

**ORANGEBURG COUNTY SCHOOL DISTRICT
ORANGEBURG, SOUTH CAROLINA**

FINANCIAL AND COMPLIANCE REPORT

JUNE 30, 2021

ORANGEBURG COUNTY SCHOOL DISTRICT

FOR THE YEAR ENDED JUNE 30, 2021

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ORANGEBURG COUNTY SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

**To the Honorable Chairman and Members of the Board of Trustees
Orangeburg County School District
Orangeburg, South Carolina**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, and each major fund of **Orangeburg County School District** (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the 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 did not audit the financial statements of the discretely presented component unit, Orangeburg High School for Health Professions. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Orangeburg High School for Health Professions, is based solely on the report of the other auditor. 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.

Opinion

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, and each major fund of the District as of June 30, 2021, and the respective changes in financial position 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 other required supplementary information concerning the District's retirement plan and OPEB plan on pages 51 - 54 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

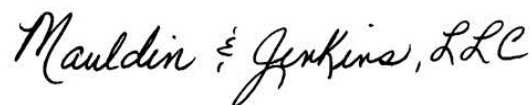
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedules listed in the table of contents as supplemental information as required by the South Carolina Department of Education and the schedule of expenditures of federal awards, 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* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information 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 a report dated March 24, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Columbia, South Carolina
March 24, 2022

ORANGEBURG COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government Governmental Activities	Component Unit Orangeburg High School for Health Professionals
ASSETS		
Cash & cash equivalents	\$ 23,782,225	\$ 745,626
Investments, unrestricted	-	100,478
Taxes receivable, net	4,690,071	-
Due from county treasurer	6,561,993	-
Due from State Department of Education	2,867,903	-
Due from federal government	11,065,745	-
Due from other governmental units	85,277	237,549
Prepaid Items	-	13,435
Inventories	164,130	-
Capital assets		
Non-depreciable	2,023,838	555,913
Depreciable, net of depreciation	111,181,797	3,674,622
Total assets	162,422,979	5,327,623
DEFERRED OUTFLOWS OF RESOURCES		
Deferred refunding of bonds	220,081	-
Deferred outflows related to pensions	149,300,282	1,225,701
Deferred outflows related to OPEB	151,343,875	1,183,405
Total deferred outflows of resources	300,864,238	2,409,106
LIABILITIES		
Accounts payable and accrued liabilities	14,758,660	340,353
Accrued interest	353,418	-
Current portion of compensated absences	379,578	-
Due to other governmental units	-	21,137
Compensated absences	1,138,736	23,582
Claims payable	548,400	-
General obligation bonds payable, due in one year	7,728,000	188,384
General obligation bonds payable, due in more than one year	24,808,715	4,001,125
Net pension liability	192,925,704	3,676,549
Net OPEB liability	167,149,354	2,902,312
Total liabilities	409,790,565	11,153,442
DEFERRED INFLOWS OF RESOURCES		
Deferred revenue	3,723,245	13,174
Deferred inflows related to pensions	130,756,692	457,888
Deferred inflows related to OPEB	107,734,735	797,244
Total deferred inflows of resources	242,214,672	1,268,306
NET POSITION		
Net investment in capital assets	89,128,171	41,026
Restricted for:		
Debt service	4,846,069	-
School food service organizations	469,379	-
Unrestricted	(283,161,639)	(4,726,045)
Total net position	\$ (188,718,020)	\$ (4,685,019)

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

ORANGEBURG COUNTY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

				Net (Expense) Revenue and Changes in Net Position	
Functions/Programs	Expenses	Program Revenues		Primary Government	Component Unit
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Orangeburg High School for Health Professionals
Primary Government					
Governmental Activities:					
Instruction	\$ 74,239,061	\$ 344,484	\$ 27,166,430	\$ (46,728,147)	
Support services	80,322,620	34,687	75,102,470	(5,185,463)	
Community services	53,370	-	53,370	-	
Interest & other charges	1,270,085	-	-	(1,270,085)	
Total governmental activities	<u>\$ 155,885,136</u>	<u>\$ 379,171</u>	<u>\$ 102,322,270</u>	<u>(53,183,695)</u>	
Component Unit					
Orangeburg High School for Health Professionals	<u>\$ 4,103,522</u>	<u>\$ 42,162</u>	<u>\$ 3,715,604</u>		<u>\$ (345,756)</u>
General revenues:					
Property taxes levied for:					
General purposes				43,783,844	-
Debt services				12,160,795	-
Unrestricted state revenue in lieu of taxes				22,451,906	-
Unrestricted investment earnings				549,862	-
Inflow from resources on PPP loan forgiveness				-	433,200
Miscellaneous				79,204	12,660
Total general revenues				<u>79,025,611</u>	<u>445,860</u>
Change in net position				25,841,916	100,104
Net position, beginning of year as restated				<u>(214,559,936)</u>	<u>(4,785,123)</u>
Net position, end of year				<u>\$ (188,718,020)</u>	<u>\$ (4,685,019)</u>

