	-
200 Employee Benefits	1,282	-	-
223 Supervision of Special Programs			
100 Salaries	165,435	362,526	21,028
200 Employee Benefits	74,705	149,863	5,616
300 Purchased Services	742	40,500	-
400 Supplies and Materials	2,056	9,354	-
224 Improvement of Instruction - Inservice and Staff Training			
300 Purchased Services	506,113	-	-
400 Supplies and Materials	-	-	-
230 General Administration Services			
232 Office of Superintendent			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-

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
\$ -	\$ -	\$ -	\$ 10,371	\$ -	\$ 10,371
-	-	-	3,056	-	3,056
20,500	-	-	80,695	-	101,195
9,314	-	-	29,250	-	38,564
-	-	204,233	216,594	-	472,709
-	-	112,723	82,768	-	216,940
-	-	-	8,392	-	8,392
-	-	-	8,953	-	267,473
-	-	-	2,642	-	99,871
-	-	222,287	245,465	-	467,752
-	-	113,494	103,629	-	217,123
-	-	-	29,146	-	1,070,503
-	-	-	8,380	-	427,401
1,642	-	-	15,846	-	26,921
-	-	-	18,402	-	106,417
-	-	-	21,168	-	21,168
-	-	-	6,247	-	7,529
7,272	-	-	152,982	-	709,243
3,430	-	-	77,111	-	310,725
-	-	-	1,257	-	42,499
-	1,197	-	171	-	12,778
-	-	-	110,206	-	616,319
-	-	-	36,663	-	36,663
-	-	-	33,532	-	33,532
-	-	-	10,603	-	10,603

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021**

EXPENDITURES (CONTINUED)	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)
200 Support Services (Continued)			
233 School Administration			
100 Salaries	\$ -	\$ -	\$ -
200 Employee Benefits	1,259	-	-
300 Purchased Services	-	-	-
400 Supplies & Materials	-	-	-
250 Finance and Operations Services			
251 Student Transportation (Federal/District Mandated):			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
252 Fiscal Services			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
253 Facilities Acquisition and Construction			
500 Capital Outlay	-	-	-
254 Operation and Maintenance of Plant			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
255 Pupil Transportation (State Mandated)			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
256 Food Services			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
258 Security:			
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
260 Central Support Services			
264 Staff Services			
400 Supplies and Materials	-	-	-
266 Technology and Data Processing Services			
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-

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
\$ -	\$ -	\$ -	\$ 334,421	\$ -	\$ 334,421
-	-	-	125,559	-	126,818
-	-	-	130	-	130
-	-	-	13,999	-	13,999
-	-	-	49,160	-	49,160
-	-	-	20,507	-	20,507
-	-	-	9,939	-	9,939
-	-	-	8,045	-	8,045
-	-	-	2,382	-	2,382
-	-	-	27,177	-	27,177
-	-	-	19,200	-	19,200
-	-	-	38,177	-	38,177
-	-	-	4,236	-	4,236
-	-	-	270	-	270
-	-	-	606,953	-	606,953
-	-	-	130,258	-	130,258
-	-	-	31,691	-	31,691
-	-	-	13,028	-	13,028
-	-	-	76,517	-	76,517
-	-	-	22,795	-	22,795
-	-	-	3,544	-	3,544
-	-	-	39,231	-	39,231
-	-	-	86,328	-	86,328
-	-	-	13,188	-	13,188
-	-	-	998,062	-	998,062
-	-	-	2,183,463	-	2,183,463

