

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

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

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**YEAR ENDED JUNE 30, 2020**

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
YEAR ENDED JUNE 30, 2020**

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**TABLE OF CONTENTS**

<u>FINANCIAL SECTION</u>	<u>Page</u>
Independent Auditors' Report	1 - 2
Required Supplementary Information - Management's Discussion and Analysis (Unaudited)	3 - 10
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet - Governmental Funds	13
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	14
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	16
Statement of Net Position - Proprietary Funds	17
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	18
Statement of Cash Flows - Proprietary Funds	19
Statement of Fiduciary Net Position - Agency Funds	20
Notes to Financial Statements	21 - 56
Required Supplementary Information Other than Management's Discussion and Analysis (Unaudited)	
Budgetary Comparison Schedule - Budgeted Major Governmental Fund General Fund	57
Notes to Budgetary Comparison Schedule	58
Schedule of the School District's Proportionate Share of the Net Pension Liability - South Carolina Retirement System - Last Six Fiscal Years	59
Schedule of the School District's Proportionate Share of the Net Pension Liability - Police Officers Retirement System - Last Six Fiscal Years	60
Schedule of the School District's Contributions - South Carolina Retirement System - Last Seven Fiscal Years	61
Schedule of the School District's Contributions - Police Officers Retirement System - Last Seven Fiscal Years	62
Notes to Required Supplementary Information - South Carolina Retirement System and Police Officers Retirement System	63

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
YEAR ENDED JUNE 30, 2020**

**TABLE OF CONTENTS (Continued)**

<u>FINANCIAL SECTION (Continued)</u>	<u>Page</u>
Required Supplementary Information Other than Management's Discussion and Analysis (Unaudited) (Continued)	
Schedule of the School District's Proportionate Share of the Net OPEB Liability - South Carolina Retiree Health Insurance Trust Fund - Last Four Fiscal Years	64
Schedule of the School District's Contributions - OPEB - South Carolina Retiree Health Insurance Trust Fund - Last Four Fiscal Years	65
Notes to Required Supplementary Information - OPEB - South Carolina Retiree Health Insurance Trust Fund	66
Other Supplementary Financial Information	
Combining and Individual Fund Schedules	
Governmental Funds	
General Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	67 - 75
Special Revenue Funds	
Special Projects Fund:	
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Special Projects Fund	76 - 83
Notes to Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	84
Summary Schedule for Designated Restricted State Grants	85
Education Improvement Act Fund:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - All Programs	86 - 89
Summary Schedule by Program	90
Capital Projects Fund - School Building Fund:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance	91
Debt Service Fund:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance	92
Proprietary Fund	
Enterprise Fund	
Schedule of Revenues, Expenses, and Changes in Net Position - Food Service Program	93
Agency Fund	
Pupil Activity	
Schedule of Changes in Assets and Liabilities - Pupil Activity	94
Schedule of Receipts, Disbursements, and Changes in Due to Schools Pupil Activity	95

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
YEAR ENDED JUNE 30, 2020**

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**TABLE OF CONTENTS (Continued)**

<u>FINANCIAL SECTION (Continued)</u>	<u>Page</u>
Other Supplementary Schedules	
Detailed Schedule of Due to State Department of Education/ Federal Government	96
Location Reconciliation Schedule	97
Schedule of Expenditures of Federal Awards	98
Notes to Schedule of Expenditures of Federal Awards	99
 <b>GOVERNMENT AUDITING STANDARDS and SINGLE AUDIT REPORTS</b>	
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 <i>Government Auditing Standards</i>	100 - 101
Independent Auditors' Report on Compliance for Each Major Program and Report on Internal Control over Compliance Required by the Uniform Guidance	102 - 103
Schedule of Findings and Questioned Costs	104 - 105
Summary Schedule of Prior Audit Findings	106

## ***Independent Auditors' Report***

Board of Trustees  
***Darlington County School District***  
Darlington, South Carolina

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the ***Darlington County School District*** (the School District) as of and for the year ended June 30, 2020, 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, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2020, 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.

## **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 57-66 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 January 14, 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.

*Webster Rogus LLP*

Florence, South Carolina  
January 14, 2021

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

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

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**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, 2020.

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 nonspendable, restricted, committed, and assigned fund balance, there is \$ 42,558,892 in unassigned general fund balance at June 30, 2020. 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, 2020, yields at least three months balance of operating expenditures based on monthly average expenditures of the current fiscal year. The District's net change in general fund balance increased by \$2,820,947.

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, 2020**

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*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 three kinds of funds – governmental, proprietary and fiduciary – use different accounting approaches.

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

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

- Proprietary funds – The District reports its food service operations in a proprietary fund. Proprietary funds are reported in the same way that all activities are reported in the government-wide financial statements (e.g., the Statement of Net Position and the Statement of Activities). In fact, the District's enterprise fund statements (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds.
- Fiduciary funds – The District reports assets held by the School District in a trustee capacity or as an agent for specific schools, clubs, or groups within each school or other type of organization as fiduciary funds. Students engage in numerous curricular and extra-curricular activities that enhance their overall educational experience. Each school provides centralized accounting and control over the financial resources of these activities. These funds are held in a purely custodial capacity and do not have governmental operations. Therefore, they do not report changes in fiduciary net position.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The 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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current & other assets	\$ 100,139	\$ 145,513	\$ 1,077	\$ 1,407	\$ 101,216	\$ 146,920
Capital assets	164,985	120,212	1,027	968	166,012	121,180
Total assets	<u>265,124</u>	<u>265,725</u>	<u>2,104</u>	<u>2,375</u>	<u>267,228</u>	<u>268,100</u>
Deferred outflows	<u>25,127</u>	<u>21,377</u>	-	-	<u>25,127</u>	<u>21,377</u>
Current liabilities	20,900	25,392	1	-	20,901	25,392
Long term liabilities	284,635	289,019	-	-	284,635	289,019
Total liabilities	<u>305,535</u>	<u>314,411</u>	<u>1</u>	<u>-</u>	<u>305,536</u>	<u>314,411</u>
Deferred inflows	<u>17,686</u>	<u>9,275</u>	-	-	<u>17,686</u>	<u>9,275</u>
Net Position:						
Net investment in capital assets	127,201	116,821	1,026	968	128,227	117,789
Restricted	31,862	74,562	-	-	31,862	74,562
Unrestricted	<u>(192,033)</u>	<u>(227,967)</u>	<u>1,077</u>	<u>1,407</u>	<u>(190,956)</u>	<u>(226,560)</u>
Total Net Position	<u>\$ (32,970)</u>	<u>\$ (36,584)</u>	<u>\$ 2,103</u>	<u>\$ 2,375</u>	<u>\$ (30,867)</u>	<u>\$ (34,209)</u>

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues						
Program revenue:						
Charges for services	\$ 170	\$ 199	\$ 145	\$ 190	\$ 315	\$ 389
Operating grants	69,241	60,358	5,898	5,855	75,139	66,213
Capital grants	339	911	-	-	339	911
General revenues:						
Property taxes	57,286	57,100	-	-	57,286	57,100
Sales taxes	6,717	6,113	-	-	6,717	6,113
State aid	31	55	-	-	31	55
Other general revenue	1,637	3,493	1	5	1,638	3,498
Total Revenue	<u>135,420</u>	<u>128,229</u>	<u>6,044</u>	<u>6,050</u>	<u>141,464</u>	<u>134,279</u>
Program expenses:						
Instruction	72,364	67,792	-	-	72,364	67,792
Support services	53,139	50,100	-	-	53,139	50,100
Community services	34	35	-	-	34	35
Intergovernmental	4,286	3,995	-	-	4,286	3,995
Interest on long term debt	1,661	2,156	-	-	1,661	2,156
Unallocated depreciation	518	454	-	-	518	454
Food service	-	-	6,121	5,683	6,121	5,683
Total Expenses	<u>132,002</u>	<u>124,532</u>	<u>6,121</u>	<u>5,683</u>	<u>138,123</u>	<u>130,215</u>
Excess before transfers	3,418	3,697	(77)	367	3,341	4,064
Transfers	195	190	(195)	(190)	-	-
Increase in net position	<u>\$ 3,613</u>	<u>\$ 3,887</u>	<u>\$ (272)</u>	<u>\$ 177</u>	<u>\$ 3,341</u>	<u>\$ 4,064</u>

Total revenues increased by 5.4% from the prior year. Program expenses increased 6.1% above last year. Total net position increased by \$ 3,341,633 in 2020 and by \$ 4,063,702 in 2019.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

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*Governmental Activities*

The unrestricted net position of the District's governmental activities increased by \$35,933,915. At the same time, the District's net investment in capital assets increased by \$10,379,223.

*Business-Type Activities*

The District's business-type activity is its food service operation. The United States Department of Agriculture reimburses the District under its child nutrition and agricultural commodity sharing programs which provides a significant portion of its revenue. Less than a quarter of the revenue is generated through direct charges to users of the food service. Since the federal government sets USDA reimbursements, the ability of food service to operate in the black is a function of operational efficiency. During the year, food service's total net position decreased for the year by \$ 271,866, 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 \$81,236,981 which decreased by \$41,083,855 compared to last year's total of \$122,320,836. The schedule below illustrates the fund balance and total change in fund balance as of June 30, 2020 and 2019.

	Fund Balance June 30, 2020	Fund Balance June 30, 2019	Increase (Decrease)
General	\$ 42,756,455	\$ 39,935,508	\$ 2,820,947
Special Projects	2,501,587	2,402,593	98,994
School Building	25,523,325	71,422,789	(45,899,464)
Debt Service	10,455,614	8,559,946	1,895,668
<b>Total</b>	<b>\$ 81,236,981</b>	<b>\$ 122,320,836</b>	<b>\$ (41,083,855)</b>

The District's combined fund balance decrease is due primarily to the ongoing completion of capital projects across the District.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

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

	2020 Amount	2019 Amount	Percentage Change
Revenues			
Taxes	\$ 36,315,845	\$ 34,132,496	6.40%
Other local sources	625,449	1,239,376	-49.54%
Intergovernmental	<u>55,692,414</u>	<u>53,590,408</u>	3.92%
	<u>\$ 92,633,708</u>	<u>\$ 88,962,280</u>	4.13%

	2020 Amount	2019 Amount	Percentage Change
Expenditures by object			
Salaries	\$ 56,720,505	\$ 53,297,225	6.42%
Fringe benefits	24,442,812	22,716,095	7.60%
Purchased services	5,150,904	4,006,732	28.56%
Supplies and Materials	4,630,813	5,273,843	-12.19%
Capital outlay	308,476	109,078	182.80%
Insurance & Miscellaneous	1,256,989	1,019,923	23.24%
Intergovernmental	<u>2,044</u>	<u>3,945</u>	-48.19%
	<u>\$ 92,512,542</u>	<u>\$ 86,426,840</u>	7.04%

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 \$6,085,702 or 7.04% over the prior year. This is primarily attributed to salary and fringe increases.

General fund revenue (including net transfers in of \$2,699,781) was more than expenditures during the fiscal year, resulting in an increase to the general fund balance of \$2,820,947.

*Other Funds*

The Special Projects fund operates essentially on a quasi-breakeven basis. Revenues were greater than expenditures (including net transfers in and out of \$683,775) during the fiscal year resulting in an increase of \$98,994 to fund balance. Details are provided on pages 76-85.

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 86 - 90.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

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The School Building fund balance decreased by \$45,899,464. This included transfers in from the general fund of \$683,688 for capital projects, transfers out to the debt service fund of \$673,834, the issuance of the annual General Obligation Bond in the amount of \$8,000,000 and capital and related expenditures of \$54,721,594. Any unspent funds in this fund balance will be used to pay for expenditures related to these ongoing projects in the next two fiscal years.

The Debt Service fund balance increased by \$1,895,668. 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 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 \$271,866 during 2020, compared to an increase of \$176,845 in the prior year. Total revenues decreased by \$5,954 to \$6,043,874. Total expenses were \$6,120,740 for the current year which was an increase of \$437,757 from the prior year primarily due to the increase in costs of prepackaged foods served during the school closure because of the pandemic.

### **Budgetary Analysis**

The District underestimated its budgeted general fund revenue by \$754,954. The budgeted operational expenses were overestimated by \$2,030,692. The other financing sources (uses) were underestimated by \$35,301. That resulted in a fund balance increase of \$2,820,947. For the fiscal year ending 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 Assets 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, 2020 the Board of Education approved a General Obligation Bond in the amount of \$8,000,000 for that purpose. In April of 2018 the Board of Education issued a \$60,000,000 General Obligation Bond, to be paid from the one percent sales tax collections for the construction of three elementary schools that will be placed in service in the 2021 school year.

Facility construction and renovation is a major component of capital asset additions. There were twenty-five open construction projects in progress at June 30, 2020 including multiple roofing projects, capital repairs, a district-wide video surveillance project and the three new elementary school projects.

#### **Debt**

As indicated above, the \$60,000,000 GO Bond issued in April of 2018 will be repaid from the proceeds of the one percent sales tax. The current year \$8,000,000 general obligation bond was repaid from the property tax collections in the debt service fund in March of 2020.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

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**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, 2020**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 31,435,963	\$ 417,453	\$ 31,853,416
Cash and investments with County Treasurer	62,525,072	-	62,525,072
Investment funds in escrow with bond refunding agent	1,327,596	-	1,327,596
Due from other governmental units	3,125,411	83	3,125,494
Internal balances	(427,278)	427,278	-
Taxes receivable	1,806,813	-	1,806,813
Accounts receivable	148,246	-	148,246
Inventories	197,563	232,433	429,996
Capital assets not being depreciated	72,248,985	-	72,248,985
Capital assets, net of accumulated depreciation	92,735,660	1,026,758	93,762,418
<b>TOTAL ASSETS</b>	<b>265,124,031</b>	<b>2,104,005</b>	<b>267,228,036</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pension amounts	12,799,072	-	12,799,072
Deferred OPEB amounts	12,328,264	-	12,328,264
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>25,127,336</b>	<b>-</b>	<b>25,127,336</b>
<b>LIABILITIES</b>			
Accounts payable	7,559,631	570	7,560,201
Accrued expenses	5,548,092	-	5,548,092
Unearned revenues	3,092,803	-	3,092,803
Due to other governmental units	68,218	-	68,218
Accrued interest payable	382,820	-	382,820
Noncurrent liabilities			
Due within one year	4,248,472	-	4,248,472
Due in more than one year	55,979,321	-	55,979,321
Net pension liability	126,337,281	-	126,337,281
Net OPEB liability	102,319,191	-	102,319,191
<b>TOTAL LIABILITIES</b>	<b>305,535,829</b>	<b>570</b>	<b>305,536,399</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pension amounts	4,824,538	-	4,824,538
Deferred OPEB amounts	12,861,094	-	12,861,094
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>17,685,632</b>	<b>-</b>	<b>17,685,632</b>
<b>NET POSITION</b>			
Net investment in capital assets	127,200,651	1,026,758	128,227,409
Restricted for:			
Technical school	276,284	-	276,284
Safety grant	1,837	-	1,837
Capital construction	21,117,983	-	21,117,983
Debt service	10,661,179	-	10,661,179
Unrestricted	(192,228,028)	1,076,677	(191,151,351)
<b>TOTAL NET POSITION</b>	<b>\$ (32,970,094)</b>	<b>\$ 2,103,435</b>	<b>\$ (30,866,659)</b>