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

ORANGEBURG COUNTY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	GENERAL	SPECIAL PROJECTS	EDUCATION IMPROVEMENT ACT	FOOD SERVICE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
ASSETS							
Cash & cash equivalents	\$ 23,398,375	\$ 785	\$ -	\$ -	\$ -	\$ -	\$ 23,399,160
Cash & cash equivalents, restricted	-	-	-	-	383,065	-	383,065
Taxes receivable, net	3,923,211	-	-	-	766,860	-	4,690,071
Due from other funds	-	-	1,527,162	148,067	382,753	8,581,327	10,639,309
Due from county treasurer	2,895,184	-	-	-	3,666,809	-	6,561,993
Due from state agencies	1,196,011	234,912	1,244,601	180,446	-	11,933	2,867,903
Due from federal agencies	3,708	11,062,037	-	-	-	-	11,065,745
Due from other sources	22,961	62,316	-	-	-	-	85,277
Inventory	-	-	-	164,130	-	-	164,130
Total assets	\$ 31,439,450	\$ 11,360,050	\$ 2,771,763	\$ 492,643	\$ 5,199,487	\$ 8,593,260	\$ 59,856,653
LIABILITIES							
Accounts payable	\$ 755,466	\$ 1,138,663	\$ 177,305	\$ 23,264	\$ -	354,090	\$ 2,448,788
Due to other funds	2,798,297	7,841,012	-	-	-	-	10,639,309
Accrued salaries and benefits	12,309,872	-	-	-	-	-	12,309,872
Total liabilities	15,863,635	8,979,675	177,305	23,264	-	354,090	25,397,969
DEFERRED INFLOWS OF RESOURCES							
Deferred Revenues - State	-	1,128,787	2,594,458	-	-	-	3,723,245
Unavailable Revenue - Property Taxes	3,555,824	-	-	-	762,942	-	4,318,766
Total deferred inflows of resources	3,555,824	1,128,787	2,594,458	-	762,942	-	8,042,011
FUND BALANCES							
Nonspendable	-	-	-	164,130	-	-	164,130
Restricted	-	-	-	305,249	4,436,545	8,239,170	12,980,964
Assigned	-	1,251,588	-	-	-	-	1,251,588
Unassigned	12,019,991	-	-	-	-	-	12,019,991
Total fund balances	12,019,991	1,251,588	-	469,379	4,436,545	8,239,170	26,416,673
Total liabilities, deferred inflows of resources, and fund balances	\$ 31,439,450	\$ 11,360,050	\$ 2,771,763	\$ 492,643	\$ 5,199,487	\$ 8,593,260	\$ 59,856,653
Total fund balances							\$ 26,416,673
Amounts reported for governmental activities in the statement of net position are different because of the following:							
Capital assets used in governmental activities are not financial resources and therefore, are not reported in governmental funds. The cost of capital assets is \$254,350,949 and the accumulated depreciation is \$141,145,314							113,205,635
Property taxes receivable are not available to pay for current period expenditures and are therefore deferred in the funds							4,318,766
Some liabilities, including net pension and OPEB liabilities, are not due and payable in the current period and, therefore, are not reported in the funds:							
Net pension liability							(192,925,704)
Net OPEB liability							(167,149,354)
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.							
Deferred outflows of resources related to pensions							149,300,282
Deferred outflows of resources related to OPEB							151,343,875
Deferred inflows of resources related to pensions							(130,756,692)
Deferred inflows of resources related to OPEB							(107,734,735)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds:							
Bonds payable							\$ (30,747,370)
Bond premium net of accumulated amortization							(1,789,345)
Deferred outflows of resources - deferred refunding of bonds							220,081
Accrued interest payable							(353,418)
Claims payable							(548,400)
Compensated absences							(1,518,314)
							<u>(34,736,766)</u>
Total net position - governmental activities							\$ (188,718,020)

ORANGEBURG COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	GENERAL	SPECIAL PROJECTS	EDUCATION IMPROVEMENT ACT	FOOD SERVICE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
REVENUES							
Local	\$ 45,019,439	\$ 1,205,799	\$ -	\$ 33,022	\$ 11,005,566	\$ 155,181	\$ 57,419,007
Intergovernmental	75,678,946	7,778,978	9,183,665	-	1,167,750	-	93,809,339
State	-	22,556,629	-	397,535	-	-	22,954,164
Federal	-	760,556	-	7,212,068	-	-	7,972,624
Total revenues	120,698,385	32,301,962	9,183,665	7,642,625	12,173,316	155,181	182,155,134
EXPENDITURES							
Current							
Instruction	61,620,244	12,939,760	4,736,532	-	-	-	79,296,536
Support services	55,576,471	17,032,409	844,323	7,257,483	-	-	80,710,686
Community services	-	53,370	-	-	-	-	53,370
Intergovernmental	3,550,194	1,752,761	14,393	-	-	-	5,317,348
Capital outlay	-	-	-	-	-	4,496,662	4,496,662
Debt service							
Principal	-	-	-	-	9,294,000	-	9,294,000
Interest and fiscal charges	72,593	-	200,314	19,392	1,644,358	-	1,936,657
Total expenditures	120,819,502	31,778,300	5,795,562	7,276,875	10,938,358	4,496,662	181,105,259
Excess (deficiency) of revenues over (under) expenditures	(121,117)	523,662	3,388,103	365,750	1,234,958	(4,341,481)	1,049,875
OTHER FINANCING SOURCES (USES)							
Transfers in	5,071,571	56,941	-	-	-	4,002,297	9,130,809
Transfers out	(56,941)	(1,031,269)	(3,388,103)	(300,000)	(4,354,496)	-	(9,130,809)
Total other financing sources (uses)	5,014,630	(974,328)	(3,388,103)	(300,000)	(4,354,496)	4,002,297	-
Net change in fund balance	4,893,513	(450,666)	-	65,750	(3,119,538)	(339,184)	1,049,875
Fund balance, July 1, 2020, AS RESTATED	7,126,478	1,702,254	-	403,629	7,556,083	8,578,354	25,366,798
Fund balance, June 30, 2021	\$ 12,019,991	\$ 1,251,588	\$ -	\$ 469,379	\$ 4,436,545	\$ 8,239,170	\$ 26,416,673

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

ORANGEBURG COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Amounts reported for the governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 1,049,875
<p>The issuance of long-term debt (e.g. bonds, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position.</p>	
Principal payments on bonds	9,294,000
<p>Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This amount represents the change in accrued interest on bonds between the years.</p>	
	125,983
<p>Bond premiums are revenues in the year they are received in governmental funds but are amortized over the lives of the bonds in the Statement of Activities.</p>	
Amortization of bond premiums	693,980
<p>The difference between the acquisition price and carrying amounts of debt in a current or advanced refunding are recognized as a deferred inflow or outflow and amortized over the remaining life of the old debt or the life of the new debt in the government-wide statements.</p>	
	(153,391)
<p>In the Statement of Activities, the expense for claims payable is recorded in the period when the loss is incurred. However, in the governmental funds, the expenditure is not recorded until the amount is due and payable. This amount represents the difference in the accounting treatment of claims payable.</p>	
	(548,400)
<p>In the Statement of Activities, compensated absences (vacation pay) are measured by the amounts earned during the year. However, in the governmental funds expenditures, these absences are measured by the amount of financial resources used. This amount represents the change in accrued compensated absences between years.</p>	
	(351,253)
<p>Changes in the District's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the Statement of Activities.</p>	
	(3,506,961)
<p>Changes in the District's proportionate share of the net OPEB liability, deferred outflows of resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the Statement of Activities.</p>	
	23,312,675
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This amount represents the change in unavailable revenues - property taxes for the year.</p>	
	(428,082)
<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 depreciation expense \$6,342,438 exceeds capital outlays \$2,695,928</p>	
	(3,646,510)
Change in net position - governmental activities	<u><u>\$ 25,841,916</u></u>