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)
EXPENDITURES (CONTINUED)			
200 Support Services (Continued)			
270 Support Services - Pupil Activity			
271 Pupil Service Activities			
600 Other Objects	\$ -	\$ -	\$ -
660 Pupil Activity	-	-	-
272 Enterprise Activities			
600 Other Objects	-	-	-
660 Pupil Activity	-	-	-
273 Trust and Agency Activities			
600 Other Objects	-	-	-
660 Pupil Activity	-	-	-
Total Support Services	<u>2,309,418</u>	<u>991,323</u>	<u>26,644</u>
410 Intergovernmental			
411 Payments to South Carolina Department of Education			
720 Transits	-	-	-
412 Payments to Other Governmental Units			
720 Transits	-	-	-
419 Payments to PEBA Nonemployer Contributions			
720 Transits	-	-	-
Total Intergovernmental Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>4,529,907</u>	<u>2,590,627</u>	<u>90,741</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>389,718</u>	<u>230,764</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers from (to) other funds			
5210 Transfer from General Fund	-	-	-
431-791 Special Revenue Fund Indirect Costs	<u>(389,718)</u>	<u>(230,764)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(389,718)</u>	<u>(230,764)</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE			
July 1, 2020, as restated	<u>-</u>	<u>-</u>	<u>-</u>
June 30, 2021	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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
\$ -	\$ -	\$ -	\$ -	\$ 463,037	\$ 463,037
-	-	-	-	16,346	16,346
-	-	-	-	525,769	525,769
-	-	-	-	34,391	34,391
-	-	-	-	217,353	217,353
-	-	-	-	7,882	7,882
<u>42,158</u>	<u>1,197</u>	<u>652,737</u>	<u>6,171,789</u>	<u>1,264,778</u>	<u>11,460,044</u>
-	-	-	35,689	-	35,689
-	-	-	3,546,845	-	3,546,845
-	-	16,186	-	-	16,186
-	-	16,186	3,582,534	-	3,598,720
<u>208,898</u>	<u>178,048</u>	<u>1,577,061</u>	<u>14,516,996</u>	<u>1,264,778</u>	<u>24,957,056</u>
-	-	-	1,218,392	(248,975)	1,589,899
-	-	-	-	274,500	274,500
-	-	-	(672,457)	-	(1,292,939)
-	-	-	(672,457)	274,500	(1,018,439)
-	-	-	545,935	25,525	571,460
-	-	-	2,501,587	1,176,899	3,678,486
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,047,522</u>	<u>\$ 1,202,424</u>	<u>\$ 4,249,946</u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS – SPECIAL PROJECTS FUND
NOTES TO COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2021**

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

924 Child Early Reading Development and Education
Program (CERDEP) - Full Day 4K

928 EEDA Career Specialists

935 Reading Coaches

936 Student Health and Fitness - Nurses

937 Student Health and Fitness - PE Teachers

994 PEBA Nonemployer Contributions

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

210 Title IV - SSAE

220 Coronavirus Aid Relief and Economic Security Act (CARES Act)

224 Nota M. Lowery 21st Century Community Learning Centers
Program (Title IV 21st Century Schools)

237 Title I Targeted Support & Improvement

264 Language Instruction for Limited English Proficient and
Immigrant Students, Title III

267 Supporting Effective Instruction

269 ROTC

280 Workforce Investment Act

284 Jobs for SC Grads

801 Spaulding Middle School Grants

802 Local Fund

804 DHS Grants

805 United Way for Spec Ed

806 St John's Elementary Grants

807 MHS Grants

808 North Hartsville Elementary Grants

809 CERRA Grant

810 BDE Grants

811 School Pay-Clearing Acct

812 Gear-Up

814 Hartsville Middle School Grants

815 12-Month Ag Clemson Univ Grant

816 Lamar-Spaulding Elementary Grants

817 DCEF/Sonoco Grants WHE Grants

818 Southside Early Childhood Center Grants

819 TEACH Foundation Grants

820 Summer Reading

217 CRF Pupil Funding

221 Title I Neglected & Delinquent

225 ESSER II

239 Title I Comprehensive Support and Improvement

821 CES Grants

822 Art Summer

823 Darlington Middle School Grants

824 REMS Grants

825 DCIS Grants

828 DCVA Grants

834 Administrative Claiming

835 Project Lead The Way Grants

836 COPS Grant

837 District Office Grants

838 HHS Grants

855 Florence Darlington Technical College

859 Transportation Special Needs

866 Project Share

868 Adult Banquet

870 District Buses Extra Curricular

879 Erate Funding

890 Medicaid Federal

895 Breakfast After the Bell

896 Thornwell Grants Arts Grant

898 Coker Foundation

899 Prof Mental Disable

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS – SPECIAL PROJECTS FUND
SUMMARY SCHEDULE FOR DESIGNATED RESTRICTED STATE GRANTS
YEAR ENDED JUNE 30, 2021**