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, 2020**

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
<b>Primary Government</b>							
Governmental activities							
Instruction	\$ 72,363,631	\$ 170,323	\$ 61,081,097	\$ -	\$ (11,112,211)	\$ -	\$ (11,112,211)
Support services	53,139,418	-	8,125,532	338,560	(44,675,326)	-	(44,675,326)
Community services	34,201	-	34,201	-	-	-	-
Intergovernmental	4,286,315	-	-	-	(4,286,315)	-	(4,286,315)
Interest expense, net of deferred charges and premium amortization	1,660,620	-	-	-	(1,660,620)	-	(1,660,620)
Depreciation - unallocated *	518,044	-	-	-	(518,044)	-	(518,044)
Total governmental activities	<u>132,002,229</u>	<u>170,323</u>	<u>69,240,830</u>	<u>338,560</u>	<u>(62,252,516)</u>	<u>-</u>	<u>(62,252,516)</u>
Business-type activities							
Food services	6,120,740	145,085	5,898,087	-	-	(77,568)	(77,568)
Total business-type activities	<u>6,120,740</u>	<u>145,085</u>	<u>5,898,087</u>	<u>-</u>	<u>-</u>	<u>(77,568)</u>	<u>(77,568)</u>
Total primary government	<u>\$ 138,122,969</u>	<u>\$ 315,408</u>	<u>\$ 75,138,917</u>	<u>\$ 338,560</u>	<u>(62,252,516)</u>	<u>(77,568)</u>	<u>(62,330,084)</u>
General revenues:							
Property taxes levied for:							
General purposes					45,564,705	-	45,564,705
Florence-Darlington Technical College					3,331,306	-	3,331,306
Debt service					8,389,761	-	8,389,761
Sales taxes					6,717,306	-	6,717,306
Grants and contributions not restricted to specific programs					13,256	-	13,256
Unrestricted revenue from use of money and property					1,637,283	702	1,637,985
Miscellaneous					17,398	-	17,398
Transfers					195,000	(195,000)	-
Total General Revenues and Transfers					<u>65,866,015</u>	<u>(194,298)</u>	<u>65,671,717</u>
Change in Net Position					3,613,499	(271,866)	3,341,633
Net Position							
July 1, 2019					<u>(36,583,593)</u>	<u>2,375,301</u>	<u>(34,208,292)</u>
June 30, 2020					<u>\$ (32,970,094)</u>	<u>\$ 2,103,435</u>	<u>\$ (30,866,659)</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, 2020**

	General Fund	Special Projects Fund	EIA Fund	School Building Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 22,419,039	\$ 14	\$ -	\$ 930,163	\$ 8,086,747	\$ 31,435,963
Cash and investments with County Treasurer	35,225,944	269,837	-	23,331,843	3,697,448	62,525,072
Property taxes receivables, net of allowance	1,428,267	107,389	-	-	271,157	1,806,813
Other Receivables	102,490	45,756	-	-	-	148,246
Due from other governmental units						
SC DOE	430,792	-	-	-	-	430,792
Federal government	-	2,694,619	-	-	-	2,694,619
Due from other funds	3,596,328	3,777,599	1,653,999	2,455,020	406,068	11,889,014
Inventories	197,563	-	-	-	-	197,563
<b>TOTAL ASSETS</b>	<b><u>\$ 63,400,423</u></b>	<b><u>\$ 6,895,214</u></b>	<b><u>\$ 1,653,999</u></b>	<b><u>\$ 26,717,026</u></b>	<b><u>\$ 12,461,420</u></b>	<b><u>\$ 111,128,082</u></b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 6,365,930	\$ -	\$ -	1,193,701	\$ -	\$ 7,559,631
Accrued liabilities	5,548,092	-	-	-	-	5,548,092
Due to other governmental units	-	66,843	-	-	-	66,843
Due to SC Department of Education	-	-	1,375	-	-	1,375
Due to other funds	7,710,787	2,805,264	-	-	1,800,241	12,316,292
Unearned revenues	-	1,440,179	1,652,624	-	-	3,092,803
<b>TOTAL LIABILITIES</b>	<b><u>19,624,809</u></b>	<b><u>4,312,286</u></b>	<b><u>1,653,999</u></b>	<b><u>1,193,701</u></b>	<b><u>1,800,241</u></b>	<b><u>28,585,036</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable property taxes	1,019,159	81,341	-	-	205,565	1,306,065
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b><u>1,019,159</u></b>	<b><u>81,341</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>205,565</u></b>	<b><u>1,306,065</u></b>
<b>FUND BALANCES</b>						
Nonspendable	197,563	-	-	-	-	197,563
Restricted	-	194,943	-	21,117,983	10,455,614	31,768,540
Committed	-	2,268,925	-	4,405,342	-	6,674,267
Assigned	-	80,559	-	-	-	80,559
Unassigned	42,558,892	(42,840)	-	-	-	42,516,052
<b>TOTAL FUND BALANCES</b>	<b><u>42,756,455</u></b>	<b><u>2,501,587</u></b>	<b><u>-</u></b>	<b><u>25,523,325</u></b>	<b><u>10,455,614</u></b>	<b><u>81,236,981</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b><u>\$ 63,400,423</u></b>	<b><u>\$ 6,895,214</u></b>	<b><u>\$ 1,653,999</u></b>	<b><u>\$ 26,717,026</u></b>	<b><u>\$ 12,461,420</u></b>	<b><u>\$ 111,128,082</u></b>

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, 2020**

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TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 81,236,981

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. 1,306,065

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. 1,327,596

Capital assets used for governmental activities are not financial resources and, therefore, are not reported in governmental funds. The cost of assets is \$315,672,576, and the accumulated depreciation is \$150,687,931. 164,984,645

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	\$ 8,892,724	
Differences between expected and actual experience	89,605	
Differences between actual and projected investment earnings	1,118,922	
Change in assumptions	2,547,999	
Changes in proportion and differences between actual and proportionate share of contributions	149,822	12,799,072

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	\$ 3,925,889	
Differences between expected and actual experience	1,204,831	
Differences between actual and projected investment earnings	119,688	
Change in assumptions	6,770,546	
Changes in proportion and differences between actual and proportionate share of contributions	307,310	12,328,264

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 and proportionate share of contributions	\$ (907,607)	
	(3,916,931)	(4,824,538)

Deferred inflows related to OPEB expense do not consume current financial resources and are, therefore, not reported or deferred in the funds:

Differences between expected and actual experience	\$ (3,325,925)	
Change in assumptions	(6,336,160)	
Changes in proportion and differences between actual and proportionate share of contributions	(3,199,009)	(12,861,094)

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	\$ (126,337,281)	
OPEB liability	(102,319,191)	
Bonds payable	(54,425,000)	
Issuance premium	(4,476,977)	
Compensated absences payable	(1,325,816)	
Accrued interest payable	(382,820)	(289,267,085)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (32,970,094)

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, 2020**

	General Fund	Special Projects Fund	EIA	School Building Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>						
Local property taxes	\$ 36,315,845	\$ 3,108,898	\$ -	\$ -	\$ 7,821,226	\$ 47,245,969
Sales taxes	-	-	-	-	6,717,306	6,717,306
Other local	625,449	2,195,193	-	812,276	245,589	3,878,507
Total local	36,941,294	5,304,091	-	812,276	14,784,121	57,841,782
State	55,563,918	3,200,892	9,182,422	-	568,535	68,515,767
Federal	-	8,810,353	-	-	-	8,810,353
Intergovernmental	128,496	-	-	-	-	128,496
Total Revenues	92,633,708	17,315,336	9,182,422	812,276	15,352,656	135,296,398
<b>EXPENDITURES</b>						
Current						
Instruction	53,218,603	6,681,598	4,428,079	-	-	64,328,280
Support services	38,983,418	5,379,356	2,064,230	4,771,053	-	51,198,057
Community services	-	34,201	-	-	-	34,201
Intergovernmental	2,044	4,284,271	-	-	-	4,286,315
Debt service						
Principal	-	-	-	-	11,636,000	11,636,000
Interest	-	-	-	8,688	2,494,822	2,503,510
Fees	-	-	-	60,000	-	60,000
Capital outlay	308,477	153,141	185,419	49,881,853	-	50,528,890
Total Expenditures	92,512,542	16,532,567	6,677,728	54,721,594	14,130,822	184,575,253
Excess of Revenues Over (Under) Expenditures	121,166	782,769	2,504,694	(53,909,318)	1,221,834	(49,278,855)
<b>OTHER FINANCING SOURCES (USES)</b>						
General obligation issuance	-	-	-	8,000,000	-	8,000,000
Transfers in	3,598,212	-	214,743	683,688	673,834	5,170,477
Transfers out	(898,431)	(683,775)	(2,719,437)	(673,834)	-	(4,975,477)
Total Other Financing Sources (Uses)	2,699,781	(683,775)	(2,504,694)	8,009,854	673,834	8,195,000
Net Change in Fund Balance	2,820,947	98,994	-	(45,899,464)	1,895,668	(41,083,855)
<b>FUND BALANCE</b>						
July 1, 2019	39,935,508	2,402,593	-	71,422,789	8,559,946	122,320,836
June 30, 2020	\$ 42,756,455	\$ 2,501,587	\$ -	\$ 25,523,325	\$ 10,455,614	\$ 81,236,981

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, 2020**

<b>TOTAL NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS</b>		<b>\$ (41,083,855)</b>
<p>Amounts reported for governmental activities in the Statement of Activities are different because of the following:</p>		
<p>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.</p>		
	124,330	
<p>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 (\$50,528,890) exceeded depreciation expense (\$5,756,047) in the period.</p>		
	44,772,843	
<p>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:</p>		
Amount recorded in the Statement of Activities	\$ (7,812,814)	
Amount recorded in the governmental funds	4,230,381	(3,582,433)
<p>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:</p>		
Amount recorded in the Statement of Activities	\$ (5,083,223)	
Amount recorded in the governmental funds	3,925,890	(1,157,333)
<p>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.</p>		
		(238,819)
<p>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:</p>		
Issuance of general obligation bonds		
General obligation bond proceeds	\$ (8,000,000)	
Principal repayments:		
Bonds payable	11,636,000	
Amortization of bond premiums	709,293	4,345,293
<p>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:</p>		
Compensated absences		
Current year	\$ (1,325,816)	
Prior year	1,326,873	
Accrued interest		
Current year	(382,820)	
Prior year	815,236	433,473
<b>Change in Net Position of Governmental Activities</b>		<b>\$ 3,613,499</b>

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, 2020**

	<u>Enterprise Fund - Food Service Program</u>
<b>ASSETS</b>	
Current assets	
Cash and cash equivalents	\$ 417,453
Due from federal government	83
Due from other funds	427,278
Inventories	<u>232,433</u>
Total current assets	<u>1,077,247</u>
Noncurrent assets	
Equipment	4,006,524
Less accumulated depreciation	<u>(2,979,766)</u>
Total noncurrent assets	<u>1,026,758</u>
Total assets	<u>2,104,005</u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	<u>570</u>
Total current liabilities	<u>570</u>
Total liabilities	<u>570</u>
<b>NET POSITION</b>	
Net investment in capital assets	1,026,758
Unrestricted	<u>1,076,677</u>
Total net position	<u><u>\$ 2,103,435</u></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, 2020**

	Enterprise Fund - Food Service Program
<b>OPERATING REVENUES</b>	
Proceeds from sale of meals	\$ 68,516
Special sales and miscellaneous	76,569
Total Operating Revenues	145,085
<b>OPERATING EXPENSES</b>	
Food costs	2,984,998
Salaries and wages	2,134,425
Supplies and materials	674,230
Depreciation	118,586
Other operating costs	208,501
Total Operating Expenses	6,120,740
Operating Loss	(5,975,655)
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest income	702
USDA Reimbursements	5,433,491
Commodities received from USDA	464,596
Total Nonoperating Revenues (Expenses)	5,898,789
<b>INCOME BEFORE TRANSFERS</b>	(76,866)
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers Out	(195,000)
TOTAL OTHER FINANCING SOURCES (USES)	(195,000)
<b>CHANGE IN NET POSITION</b>	(271,866)
<b>NET POSITION</b>	
July 1, 2019	2,375,301
June 30, 2020	\$ 2,103,435

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, 2020**

	<u>Enterprise Fund - Food Service Program</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Received from patrons	\$ 145,085
Payments to employees for services	(2,134,425)
Payments to suppliers for goods and services	<u>(2,966,243)</u>
Net cash used in operating activities	<u>(4,955,583)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	<u>702</u>
Net cash provided by investing activities	<u>702</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers to other funds	(195,000)
Nonoperating grants received	<u>5,472,764</u>
Net cash provided by noncapital financing activities	<u>5,277,764</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of capital assets	<u>(176,998)</u>
Net cash used in capital and related financing activities	<u>(176,998)</u>
Net increase in cash and cash equivalents	145,885
Cash and cash equivalents - July 1, 2019	<u>271,568</u>
Cash and cash equivalents - June 30, 2020	<u><u>\$ 417,453</u></u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (5,975,655)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:	
Depreciation	118,586
Commodities used	464,596
Changes in assets and liabilities:	
Increase (decrease) in accounts payable	570
(Increase) decrease in due from other funds	607,037
(Increase) decrease in inventory	<u>(170,717)</u>
Net cash used in operating activities	<u><u>\$ (4,955,583)</u></u>

**Noncash noncapital financing activities:**

During the year, the District received \$464,596 of food commodities from the U.S. Department of Agriculture.

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

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
STATEMENT OF FIDUCIARY NET POSITION –  
AGENCY FUNDS  
JUNE 30, 2020**

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	<u>\$ 1,176,899</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,176,899</u></u>
<b>LIABILITIES</b>	
Due to schools	<u>\$ 1,176,899</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 1,176,899</u></u>

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

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

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**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, 2020**

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**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 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.

Fiduciary Funds:

6. Agency Fund – The District accounts for resources held by others in a custodial capacity in agency funds. The District's Agency Fund is the Student Activity Fund.

**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, 2020**

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**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. 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.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**3. 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.

**4. Inventory**

Inventory in the General Fund includes materials and supplies valued using the first-in/first-out (FIFO) method and are subsequently charged to expenditures when consumed.

Inventory in the Food Service Proprietary Fund includes commodities provided at no cost by the U.S. Department of Agriculture (USDA). Commodities not consumed as of year-end are recorded as inventory at fair value as determined by the USDA.

**5. Capital assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at 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

**6. 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, 2020**

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**7. *Accrued liabilities and long-term obligations***

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. 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.

**8. *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, 2020**

---

**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.

**9. 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.

**10. 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, 2020**

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**11. 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.

**12. 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.

**13. 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, 2020**

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**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.

**14. 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.

**15. 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, 2020**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**16. 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, 2020, the carrying amount of the School District's deposits was \$24,943,686, and the bank balance was \$12,585,131. 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 \$62,525,072.