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

ORANGEBURG COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR FISCAL YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Local	\$ 42,768,097	\$ 45,019,439	\$ 2,251,342
Intergovernmental	73,931,465	75,678,946	1,747,481
Total revenues	<u>116,699,562</u>	<u>120,698,385</u>	<u>3,998,823</u>
Expenditures:			
Current			
Instruction	65,850,492	61,620,244	4,230,248
Support services	64,789,450	55,576,471	9,212,979
Intergovernmental	3,566,495	3,550,194	16,301
Debt service			
Interest	-	72,593	(72,593)
Total expenditures	<u>134,206,437</u>	<u>120,819,502</u>	<u>13,386,935</u>
(Deficiency) of revenues over (under) expenditures	<u>(17,506,875)</u>	<u>(121,117)</u>	<u>17,385,758</u>
Other Financing Sources (Uses)			
Transfers in	17,506,875	5,071,571	(12,435,304)
Transfers out	-	(56,941)	(56,941)
Total other financing sources	<u>17,506,875</u>	<u>5,014,630</u>	<u>(12,492,245)</u>
Net change in fund balances	<u><u>\$ -</u></u>	<u><u>4,893,513</u></u>	<u><u>\$ 4,893,513</u></u>
Fund balance, July 1, 2020		<u>7,126,478</u>	
Fund balance, June 30, 2021		<u><u>\$ 12,019,991</u></u>	

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

ORANGEBURG COUNTY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction:

As enacted by the General Assembly of the State of South Carolina, the three school districts of Orangeburg County were abolished on July 1, 2019. Effective July 1, 2019, Orangeburg County consists of one school district to be known as Orangeburg County School District. In accordance with Government Accounting Standard Board Statement (GASB) on Auditing Standards No. 69 for government combinations, the initial opening balances of the new district's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position have been determined on the basis of the carrying values reported in the separate June 30, 2019, financial statements of the three districts.

Orangeburg County School District (the "District") is governed by a nine member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the GASB and other authoritative sources identified in the Statement on Auditing Standards No. 69 of the American Institute of Certified Public Accountants; and it complies with the requirements of contracts and grants of agencies from which it receives funds.

Reporting Entity:

The District's financial statements include the accounts of all District operations. It has been determined that although the District is considered fiscally dependent on Orangeburg County (the "County") with respect to property tax revenues, the County does not significantly influence the District's operations. As the District has the authority to borrow funds, establish its budget, hire and terminate employees, enter into its own contracts and is responsible for funding its own deficits, it is construed that the District is independent for purposes of determining the reporting entity and is reported as such.

The criteria for including organizations as component units with the District's reporting entity, as set forth in Section 2100 of GASB's *Codification of Government Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in its own name)
- the District holds the corporate power of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued):

As required by accounting principles generally accepted in the United States of America, these financial statements present the District and its component units, entities for which the District is considered to be financially accountable, or for which exclusion of a component unit would render the financial statements incomplete or misleading. The District's discretely presented component unit is reported in a separate column in the basic financial statements to emphasize it is legally separate from the District.

Discretely Presented Component Unit: Orangeburg Consolidated School District 5 High School for Health Professions is a charter school under legislation enacted on June 18, 1996. Educational services are provided to approximately 373 students in grades 9 through 12. A charter school is considered a public school and is a part of Orangeburg County School District for the purposes of state law and state constitution. Because the charter school is fiscally dependent on the District and exclusion of the charter school would cause the District's financial statements to be incomplete, the financial statements of the charter school are included in those of the District. The charter school is presented as a governmental fund type. Complete separately issued financial statements may be obtained for the charter school from the administrative offices of Orangeburg County School District High School for Health Professions, 130 Howard Hill Drive, Orangeburg, SC 29118.

Basis of Presentation :

The financial statement presentation for the District meets the requirements of the GASB. The financial statement presentation provides a comprehensive, entity-wide perspective of the District's net position, revenue, expenses and changes in net position and cash flows that replaces the fund-group perspective previously required.

Government-wide Statements. The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall government. Eliminations have been made to minimize the effect of internal activities upon revenues and expenses. Governmental activities generally are financed through intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function, and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been eliminated for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not program revenues are presented as general revenues.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued):

The effect of inter-fund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements. Fund financial statements report detailed information about the District. The focus of the governmental fund financial statements is on major funds rather than reporting funds by type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of *current financial resources measurement focus* and the *modified accrual basis of accounting*. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The District's accounts are maintained on the basis of funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific functions or activities. The operation of each fund is accounted for within a separate set of self-balancing accounts.

Governmental fund types are those through which most government functions typically are financed. Governmental fund reporting also focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The District reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the District. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. All property taxes, intergovernmental revenues, charges for services, education finance act revenues, and miscellaneous revenues are recorded in this fund except amounts which are specifically collected to service debt or for which the District collects in a fiduciary capacity. Operational expenditures for general instruction, support services, general administration and other departments of the District are paid through the General Fund.

Special Revenue Fund – Special Projects Fund. The Special Revenue Special Projects Fund accounts for the proceeds of specific revenue sources (other than special assessments) that are legally restricted to expenditures for specified purposes. All special projects supported in whole or in part with federal, state and local resources (other than expendable trusts, Education Improvement Act proceeds or major capital projects) are accounted for in this fund. These funds primarily come from or are passed through the South Carolina Department of Education.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued):

Special Revenue Fund – Education Improvement Act Fund. The Education Improvement Act (EIA) Fund accounts for the proceeds of the additional one percent sales and use tax that are restricted to expenditures of the EIA strategies. The purpose of the EIA, in general, is to provide additional funding to local school districts for the purpose of raising academic standards by providing for, among other purposes, basic skills remediation, teacher salary increases and the modernization of equipment and instructional facilities.

Special Revenue Fund – Food Service Fund. The Food Service Fund accounts for activities of the food service operations of the District, including collections for meals from students and teachers, USDA reimbursements, and all related costs.

Debt Service Fund. The Debt Service Fund accounts for the accumulation of resources for and the payment of general long-term debt, principal and interest. The primary financing source for the fund is the County's property taxes.