<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	\$ -	\$ -	\$ -	\$ 2,027
924	3134	Child Early Reading Development and Education Program (CERDEP) - Full Day 4K	2,663	2,663	-	-
924	3143	GEER CDEP Summer Reading Program	3,498	3,498	-	25,948
928	3118	EEDA Career Specialists	335,781	335,781	-	320,162
935	3135	Reading Coaches	834,720	834,720	-	583,629
936	3136	Student Health and Fitness - Nurses	316,956	316,956	-	-
937	3127	Student Health and Fitness - PE Teachers	67,257	67,257	-	-
956	3156	Adult Education	-	-	-	10,278
994	3994	PEBA Nonemployer Contributions	16,186	16,186	-	-
			<u>\$ 1,577,061</u>	<u>\$ 1,577,061</u>	<u>\$ -</u>	<u>\$ 942,044</u>

**SPECIAL REVENUE FUNDS:
EDUCATION IMPROVEMENT ACT FUND**

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS – EDUCATION IMPROVEMENT ACT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – ALL PROGRAMS
YEAR ENDED JUNE 30, 2021**

REVENUES

3000 Revenue from State Sources

3500 Education Improvement Act

3502 ADEPT	\$	24,335
3507 Aid to District Technology		176,705
3509 Arts in Education		12,400
3519 Grade 10 Assessments		43,168
3526 Refurbishment of Science Kits		59,514
3528 Industry Certifications/Credentials		74,439
3529 Career and Technology Education		198,138
3532 National Board Salary Supplement (No Carryover Provision)		249,211
3533 Teacher of the Year Awards		1,077
3538 Students At Risk of School Failure		1,188,554
3541 Child Early Reading Development and Education Program (CERDEP) - Full Day 4K		688,262
3550 Teacher Salary Increase (No Carryover Provision)		2,202,768
3555 Teacher Salary Fringe (No Carryover Provision)		535,991
3556 Adult Education		362,544
3557 Summer Reading Program		193,362
3571 CSI and Priority Schools		90,859
3577 Teacher Supplies (No Carryover Provision)		200,475
3595 EEDA - Supplies and Materials		1,927
3597 Aid to Districts		487,020

Total State Sources		6,790,749
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TOTAL REVENUES		6,790,749
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**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS – EDUCATION IMPROVEMENT ACT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – ALL PROGRAMS
YEAR ENDED JUNE 30, 2021**

EXPENDITURES

100 Instruction		
110 General Instruction		
111 Kindergarten Programs		
100 Salaries	\$	7,500
200 Employee Benefits		2,167
112 Primary Programs		
100 Salaries		209,045
200 Employee Benefits		74,967
400 Supplies and Materials		1,085
113 Elementary Programs		
100 Salaries		224,399
200 Employee Benefits		97,558
300 Purchased Services		3,875
400 Supplies and Materials		50,609
114 High School Programs		
100 Salaries		240,665
200 Employee Benefits		61,500
300 Purchased Services		23,876
400 Supplies and Materials		424,534
115 Career and Technology Education Programs		
100 Salaries		285
200 Employee Benefits		86
300 Purchased Services		6,889
400 Supplies and Materials		184,377
500 Capital Outlay		10,506
120 Exceptional Programs		
124 Visually Handicapped		
100 Salaries		7,500
200 Employee Benefits		2,197
130 Preschool Programs		
139 Early Childhood Programs:		
100 Salaries		121
140 Special Programs		
147 CERDEP		
100 Salaries		684,262
200 Employee Benefits		332,011
300 Purchased Services		2,481
400 Supplies and Materials		623
170 Summer School Program		
171 Primary Summer School		
100 Salaries		136,014
200 Employee Benefits		39,863
300 Purchased Services		13,418
400 Supplies and Materials		3,415