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, 2020**

**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.

<u>Investment Type</u>	<u>% of Portfolio</u>	<u>Fair Value</u>
FNMA REMIC	0.12%	\$ 87,578
Federal Home Loan Banks	0.19%	137,898
FNMA Participation Certificates	0.12%	86,021
FHLMC	0.59%	423,575
FHLMC Multicass Mtg Partnerships	0.13%	93,721
GNMA Participation		
Pass-Through Certificates	0.69%	<u>498,802</u>
Investment funds in escrow with bond refunding agent		1,327,595
Mutual Fund-Government Portfolio for liquidity	11.24%	8,086,747
Cash and Investments held by County Treasurer	86.92%	<u>62,525,072</u>
Total	100.00%	<u>\$ 71,939,414</u>

*Interest Rate Risk* – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**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, 2020, 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	\$ 87,578	\$ -	\$ -	\$ -	\$ 87,578
Federal Home Loan Banks	1	AA+	137,898	137,898	-	-	-
FNMA Participation Certificates	1	N/A	86,021	-	15,554	24,813	45,654
FHLMC	1	N/A	423,575	-	-	407,303	16,272
FNMA	1	Aaa	93,721	-	-	93,721	-
GNMA Participation							
Pass-Through Certificates	1	N/A	498,802	-	-	-	498,802
Investment funds in escrow with bond refunding agent			1,327,595	137,898	15,554	525,837	648,306
Mutual Fund	1	AAAm	8,086,747	8,086,747	-	-	-
Cash and Investments held by County Treasurer	N/A	NR	62,525,072	62,525,072	-	-	-
Total			<u>\$ 71,939,414</u>	<u>\$ 70,749,717</u>	<u>\$ 15,554</u>	<u>\$ 525,837</u>	<u>\$ 648,306</u>

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

NR - Not rated

N/A - Not applicable

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

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

**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, 2020**

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

**B. Property Taxes (Continued)**

The general operations millage is 180.20 mills (\$180.20 per \$100 assessed valuation), and debt service fund millage is 30.00 mills (\$3.00 per \$100 assessed valuation).

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

**C. Receivables**

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

	General	Special Projects	Debt Service	Food Service Program
Receivables				
Property taxes	\$ 5,471,225	\$ 391,362	\$ 838,014	\$ -
Intergovernmental	-	2,694,619	-	83
Accounts	102,490	45,756	-	-
Gross receivables	5,573,715	3,131,737	838,014	83
Less allowance for uncollectible property tax	(4,042,958)	(283,973)	(566,857)	-
Net receivables	\$ 1,530,757	\$ 2,847,764	\$ 271,157	\$ 83

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

**D. Capital Assets**

Capital assets activity for the year ended June 30, 2020, was as follows:

	Balance 6/30/2019	Additions	Deletions	Transfers	Balance 6/30/2020
<b>Governmental Activities</b>					
Capital assets, not being depreciated					
Land	\$ 7,120,586	\$ 116,955	\$ -	\$ -	\$ 7,237,541
Construction in progress	22,844,392	46,063,249	-	(3,896,197)	65,011,444
Total capital assets, not being depreciated	29,964,978	46,180,204	-	(3,896,197)	72,248,985
Capital assets, being depreciated					
Building and improvements	197,078,830	3,164,536	-	3,896,197	204,139,563
Land improvements	21,731,286	156,099	-	-	21,887,385
Equipment	16,368,592	1,028,051	-	-	17,396,643
Total capital assets, being depreciated	235,178,708	4,348,686	-	3,896,197	243,423,591
Totals	265,143,686	50,528,890	-	-	315,672,576
Less accumulated depreciation for					
Building and improvements	(126,905,840)	(3,888,009)	-	-	(130,793,849)
Land improvements	(6,763,526)	(1,062,483)	-	-	(7,826,009)
Equipment	(11,262,518)	(805,555)	-	-	(12,068,073)
Total accumulated depreciation	(144,931,884)	(5,756,047)	-	-	(150,687,931)
Total capital assets, being depreciated, net	90,246,824	(1,407,361)	-	3,896,197	92,735,660
Governmental activities capital assets, net	<u>\$ 120,211,802</u>	<u>\$ 44,772,843</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 164,984,645</u>

	Balance 6/30/2019	Additions	Deletions	Balance 6/30/2020
<b>Business-type Activities</b>				
Capital assets, being depreciated				
Food service equipment	\$ 3,829,527	\$ 176,998	\$ -	\$ 4,006,525
Total capital assets, being depreciated	3,829,527	176,998	-	4,006,525
Less accumulated depreciation for				
Food service equipment	(2,861,181)	(118,586)	-	(2,979,767)
Total accumulated depreciation	(2,861,181)	(118,586)	-	(2,979,767)
Total capital assets, being depreciated, net	968,346	58,412	-	1,026,758
Business-type activities capital assets, net	<u>\$ 968,346</u>	<u>\$ 58,412</u>	<u>\$ -</u>	<u>\$ 1,026,758</u>

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**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	\$ 5,065,321
Support Services	172,682
Unallocated	518,044
Total governmental activities	\$ 5,756,047
Business-type activities	
Food Service	\$ 118,586
Total business-type activities	\$ 118,586

**E. Transfers In (Out) From Other Funds**

Transfers in (out) from other funds for the year ended June 30, 2020, consisted of the following:

	Transfers In	Transfers Out
General Fund	\$ 3,598,212	\$ 898,431
Special Projects Fund	-	683,775
Education Improvement Act Fund	214,743	2,719,437
School Building Fund	683,688	673,834
Debt Service Fund	673,834	-
Total governmental funds	5,170,477	4,975,477
Food Service Fund	-	195,000
Total proprietary fund	-	195,000
Total transfers	\$ 5,170,477	\$ 5,170,477

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, 2020**

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

**F. Interfund Receivables and Payables**

Interfund balances at June 30, 2020, consisted of the following individual fund receivables and payables:

	Receivable	Payable
General Fund	\$ 3,596,328	\$ 7,710,787
Special Projects Fund	3,777,599	2,805,264
Education Improvement Act Fund	1,653,999	-
School Building Fund	2,455,020	-
Debt Service Fund	406,068	1,800,241
Total governmental funds	11,889,014	12,316,292
Food Service Fund	427,278	-
Total proprietary fund	427,278	-
Total balances	\$ 12,316,292	\$ 12,316,292

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, 2020, the following changes took place in the long-term liabilities:

	Balance 6/30/2019	Additions	Reductions	Balance 6/30/2020	Due Within One Year
General obligation bonds	\$ 58,061,000	\$ 8,000,000	\$ 11,636,000	\$ 54,425,000	\$ 3,800,000
Plus deferred amount:					
For issuance premium	5,186,270	-	709,293	4,476,977	-
Total general obligation bonds	63,247,270	8,000,000	12,345,293	58,901,977	3,800,000
Compensated absences	1,326,873	387,817	388,874	1,325,816	448,472
Total long-term liabilities	\$ 64,574,143	\$ 8,387,817	\$ 12,734,167	\$ 60,227,793	\$ 4,248,472

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**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, 2020, are comprised of the following individual issues:

	Interest Rates	Balance
Equipment Acquisition Financing, Series 2016	1.35%	\$ 665,000
2018 GOB Series	2.68%	52,360,000
2006 Advance Refunding Bonds (QZAB)	3.50%	1,400,000
		\$ 54,425,000

The annual requirements for debt service on General Obligation Bonds outstanding at June 30, 2020, are summarized as follows:

Year ending June 30,	Principal	Interest	Total
2021	\$ 3,800,000	\$ 2,283,165	\$ 6,083,165
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
2026-2030	22,240,000	4,869,750	27,109,750
2031-2033	12,760,000	692,550	13,452,550
Subtotal	54,425,000	15,257,715	69,682,715
Plus deferred amounts:			
Bond premiums	4,476,977	-	4,476,977
Total	\$ 58,901,977	\$ 15,257,715	\$ 74,159,692

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 are due annually in one installment of \$673,978, which include principal and interest at a rate of 1.35%. These bonds mature in December 2020.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

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**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 October 2019, the School District issued a General Obligation Bond, Series 2019, in the amount of \$8,000,000, including interest at a rate of 1.85%. The net proceeds were used for capital improvements. The bond matured in March 2020, 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 \$1,327,596 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 \$464,596 of commodities consumed during the year ended June 30, 2020.

*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, 2020**

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

**I. Fund Balances**

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

	<u>General Fund</u>	<u>Special Projects Fund</u>	<u>School Building Fund</u>	<u>Debt Service Fund</u>
Fund balances:				
Nonspendable				
Inventories and prepaid items	\$ 197,563	\$ -	\$ -	\$ -
Restricted:				
Debt service	-	-	-	10,455,614
District office grants	-	1,837	-	-
Capital projects	-	-	21,117,983	-
Florence Darlington Technical College	-	193,106	-	-
Restricted total	<u>-</u>	<u>194,943</u>	<u>21,117,983</u>	<u>10,455,614</u>
Committed:				
Local fund	-	495,766	-	-
Administrative claiming	-	1,156,865	-	-
Erate Funding	-	315,146	-	-
Medicaid Federal	-	301,148	-	-
Capital projects	-	-	4,405,342	-
Committed total	<u>-</u>	<u>2,268,925</u>	<u>4,405,342</u>	<u>-</u>
Assigned:				
Adult banquet	-	65,199	-	-
District buses extracurricular	-	15,360	-	-
Assigned total	<u>-</u>	<u>80,559</u>	<u>-</u>	<u>-</u>
Unassigned	42,558,892	(42,840)	-	-
	<u>\$ 42,756,455</u>	<u>\$ 2,501,587</u>	<u>\$ 25,523,325</u>	<u>\$ 10,455,614</u>

**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.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

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**III. OTHER INFORMATION (CONTINUED)**

**A. Defined Benefit Pension Plans (Continued)**

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](http://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 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.

- 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.
- 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.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

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**III. OTHER INFORMATION (CONTINUED)**

**A. Defined Benefit Pension Plans (Continued)**

*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.

- 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 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 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.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**III. OTHER INFORMATION (CONTINUED)**

**A. Defined Benefit Pension Plans (Continued)**

**Plan Description (Continued)**

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 great 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.

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

	<u>Fiscal year ended June 30, 2019</u>	<u>Fiscal year ended June 30, 2020</u>
<b>SCRS</b>		
Employee Class Two	9.00% of earnable compensation	9.00% of earnable compensation
Employee Class Three	9.00% of earnable compensation	9.00% of earnable compensation
	<u>Fiscal year ended June 30, 2019</u>	<u>Fiscal year ended June 30, 2020</u>
Employer Class Two	14.41% of earnable compensation	15.41% of earnable compensation
Employer Class Three	14.41% of earnable compensation	15.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation	0.15% of earnable compensation
	<u>Fiscal year ended June 30, 2019</u>	<u>Fiscal year ended June 30, 2020</u>
<b>PORS</b>		
Employee Class Two	9.75% of earnable compensation	9.75% of earnable compensation
Employee Class Three	9.75% of earnable compensation	9.75% of earnable compensation
	<u>Fiscal year ended June 30, 2019</u>	<u>Fiscal year ended June 30, 2020</u>
Employer Class Two	16.84% of earnable compensation	17.84% of earnable compensation
Employer Class Three	16.84% 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

The School District's actual contributions to SCRS and PORS for the year ended June 30, 2020, were \$8,881,053 and \$11,671, respectively, which equaled the required contributions.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**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 July 1, 2015.

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, 2018. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2019, 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, 2020:

	<b>SCRS</b>	<b>PORS</b>
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, 2019, TPL are as follows:

<b>Former Job Class</b>	<b>Males</b>	<b>Females</b>
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, 2020**

**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</u> <u>Ended June 30,</u>	<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>SCRS</u>	<u>PORS</u>	<u>Total</u>
2018	2019	\$ 129,074,010	\$ 120,247	\$ 129,194,257
2019	2020	\$ 126,228,562	\$ 108,719	\$ 126,337,281

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, 2019 and 2018, the School District's percentage of the SCRS and PORS net pension liability were 0.552806% and 0.576048% and .003794% and 0.004244%, 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.

<b>Sensitivity of the District's Proportional Share of Net Pension Liability to Changes in the Discount Rate</b>				
<u>System</u>	<u>1.00% Decrease (6.25%)</u>	<u>Current Discount Rate</u> <u>(7.25%)</u>	<u>1.00% Increase (8.25%)</u>	
SCRS	\$ 159,021,519	\$ 126,228,562	\$ 98,860,860	
PORS	\$ 147,321	\$ 108,719	\$ 77,069	

*Long-term Expected Rate of Return*

The long-term expected rate of return on pension plan investments is based upon the 30-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  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**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 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 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.

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
<b>Global Equity</b>	<b>51.00%</b>		
Global Public Equity	35.00%	7.29%	2.55%
Private Equity	9.00%	7.67%	0.69%
Equity Options Strategies	7.00%	5.23%	0.37%
<b>Real Assets</b>	<b>12.00%</b>		
Real Estate (Private)	8.00%	5.59%	0.45%
Real Estate (REITs)	1.00%	8.16%	0.08%
Infrastructure (Private)	2.00%	5.03%	0.10%
Infrastructure (Public)	1.00%	6.12%	0.06%
<b>Opportunistic</b>	<b>8.00%</b>		
Global Tactical Asset Allocation	7.00%	3.09%	0.22%
Other Opportunistic Strategies	1.00%	3.82%	0.04%
<b>Credit</b>	<b>15.00%</b>		
High Yield Bonds/ Bank Loans	4.00%	3.14%	0.13%
Emerging Markets Debt	4.00%	3.31%	0.13%
Private Debt	7.00%	5.49%	0.38%
<b>Rate Sensitive</b>	<b>14.00%</b>		
Core Fixed Income	13.00%	1.62%	0.21%
Cash and Short Duration (net)	1.00%	0.31%	0.00%
Total Expected Real Return	<u>100.00%</u>		<u>5.41%</u>
Inflation for Actuarial Purposes			<u>2.25%</u>
Total Expected Nominal Return			<u>7.66%</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, 2020, the School District recognized pension expense of \$7,812,814 in the Statement of Activities.

At June 30, 2020, 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, 2020**

**III. OTHER INFORMATION (CONTINUED)**

**A. Defined Benefit Pension Plans (Continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<b>SCRS</b>	
Pension contributions made subsequent to measurement date	\$ 8,881,053	\$ -
Differences in actual and expected experience	87,370	906,803
Assumption changes	2,543,688	-
Changes in proportion and differences between Company's contributions and proportionate share of contributions	101,116	3,908,328
Net differences between projected and actual earnings on plan investments	1,117,544	-
	\$ 12,730,771	\$ 4,815,131
	<b>PORS</b>	
Pension contributions made subsequent to measurement date	\$ 11,671	\$ -
Differences in actual and expected experience	2,235	804
Assumption changes	4,311	-
Changes in proportion and differences between Company's contributions and proportionate share of contributions	48,706	8,603
Net differences between projected and actual earnings on plan investments	1,378	-
	\$ 68,301	\$ 9,407

The School District reported \$8,892,724 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, 2021. 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, 2020. Average remaining service lives of all employees provided with pensions through the pension plans at June 30, 2019, measurement date was 4.080 years for SCRS and 4.348 years for PORS.