Capital Projects Fund. The Capital Projects Fund accounts for the receipt and disbursement of monies used for the acquisition of capital facilities. Capital projects are funded by proceeds of bonds issued for public school construction and from certain State assistance and grants.

Measurement Focus and Basis of Accounting:

Government-wide Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resource measurement focus and the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in governmental funds to be available if the revenues are collected within sixty (60) days after year-end. These include federal and state grants, some charges for services, and ad-valorem property taxes.

Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. Funds received but not yet earned are reflected as deferred revenues.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued):

Governmental Fund Financial Statements (Continued). Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Use of Resources:

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

Budgetary Data:

The budget data reflected in the financial statements is prepared and adopted on a basis consistent with accounting principles generally accepted in the United States of America. The District's Board authorizes the preparation and presentation of an annual budget for adoption by the Board after careful study. The Board approves the General Fund budget by June 30 and determines the required millage no later than September 1. Division heads are authorized to move funds between line items, but the total budget for any function may not be exceeded. The Superintendent must authorize budget adjustments between functions, the legal level of budgetary control. The adopted budget specifies total expenditures. Supplemental appropriations are made by the Board for any expenditure exceeding total appropriations. All annual appropriations of the General Fund lapse at year-end. The General Fund budget was amended during the year, but the amendments were not significant. Budgets are not adopted for major special revenue funds because it is not required.

The District adopts an annual operating budget, which can be amended by the Board throughout the year. During the year ended June 30, 2021, there were no budget amendments. Formal budgetary accounting is employed as a management control for all funds of the District; however, legal budgets are adopted only for the General Fund. For each of the funds for which a formal budget is adopted, the basis of accounting used to reflect budget and actual revenues and expenditures is the accounting principles generally accepted in the United States of America.

When the Board of Education adopts a budget, it is done at the summarized level (instruction, support and community service) of budgetary control. Because expenditures may not legally exceed budgeted appropriations, supplemental budget appropriations are made by the Board of Trustees if expenditures exceed total appropriations within the legal level of control. Supplemental budget appropriations were not necessary during the year. The instance where over-expenditures are not allowed is at the summarized level.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Data (Continued):

Prior to July 1, the Superintendent and the staff prepare a budget and submit it to the Board for approval. After adoption, the budget is submitted to the taxpayers in a citizen's meeting for comments and approval, pursuant to Act 806 of the 1952 Acts of the General Assembly of the state of South Carolina. The budget for the general fund is the only formally adopted budget. The administration has discretionary authority to make transfers between appropriation accounts. The revised budget amounts in the financial statements are as amended by the administration. All annual appropriations lapse at fiscal year-end.

Cash and Cash Equivalents:

For purposes of the statement of cash flows, the District considers cash equivalents to be short-term, highly liquid investments that (a) are readily convertible to known amounts of cash and (b) have original maturities of three months or less from the date of acquisition.

Investments:

State statutes restrict investment of District funds. Available investments are limited to:

1. Time deposits in any credit union, bank, savings bank, trust company or savings and loan association;
2. Bonds or securities of any county, city, drainage district, technical college district, town, or school district of the state;
3. Bonds or securities issued or guaranteed by the federal government; and
4. The South Carolina Local Government Investment Pool.

The State Treasurer sells "participation units" in the South Carolina Local Government Investment Pool (the "Pool") to political subdivisions of the State. In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments are carried at fair value. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than forced liquidation. Fair value for all investments of the Pool is determined annually based upon quoted market prices.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (Continued):

Section 11-9-660 of the State of South Carolina Code of Laws authorizes the Treasurer's Office to invest and reinvest the monies of the Pool in the following types of investments:

1. Obligations of the United States, its agencies, and instrumentalities;
2. Obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, the African Development Bank, and the Asian Development Bank;
3. Obligations of a corporation, state, or political subdivision denominated in United States dollars, if the obligations bear an investment grade rating of at least two nationally recognized rating services;
4. Certificates of Deposit, if the certificates are secured collaterally by securities of the types described in items (1) and (3) of this section and held by a third party as escrow agent or custodian and are of a market value not less than the amount of the certificates of deposit so secured, including interest; except that this collateral is not required to the extent the certificates of deposit are insured by an agency of the federal government;
5. Repurchase agreements, if collateralized by securities of the types described in items (1) and (3) of this section and held by a third party as escrow agent or custodian and of a market value not less than the amount of the repurchase agreement so collateralized, including interest; and
6. Guaranteed investment contracts issued by a domestic or foreign insurance company or other financial institution, whose long-term unsecured debt rating bears the two highest ratings of at least two nationally recognized rating services. These securities are delivered to a third party financial institution for safekeeping in the name of the South Carolina State Treasurer. These procedures were implemented for the specific purpose of having the South Carolina Local Government Investment Pool classified risk category "A" of GASB #3. Separate financial statements for the South Carolina Local Government Investment Pool are issued and publicly available by writing the Office of the State Treasurer, P. O. Box 11778, Columbia, SC 29211.

Investments, which consist of proceeds from capital lease transactions that are held and invested by the bank trustee and repurchase agreements, are reported at fair value.

The District accounts for its investments at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Changes in unrealized gain or loss on the carrying value of investments are reported as a component of investment income in the statement of revenues, expenditures, and changes in fund balances.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (Continued):

Cash received by the District may be pooled for investment purposes. The pooled accounts are recorded in the General Fund. The equity interest in the Pool belonging to the other funds is maintained in the account(s) due from (to) the General Fund. During the course of operations, other transactions occur between individual funds for goods and services rendered. In fund financial statements, these receivables and payables, if containing a balance at the end of the fiscal year, are classified as due from (to) other funds on the balance sheet.

Accounts Receivables:

Accounts receivable consists of amounts due from the Federal government, state and local governments or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

Inventories and Prepaid Items:

All inventories are valued at cost, based on the "First-In/First-Out" method of accounting, except for the Food Service fund inventory of commodities received from the United States Department of Agriculture (USDA), which is stated at values assigned by the USDA.

Inventories in the general fund consist of expendable supplies held for consumption. The cost is inventoried at the time the individual items are purchased. The cost of the items is expended when they are physically requisitioned out of the warehouse. Reported inventories are equally offset by a nonspendable fund balance which indicates that they do not constitute "available spending resources," even though they are a component of net current assets. Inventories in the Food Service Special Revenue Fund consist of food held for resale and operating supplies. The cost is included in operating expenses in the year of usage. USDA commodities received but not used as of the balance sheet date have been recorded as inventory and as unearned revenue since title does not pass to the District until the commodities are used.