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS – EDUCATION IMPROVEMENT ACT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – ALL PROGRAMS
YEAR ENDED JUNE 30, 2021**

EXPENDITURES (CONTINUED)

100 Instruction (Continued)

180 Adult/Continuing Educational Programs

181 Adult Basic Education Programs

100 Salaries \$ 102,374

200 Employee Benefits 41,863

182 Adult Secondary Education Programs

100 Salaries 65,000

200 Employee Benefits 19,870

300 Purchased Services 7,392

183 Adult English Literacy (ESL)

100 Salaries 3,258

200 Employee Benefits 988

Total Instruction

3,086,573

200 Support Services

210 Pupil Services

212 Guidance Services

400 Supplies and Materials 1,927

213 Nursing Services

100 Salaries 500

200 Employee Benefits 153

220 Instructional Staff Services

221 Improvement of Instruction Curriculum Development

100 Salaries 141,543

200 Employee Benefits 58,602

300 Purchased Services 589

223 Supervision of Special Programs

100 Salaries 173,917

200 Employee Benefits 71,203

300 Purchased Services 856

224 Improvement of Instruction Inservice and Staff Training

300 Purchased Services 246,949

400 Supplies and Materials 3,893

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS – EDUCATION IMPROVEMENT ACT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – ALL PROGRAMS
YEAR ENDED JUNE 30, 2021**

EXPENDITURES (CONTINUED)	
200 Support Services (Continued)	
230 General Administration Services	
233 School Administration	
100 Salaries	\$ 172,245
200 Employee Benefits	62,219
250 Finance and Operations Services	
254 Operation and Maintenance of Plant	
300 Purchased Services	6,550
257 Internal Services	
100 Salaries	40,625
200 Employee Benefits	11,626
300 Purchased Services	1,086
258 Security	
100 Salaries	32,186
200 Employee Benefits	14,849
260 Central Support Services	
266 Technology and Data Processing Services	
300 Purchased Services	90,343
400 Supplies and Materials	164,793
Total Support Services	<u>1,296,654</u>
TOTAL EXPENDITURES	<u>4,383,227</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>2,407,522</u>
OTHER FINANCING USES	
Transfers from (to) Other Funds	
420-710 Transfer to General Fund (Excludes Indirect Costs)	(2,738,759)
5210 Transfer from General Fund (Excludes Indirect Costs)	331,237
TOTAL OTHER FINANCING USES	<u>(2,407,522)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	-
FUND BALANCE	
July 1, 2020	<u>-</u>
June 30, 2021	<u>\$ -</u>

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS – EDUCATION IMPROVEMENT ACT FUND
SUMMARY SCHEDULE BY PROGRAM
YEAR ENDED JUNE 30, 2021**

PROGRAM	Revenues	Expenditures	EIA Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	EIA Fund Unearned
3500 Education Improvement Act					
3502 ADEPT	\$ 24,335	\$ 24,335	\$ -	\$ -	\$ 16,342
3507 Aid to Districts - Technology	176,705	176,705	-	-	-
3509 Arts in Education	12,400	12,400	-	-	-
3518 Adoption List of Formative Assessment	-	-	-	-	67,370
3519 Grade 10 Assessments	43,168	43,168	-	-	6,664
3526 Refurbishment of Science Kits	59,514	59,514	-	-	19,119
3528 Industry Certifications/Credentials	74,439	74,439	-	-	59,593
3529 Career and Technology Education	198,138	198,138	-	-	85,435
3532 National Board Salary Supplement (No Carryover Provision)	249,211	249,211	-	-	-
3533 Teacher of the Year Awards	1,077	1,077	-	-	-
3538 Students At Risk of School Failure	1,188,554	1,188,554	-	-	366,718
3541 Child Early Reading Development and Education Program (CERDEP) - Full Day 4K	688,262	1,019,499	-	331,237	-
3550 Teacher Salary Increase (No Carryover Provision)	2,202,768	-	-	(2,202,768)	-
3555 Teacher Salary Fringe (No Carryover Provision)	535,991	-	-	(535,991)	-
3556 Adult Education	362,544	362,544	-	-	-
3557 Summer Reading Program	193,362	193,362	-	-	138,125
3571 CSI and Priority Schools	90,859	90,859	-	-	104,874
3577 Teacher Supplies (No Carryover Provision)	200,475	200,475	-	-	-
3595 EEDA - Supplies and Materials	1,927	1,927	-	-	27,526
3597 Aid to Districts	487,020	487,020	-	-	434,560
3599 Other EIA	-	-	-	-	18,485
TOTALS	\$ 6,790,749	\$ 4,383,227	\$ -	\$ (2,407,522)	\$ 1,344,811