Measurement Period Ending June 30,	Fiscal Year Ending June 30,	SCRS	PORS
2020	2021	\$ (2,068,087)	\$ (24,594)
2021	2022	2,293,217	(18,757)
2022	2023	1,137,833	(4,004)
2023	2024	(397,550)	132
Net Balance of Deferred Outflows / (Inflows) of Resources		\$ 965,413	\$ (47,223)

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

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**III. OTHER INFORMATION (CONTINUED)**

**A. Defined Benefit Pension Plans (Continued)**

**Payables to the pension plans**

At June 30, 2020, the School District reported a payable of \$2,346,194 and \$1,402 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, 2020, employee contributions totaled \$172,578, and the School District recognized pension expense of \$199,616.

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](http://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, 2020**

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**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 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:

<u>Year ended June 30, 2020</u>	<u>SCRHITF</u>
Required contributions	\$ 3,925,890
Actual contributions	\$ 3,925,890

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

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**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, 2018
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:	3.13% as of June 30, 2019
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 4.15% 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:	There were no benefit changes during the year; the discount rate changed from 3.62% as of June 30, 2018 to 3.13% as of June 30, 2019. Minor updates were made to the healthcare trend rate assumption.

*Roll Forward Disclosure*

The actuarial valuation was performed as of June 30, 2018. Update procedures were used to roll forward the total OPEB liability to June 30, 2019.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**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, 2019 and 2018, the School District's percentage of the SCRHITF net OPEB liability was .676646% and .701331%, respectively.

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

Measurement Period Ended June 30,	Fiscal Year Ended June 30,	SCRHITF
2018	2019	\$ 99,382,705
2019	2020	\$ 102,319,191

*Single Discount Rate*

The Single Discount Rate of 3.13% 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 represent 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.

<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Expected Arithmetic Real Rate of Return</b>	<b>Allocation- Weighted Long- Term Expected Real Rate of Return</b>
U.S. Domestic Fixed Income	80.00%	0.60%	0.48%
Cash	20.00%	0.10%	0.02%
<b>Total</b>	100.00%		0.50%
Expected Inflation			2.25%
<b>Total Return</b>			2.75%
<b>Investment Return Assumption</b>			2.75%

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**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 3.13% 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:

<b>Sensitivity of the School District's Proportional Share of SCRHITF OPEB Liability to Changes in the Discount Rate</b>		
<b>1.00% Decrease</b>	<b>Current Discount Rate</b>	<b>1.00% Increase</b>
<b>2.13%</b>	<b>3.13%</b>	<b>4.13%</b>
\$ 121,298,149	\$ 102,319,191	\$ 87,087,791

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:

<b>Sensitivity of the Center's Proportional Share of SCRHITF OPEB Liability to Changes in the Health Care Cost Trend Rate</b>		
<b>1.00% Decrease</b>	<b>Current Cost Trend Rate</b>	<b>1.00% Increase</b>
\$ 83,503,391	\$ 102,319,191	\$ 126,822,922

**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, 2020, the School District recognized OPEB expense of \$5,083,223.

At June 30, 2020, the School District reported deferred outflows (inflows) of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Contributions made subsequent to measurement date	\$ 3,925,889	\$ -
Differences in actual and expected experience	1,204,831	3,325,925
Assumption changes	6,770,546	6,336,160
Changes in proportion and differences between District's contributions and proportionate share of contributions	307,310	3,199,009
Net differences between projected and actual earnings on plan investments	119,688	-
	<b>\$ 12,328,264</b>	<b>\$ 12,861,094</b>



**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**III. OTHER INFORMATION (CONTINUED)**

**C. Postemployment Benefits Other than Pensions (Continued)**

The School District reported \$3,925,890 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, 2020. 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, 2019, measurement date was 7.133 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, 2020.

<u>Measurement Period Ending June 30,</u>	<u>Fiscal year Ending June 30,</u>	<u>SCRHITF</u>
2020	2021	\$ (1,079,807)
2021	2022	(1,079,807)
2022	2023	(1,136,457)
2023	2024	(1,164,335)
2024	2025	(148,020)
Thereafter	Thereafter	149,707
Net Balance of Deferred Outflows / (Inflows) of Resources		<u>\$ (4,458,719)</u>

**Payables to the OPEB plans**

At June 30, 2020, the School District reported a payable of \$962,068 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, 2020, the State of South Carolina paid payments to the SCRS and the SCRHITF on behalf of the participants in those plans as follows:

<u>Plan</u>	<u>Amount</u>
SCRS	\$ 580,680
SCRHITF	\$ 902,380

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, 2020**

**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, 2020, are as follows:

<u>Project</u>	<u>Contract Amounts</u>	<u>Expended to Date</u>	<u>Remaining Commitment</u>
HHS Ulmer Gym Repairs	\$ 81,150	\$ 48,350	\$ 32,800
BA Gary 2018 Roof Package	1,575,336	1,422,916	152,420
Sidewalk Replacement/Repair Projects	47,050	43,788	3,262
Windows/Roll Up Doors Projects	129,050	108,375	20,675
Mobile Replacement/Repair Projects	101,250	91,645	9,605
District Wide Video Surveillance Project	2,785,818	2,744,602	41,216
HHS Roof Retrofit - Science / Main Buildings	800,300	642,033	158,267
New Darlington Elementary School	21,168,974	20,021,400	1,147,574
New Lamar Elementary School	22,973,248	19,628,469	3,344,779
New Hartsville Elementary School	22,966,424	18,387,094	4,579,330
	<u>\$ 72,628,600</u>	<u>\$ 63,138,672</u>	<u>\$ 9,489,928</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 2020, 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, 2020**

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**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 some time 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, 2020, Darlington County abated property taxes totaling \$5,637,537 of which \$3,810,340 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. 84, *Fiduciary Activities*, addresses the criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria is generally on (1) whether a government is controlling the assets of the fiduciary activity, and (2) the beneficiaries with whom a fiduciary relationship exists. The requirements of this Statement, as amended by GASB Statement No. 95, are effective for reporting periods beginning after December 15, 2019. The School District will implement the new guidance with the 2021 financial 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.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

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**III. OTHER INFORMATION (CONTINUED)**

**H. Pending GASB Statements (Continued)**

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.

GASB Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*, is intended to improve the consistency and comparability of reporting a government's majority interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if the government's holding of the equity interest meets the definition of an investment. The requirements of this Statement, as amended by GASB Statement No. 95, are effective for reporting periods beginning after December 15, 2019, with earlier application encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit, and (2) reporting a component unit if the government acquires a 100% equity interest. Those provisions should be applied on a prospective basis. The School District will implement the new guidance with the 2021 financial statements.

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.

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

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**III. OTHER INFORMATION (CONTINUED)**

**H. Pending GASB Statements (Continued)**

- 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.

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. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, intended to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*
- Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*
- Implementation Guide No. 2018-1, *Implementation Guidance Update – 2018*
- Implementation Guide No. 2019-1, *Implementation Guidance Update – 2019*
- Implementation Guide No. 2019-2, *Fiduciary Activities*

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

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**III. OTHER INFORMATION (CONTINUED)**

**H. Pending GASB Statements (Continued)**

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

Earlier application of the provisions addressed in this Statement is encouraged and is permitted to the extent specified in each pronouncement as originally issued.

The requirements of this Statement are effective immediately. The School District will implement this guidance immediately.

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 \$8.25 million, with interest at .760%, due in full by March 1, 2021.

Subsequent events have been evaluated through January 14, 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, 2020**

	Budgeted Amounts		Actual	Variance -
	Original	Final		Over (Under)
<b>REVENUES</b>				
Local	\$ 35,592,199	\$ 35,592,199	\$ 36,941,294	\$ 1,349,095
State	55,986,556	55,986,555	55,563,918	(422,637)
Intergovernmental	300,000	300,000	128,496	(171,504)
<b>Total Revenue</b>	<u>91,878,755</u>	<u>91,878,754</u>	<u>92,633,708</u>	<u>754,954</u>
<b>EXPENDITURES</b>				
Current				
Instruction	53,304,196	53,713,653	53,218,603	(495,050)
Support services	41,235,039	40,825,581	39,291,895	(1,533,686)
Intergovernmental	4,000	4,000	2,044	(1,956)
<b>Total Expenditures</b>	<u>94,543,235</u>	<u>94,543,234</u>	<u>92,512,542</u>	<u>(2,030,692)</u>
Excess of Revenues Over (Under)				
Expenditures	<u>(2,664,480)</u>	<u>(2,664,480)</u>	<u>121,166</u>	<u>2,785,646</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,504,668	3,504,668	3,598,212	93,544
Transfers out	<u>(690,188)</u>	<u>(625,445)</u>	<u>(898,431)</u>	<u>(272,986)</u>
<b>Total Other Financing Sources</b>	<u>2,814,480</u>	<u>2,879,223</u>	<u>2,699,781</u>	<u>(179,442)</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ 214,743</u>	<u>2,820,947</u>	<u>\$ 2,606,204</u>
<b>FUND BALANCE</b>				
July 1, 2019			<u>39,935,508</u>	
June 30, 2020			<u>\$ 42,756,455</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, 2020**

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

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

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

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

Budget 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 allow purchases for classroom supplies and materials rather than purchases for administration. These amendments are allowed as the policy allows for funds to be transferred between functions.

**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 SIX 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
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 SIX 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
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 SEVEN 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
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 SEVEN 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
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, 2020**

**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, 2019, the most recent measurement date.

	<u>SCRS</u>	<u>PORS</u>
Valuation date	7/1/2018	7/1/2018
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	less of 1% or \$50 annually	less of 1% or \$50 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 FOUR FISCAL YEARS**

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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
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 FOUR FISCAL YEARS**

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Year Ended June 30	Statutorily required contribution	Contributions relative to statutorily required contributions	Contribution deficiency (excess)	School District's covered payroll	Contributions as a percentage of covered payroll
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**

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**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, 2019, the most recent measurement date.

Valuation Date:	June 30, 2018
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:	3.13% as of June 30, 2019
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 4.15% 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:	There were no benefit changes during the year; the discount rate changed from 3.62% as of June 30, 2018 to 3.13% as of June 30, 2019. Minor updates were made to the healthcare trend rate assumption.

*Roll Forward Disclosure*

The actuarial valuation was performed as of June 30, 2018. Update procedures were used to roll forward the total OPEB liability to June 30, 2019.

**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, 2020**

Page 1 of 9

	Budgeted Amounts		Actual	Variance -
	Original	Final		Over (Under)
<b>REVENUES</b>				
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	\$ 33,556,168	\$ 1,373,969
1140 Penalties & Interest on Taxes (Independent)	130,000	130,000	119,931	(10,069)
1200 Revenue from Local Governmental Units Other Than LEAS				
1280 Revenue in Lieu of Taxes (Independent and Dependent)	2,400,000	2,400,000	2,639,746	239,746
1500 Earnings on Investments				
1510 Interest on Investments	800,000	800,000	566,233	(233,767)
1900 Other Revenue from Local Sources				
1993 Receipt of Insurance Proceeds	-	-	17,389	17,389
1999 Revenue from Other Local Sources	80,000	80,000	41,827	(38,173)
Total Local Sources	<u>35,592,199</u>	<u>35,592,199</u>	<u>36,941,294</u>	<u>1,349,095</u>
2000 Intergovernmental Revenue				
2100 Payments from other governmental units	300,000	300,000	128,496	(171,504)
Total Intergovernmental Sources	<u>300,000</u>	<u>300,000</u>	<u>128,496</u>	<u>(171,504)</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	1,004,886	115,205
3161 EAA Bus Driver Salary and Fringe	-	-	2,573	2,573
3162 Transportation Workers' Compensation	56,115	56,115	56,281	166
3180 Fringe Benefits Employer Contributions	11,548,849	11,548,849	11,506,342	(42,507)
3181 Retiree Insurance	2,687,948	2,687,948	2,876,517	188,569
3186 State Aid to Classroom - Teacher Salary	1,810,165	1,810,164	1,961,738	151,574
3190 Miscellaneous Restricted State Grants				
3199 Other Restricted State Grants	-	-	55	55
3300 State Aid to Classrooms - Education Finance Act (EFA)				
3310 Full-Time Programs				
3311 Kindergarten	1,162,948	1,162,948	1,071,210	(91,738)
3312 Primary	3,471,315	3,471,315	3,419,749	(51,566)
3313 Elementary	6,150,923	6,150,923	5,828,421	(322,502)
3314 High School	2,603,108	2,603,108	2,715,381	112,273
3315 Trainable Mentally Handicapped	97,261	97,261	80,055	(17,206)
3316 Speech Handicapped	1,278,453	1,278,453	1,146,553	(131,900)
3317 Homebound	15,307	15,307	9,636	(5,671)
3320 Part-Time Programs				
3321 Emotionally Handicapped	111,275	111,275	132,767	21,492
3322 Educable Mentally Handicapped	875,992	875,992	283,621	(592,371)

**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, 2020**

Page 2 of 9

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
<b>REVENUES (CONTINUED)</b>				
3320 Part-Time Programs (Continued)				
3323 Learning Disabilities	\$ 1,612,022	\$ 1,612,022	\$ 2,457,744	\$ 845,722
3324 Hearing Handicapped	125,264	125,264	119,189	(6,075)
3325 Visually Handicapped	50,374	50,374	42,691	(7,683)
3326 Orthopedically Handicapped	66,414	66,414	65,695	(719)
3327 Pre-Career & Career Technology	2,560,396	2,560,396	2,512,299	(48,097)
3330 Miscellaneous EFA Programs				
3331 Autism	613,462	613,462	639,716	26,254
3332 High Achieving Students	363,946	363,946	316,068	(47,878)
3334 Limited English Proficiency	56,129	56,129	59,753	3,624
3350 Residential Treatment Facilities (RTF)				
3351 Academic Assistance	1,054,779	1,054,779	992,738	(62,041)
3352 Pupils in Poverty	2,782,432	2,782,432	2,751,367	(31,065)
3353 Dual Credit Enrollment	39,440	39,440	30,029	(9,411)
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	6,173,225	(726,186)
3830 Merchant's Inventory Tax	271,980	271,980	271,981	1
3840 Manufacturer's Depreciation Reimbursement	700,000	700,000	1,116,566	416,566
3890 Other State Property Tax Revenues	320,000	320,000	189,849	(130,151)
3900 Other State Revenue				
3992 State Forest Commission Revenue	10,000	10,000	13,256	3,256
3993 PEBA on-Behalf	580,000	580,000	580,680	680
Total State Sources	<u>55,986,556</u>	<u>55,986,555</u>	<u>55,563,918</u>	<u>(422,637)</u>
<b>TOTAL REVENUES</b>	<u>91,878,755</u>	<u>91,878,754</u>	<u>92,633,708</u>	<u>754,954</u>
<b>EXPENDITURES</b>				
100 Instruction				
110 General Instruction				
111 Kindergarten Programs				
100 Salaries	2,194,716	2,187,807	2,229,683	41,876
200 Employee Benefits	978,576	1,118,889	1,041,546	(77,343)
400 Supplies and Materials	30,520	30,507	20,714	(9,793)
112 Primary Programs				
100 Salaries	6,365,648	6,278,027	6,436,107	158,080
200 Employee Benefits	2,527,336	2,707,982	2,510,133	(197,849)
300 Purchased Services	-	2,866	-	(2,866)
400 Supplies and Materials	73,795	72,893	58,723	(14,170)
113 Elementary Programs				
100 Salaries	11,088,679	10,767,135	10,564,076	(203,059)
200 Employee Benefits	4,001,986	4,331,113	3,995,592	(335,521)
300 Purchased Services	70,700	68,900	37,869	(31,031)
400 Supplies and Materials	478,737	378,039	296,126	(81,913)