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 expenditures/expense is reported in the year in which services are consumed. There are no prepaid items recorded as of June 30, 2021.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets:

Capital assets are recorded at cost at the date of acquisition or estimated acquisition value at the date of donation in the case of gifts. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. All land is capitalized, regardless of cost. Qualifying improvements that rest in or on the land itself are recorded as depreciable land improvements. Qualifying improvements include major additions and renovations; improvements that add to the usable space; or improvements that extend the useful life of an existing building are capitalized. The District capitalized moveable personal property with a unit value in excess of \$5,000 and a useful life in excess of one year. Routine repairs and maintenance are charged to expenses in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated lives of the assets, generally 20 to 40 years for buildings and improvements and 5 to 20 years for machinery, equipment and vehicles. A full year of depreciation expense is recorded for the year the asset is placed in service and none in the year of disposition. The District allocates depreciation expense to programs/functions based on the ratio of program/functional expenses to total expenses with certain modifications.

Deferred Outflows/Inflows of Resources:

In addition to liabilities, the financial statements 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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three types of items that qualify for reporting in this category.

The first item, unavailable revenue, is reported only by the governmental funds balance sheet and includes amounts from property taxes and special assessments that are deferred and will be recognized as an inflow of resources in the period in which the amounts become available under the modified accrual basis of accounting.

The second item, unearned revenue, is reported in both the governmental funds balance sheet and the statement of net position and arises from voluntary nonexchange transactions in which the District has received resources before time requirements are met but after all other eligibility requirements have been met.

Finally, they are deferred refunding bonds reported in the statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued):

The District also has deferred inflows and outflows related to the recording of changes in its net pension liability and net OPEB liability. Certain changes in these liabilities are recognized as expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the District's actuaries which adjust the net pension liability or net OPEB liability for actual experience for certain trend information that was previously assumed, for example, the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability or net OPEB liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension or OPEB expense over the expected remaining service lives of plan members. Changes in proportion arise from difference between the District's actual contributions to its pension and OPEB plans and the District's proportionate share of contributions. These items will be amortized into pension or OPEB expense over the expected remaining service lives of plan members. The difference between projected investment return on pension or OPEB investments and actual return on those investments is also deferred and amortized against pension or OPEB expense over a five year period. Additionally, any contributions made by the District to the pension or OPEB plans before year end but subsequent to the measurement date of the District's net pension liability or net OPEB liability are reported as deferred outflows of resources. These contributions will reduce the net pension liability or net OPEB liability in the subsequent fiscal period.

Long-term Debt:

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures, both in the government-wide statement of activities and the fund financial statements.

Compensated Absences:

Vacation is awarded to 12-month employees at a rate of ten days per year. Sick leave is awarded at a rate of 12-15 days per year contingent on the employees' contracts. Employees may not accumulate more than 90 days of sick leave. Sick leave does not vest; therefore, no liability is recorded.

Compensated absences are paid from General and Special Revenue Funds depending on where the employee's salary is typically charged.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non-exchange Transactions:

The District generally has two types of non-exchange transactions, government-mandated non-exchange transactions (which occur when a government at one level provides resources to a government at another level and requires the recipient to use the resources for a specific purpose) and voluntary non-exchange transactions (which result from legislative or contractual agreements other than exchanges, entered into willingly by the parties to the agreement). The District recognizes non-exchange transactions when they are both measurable and probable for collection. For government-mandated non-exchange transactions and voluntary non-exchange transactions, the District recognized assets when all applicable eligibility requirements are met or resources are received, whichever is first, and revenue when all applicable eligibility requirements are met.

Amortization of Bond Premiums and Accretion of Bond Discounts:

Bond premiums and discounts are amortized/accreted over the terms of the bonds using the effective interest method and are recorded as an addition or deduction to interest expense.

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 South Carolina 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.

OPEB:

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Trusts, and additions to and deductions from the OPEB Trusts' fiduciary net position have been determined on the same basis as they are reported by the OPEB Trusts. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Therefore, benefit and administrative expenses are recognized when due and payable. Investments are reported at fair value.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balances:

In accordance with GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), the District's governmental fund balances are classified as follows:

Nonspendable. Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Restricted. Represents amounts that are (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) are imposed by law through constitutional provisions or enabling legislation.

Committed. Represents amounts that can only be used by for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. A motion and affirmative vote by the Board of Trustees and recorded in the minutes would be required to establish, modify, or rescind a fund balance commitment.

Assigned. Amounts are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. A motion and affirmative vote by the Board of Trustees and recorded in the minutes would be required to establish, modify, or rescind a fund balance commitment.

Unassigned. Represents the fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, the District's general practice is to first reduce committed resources, followed by assigned resources, and then unassigned resources.

Net Position:

The District's net position in the government-wide financial statements are classified as follows:

Net Investment in Capital Assets. This represents the District's total investment in capital assets, net of accumulated depreciation and reduced by outstanding liabilities that are attributable to the acquisition, construction or improvement of those assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of investment in capital assets but rather as a restricted net position.

Restricted. This represents resources in which the District is legally or contractually obligated by external parties such as lenders, grantors or contributors or by laws or regulations to spend in accordance with the restrictions imposed.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position (Continued):

Unrestricted. This represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, the District's general practice is to first reduce committed resources, followed by assigned resources, and then unassigned resources.

Income Taxes:

The District, as a political subdivision of the State of South Carolina, is excluded from Federal income taxes under Section 115(1) of the Internal Revenue Code.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Interfund Activity:

Interfund transactions are reported as loans, services provided, reimbursements, or transfers. Loans are reported as due to/from other funds, as appropriate, and are subject to elimination in the government-wide financial statements. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the fund financial statements. Transfers among governmental funds are eliminated in the government-wide financial statements.

NOTE 2. DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2021, on the entity wide statement of net position of \$23,782,225 are summarized as follows:

Cash deposited with financial institutions	\$ 3,640,411
South Carolina Local Government Investment Pool (Pool)	20,141,814
Total cash and cash equivalents	<u>\$ 23,782,225</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

All cash and investments are stated at fair value with accrued interest shown on the statement of net position. The District is authorized to invest funds received from the County Treasurer, which are not needed for immediate disbursement by the District, in interest bearing accounts or certificates of deposit issued by banking institutions or savings and loan associations licensed to do business in this state or in securities issued by the United States Government. Investments with maturities greater than three (3) months are shown on the balance sheet by fund type as investments.