**CAPITAL PROJECTS FUND:
SCHOOL BUILDING FUND**

SCHOOL BUILDING FUND

To account for financial resources to be used for the acquisition and construction of major capital facilities.

This fund is used to account for financial resources to be used for the acquisition and construction of major capital facilities, renovations, and extensive repairs which tend to extend the life of the asset.

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SCHOOL BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2021**

REVENUES	
1000 Revenue from Local Sources	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 54,234
Total Local Sources	<u>54,234</u>
TOTAL REVENUES	<u>54,234</u>
EXPENDITURES	
200 Support Services	
250 Finance and Operations Services	
253 Facilities Acquisition & Construction	
300 Purchased Services	6,390
500 Capital Outlay	
520 Construction Services	2,745,778
525 Buildings	4,035,598
530 Improvements Other Than Buildings	446,092
545 Technology Equipment	1,848,809
550 Vehicles	33,916
600 Administrative	60,375
254 Operation and Maintenance of Plant	
300 Purchased Services	241,556
400 Supplies and Materials	12,272
500 Capital Outlay	
530 Improvements Other Than Buildings	230,230
540 Equipment	65,216
260 Central Support Services	
266 Technology and Data Processings Services	
300 Purchased Services	3,600
400 Supplies and Materials	186,896
500 Capital Outlay	
545 Technology Equipment	669,000
270 Pupil Service Activities	
271 Pupil Services Activities	
400 Supplies and Materials	50,178
500 Capital Outlay	
540 Equipment	<u>50,361</u>
Total Support Services	<u>10,686,267</u>
500 Debt Service	
620 Interest	<u>8,688</u>
Total Debt Service	<u>8,688</u>
TOTAL EXPENDITURES	<u>10,694,955</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(10,640,721)</u>
OTHER FINANCING SOURCES (USES)	
5120 Proceeds on General Obligation Bonds	8,250,000
Interfund Transfers, From (To) Other Funds	
5210 Transfers from General Fund (Excludes Indirect Costs)	15,683,688
423-710 Transfer to Debt Service Fund	<u>(673,978)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>23,259,710</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	12,618,989
FUND BALANCE	
July 1, 2020	<u>25,523,325</u>
June 30, 2021	<u>\$ 38,142,314</u>