**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, 2020**

	Budgeted Amounts		Actual	Variance -
	Original	Final		Over (Under)
EXPENDITURES (CONTINUED)				
100 Instruction (Continued)				
110 General Instruction (Continued)				
114 High School Programs				
100 Salaries	\$ 9,681,990	\$ 9,465,353	\$ 9,848,832	\$ 383,479
200 Employee Benefits	3,750,817	4,022,784	3,878,032	(144,752)
300 Purchased Services	794,600	776,600	791,610	15,010
400 Supplies and Materials	284,325	283,210	210,050	(73,160)
115 Career & Technology Education Programs				
100 Salaries	1,357,229	1,326,798	1,301,652	(25,146)
200 Employee Benefits	542,817	583,874	544,642	(39,232)
300 Purchased Services-Other than Tuition	-	-	4	4
400 Supplies and Materials	73,200	73,200	58,166	(15,034)
120 Exceptional Programs				
121 Educable Mentally Handicapped				
100 Salaries	1,182,611	1,011,345	1,023,980	12,635
200 Employee Benefits	483,441	513,134	464,394	(48,740)
400 Supplies and Materials	6,435	6,424	4,038	(2,386)
122 Trainable Mentally Handicapped				
100 Salaries	653,589	701,665	735,985	34,320
200 Employee Benefits	256,607	280,733	255,880	(24,853)
400 Supplies and Materials	5,700	5,645	2,161	(3,484)
125 Hearing Handicapped				
100 Salaries	660,705	580,938	602,516	21,578
200 Employee Benefits	285,394	298,735	282,626	(16,109)
300 Purchased Services	4,500	4,500	1,465	(3,035)
400 Supplies and Materials	10,184	10,184	5,463	(4,721)
126 Speech Handicapped				
100 Salaries	276,538	291,286	302,553	11,267
200 Employee Benefits	119,080	133,468	124,243	(9,225)
300 Purchased Services	13,400	13,400	20,000	6,600
400 Supplies and Materials	1,100	1,100	178	(922)
127 Learning Disabilities				
100 Salaries	1,995,462	1,921,420	2,153,706	232,286
200 Employee Benefits	761,449	800,318	751,317	(49,001)
300 Purchased Services	-	12,000	36,480	24,480
400 Supplies and Materials	12,875	12,875	7,930	(4,945)
128 Emotionally Handicapped				
100 Salaries	163,960	188,302	297,886	109,584
200 Employee Benefits	72,495	87,991	81,382	(6,609)
400 Supplies and Materials	1,440	1,505	1,191	(314)
130 Preschool Programs				
131 Pre-school Handicapped-Speech (5 yr. olds)				
100 Salaries	181,792	131,580	132,312	732
200 Employee Benefits	63,287	48,129	46,090	(2,039)
400 Supplies and Materials	135	135	-	(135)

**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, 2020**

Page 4 of 9

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
<b>EXPENDITURES (CONTINUED)</b>				
100 Instruction (Continued)				
130 Preschool Programs (Continued)				
133 Pre-school Handicapped-Self-contained (5 yr. olds)				
100 Salaries	\$ 138,196	\$ 135,810	\$ 141,887	\$ 6,077
200 Employee Benefits	73,069	78,146	72,766	(5,380)
400 Supplies and Materials	250	250	-	(250)
137 Preschool Handicapped - Self- Contained (3 & 4 yr. olds)				
100 Salaries	136,797	136,029	138,037	2,008
200 Employee Benefits	64,575	71,360	66,712	(4,648)
400 Supplies and Materials	520	1,103	15,270	14,167
140 Special Programs				
141 Gifted and Talented - Academic				
200 Employee Benefits	-	-	1,241	1,241
300 Purchased Services	8,500	6,800	5,572	(1,228)
600 Other Objects	-	200	-	(200)
145 Homebound				
100 Salaries	209,150	132,362	109,002	(23,360)
200 Employee Benefits	58,343	42,456	39,734	(2,722)
300 Purchased Services	65,000	65,000	50,177	(14,823)
147 CERDEP				
100 Salaries	-	-	71,820	71,820
200 Employee Benefits	-	-	26,635	26,635
300 Purchased Services	-	-	582	582
400 Supplies and Materials	-	-	434	434
148 Gifted and Talented - Artistic				
100 Salaries	-	1,000	1,000	-
200 Employee Benefits	-	566	306	(260)
300 Purchased Services	1,000	1,000	930	(70)
400 Supplies and Materials	1,700	3,000	1,835	(1,165)
149 Other Special Programs				
100 Salaries	117,956	529,045	98,037	(431,008)
200 Employee Benefits	46,210	40,031	39,749	(282)
300 Purchased Services	8,000	8,000	6,465	(1,535)
160 Other Exceptional Programs				
161 Autism				
100 Salaries	247,413	229,028	453,428	224,400
200 Employee Benefits	110,560	95,173	90,902	(4,271)
400 Supplies and Materials	100	100	100	-
170 Summer School Programs				
171 Primary Summer School				
400 Supplies and Materials	2,500	2,500	2,790	290
172 Elementary Summer School				
100 Salaries	31,000	31,000	16,602	(14,398)
200 Employee Benefits	940	940	4,501	3,561
400 Supplies and Materials	2,000	2,000	-	(2,000)

**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, 2020**

Page 5 of 9

EXPENDITURES (CONTINUED)	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
100 Instruction (Continued)				
170 Summer School Programs (Continued)				
173 High School Summer School				
100 Salaries	\$ 17,000	\$ 17,000	\$ 21,280	\$ 4,280
200 Employee Benefits	1,890	1,880	6,506	4,626
400 Supplies and Materials	1,750	1,750	-	(1,750)
174 Gifted and Talented Summer School				
100 Salaries	-	15,417	-	(15,417)
200 Employee Benefits	-	4,559	-	(4,559)
300 Purchased Services	-	8,200	1,415	(6,785)
400 Supplies and Materials	-	1,737	449	(1,288)
175 Instructional Programs Beyond Regular School Day				
100 Salaries	1,050	12,996	16,753	3,757
200 Employee Benefits	364	7,306	4,940	(2,366)
300 Purchased Services	6,717	6,717	8,130	1,413
400 Supplies and Materials	3,350	3,350	-	(3,350)
180 Adult/Continuing Educational Programs				
181 Adult Basic Education Programs				
100 Salaries	183,639	187,722	207,384	19,662
200 Employee Benefits	70,758	82,651	84,202	1,551
300 Purchased Services	4,000	4,000	3,986	(14)
182 Adult Secondary Education Programs				
100 Salaries	-	-	45,825	45,825
200 Employee Benefits	-	-	14,507	14,507
300 Purchased Services	-	-	3,725	3,725
183 Adult English Literacy (ESL)				
100 Salaries	-	-	30	30
200 Employee Benefits	-	-	476	476
188 Parenting/Family Literacy				
200 Employee Benefits	-	-	915	915
190 Instructional Pupil Activity				
100 Salaries	138,800	166,187	141,010	(25,177)
200 Employee Benefits	43,250	46,493	43,223	(3,270)
Total Instruction	53,304,196	53,713,653	53,218,603	(495,050)
200 Support Services				
210 Pupil Services				
211 Attendance and Social Work Services				
100 Salaries	484,965	484,965	461,802	(23,163)
200 Employee Benefits	208,239	238,853	209,565	(29,288)
300 Purchased Services	41,998	41,998	18,893	(23,105)
400 Supplies and Materials	14,600	14,600	4,506	(10,094)
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, 2020**

Page 6 of 9

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
EXPENDITURES (CONTINUED)				
200 Support Services (Continued)				
210 Pupil Services (Continued)				
212 Guidance Services				
100 Salaries	\$ 1,924,310	\$ 1,941,906	\$ 1,919,709	\$ (22,197)
200 Employee Benefits	784,848	859,463	801,188	(58,275)
300 Purchased Services	4,575	4,725	1,600	(3,125)
400 Supplies and Materials	10,395	10,245	7,856	(2,389)
213 Health Services				
100 Salaries	328,481	328,481	484,592	156,111
200 Employee Benefits	157,722	174,165	221,516	47,351
300 Purchased Services	10,600	10,600	34,596	23,996
400 Supplies and Materials	16,128	16,128	9,633	(6,495)
214 Psychological Services				
100 Salaries	213,687	223,135	221,065	(2,070)
200 Employee Benefits	83,155	93,882	88,775	(5,107)
400 Supplies and Materials	2,800	2,800	1,176	(1,624)
215 Exceptional Program Services				
300 Purchased Services	-	-	360	360
220 Instructional Staff Services				
221 Improvement of Instruction - Curriculum Development				
100 Salaries	493,578	294,839	226,767	(68,072)
200 Employee Benefits	194,858	127,298	113,302	(13,996)
300 Purchased Services	42,543	32,543	20,813	(11,730)
400 Supplies and Materials	131,180	136,180	84,933	(51,247)
600 Other Objects	158	158	852	694
222 Library and Media Services				
100 Salaries	1,133,670	1,129,629	1,147,755	18,126
200 Employee Benefits	492,577	548,956	513,955	(35,001)
300 Purchased Services	28,434	28,837	28,833	(4)
400 Supplies and Materials	56,940	56,940	47,545	(9,395)
223 Supervision of Special Programs				
100 Salaries	451,076	451,076	451,076	-
200 Employee Benefits	156,740	167,358	174,061	6,703
300 Purchased Services	2,600	19,915	18,330	(1,585)
400 Supplies and Materials	14,700	14,700	10,429	(4,271)
600 Other Objects	200	200	176	(24)
224 Improvement of Instruction - Inservice and Staff Training				
100 Salaries	800	800	910	110
200 Employee Benefits	250	250	4,079	3,829
300 Purchased Services	203,025	219,915	76,278	(143,637)
400 Supplies and Materials	21,005	21,005	17,709	(3,296)

**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, 2020**

Page 7 of 9

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
EXPENDITURES (CONTINUED)				
200 Support Services (Continued)				
230 General Administration Services				
231 Board of Education				
100 Salaries	\$ 60,200	\$ 60,200	\$ 59,300	\$ (900)
200 Employee Benefits	47,529	47,529	25,258	(22,271)
300 Purchased Services	112,600	113,600	69,362	(44,238)
318 Audit Services	50,000	50,000	42,150	(7,850)
400 Supplies and Materials	6,000	6,000	3,358	(2,642)
600 Other Objects	244,750	144,750	44,246	(100,504)
232 Office of the Superintendent				
100 Salaries	473,296	463,453	462,080	(1,373)
200 Employee Benefits	178,949	180,090	186,185	6,095
300 Purchased Services	85,300	85,300	27,563	(57,737)
400 Supplies and Materials	44,500	44,500	33,456	(11,044)
600 Other Objects	6,700	6,700	3,432	(3,268)
233 School Administration				
100 Salaries	5,238,668	5,157,439	5,185,655	28,216
200 Employee Benefits	2,147,637	2,140,472	2,242,890	102,418
300 Purchased Services	204,389	205,957	133,371	(72,586)
400 Supplies and Materials	60,010	68,316	59,060	(9,256)
600 Other Objects	26,400	26,400	30,972	4,572
250 Finance and Operations Services				
252 Fiscal Services				
100 Salaries	611,956	595,463	595,462	(1)
140 Terminal Leave	15,000	-	1,422	1,422
200 Employee Benefits	244,108	249,370	257,002	7,632
300 Purchased Services	82,075	62,075	59,854	(2,221)
400 Supplies and Materials	114,000	99,000	93,196	(5,804)
600 Other Objects	201,000	1,000	529	(471)
253 Facilities Acquisitions and Construction				
300 Purchased Services	208,500	198,564	17,046	(181,518)
400 Supplies and Materials	30,000	30,900	28,658	(2,242)
500 Capital Outlay				
520 Construction Services	-	9,700	27,200	17,500
530 Improvements Other Than Buildings	25,000	25,000	9,650	(15,350)
540 Equipment	-	-	37,934	37,934
254 Operation and Maintenance of Plant				
100 Salaries	3,655,887	3,655,066	3,577,141	(77,925)
140 Terminal Leave	20,000	-	-	-
200 Employee Benefits	1,712,854	1,719,039	1,707,631	(11,408)
300 Purchased Services	1,684,430	1,681,499	1,276,780	(404,719)
400 Supplies and Materials	939,650	880,981	760,902	(120,079)
470 Energy	2,768,300	2,768,300	2,435,297	(333,003)
500 Capital Outlay	20,000	71,000	100,496	29,496
600 Other Objects	762,397	762,397	768,426	6,029

**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, 2020**

Page 8 of 9

	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	\$ 1,847,258	\$ 1,690,159	\$ 1,935,241	\$ 245,082
140 Terminal Leave	5,500	-	22,038	22,038
200 Employee Benefits	862,431	827,328	932,754	105,426
300 Purchased Services	79,300	68,900	52,987	(15,913)
400 Supplies and Materials	23,000	34,200	34,419	219
600 Other Objects	900	100	-	(100)
256 Food Service				
200 Employee Benefits	1,348,282	1,489,607	1,334,475	(155,132)
257 Internal Services				
100 Salaries	72,810	72,810	72,934	124
200 Employee Benefits	30,978	33,183	35,015	1,832
300 Purchased Services	315,650	315,650	226,205	(89,445)
400 Supplies and Materials	7,800	7,800	3,743	(4,057)
258 Security				
100 Salaries	128,208	128,208	128,208	-
200 Employee Benefits	57,004	52,506	59,244	6,738
300 Purchased Services	1,067,100	1,065,100	981,652	(83,448)
400 Supplies and Materials	-	9,936	-	(9,936)
260 Central Support Services				
262 Planning				
300 Purchased Services	4,650	4,650	3,080	(1,570)
400 Supplies and Materials	19,700	19,700	7	(19,693)
263 Information Services				
100 Salaries	253,171	253,171	252,127	(1,044)
200 Employee Benefits	89,730	104,760	109,438	4,678
300 Purchased Services	37,950	37,950	26,516	(11,434)
400 Supplies and Materials	20,250	20,250	7,905	(12,345)
600 Other Objects	5,500	5,500	4,921	(579)
264 Staff Services				
100 Salaries	542,794	542,794	528,602	(14,192)
200 Employee Benefits	202,376	216,301	216,464	163
300 Purchased Services	34,100	34,100	17,564	(16,536)
400 Supplies and Materials	18,000	18,000	5,964	(12,036)
500 Capital Outlay	1,500	1,500	-	(1,500)
600 Other Objects	15,500	15,500	351	(15,149)
266 Technology and Data Processing Services				
100 Salaries	1,321,232	1,333,022	1,340,051	7,029
200 Employee Benefits	505,575	554,073	582,298	28,225
300 Purchased Services	1,505,100	1,411,109	1,019,982	(391,127)
400 Supplies and Materials	189,100	189,600	270,863	81,263
500 Capital Outlay	-	-	133,196	133,196
600 Other Objects	-	-	176	176