Credit Risk:

The District does not have an investment policy for custodial credit risk, but maintains a policy in conformity with federal, state and other legal requirements.

Custodial Credit Risk:

This is the risk that the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party if the counter party to the investment transaction fails. There are no uninsured investments.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2021, all of the District's deposits were insured and/or collateralized as required by State statutes.

Fair Value Measurements:

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. The Pool is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the District does not disclose its investment in the Pool within the fair value hierarchy.

Interest Rate Risk:

In accordance with its investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than twelve months.

It is the policy of the State Treasurer's Office that no derivatives of the U.S. Government Securities or Federal Agency Securities or A1/P1 Commercial Paper be purchased by or for the Pool. It is the policy of the State Treasurer's Office that the weighted average maturity (WAM) of the Pool portfolio not exceed 60 days.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk:

The District's investment policy does not limit its investment in any one issuer. Most investments are U.S. governmental obligations.

Foreign Currency Risk:

The District has no foreign currency investments.

NOTE 3. PROPERTY TAXES

Property taxes are levied by the County on real and personal properties owned on the preceding December 31 of each fiscal year ended June 30. Liens attach to the property at the time the taxes are levied which is usually in October of each year ended June 30. These taxes are due without penalty through January 15. Penalties are added to taxes depending on the date paid as follows:

January 16 - February 1	3% of Tax
February 2 - March 16	10% of Tax
March 17 and Thereafter	15% of Tax Plus Collection Cost.

Current year real and personal taxes become delinquent on March 16. The levy date for motor vehicles taxes is the first day of the month in which the motor vehicle license expires. These taxes are due by the last day of the same month.

The District tax rate to finance general District services for the year ended June 30, 2021, was set at 191 mills for general uses and purposes. Millage was set to cover the District's scheduled debt service requirements at 37 mills.

Property tax revenues are recognized when they become available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The District considers this to be sixty days. The property taxes receivable consists of all delinquent property taxes, less an allowance for uncollectible taxes.

The District is given an appropriation for property taxes by the County at the beginning of each fiscal year. The District reported taxes receivable as follows at June 30, 2021:

Delinquent taxes receivable	\$ 10,898,827
Less: Allowance for uncollectable amounts	(6,208,756)
Total	<u><u>\$ 4,690,071</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in progress	433,639	1,926,297	(336,098)	2,023,838
Total	<u>433,639</u>	<u>1,926,297</u>	<u>(336,098)</u>	<u>2,023,838</u>
Capital assets, being depreciated:				
Land improvements	8,206,118	-	-	8,206,118
Buildings and improvements	216,067,295	379,344	-	216,446,639
Furniture and fixtures	1,834,606	39,380	-	1,873,986
Vehicles and equipment	25,253,940	687,005	(140,577)	25,800,368
Total	<u>251,361,959</u>	<u>1,105,729</u>	<u>(140,577)</u>	<u>252,327,111</u>
Less accumulated depreciation for:				
Land improvements	5,903,940	228,516	-	6,132,456
Buildings and improvements	107,575,110	5,149,622	-	112,724,732
Furniture and fixtures	650,404	31,948	-	682,352
Vehicles and equipment	20,813,999	932,352	(140,577)	21,605,774
Total	<u>134,943,453</u>	<u>6,342,438</u>	<u>(140,577)</u>	<u>141,145,314</u>
Total capital assets, being depreciated, net	<u>116,418,506</u>	<u>(5,236,709)</u>	<u>(281,154)</u>	<u>111,181,797</u>
Total capital assets, net	<u>\$ 116,852,145</u>	<u>\$ (3,310,412)</u>	<u>\$ (617,252)</u>	<u>\$ 113,205,635</u>

Depreciation expense was charged to governmental functions as follows:

Governmental activities:	
Instruction	\$ 3,135,701
Support services	3,206,737
Total depreciation expense - governmental activities	<u>\$ 6,342,438</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. SHORT-TERM DEBT

Summary of Changes in Short-term Debt:

On September 17, 2020, the District issued a general obligation bond in the amount of \$4,000,000 with a premium of \$33,480 and issue costs of \$31,183. The bond carries an interest rate of 2.00% with a maturity date of March 1, 2021. The District recorded \$36,444 in interest expense on the bond for the year ending June 30, 2021.

On September 29, 2020, the District issued a tax anticipation note in the amount of \$10,000,000 with a premium of \$202,200 and issue costs of \$31,076. The note carries an interest rate of 4.00% and with a maturity date of April 15, 2021. The District recorded \$72,593 in interest expense on the note for the year ending June 30, 2021.

The following is a summary of activity of the short-term obligation during the fiscal year:

	Beginning Balance	Additions	Reductions	Ending Balance
Tax Anticipation Note	\$ -	\$10,000,000	\$ (10,000,000)	\$ -
2020C General Obligation Bond	-	4,000,000	(4,000,000)	-
Total other long-term debt	\$ -	\$14,000,000	\$ (14,000,000)	\$ -

NOTE 6. LONG-TERM DEBT

General Obligation Bonds:

The District has issued General Obligation (GO) Bonds, Refunding Bonds and Other Obligations as of June 30, 2021. They are briefly described as follows:

Issue	Interest Rates	Maturity	Original Issue	Outstanding Amount
General Obligation and Refunding Bonds				
2011 GO Bonds (District 3)	2.00 - 4.00%	2022	\$ 12,615,000	\$ 1,430,000
2012 GO Refunding Bonds (District 3)	2.00 - 5.00%	2023	8,750,000	3,160,000
2014 GO Refunding Bonds (District 3)	.45- 3.00%	2025	5,645,000	3,050,000
2009 GO Refunding Bonds (District 4)	2.20 - 4.00%	2023	7,780,000	475,000
2013 GO Refunding Bonds (District 4)	2.00 - 5.00%	2027	12,345,000	3,390,000
2016A GO Refunding Bonds (District 4)	5.00%	2024	8,000,000	4,740,000
2017 GO Bonds (District 4)	1.842%	2022	2,275,000	478,000
2011 GO Refunding Bonds (District 5)	2.00 - 5.00%	2022	7,730,000	2,020,000
2016 GO Refunding Bonds (District 5)	4.00 - 5.00%	2025	14,715,000	7,400,000
Other Obligations				
2006 QZAB Bonds (District 5)	5.44%	2023	4,207,370	4,204,370
2006 QZAB Bonds (District 4)	0%	2023	400,000	400,000
			<u>\$ 84,462,370</u>	<u>\$ 30,747,370</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

General Obligation Bonds (Continued):

Constitutionally, the District is limited in the amount of debt it can hold to eight percent of the assessed value of all taxable property within the District. This constitutional debt limit does not include any debt existing prior to November 30, 1982, or any debt approved by referendum. At June 30, 2021, the District is within its debt limit.