DEBT SERVICE FUND

DEBT SERVICE FUND

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

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

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2021**

REVENUES

1000 Revenues from Local Sources

1100 Taxes

1110 Ad Valorem Taxes - Including Delinquent \$ 8,206,011

1140 Penalties and Interest on Taxes (Independent) 33,251

1200 Revenue from Local Governmental Units other than LEA

1280 Revenue in Lieu of Taxes 469,381

1500 Earnings on Investments

1510 Interest on Investments 9,296

1900 Revenue from Other Local Sources

1999 Sales Tax Revenue 7,539,254

Total Local Sources 16,257,193

3000 Revenues from State Sources

3800 State Revenue in Lieu of Taxes

3820 Homestead Exemption 315,698

3830 Merchant's Inventory Tax 48,208

3840 Manufacturer's Depreciation Reimbursement 181,920

3890 Other State Property Tax Revenues 65,951

Total State Sources 611,777

TOTAL REVENUES 16,868,970

EXPENDITURES

500 Debt Service

610 Redemption of Principal 12,050,000

620 Interest 2,303,389

TOTAL EXPENDITURES 14,353,389

**EXCESS OF REVENUES AND OTHER FINANCING SOURCES
OVER EXPENDITURES**

2,515,581

OTHER FINANCING SOURCES

5250 Transfer from Capital Projects Fund

673,978

TOTAL OTHER FINANCING SOURCES 673,978

NET CHANGE IN FUND BALANCE

3,189,559

FUND BALANCE

July 1, 2020 10,455,614

June 30, 2021 \$ 13,645,173

**PROPRIETARY FUND
ENTERPRISE FUND**

PROPRIETARY FUND

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

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

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
PROPRIETARY FUND
SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION – FOOD SERVICE PROGRAM
YEAR ENDED JUNE 30, 2021**

REVENUES

1000 Revenues from Local Sources		
1500 Earnings on Investments		
1510 Interest on Investments	\$	73
1600 Food Service		
1640 Lunch Sales to Adults	34,294	
1650 Breakfast Sales to Adults	54	
1660 Special Sales to Adults	366	
Total Local Sources	<u>34,787</u>	
3000 Revenues from State Sources		
3900 Other State Revenue		
3995 CRF Per Pupil Funding	197,809	
Total State Sources	<u>197,809</u>	
4000 Revenues from Federal Sources		
4800 USDA Reimbursement		
4810 School Lunch and After School Snack Program, and Special Milk Program	2,501,458	
4830 School Breakfast program	1,444,580	
4860 Fresh Fruit & Vegetable Program	216,846	
4900 Other Federal Sources		
4991 USDA Commodities	380,168	
Total Federal Sources	<u>4,543,052</u>	
Total Revenues all Sources	<u>4,775,648</u>	

OPERATING EXPENSES

200 Support Services		
256 Food Service		
100 Salaries	2,063,615	
300 Purchased Services (Exclude Energy Costs)	79,593	
400 Supplies and Materials (Include Energy Costs)	2,965,042	
500 Capital Outlay		
570 Depreciation	119,452	
600 Other Objects	24,679	
Total Operating Expenses	<u>5,252,381</u>	

OPERATING INCOME (LOSS) (476,733)

OTHER FINANCING SOURCES (USES)

Transfers from (to) Other Funds		
432-791 Food Service Fund Indirect Costs	(195,000)	
TOTAL OTHER FINANCING SOURCES (USES)	<u>(195,000)</u>	

EXCESS OF REVENUES AND OTHER FINANCING SOURCES
OVER EXPENSES AND OTHER FINANCING USES (671,733)

NET POSITION

July 1, 2020		2,103,435
June 30, 2021		<u>\$ 1,431,702</u>

OTHER SUPPLEMENTARY SCHEDULES

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/
FEDERAL GOVERNMENT
JUNE 30, 2021**

<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>
Adult Education	H63010101021	4410/243	Refund received after claim filed	\$ 87.00	Unpaid
Title I	H63010100121	4310/201	Refund received after claim filed	3,466.05	Unpaid
Title I	H63010100120	4310/202	Refund received after claim filed	754.84	Unpaid
CATE	H63010107121	4210/207	Refund of overclaimed amount	10,638.40	Unpaid
CRF Pupil Funding	N/A	3995/217	CRF LEAP funds Fringes were overclaimed - Fund has expired - Not Considered Federal Funds	<u>18,937.24</u>	Unpaid
				<u><u>\$ 33,883.53</u></u>	