**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, 2020**

Page 9 of 9

	Budgeted Amounts		Actual	Variance - Over (Under)
	Original	Final		
<b>EXPENDITURES (CONTINUED)</b>				
270 Support Services Pupil Activity				
271 Pupil Services Activities				
100 Salaries	\$ 294,983	\$ 337,733	\$ 620,685	\$ 282,952
200 Employee Benefits	72,206	174,296	167,626	(6,670)
300 Purchased Services	28,250	28,250	28,683	433
400 Supplies and Materials	39,570	34,570	24,569	(10,001)
600 Other Objects	121,025	113,025	50,562	(62,463)
Total Support Services	<u>40,961,639</u>	<u>40,552,181</u>	<u>39,018,495</u>	<u>(1,533,686)</u>
400 Other Charges				
410 Intergovernmental Expenditures				
411 Payments to the State Department of Education				
720 Transits	4,000	4,000	2,044	(1,956)
Total Intergovernmental Expenditures	<u>4,000</u>	<u>4,000</u>	<u>2,044</u>	<u>(1,956)</u>
<b>TOTAL EXPENDITURES</b>	<u>94,269,835</u>	<u>94,269,834</u>	<u>92,239,142</u>	<u>(2,030,692)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,391,080)</u>	<u>(2,391,080)</u>	<u>394,566</u>	<u>2,785,646</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from (to) Other Funds				
5230 Transfer from Special Revenue EIA Fund	2,708,998	2,708,998	2,719,437	10,439
5280 Transfer from Other Funds Indirect Costs	795,670	795,670	878,775	83,105
421-710 Transfer to Special Revenue Funds	(96,500)	(31,757)	-	31,757
422-710 Transfer to Special Revenue Funds - EIA	(150,000)	(214,743)	(214,743)	-
424-710 Transfer to Capital Projects Fund	(593,688)	(593,688)	(683,688)	(90,000)
426-710 Transfer to Pupil Activity Fund	(273,400)	(273,400)	(273,400)	-
<b>TOTAL OTHER FINANCING   SOURCES (USES)</b>	<u>2,391,080</u>	<u>2,391,080</u>	<u>2,426,381</u>	<u>35,301</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>2,820,947</u>	<u>\$ 2,820,947</u>
<b>FUND BALANCE</b>				
July 1, 2019			<u>39,935,508</u>	
June 30, 2020			<u>\$ 42,756,455</u>	

**SPECIAL REVENUE FUNDS**



## **SPECIAL REVENUE FUNDS**

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

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

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

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

**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, 2020**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre- school Handi- capped (CG Projects) (205/206)
<b>REVENUES</b>			
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	-	-	-
1900 Other Revenue From Local Sources			
1910 Rentals	-	-	-
1920 Contributions and Donations from Private Sources	-	-	-
1930 Special Needs Transportation - Medicaid	-	-	-
1990 Miscellaneous Local Revenue			
1999 Revenue from Other Local Sources	-	-	-
Total Local Sources	-	-	-
3000 Revenues from State Sources			
3100 Restricted State Funding			
3110 Occupational Education			
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	-	-	-
3156 Adult Education	-	-	-
3190 Miscellaneous Restricted State Grants			
3193 Education License Plates	-	-	-
3199 Other Restricted State Grants	-	-	-
3300 State Aid to Classrooms: Education Finance Act (EFA):			
3330 Miscellaneous EFA Programs:			
3393 Capital Improvement Plan - Additional	-	-	-

CATE (VA Projects) (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Total
\$ -	\$ -	\$ -	\$ 2,921,944	\$ 2,921,944
-	-	-	11,166	11,166
-	-	-	175,788	175,788
-	-	-	10,320	10,320
-	-	-	2,865	2,865
-	-	-	38,115	38,115
-	-	-	440,438	440,438
-	-	-	1,703,455	1,703,455
-	-	-	5,304,091	5,304,091
-	-	399,587	-	399,587
-	-	69,899	-	69,899
-	-	62,520	-	62,520
-	-	959,335	-	959,335
-	-	405,649	-	405,649
-	-	4,214	-	4,214
-	-	5,118	-	5,118
-	-	-	6,630	6,630
-	-	163,101	-	163,101

**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, 2020**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre- school Handi- capped (CG Projects) (205/206)
REVENUES (CONTINUED)			
3000 Revenues from State Sources (Continued)			
3600 Education Lottery Act Revenue			
3699 Other State Lottery Programs	\$ -	\$ -	\$ -
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	-	-	-
	<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)	4,377,385	-	-
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III	-	-	-
4351 I Supporting Effective Instruction	-	-	-
4400 Adult Education			
4410 Basic Adult Education	-	-	-
4500 Programs for Children with Disabilities			
4510 Individuals with Disabilities Education Act (IDEA)	-	2,542,830	-
4520 Pre-school Grants for Children with Disabilities (IDEA)	-	-	99,882
4900 Other Federal Sources			
4924 21st Century Community Learning Center Program (Title IV, 21st Century Schools)	-	-	-
4990 Other Federal Revenue			
4997 Title IV - SSAE	-	-	-
4999 Revenue from Other Federal Sources	-	-	-
	<u>4,377,385</u>	<u>2,542,830</u>	<u>99,882</u>
Total Federal Sources	<u>4,377,385</u>	<u>2,542,830</u>	<u>99,882</u>
<b>TOTAL REVENUES</b>	<u><b>4,377,385</b></u>	<u><b>2,542,830</b></u>	<u><b>99,882</b></u>

CATE (VA Projects) (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Total
\$ -	\$ -	\$ 51	\$ -	\$ 51
-	-	-	124,990	124,990
-	-	-	17,195	17,195
-	-	-	70,828	70,828
-	-	-	9,395	9,395
-	-	902,380	-	902,380
-	-	2,971,854	229,038	3,200,892
138,161	-	-	-	138,161
-	-	-	-	4,377,385
-	-	-	4,025	4,025
-	-	-	540,983	540,983
-	240,555	-	-	240,555
-	-	-	-	2,542,830
-	-	-	-	99,882
-	-	-	51,292	51,292
-	-	-	253,646	253,646
-	-	-	561,594	561,594
138,161	240,555	-	1,411,540	8,810,353
138,161	240,555	2,971,854	6,944,669	17,315,336

**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, 2020**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre- school Handi- capped (CG Projects) (205/206)
<b>EXPENDITURES</b>			
100 Instruction			
110 General Instruction			
111 Kindergarten Programs			
100 Salaries	\$ 88,197	\$ -	\$ -
200 Employee Benefits	27,275	-	-
400 Supplies and Materials	40,506	-	-
112 Primary Programs			
100 Salaries	482,724	-	-
200 Employee Benefits	200,044	-	-
300 Purchased Services	4,813	-	-
400 Supplies and Materials	108,955	-	-
113 Elementary Programs			
100 Salaries	235,182	-	-
200 Employee Benefits	96,119	-	-
300 Purchased Services	3,627	-	-
400 Supplies and Materials	358,875	-	-
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	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
120 Exceptional Programs			
121 Educable Mentally Handicapped			
100 Salaries	-	189,218	-
200 Employee Benefits	-	92,147	-
122 Trainable Mentally Handicapped			
100 Salaries	-	155,559	-
200 Employee Benefits	-	69,496	-
125 Hearing Handicapped			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
126 Speech Handicapped			
100 Salaries	-	127,422	-
200 Employee Benefits	-	62,574	-

CATE (VA Projects) (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Total
\$ -	\$ -	\$ 52,291	\$ 81,987	\$ 222,475
-	-	23,074	42,830	93,179
-	-	-	-	40,506
-	-	373,236	243,237	1,099,197
-	-	167,334	97,306	464,684
-	-	-	-	4,813
-	-	5,118	10,662	124,735
-	-	287,417	530,215	1,052,814
-	-	125,885	113,215	335,219
-	-	-	15,610	19,237
-	-	-	19,810	378,685
-	-	-	377,143	377,143
-	-	-	18,514	18,514
-	-	-	24,008	24,008
-	-	-	11,835	11,835
-	-	-	50,620	50,620
-	-	-	15,239	15,239
15,175	-	-	8,053	23,228
75,181	-	-	597	75,778
-	-	-	-	189,218
-	-	-	-	92,147
-	-	-	-	155,559
-	-	-	-	69,496
-	-	-	2,000	2,000
-	-	-	611	611
-	-	-	20,000	147,422
-	-	-	6,098	68,672



**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, 2020**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre- school Handi- capped (CG Projects) (205/206)
<b>EXPENDITURES (CONTINUED)</b>			
100 Instruction (Continued)			
120 Exceptional Programs			
127 Learning Disabilities			
100 Salaries	\$ -	\$ 116,488	\$ -
200 Employee Benefits	-	59,556	-
400 Supplies and Materials	-	1,635	-
128 Emotionally Handicapped			
100 Salaries	-	18,683	-
200 Employee Benefits	-	10,751	-
130 Preschool Programs			
137 Preschool Handicapped Self-Contained (3 & 4 yr. olds)			
100 Salaries	-	-	42,362
200 Employee Benefits	-	-	23,691
400 Supplies and Materials	-	-	2,451
140 Special Programs			
142 Disadvantaged			
400 Supplies and Materials	3,796	-	-
147 CERDEP			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
149 Other Special Programs			
100 Salaries	-	13,211	-
200 Employee Benefits	-	3,486	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
160 Other Exceptional Programs			
161 Autism			
100 Salaries	-	212,599	-
200 Employee Benefits	-	107,963	-
170 Summer School Programs			
171 Primary Summer School			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
172 Elementary Summer School			
100 Salaries	7,962	-	-
200 Employee Benefits	2,434	-	-
300 Purchased Services	5,284	-	-
400 Supplies and Materials	20,859	-	-

CATE (VA Projects) (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Total
\$ -	\$ -	\$ -	\$ -	\$ 116,488
-	-	-	-	59,556
-	-	-	-	1,635
-	-	-	-	18,683
-	-	-	-	10,751
-	-	-	-	42,362
-	-	-	-	23,691
-	-	-	-	2,451
-	-	-	-	3,796
-	-	12,404	-	12,404
-	-	3,792	-	3,792
-	-	46,324	-	46,324
-	-	-	-	13,211
-	-	-	-	3,486
-	-	-	585	585
-	-	-	10,397	10,397
-	-	-	-	212,599
-	-	-	-	107,963
-	-	-	11,938	11,938
-	-	-	3,649	3,649
-	-	-	1,997	1,997
-	-	-	21,530	21,530
-	-	-	320	8,282
-	-	-	98	2,532
-	-	-	-	5,284
-	-	-	-	20,859

**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, 2020**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre- school Handi- capped (CG Projects) (205/206)
<b>EXPENDITURES (CONTINUED)</b>			
100 Instruction (Continued)			
170 Summer School Programs (Continued)			
174 Gifted and Talented Summer School			
400 Supplies and Materials	\$ -	\$ -	\$ -
175 Instructional Programs Beyond Regular School Day			
100 Salaries	15,715	-	-
200 Employee Benefits	4,362	-	-
300 Purchased Services	2,101	-	-
400 Supplies and Materials	4,304	-	-
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	-	-	-
183 Adult English Literacy (ESL)			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
188 Parenting/Family Literacy			
100 Salaries	177,281	-	-
200 Employee Benefits	82,689	-	-
300 Purchased Services	4,756	-	-
400 Supplies and Materials	33,246	-	-
Total Instruction	<u>2,011,106</u>	<u>1,240,788</u>	<u>68,504</u>
200 Support Services			
210 Pupil Services			
212 Guidance Services			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	35	-	-

CATE (VA Projects) (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Total
\$ -	\$ -	\$ -	\$ 176	\$ 176
-	-	-	91,905	107,620
-	-	-	25,834	30,196
-	-	-	28,630	30,731
-	-	-	43,597	47,901
-	21,000	-	-	21,000
-	5,040	-	-	5,040
-	2,985	-	-	2,985
-	1,138	-	-	1,138
-	143,518	3,211	-	146,729
-	34,945	1,004	-	35,949
-	13,490	-	-	13,490
-	8,589	-	-	8,589
-	7,100	-	-	7,100
-	1,703	-	-	1,703
-	-	-	-	177,281
-	-	-	-	82,689
-	-	-	-	4,756
-	-	-	-	33,246
<u>90,356</u>	<u>239,508</u>	<u>1,101,090</u>	<u>1,930,246</u>	<u>6,681,598</u>
20,500	-	-	-	20,500
8,892	-	-	-	8,892
-	-	-	-	35

**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, 2020**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre- school Handi- capped (CG Projects) (205/206)
<b>EXPENDITURES (CONTINUED)</b>			
<b>200 Support Services (Continued)</b>			
213 Health Services			
100 Salaries	\$ -	\$ 53,231	\$ -
200 Employee Benefits	-	22,000	-
300 Purchased Services	-	-	-
214 Psychological Services			
100 Salaries	-	313,099	-
200 Employee Benefits	-	117,072	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
215 Exceptional Program Services			
300 Purchased Services	-	-	-
217 Career Specialist Services			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
<b>220 Instructional Staff Services</b>			
221 Improvement of Instruction - Curriculum Development			
100 Salaries	1,126,649	-	-
200 Employee Benefits	473,319	-	-
300 Purchased Services	46,653	-	-
400 Supplies and Materials	10,203	-	-
222 Library and Media Services			
100 Salaries	26,148	-	-
200 Employee Benefits	15,252	-	-
400 Supplies and Materials	4,966	-	-
223 Supervision of Special Programs			
100 Salaries	147,738	376,585	21,028
200 Employee Benefits	65,075	162,255	7,846
300 Purchased Services	1,687	12,424	2,504
400 Supplies and Materials	7,897	5,464	-
224 Improvement of Instruction - Inservice and Staff Training			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	79,449	-	-
400 Supplies and Materials	-	-	-
<b>250 Finance and Operations Services</b>			
252 Fiscal Services			
300 Purchased Services	-	-	-

CATE (VA Projects) (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Total
\$ -	\$ -	\$ 264,562	\$ 93,229	\$ 411,022
-	-	141,089	39,770	202,859
-	-	-	8,280	8,280
-	-	-	14,844	327,943
-	-	-	4,585	121,657
-	-	-	340,513	340,513
-	-	-	59,762	59,762
-	-	-	6,055	6,055
-	-	263,140	-	263,140
-	-	136,448	-	136,448
-	-	-	770	1,127,419
-	-	-	68	473,387
9,648	-	-	57,088	113,389
-	-	-	18,686	28,889
-	-	-	-	26,148
-	-	-	-	15,252
-	-	-	-	4,966
8,765	-	-	84,730	638,846
-	-	-	41,752	276,928
-	303	-	368	17,286
-	744	44	4,483	18,632
-	-	-	250	250
-	-	-	77	77
-	-	-	62,149	141,598
-	-	-	17,703	17,703
-	-	-	22,593	22,593