General obligation bonds of the District are backed by the full faith, credit, and taxing power of the District.

Changes in Long-term Liabilities:

The following is a summary of changes in the District's long-term obligations for the year ended June 30, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
2011 GO Bonds (District 3)	\$ 2,825,000	\$ -	\$ (1,395,000)	\$ 1,430,000	\$ 1,430,000
2012 GO Refunding Bonds (District 3)	4,065,000	-	(905,000)	3,160,000	945,000
2014 GO Refunding Bonds (District 3)	3,515,000	-	(465,000)	3,050,000	495,000
2006 QZAB Bonds (District 4)	400,000	-	-	400,000	-
2009 GO Refunding Bonds (District 4)	690,000	-	(215,000)	475,000	235,000
2013 GO Refunding Bonds (District 4)	4,215,000	-	(825,000)	3,390,000	835,000
2016A GO Refunding Bonds (District 4)	5,565,000	-	(825,000)	4,740,000	1,110,000
2017 GO Bonds (District 4)	947,000	-	(469,000)	478,000	478,000
2006 QZAB Bonds (District 5)	4,204,370	-	-	4,204,370	-
2010 GO Refunding Bonds (District 5)	2,525,000	-	(2,525,000)	-	-
2011 GO Refunding Bonds (District 5)	3,200,000	-	(1,180,000)	2,020,000	2,020,000
2016 GO Refunding Bonds (District 5)	7,890,000	-	(490,000)	7,400,000	180,000
Total bonds payable	40,041,370	-	(9,294,000)	30,747,370	7,728,000
Premiums	2,483,325	-	(693,980)	1,789,345	-
Total bonds payable, net	42,524,695	-	(9,987,980)	32,536,715	7,728,000
Compensated absences	1,167,061	677,094	(325,841)	1,518,314	1,138,736
Net pension liability	183,571,713	31,424,457	(22,070,466)	192,925,704	-
Net OPEB liability	146,730,353	44,857,312	(24,438,311)	167,149,354	-
Total other long-term debt	331,469,127	76,958,863	(46,834,618)	361,593,372	1,138,736
Governmental activities:					
Long-term liabilities	\$371,510,497	\$76,958,863	\$ (56,128,618)	\$ 392,340,742	\$ 8,866,736

Compensated absences typically have been liquidated in the general fund. General obligation bonds have been liquidated through funds accumulated in the debt service fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

Changes in Long-term Liabilities (Continued):

The annual debt service requirements to maturity for general obligation bonds and the interest, which will become payable in the fiscal year indicated are as follows:

Year Ending June 30,	Bonds and Other Obligations		
	Principal	Interest	Total
2022	\$ 7,728,000	\$ 1,110,105	\$ 8,838,105
2023	12,414,370	793,888	13,208,258
2024	7,100,000	447,638	7,547,638
2025	2,625,000	121,388	2,746,388
2026	880,000	30,925	910,925
Total	<u>\$ 30,747,370</u>	<u>\$ 2,503,944</u>	<u>\$ 33,251,314</u>

The taxing power of the District has been pledged for the payment of outstanding indebtedness.

NOTE 7. RETIREMENT PLANS

Description of the Entity:

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers and manages the various retirement systems and retirement programs of the state of South Carolina. PEBA has an 11-member Board of Directors, appointed by the governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA board decisions regarding the funding of the South Carolina Retirement Systems and serves as a co-trustee of the Systems in conducting that review. Effective July 1, 2017, the Retirement Funding and Administration Act of 2017 assigned the PEBA Board of Directors as the custodian of the Retirement Trust Funds and assigned PEBA and the Retirement Systems Investment Commission (RSIC) as co-trustees of the Retirement Trust Funds.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems' fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plans. Investments are reported at fair value.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RETIREMENT PLANS (CONTINUED)

Description of the Entity (Continued):

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

Plan Descriptions:

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 allowances and other benefits for employees of the state, its public school districts, and political subdivisions.

The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to certain newly hired state, public school, and higher education employees. State ORP participants direct the investment of their funds into a plan administered by one of four third party record keepers.

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 allowances and other benefits for police officers and firefighters of the state and its political subdivisions.

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, 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RETIREMENT PLANS (CONTINUED)

Membership (Continued):

ORP. As an alternative to membership in SCRS, certain newly hired state, public school, and higher education employees and individuals first elected to the S.C. General Assembly at or after the November 2012 general election have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member's account with the ORP service provider for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.

PORS. To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by state statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits:

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without 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 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RETIREMENT PLANS (CONTINUED)

Benefits (Continued):

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 in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the Board shall increase the employer contribution 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 ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RETIREMENT PLANS (CONTINUED)

Contributions (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 greater than 85 percent, then the Board, effective on the following July 1, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent.

If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July 1, and annually thereafter as necessary, the Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent.

Required employee contribution rates for fiscal year 2020-2021 are as follows:

- Required employee contribution rates for SCRS are as follows:

	South Carolina Retirement System	
	Fiscal year ended June 30, 2021	Fiscal year ended June 30, 2020
Employee class two	9.00%	9.00%
Employee class three	9.00%	9.00%

Required employee contribution rates for PORS are as follows:

	Police Officers Retirement System	
	Fiscal year ended June 30, 2021	Fiscal year ended June 30, 2020
Employee class two	9.75%	9.75%
Employee class three	9.75%	9.75%

- Required employer contribution rates for SCRS are as follows:

	South Carolina Retirement System	
	Fiscal year ended June 30, 2021	Fiscal year ended June 30, 2020
Employer class two	15.41%	15.41%
Employer class three	15.41%	15.41%
Employer incidental death benefit	0.15%	0.15%

- Required employer contribution rates for PORS are as follows:

	Police Officers Retirement System	
	Fiscal year ended June 30, 2021	Fiscal year ended June 30, 2020
Employer class two	17.84%	17.84%
Employer class three	17.84%	17.84%
Employer incidental death benefit	0.20%	0.20%
Employer accidental death program	0.20%	0.20%

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RETIREMENT PLANS (CONTINUED)

Contributions (Continued):

- Required employee and employer contribution rates for ORP are as follows:

	South Carolina Optional Retirement Program	
	Fiscal year ended June 30, 2021	Fiscal year ended June 30, 2020
Employee	9.00%	9.00%
Employer	15.41%	15.41%
Employer incidental death benefit	0.15%	0.15%

Actuarial Assumptions and Methods:

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2015.