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
LOCATION RECONCILIATION SCHEDULE
YEAR ENDED JUNE 30, 2021**

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
04	Hartsville Middle	Middle School	School	\$ 7,253,769
05	Hartsville High	High School	School	10,391,472
06	Lamar High	High School	School	4,018,443
10	Spaulding Middle	Middle School	School	2,499,094
13	Brockington	Elementary School	School	2,759,438
15	Carolina Elementary	Elementary School	School	2,864,362
17	North Hartsville Elementary	Elementary School	School	4,645,417
18	Pate Elementary	Elementary School	School	3,553,027
20	Rosenwald Elementary/Middle	Elementary/Middle School	School	2,109,569
26	St. John's Elementary	Elementary School	School	5,174,569
27	Thornwell Elementary	Elementary School	School	3,301,164
30	Darlington High	High School	School	9,669,413
31	Darlington Middle	Middle School	School	6,812,373
32	Southside Early Childhood	Elementary School	School	3,875,483
33	Mayo Magnet	High School	School	3,538,738
34	J.L. Cain Elementary	Elementary School	School	5,439,708
35	Intervention School	Other (Alternative) School	School	660,326
36	Bay Road Elementary	Elementary School	School	8,828,415
37	Lamar-Spaulding Elementary	Elementary School	School	6,919,775
50	Superintendent	Non-School	Central	1,053,951
51	Operations	Non-School	Central	1,494,200
54	Curriculum & Instruction	Non-School	Central	1,278,076
55	Human Resources	Non-School	Central	1,757,501
56	Pupil Services	Non-School	Central	1,211,609
58	Transportation	Non-School	Central	3,196,941
59	Communications	Non-School	Central	403,595
60	Exceptional Education	Non-School	Central	1,940,054
62	Maintenance	Non-School	Central	2,569,679
63	Elementary Assistant Superintendent	Non-School	Central	3,105,317
64	Adult Education	Non-School	Central	1,130,260
65	Warehouse	Non-School	Central	118,766
66	Project Share	Non-School	Central	908,663
68	Food Service	Non-School	Central	602,929
69	Computer Services	Non-School	Central	7,006,949
72	Finance	Non-School	Central	21,132,070
91	Institute of Technology	Other (Career) School	School	2,605,963
92	Darlington County Virtual Academy	Other (Virtual) School	School	7,099,075
TOTAL EXPENDITURES FOR ALL FUNDS				\$ 152,930,153
General Fund				\$ 93,289,145
Special Projects Fund				24,957,056
Education Improvement Act Fund				4,383,227
School Building Fund				10,694,955
Debt Service Fund				14,353,389
Food Service Fund				5,252,381
TOTAL EXPENDITURES FOR ALL FUNDS				\$ 152,930,153

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

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	\$ 1,444,580
600	National School Lunch Program - Cash Assistance	10.555	N/A	2,501,458
600	National School Lunch Program - Non-Cash Assistance (Commodities)	10.555	N/A	380,168
		Total 10.555		<u>2,881,626</u>
		Total Child Nutrition Cluster		4,326,206
603	Fresh Fruit and Vegetable Program	10.582	N/A	216,846
	Total U.S. Department of Agriculture			<u>4,543,052</u>
U.S. Department of Labor				
WIOA Cluster				
Passed Through Pee Dee Regional Council of Governments:				
280	WIOA Youth Activities	17.259	0Y507E1	184,842
Passed Through S.C. Department of Employment and Workforce:				
284	Jobs for America's Graduates	17.259	20JAG105	56,768
		Total WIOA Cluster		<u>241,610</u>
	Total U.S. Department of Labor			<u>241,610</u>
U.S. Department of Education				
Passed Through State Department of Education:				
Title I:				
201	Title I	84.010A	19 Title I (202)	24,395
201	Title I	84.010A	20 Title I (202)	1,374,580
201	Title I	84.010A	21 Title I	3,520,650
221	Title I - Neglected and Delinquent	84.010A	20 Title I N&D	444
221	Title I - Neglected and Delinquent	84.010A	21 Title I N&D	11
237	Title I - Targeted Support and Improvement	84.010A	19 Title I TSI	20,763
237	Title I - Targeted Support and Improvement	84.010A	20 Title I TSI	5,034
239	Title I - Comprehensive Support and Improvement	84.010A	19 Title I CSI	48,377
239	Title I - Comprehensive Support and Improvement	84.010A	20 Title I CSI	10,800
		Total 84.010A		<u>5,005,054</u>
Special Education Cluster:				
203	IDEA	84.027	19 IDEA	94,990
203	IDEA	84.027	19 IDEA Supplement	119,814
203	IDEA	84.027	20 IDEA	148,766
203	IDEA	84.027	21IDEA	2,450,285
204	Extended School Year	84.027	21 IDEA ESY	7,536
		Total 84.027		<u>2,821,391</u>
205	IDEA - Preschool Handicapped	84.173A	20 IDEA Preschool	8,905
205	IDEA - Preschool Handicapped	84.173A	21 IDEA Preschool	81,836
		Total 84.173A		<u>90,741</u>
	Total Special Education Cluster			<u>2,912,132</u>