**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, 2020**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre- school Handi- capped (CG Projects) (205/206)
<b>EXPENDITURES (CONTINUED)</b>			
200 Support Services (Continued)			
253 Facilities Acquisition and Construction			
500 Capital Outlay	\$ -	\$ -	\$ -
254 Operation and Maintenance of Plant			
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	-	-	-
600 Other Objects	-	-	-
260 Central Support Services			
264 Staff Services			
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
266 Technology and Data Processing Services			
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
270 Support Services - Pupil Activity			
271 Pupil Service Activities			
300 Purchased Services	-	6,712	-
400 Supplies and Materials	-	-	-
600 Supplies and Materials	-	-	-
<b>Total Support Services</b>	<b>2,005,071</b>	<b>1,068,842</b>	<b>31,378</b>
300 Community Services			
390 Other Community Services			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
<b>Total Community Services</b>	<b>-</b>	<b>-</b>	<b>-</b>

CATE (VA Projects) (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Total
\$ -	\$ -	\$ 153,141	\$ -	\$ 153,141
-	-	9,960	36,132	46,092
-	-	-	72,041	72,041
-	-	-	172,747	172,747
-	-	-	68,115	68,115
-	-	-	13,916	13,916
-	-	-	12,836	12,836
-	-	-	3,525	3,525
-	-	-	15,493	15,493
-	-	-	164	164
-	-	-	1,788	1,788
-	-	-	26,631	26,631
-	-	-	25,371	25,371
-	-	-	66,706	66,706
-	-	-	7,580	14,292
-	-	-	7,970	7,970
-	-	-	1,200	1,200
<u>47,805</u>	<u>1,047</u>	<u>968,384</u>	<u>1,409,970</u>	<u>5,532,497</u>
-	-	-	20,599	20,599
-	-	-	3,724	3,724
-	-	-	9,878	9,878
-	-	-	34,201	34,201



**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, 2020**

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Pre- school Handi- capped (CG Projects) (205/206)
<b>EXPENDITURES (CONTINUED)</b>			
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	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>4,016,177</b>	<b>2,309,630</b>	<b>99,882</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>361,208</b>	<b>233,200</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from (to) other funds			
431-791 Special Revenue Fund Indirect Costs	(361,208)	(233,200)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(361,208)</b>	<b>(233,200)</b>	<b>-</b>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>			
July 1, 2019	-	-	-
June 30, 2020	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

CATE (VA Projects) (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Total
\$ -	\$ -	\$ -	\$ 90,850	\$ 90,850
-	-	-	3,291,041	3,291,041
-	-	902,380	-	902,380
-	-	902,380	3,381,891	4,284,271
138,161	240,555	2,971,854	6,756,308	16,532,567
-	-	-	188,361	782,769
-	-	-	(89,367)	(683,775)
-	-	-	(89,367)	(683,775)
-	-	-	98,994	98,994
-	-	-	2,402,593	2,402,593
\$ -	\$ -	\$ -	\$ 2,501,587	\$ 2,501,587

**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, 2020**

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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	937	Student Health and Fitness - PE Teachers
924	Child Early Reading Development and Education Program (CERDEP) - Full Day 4K	939	Capital Improvement Olan - Additional
928	EEDA Career Specialists	956	Adult Education
935	Reading Coaches	969	Other State Lottery Programs
936	Student Health and Fitness - Nurses	994	PEBA Nonemployer Contributions

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

220	Coronavirus Aid Relief and Economic Security Act (CARES Act)		
264	Language Instruction for Limited English Proficient and Immigrant Students, Title III	822	Art Summer
267	Supporting Effective Instruction	824	Homework Center Grant
269	ROTC	834	Administrative Claiming
280	Workforce Investment Act	837	District Office Grants
284	Jobs for SC Grads	838	Byerly-Visual Arts Grant
800	Special Needs Transportation - Medicaid	843	Adult Learning BES
802	Local Fund	855	Florence Darlington Technical College
804	DHS Grants	856	Byerly Grant HMS Foxes
805	United Way for Spec Ed	859	Transportation Special Needs
806	Jean Taylor Memorial	860	Special Education
807	MHS Grants	868	Adult Banquet
809	CERRA Grant	870	District Buses Extra Curricular
810	BDE Grants	879	Erate Funding
811	School Pay-Clearing Acct	890	Medicaid Federal
812	Gear-Up	895	Breakfast After the Bell
813	AE Tech Assistant	896	Thornwell Grants Arts Grant
815	12-Month Ag Clemson Univ Grant	897	National School Lunch Program Equipment
817	DCEF/Sonoco Grants WHE Grants	898	Coker Foundation
819	COMER Fund	899	Prof Mental Disable
820	Summer Reading		

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
SPECIAL REVENUE FUNDS – SPECIAL PROJECTS FUND  
SUMMARY SCHEDULE FOR DESIGNATED RESTRICTED STATE GRANTS  
YEAR ENDED JUNE 30, 2020**

<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	\$ 5,118	\$ 5,118	\$ -	\$ -
924	3134	Child Early Reading Development and Education Program (CERDEP) - Full Day 4K	62,520	62,520	-	2,664
928	3118	EEDA Career Specialists	399,587	399,587	-	278,719
935	3135	Reading Coaches	959,335	959,335	-	755,096
936	3136	Student Health and Fitness - Nurses	405,649	405,649	-	-
937	3127	Student Health and Fitness - PE Teachers	69,899	69,899	-	-
939	3393	Capital Improvement Plan - Additional	163,101	163,101	-	-
956	3156	Adult Education	4,214	4,214	-	7,036
969	3699	Other State Lottery Programs	51	51	-	-
994	3994	PEBA Nonemployer Contributions	902,380	902,380	-	-
			<u>\$ 2,971,854</u>	<u>\$ 2,971,854</u>	<u>\$ -</u>	<u>\$ 1,043,515</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, 2020**

REVENUES

3000 Revenue from State Sources

3500 Education Improvement Act

3502 ADEPT	\$	3,361
3507 Aid to District Technology		207,855
3509 Arts in Education		12,492
3518 Adoption List of Formative Assessment		108,297
3519 Grade 10 Assessments		43,854
3526 Refurbishment of Science Kits		8,017
3528 Industry Certifications/Credentials		73,039
3529 Career and Technology Education		222,363
3532 National Board Salary Supplement (No Carryover Provision)		268,630
3533 Teacher of the Year Awards		1,077
3538 Students At Risk of School Failure		2,426,723
3541 Child Early Reading Development and Education Program (CERDEP) - Full Day 4K		1,559,443
3550 Teacher Salary Increase (No Carryover Provision)		2,166,680
3555 Teacher Salary Fringe (No Carryover Provision)		552,757
3556 Adult Education		396,810
3557 Summer Reading Program		136,092
3571 CSI and Priority Schools		157,956
3577 Teacher Supplies (No Carryover Provision)		193,875
3593 Capital Improvement Plan		405,163
3595 EEDA - Supplies and Materials		1,390
3597 Aid to Districts		236,548

Total State Sources		9,182,422
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TOTAL REVENUES		9,182,422
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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, 2020**

EXPENDITURES

100 Instruction		
110 General Instruction		
111 Kindergarten Programs		
100 Salaries	\$	6,958
200 Employee Benefits		2,273
400 Supplies and Materials		5,603
112 Primary Programs		
100 Salaries		285,141
200 Employee Benefits		84,547
300 Purchased Services		159
400 Supplies and Materials		25,328
113 Elementary Programs		
100 Salaries		383,572
200 Employee Benefits		153,859
300 Purchased Services		5,875
400 Supplies and Materials		12,784
114 High School Programs		
100 Salaries		418,539
200 Employee Benefits		131,603
300 Purchased Services		24,120
400 Supplies and Materials		366,879
115 Career and Technology Education Programs		
100 Salaries		350
200 Employee Benefits		104
300 Purchased Services		8,600
400 Supplies and Materials		242,174
120 Exceptional Programs		
127 Learning Disabilities		
100 Salaries		69,381
200 Employee Benefits		25,707
140 Special Programs		
147 CERDEP		
100 Salaries		1,153,254
200 Employee Benefits		581,796
300 Purchased Services		29,999
400 Supplies and Materials		9,138
149 Other Special Programs		
100 Salaries		2,000
200 Employee Benefits		502
170 Summer School Program		
171 Primary Summer School		
100 Salaries		61,840
200 Employee Benefits		18,241
300 Purchased Services		46,314
400 Supplies and Materials		9,696

**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, 2020**

EXPENDITURES (CONTINUED)

100 Instruction (Continued)

180 Adult/Continuing Educational Programs

181 Adult Basic Education Programs

100 Salaries	\$ 99,133
200 Employee Benefits	34,890
300 Purchased Services	273
400 Supplies and Materials	2,770

182 Adult Secondary Education Programs

100 Salaries	73,644
200 Employee Benefits	15,783
300 Purchased Services	18,124
400 Supplies and Materials	13,887

183 Adult English Literacy (ESL)

100 Salaries	2,480
200 Employee Benefits	759

Total Instruction

4,428,079

200 Support Services

210 Pupil Services

212 Guidance Services

100 Salaries	49,142
200 Employee Benefits	19,117
400 Supplies and Materials	1,390

213 Nursing Services

100 Salaries	3,247
200 Employee Benefits	2,009

220 Instructional Staff Services

221 Improvement of Instruction Curriculum Development

100 Salaries	142,718
200 Employee Benefits	33,883
300 Purchased Services	108
400 Supplies and Materials	2,252
600 Other Objects	

223 Supervision of Special Programs

100 Salaries	176,499
200 Employee Benefits	73,591
300 Purchased Services	1,247
400 Supplies and Materials	3,656

224 Improvement of Instruction Inservice and Staff Training

100 Salaries	12,000
200 Employee Benefits	3,668
300 Purchased Services	607,679
400 Supplies and Materials	3,156



**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, 2020**

EXPENDITURES (CONTINUED)	
200 Support Services (Continued)	
230 General Administration Services	
233 School Administration	
100 Salaries	\$ 207,047
200 Employee Benefits	94,560
300 Purchased Services	44,985
250 Finance and Operations Services	
253 Facilities Acquisition and Construction	
500 Capital Outlay	
520 Construction Services	171,625
254 Operation and Maintenance of Plant	
300 Purchased Services	233,538
257 Internal Services	
300 Purchased Services	169
258 Security	
100 Salaries	31,555
200 Employee Benefits	14,656
260 Central Support Services	
266 Technology and Data Processing Services	
300 Purchased Services	108,297
400 Supplies and Materials	207,855
Total Support Services	<u>2,249,649</u>
TOTAL EXPENDITURES	<u>6,677,728</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>2,504,694</u>
OTHER FINANCING USES	
Transfers from (to) Other Funds	
420-710 Transfer to General Fund (Excludes Indirect Costs)	(2,719,437)
5210 Transfer from General Fund (Excludes Indirect Costs)	<u>214,743</u>
TOTAL OTHER FINANCING USES	<u>(2,504,694)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	-
FUND BALANCE	
July 1, 2019	<u>-</u>
June 30, 2020	<u><u>\$ -</u></u>

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
SPECIAL REVENUE FUNDS – EDUCATION IMPROVEMENT ACT FUND  
SUMMARY SCHEDULE BY PROGRAM  
YEAR ENDED JUNE 30, 2020**

PROGRAM	Revenues	Expenditures	EIA Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	EIA Fund Unearned
3500 Education Improvement Act					
3502 ADEPT	\$ 3,361	\$ 3,361	\$ -	\$ -	\$ 29,672
3507 Aid to Districts - Technology	207,855	207,855	-	-	176,705
3509 Arts in Education	12,492	12,492	-	-	-
3518 Adoption List of Formative Assessment	108,297	108,297	-	-	15,698
3519 Grade 10 Assessments	43,854	43,854	-	-	26,479
3526 Refurbishment of Science Kits	8,017	8,017	-	-	41,415
3528 Industry Certifications/Credentials	73,039	73,039	-	-	70,044
3529 Career and Technology Education	222,363	222,363	-	-	91,477
3532 National Board Salary Supplement (No Carryover Provision)	268,630	268,630	-	-	-
3533 Teacher of the Year Awards	1,077	1,077	-	-	-
3538 Students At Risk of School Failure	2,426,723	2,426,723	-	-	313,932
3541 Child Early Reading Development and Education Program (CERDEP) - Full Day 4K	1,559,443	1,774,186	-	214,743	-
3550 Teacher Salary Increase (No Carryover Provision)	2,166,680	-	-	(2,166,680)	-
3555 Teacher Salary Fringe (No Carryover Provision)	552,757	-	-	(552,757)	-
3556 Adult Education	396,810	396,810	-	-	447
3557 Summer Reading Program	136,092	136,092	-	-	161,677
3571 CSI and Priority Schools	157,956	157,956	-	-	75,733
3577 Teacher Supplies (No Carryover Provision)	193,875	193,875	-	-	-
3593 Capital Improvement Plan	405,163	405,163	-	-	-
3595 EEDA- Supplies and Materials	1,390	1,390	-	-	21,367
3597 Aid to Districts	236,548	236,548	-	-	609,493
3599 Other EIA	-	-	-	-	18,485
<b>TOTALS</b>	<b>\$ 9,182,422</b>	<b>\$ 6,677,728</b>	<b>\$ -</b>	<b>\$ (2,504,694)</b>	<b>\$ 1,652,624</b>

**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, 2020**

<b>REVENUES</b>		
1000 Revenue from Local Sources		
1500 Earnings on Investments		
1510 Interest on Investments	\$ 812,276	
Total Local Sources	<u>812,276</u>	
<b>TOTAL REVENUES</b>	<u><u>812,276</u></u>	
<b>EXPENDITURES</b>		
200 Support Services		
250 Finance and Operations Services		
253 Facilities Acquisition & Construction		
300 Purchased Services	34,378	
400 Supplies and Materials	27,549	
500 Capital Outlay		
510 Land	238,252	
520 Construction Services	42,648,204	
525 Buildings	2,892,033	
530 Improvements Other Than Buildings	66,000	
545 Technology Equipment	1,135,329	
550 Vehicles	527,563	
254 Operation and Maintenance of Plant		
300 Purchased Services	116,010	
400 Supplies and Materials	71,071	
500 Capital Outlay		
530 Improvements Other Than Buildings	156,039	
540 Equipment	246,509	
255 Student Transportation		
500 Capital outlay		
550 Vehicles	55,560	
260 Central Support Services		
266 Technology and Data Processings Services		
300 Purchased Services	76,943	
400 Supplies and Materials	4,390,450	
500 Capital Outlay		
545 Technology Equipment	1,902,158	
270 Pupil Service Activities		
271 Pupil Services Activities		
400 Supplies and Materials	54,652	
500 Capital Outlay		
540 Equipment	<u>14,206</u>	
Total Support Services	<u>54,652,906</u>	
500 Debt Service		
620 Interest	8,688	
690 Other Objects	<u>60,000</u>	
Total Debt Service	<u>68,688</u>	
<b>TOTAL EXPENDITURES</b>	<u><u>54,721,594</u></u>	
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(53,909,318)</u>	
<b>OTHER FINANCING SOURCES (USES)</b>		
5120 Proceeds on General Obligation Bonds	8,000,000	
Interfund Transfers, From (To) Other Funds		
423-710 Transfers to Debt Service Fund	(673,834)	
5210 Transfers from General Fund (Excludes Indirect Costs)	<u>683,688</u>	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>8,009,854</u>	
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES</b>	<u>(45,899,464)</u>	
<b>FUND BALANCE</b>		
July 1, 2019	71,422,789	
June 30, 2020	<u><u>\$ 25,523,325</u></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, 2020**