(Continued)

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
YEAR ENDED JUNE 30, 2021**

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	20 CTE	\$ 84,116
207	Vocational Education	84.048A	20 CTE Adult Ed Pilot	10,000
207	Vocational Education	84.048A	21 CTE	114,782
		Total 84.048A		<u>208,898</u>
Adult Education:				
243	Adult Education	84.002	20 Adult Education	1,521
243	Adult Education	84.002	21 Adult Ed	145,425
243	Adult Education	84.002	20 Adult Ed - Reverted Funds	2,078
243	Adult Education	84.002	21 Adult Ed - Generational Family Services	29,024
		Total 84.002		<u>178,048</u>
COVID-19 ESSER Funds				
220	COVID-19 Elementary and Secondary School Education Relief Fund	84.425D	20 SC CARES ESSER	3,708,259
225	COVID-19 ESSER II	84.425D	ESSER II	2,578,263
		Total 84.425D		<u>6,286,522</u>
Title IV				
210	Title IV - Student Support and Academic Enrichment	84.424A	19 Title IV - SSAE	29,102
210	Title IV - Student Support and Academic Enrichment	84.424A	20 Title IV - SSAE	220,781
210	Title IV - Student Support and Academic Enrichment	84.424A	21 Title IV - SSAE	22,165
		Total 84.424A		<u>272,048</u>
21st Century Community Learning				
224	21st Century Community Learning Centers	84.287C	20 21st CCLC	<u>12,057</u>
Title III				
264	English Language Acquisition State Grants	84.365	19 Title III	871
264	English Language Acquisition State Grants	84.365	21 Title III	4,063
		Total 84.365		<u>4,934</u>
Title II				
267	Improving Teacher Quality State Grants	84.367	19 Title II Carryover from Prior Yr	20,459
267	Improving Teacher Quality State Grants	84.367	20 Title II Carryover from Prior Yr	47,270
267	Improving Teacher Quality State Grants	84.367	20 Title II	466,870
		Total 84.367		<u>534,599</u>
Total U.S. Department of Education				<u>15,414,292</u>
U.S. Department of Defense				
Direct Programs:				
269	JROTC	12.357	N/A	245,229
Total U.S. Department of Defense				<u>245,229</u>
Total Federal Assistance Expended				<u>\$ 20,444,183</u>

No amounts were passed through to subrecipients.

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

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, 2021. 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 Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Board of Trustees
Darlington County School District
Darlington, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Darlington County School District (the School District), as of and for the year ended June 30, 2021, 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 1, 2021.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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

Florence, South Carolina
December 1, 2021

Independent Auditors' 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, 2021. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Florence, South Carolina
December 1, 2021

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

_____ Yes X No

Significant deficiencies identified that are not considered to be material weaknesses?

_____ Yes X None Reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major programs:

Material weaknesses identified?

_____ Yes X No

Significant deficiencies identified that are not considered to be material weaknesses?

_____ Yes X None Reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?

_____ Yes X No

Identification of major programs:

CFDA Number

Name of Federal Program or Cluster

84.027 / 84.173A
84.425D

Special Education Cluster
COVID-19 ESSER Funds

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

\$750,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

Page 2 of 2

II. – Financial Statement Findings

None

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

None

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2021**

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

None