REVENUES

1000 Revenues from Local Sources

1100 Taxes

1110 Ad Valorem Taxes - Including Delinquent \$ 7,344,510

1140 Penalties and Interest on Taxes (Independent) 32,862

1200 Revenue from Local Governmental Units other than LEA

1280 Revenue in Lieu of Taxes 443,854

1500 Earnings on Investments

1510 Interest on Investments 245,589

1900 Revenue from Other Local Sources

1999 Sales Tax Revenue 6,717,306

Total Local Sources 14,784,121

3000 Revenues from State Sources

3800 State Revenue in Lieu of Taxes

3820 Homestead Exemption 315,591

3830 Merchant's Inventory Tax 50,250

3840 Manufacturer's Depreciation Reimbursement 178,841

3890 Other State Property Tax Revenues 23,853

Total State Sources 568,535

TOTAL REVENUES 15,352,656

EXPENDITURES

500 Debt Service

610 Redemption of Principal 11,636,000

620 Interest 2,494,822

TOTAL EXPENDITURES 14,130,822

EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER)

EXPENDITURES 1,221,834

OTHER FINANCING SOURCES (USES)

5250 Transfer from Capital Projects Fund 673,834

TOTAL OTHER FINANCING SOURCES (USES) 673,834

NET CHANGE IN FUND BALANCE 1,895,668

FUND BALANCE

July 1, 2019 8,559,946

June 30, 2020 \$ 10,455,614



**ENTERPISE FUND:  
PROPRIETARY FUND**

## **PROPRIETARY FUND**

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

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, 2020**

REVENUES

1000 Revenues from Local Sources		
1500 Earnings on Investments		
1510 Interest on Investments		\$ 702
1600 Food Service		
1610 Lunch Sales to Pupils		1,414
1620 Breakfast Sales to Pupils		267
1630 Special Sales to Pupils		58,283
1640 Lunch Sales to Adults		63,987
1650 Breakfast Sales to Adults		4,262
1660 Special Sales to Adults		16,625
1900 Other Revenues from Local Sources		
1999 Revenue from Other Local Sources		247
Total Local Sources		<u>145,787</u>
4000 Revenues from Federal Sources		
4800 USDA Reimbursement		
4810 School Lunch and After School Snack Program, and Special Milk Program		3,539,238
4830 School Breakfast program		1,666,910
4860 Fresh Fruit & Vegetable Program		203,043
4870 School Food Service (Equipment)		24,300
4900 Other Federal Sources		
4991 USDA Commodities		464,596
Total Federal Sources		<u>5,898,087</u>
Total Revenues all Sources		<u>6,043,874</u>

OPERATING EXPENSES

200 Support Services		
250 Finance and Operations		
256 Food Service		
100 Salaries		2,134,425
300 Purchased Services (Exclude Energy Costs)		183,505
400 Supplies and Materials (Include Energy Costs)		3,659,228
500 Capital Outlay		
570 Depreciation		118,586
600 Other Objects		24,996
Total Operating Expenses		<u>6,120,740</u>

OPERATING INCOME (LOSS) (76,866)

OTHER FINANCING SOURCES (USES)

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

EXCESS OF REVENUES AND OTHER FINANCING SOURCES  
OVER EXPENSES AND OTHER FINANCING USES (271,866)

NET POSITION

July 1, 2019		<u>2,375,301</u>
June 30, 2020		<u>\$ 2,103,435</u>

**AGENCY FUND**

## **AGENCY FUND**

To account for assets held by the School District in a trustee capacity or as an agent for specific schools, clubs, or groups within each school or other type of organization. The School District accounts for the following agency fund:

Pupil Activity - used to account for monies held for student organizations and schools.

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

**DARLINGTON COUNTY SCHOOL DISTRICT**  
**DARLINGTON, SOUTH CAROLINA**  
**AGENCY FUND**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES – PUPIL ACTIVITY**  
**YEAR ENDED JUNE 30, 2020**

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
<b>ASSETS</b>				
Cash and cash equivalents	<u>\$ 1,173,801</u>	<u>\$ 2,423,036</u>	<u>\$ 2,419,938</u>	<u>\$ 1,176,899</u>
<b>LIABILITIES</b>				
Due to schools	<u>\$ 1,173,801</u>	<u>\$ 2,423,036</u>	<u>\$ 2,419,938</u>	<u>\$ 1,176,899</u>

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
AGENCY FUND  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN DUE TO SCHOOLS – PUPIL ACTIVITY  
YEAR ENDED JUNE 30, 2020**

RECEIPTS

1000 Receipts from Local Sources  
1700 Pupil Activities  
1790 Other

\$ 2,423,036

Total Receipts from Local Sources

2,423,036

Total Receipts

2,423,036

DISBURSEMENTS

271 Pupil Service Activities  
660 Supporting Services Pupil Activity  
272 Enterprise Activities  
660 Pupil Activity  
273 Trust and Agency Activities  
660 Enterprise Activities

785,573

1,149,364

485,001

Total Disbursements

2,419,938

Excess of Receipts Over (Under) Disbursements

3,098

DUE TO SCHOOLS

July 1, 2019

1,173,801

June 30, 2020

\$ 1,176,899

**OTHER SUPPLEMENTARY SCHEDULES**



**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/  
FEDERAL GOVERNMENT  
JUNE 30, 2020**

Program	Grant or Project Number	Revenue & Subfund Codes	Description	Amount Due to SDE/ Federal Government	Status of amounts Due to Grantor
Teacher Supplies	EIA 2020	3577/377	Unexpended funds	\$ 1,375	Unpaid

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
LOCATION RECONCILIATION SCHEDULE  
YEAR ENDED JUNE 30, 2020**

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
04	Hartsville Middle	Middle School	School	\$ 8,722,600
05	Hartsville High	High School	School	13,198,251
06	Lamar High	High School	School	4,183,505
10	Spaulding Middle	Middle School	School	2,549,261
13	Brockington	Elementary School	School	3,201,673
14	Cain Elementary	Elementary School	School	7,766,798
15	Carolina Elementary	Elementary School	School	2,907,688
16	Lamar Elementary	Elementary School	School	10,683,810
17	North Hartsville Elementary	Elementary School	School	4,986,875
18	Pate Elementary	Elementary School	School	3,845,738
20	Rosenwald Elementary/Middle	Elementary/Middle School	School	2,253,827
23	Spaulding Elementary	Elementary School	School	9,930,175
24	Brunson-Dargan Elementary	Elementary School	School	7,414,066
26	St. John's Elementary	Elementary School	School	6,225,767
27	Thornwell Elementary	Elementary School	School	3,730,058
28	West Hartsville Elementary	Elementary School	School	10,496,870
29	Washington Street Elementary	Elementary School	School	9,718,273
30	Darlington High	High School	School	11,323,397
31	Darlington Middle	Middle School	School	8,482,665
32	Southside Early Childhood	Elementary School	School	3,926,548
33	Mayo Magnet	High School	School	3,449,369
35	Intervention School	Other (Alternative) School	School	1,391,972
50	Superintendent	Non-School	Central	1,156,805
51	Operations	Non-School	Central	1,936,037
54	Curriculum & Instruction	Non-School	Central	1,085,594
55	Human Resources	Non-School	Central	2,114,362
56	Pupil Services	Non-School	Central	1,261,884
58	Transportation	Non-School	Central	3,374,194
59	Communications	Non-School	Central	408,085
60	Exceptional Education	Non-School	Central	1,873,000
62	Maintenance	Non-School	Central	2,720,948
63	Elementary Assistant Superintendent	Non-School	Central	2,280,881
64	Adult Education	Non-School	Central	2,575,000
65	Warehouse	Non-School	Central	147,003
66	Project Share	Non-School	Central	41,462
68	Food Service	Non-School	Central	564,139
69	Computer Services	Non-School	Central	8,406,340
72	Finance	Non-School	Central	20,129,623
91	Institute of Technology	Other (Career) School	School	2,651,388
<b>TOTAL EXPENDITURES FOR ALL FUNDS</b>				<b><u>\$193,115,931</u></b>

The above expenditures are reconciled to the District's financial statements as follows:

General Fund	\$ 92,512,542
Special Projects Fund	16,532,567
Education Improvement Act Fund	6,677,728
School Building Fund	54,721,594
Debt Service Fund	14,130,822
Food Service Fund	6,120,740
Student Activity Fund	2,419,938
	<u>2,419,938</u>

**TOTAL EXPENDITURES FOR ALL FUNDS**

**\$193,115,931**

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2020**

LEA Subfund Code	Federal Grantor/ Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
<b>U.S. Department of Agriculture</b>				
South Carolina Dept. of Education - Child Nutrition Cluster - Child Nutrition Programs:				
600	School Breakfast Program	10.553	NONE	\$ 1,666,910
600	National School Lunch Program Cash Assistance	10.555	NONE	\$ 3,539,238
	Non-Cash Assistance (Commodities)	10.555	NONE	464,596
	National School Lunch Program Subtotal			<u>4,003,834</u>
	Total Child Nutrition Cluster			<u>5,670,744</u>
603	South Carolina Dept. of Education - Fresh Fruit and Vegetable Program	10.582	NONE	203,043
604	CNP School Meals Equip	10.579	NONE	24,300
	<b>Total U.S. Department of Agriculture</b>			<b><u>5,898,087</u></b>
<b>U.S. Department of Labor</b>				
South Carolina Dept. of Education - WIOA Cluster:				
280	WIA Youth Activities	17.259	8Y507E1	203,718
284	Jobs for America's Graduates	17.259	18JAG105	64,177
	Total WIOA Cluster			<u>267,895</u>
	<b>Total U.S. Department of Labor</b>			<b><u>267,895</u></b>
<b>U.S. Department of Education</b>				
South Carolina Dept. of Education - Title 1:				
201	Title I Grants to LEA's	84.010	20 Title I Carryover from Prior Yr	\$ 1,080,979
201	Title I Grants to LEA's	84.010	20 Title I	3,099,255
237	Title I - School Improvements Mini Grants	84.010A	19 Title I TSI	21,897
238	Title I - Targeted Support and Improvement	84.010A	Title I School Improvement	128,927
239	Title I - Comprehensive Support and Improvement	84.010A	19 Title I CSI	46,327
	Total 84.010			<u>4,377,385</u>
South Carolina Dept. of Education - Special Education Cluster (IDEA):				
203	Special Education_Grants to States	84.027	18 IDEA	\$ 113,825
203	Special Education_Grants to States	84.027	19 IDEA	87,623
203	Special Education_Grants to States	84.027	20 IDEA	2,324,686
204	Special Education_Grants to States	84.027	20 IDEA ESY	16,696
205	Special Education_Grants to States	84.027	19 IDEA Preschool	16,486
205	Special Education_Grants to States	84.027	20 IDEA Preschool	83,396
	Total 84.027			<u>2,642,712</u>
	Total Special Education Cluster (IDEA)			<u>2,642,712</u>
South Carolina Dept. of Education -				
243	Adult Education - Basic Grants to States	84.002	19 Adult Education	\$ 8,116
243	Adult Education - Basic Grants to States	84.002	20 Adult Education	232,439
207	Career and Technical Education -- Basic Grants to States	84.048A	19CATE	\$ 22,396
	Basic Grants to States	84.048A	20CATE	115,765
264	English Language Acquisition State Grants	84.365	19 Title III	4,025
267	Improving Teacher Quality State Grants	84.367	19 Title II Carryover from Prior Yr	\$ 85,041
267	Improving Teacher Quality State Grants	84.367	20 Title II	455,942
	Total			<u>923,724</u>
210	Student Support and Academic Enrichment Program	84.424A	19 Title IV SSAE	253,646
220	COVID-19 Elementary and Secondary School EducationRelief Fund	84.425D	20 SC CARES ESSER	42,840
224	21st Century Community Learning Centers	84.287C	20 21st CCLC	51,292
	<b>Total U.S. Department of Education</b>			<b><u>8,291,599</u></b>
<b>Other Federal Assistance</b>				
<b>U.S. Department of Defense</b>				
269	ROTC Language and Culture Training Grants	12.357	NONE	293,699
	<b>Total U.S. Department of Defense</b>			<b><u>293,699</u></b>
	<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 14,751,280</u></b>

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, 2020**

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**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, 2020. 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, 2020, 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 January 14, 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, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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 Rogano LLP*

Florence, South Carolina  
January 14, 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, 2020. 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, 2020.



## 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.

*Webster Rogus LLP*

Florence, South Carolina  
January 14, 2021

**DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2020**

I. SUMMARY OF AUDITOR'S RESULTS

*Financial Statements*

Type of auditors' report issued:

**Unmodified**

Internal control over financial reporting:

Material weaknesses identified?  Yes  No  
 Significant deficiencies identified that are not considered to be material weaknesses?  Yes  None Reported

Noncompliance material to financial statements noted?  Yes  No

*Federal Awards*

Internal control over major programs:

Material weaknesses identified?  Yes  No  
 Significant deficiencies identified that are not considered to be material weaknesses?  Yes  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  No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.553 / 10.555	Child Nutrition Cluster
10.582	Fresh Fruit and Vegetable Program

Dollar threshold used to distinguish between type A and type B programs **\$750,000**

Auditee qualified as low-risk auditee?  Yes  No

DARLINGTON COUNTY SCHOOL DISTRICT  
DARLINGTON, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2020

Page 2 of 2

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**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, 2020**

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

- 2019-001                   CFDA # 84.010 Title I – U.S. Department of Education  
Grant No. 19 Title I; FAIN S010A180040  
Grant Period: Year Ended June 30, 2019  
Pass through entity name: South Carolina Department of Education  
Compliance requirement B – Allowable Costs/Cost Principles, Time and Effort
- CFDA # 84.002 Adult Education – State Administered – U.S. Department of Education  
Grant No. 19 Adult Education; FAIN V002A180041  
Grant Period: Year Ended June 30, 2019  
Pass-through entity name: South Carolina Department of Education  
Compliance requirement B – Allowable Costs/Cost Principles, Time and Effort
- Certifications were not available for all staff charged to each program.
- Current Status Corrected – Management has implemented controls to ensure that documentation of certifications is maintained to support hours worked for all staff.
- 2019-002                   CFDA # 84.010 Title I – U.S. Department of Education  
Grant No. 19 Title I; FAIN S010A180040  
Grant Period: Year Ended June 30, 2019  
Pass through entity name: South Carolina Department of Education  
Compliance requirement B – Allowable Costs/Cost Principles, Time and Effort.
- Only authorized certified employees are to be charged to the program.
- Current Status Corrected – Management has implemented controls to ensure that documentation on the master list supports employees charged to the program.
- 2019-003                   CFDA # 84.002 Adult Education – State Administered – U.S. Department of Education  
Grant No. 19 Adult Education; FAIN V002A180041  
Grant Period: Year Ended June 30, 2019  
Pass-through entity name: South Carolina Department of Education  
Compliance requirement E – Eligibility
- Students under 18 years old must be approved by the Board of Trustees for participation in the Adult Education program.
- Current Status Corrected – Management has implemented controls to ensure that documentation on the board minutes supports the information on the lists of applicants under 18 years old provided to the Board.