The June 30, 2019, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our 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, 2020, using generally accepted actuarial principles.

	SCRS	PORS
	Entry Age	Entry Age
Actuarial cost method		
Actuarial assumptions:		
Investment rate of return	7.25%	7.25%
Projected salary increases	3.0% to 12.5% (varies by service)	3.5% to 9.5% (varies by service)
Includes inflation at	2.25%	2.25%
Benefit adjustments	lesser of 1% or \$500	lesser of 1% or \$500

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumption, 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions and Methods (Continued):

Assumptions used in the determination of the June 30, 2020, TPL are as follows:

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

Net Pension Liability:

At June 30, 2021, the District reported a liability for its proportionate share of the net pension liability for both SCRS and PORS as follows:

	SCRS	PORS
Employer's net pension liability	\$ 192,606,547	\$ 319,157

The District's proportion of the net pension liability was based on contributions to SCRS and PORS, respectively, during the fiscal year ended June 30, 2020. At June 30, 2020, the District's proportion for SCRS was 0.724279%, which was a decrease of 0.078155% from its proportion measured at June 30, 2019. At June 30, 2020, the District's proportion for PORS was 0.00962%, which was a decrease from its proportion measured at June 30, 2019, which was 0.00234%.

Long-term Expected Rate of Return:

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30-year capital market assumptions. The actuarial long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2019 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 and is summarized in the table on the following page. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RETIREMENT PLANS (CONTINUED)

Long-term Expected Rate of Return (Continued):

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-term Expected Portfolio Real Rate of Return
Global equity	51.0%		
Global public equity	35.0%	7.81%	2.73%
Private equity	9.0%	8.91%	0.80%
Equity options strategies	7.0%	5.09%	0.36%
Real assets	12.0%		
Real estate (private)	8.0%	5.55%	0.44%
Real estate (REITs)	1.0%	7.78%	0.08%
Infrastructure (private)	2.0%	4.88%	0.10%
Infrastructure (public)	1.0%	7.05%	0.07%
Opportunistic	8.0%		
Global tactical asset allocation	7.0%	3.56%	0.25%
Other opportunistic strategies	1.0%	4.41%	0.04%
Diversified credit	15.0%		
High yield bonds/bank loans	4.0%	4.21%	0.17%
Emerging markets debt	4.0%	3.44%	0.14%
Private debt	7.0%	5.79%	0.40%
Conservative fixed income	14.0%		
Core fixed income	13.0%	1.60%	0.21%
Cash and short duration (net)	1.0%	0.56%	0.01%
	100%		
Total expected real return			5.80%
Inflation for actuarial purposes			2.25%
Total expected nominal return			8.05%

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RETIREMENT PLANS (CONTINUED)

Sensitivity Analysis:

The following table presents the District's net pension liability calculated using the discount rate of 7.25 percent, as well as what the District's net pension liability would be if it were calculated using the discount rate that is 1.00 percent lower (6.25 percent) or 1.00 percent higher (8.25 percent) than the current rate.

<u>South Carolina Retirement System</u>			
Sensitivity of the Net Position Liability to Changes in the Discount Rate			
Fiscal Year	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
2021	\$ 238,712,198	\$ 192,606,547	\$ 154,107,773

<u>Police Officers Retirement System</u>			
Sensitivity of the Net Position Liability to Changes in the Discount Rate			
Fiscal Year	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
2021	\$ 422,509	\$ 319,157	\$ 236,170

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and Pension Expense:

For the year ended June 30, 2021, the District's pension expense was \$16,160,353. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

South Carolina Retirement System	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,222,423	\$ 728,327
Changes of assumptions	235,974	-
Net difference between projected and actual earnings on pension plan investments	14,167,826	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	119,668,971	129,778,661
Employer contributions subsequent to the measurement date	12,678,052	-
Total	<u>\$ 148,973,246</u>	<u>\$ 130,506,988</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RETIREMENT PLANS (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and Pension Expense (Continued):

Police Officers Retirement System	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,783	\$ 1,405
Changes of assumptions	3,895	-
Net difference between projected and actual earnings on pension plan investments	32,680	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	251,192	248,299
Employer contributions subsequent to the measurement date	32,486	-
Total	<u>\$ 327,036</u>	<u>\$ 249,704</u>

District contributions subsequent to the measurement date of \$12,678,052 and \$32,486 reported as deferred outflows of resources for the SCRS and PORS, respectively, will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	SCRS	PORS
2022	\$ (940,228)	\$ 26,976
2023	887,390	13,183
2024	2,225,723	(1,113)
2025	3,615,321	5,800
Total	<u>\$ 5,788,206</u>	<u>\$ 44,846</u>

Payable to Pension Plan:

At June 30, 2021, the District had \$2,170,158 in outstanding payables to the plans for legally required contributions. This amount is reported in the statement of net position with withholdings and benefits payable.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RETIREMENT PLANS (CONTINUED)

Optional Retirement Program:

As an alternative to membership in SCRS, certain State, public school, and higher education employees and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election have the option to participate in the State Optional Retirement Program. Participants in the State ORP direct the investment of their funds into a plan administered by one of four investment providers and are governed by the terms of the contracts that those providers issue. The District contributed \$279,404 to the plan as of June 30, 2021.

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Overview:

The South Carolina Public Employee Benefit Authority (PEBA) was created by the South Carolina General Assembly as part of Act No. 278 effective July 1, 2012. "PEBA - Insurance Benefits" is a state agency responsible for the administration and management of the state's employee insurance programs, other postemployment benefits trusts and retirement systems and is part of the State of South Carolina primary government.

The governing board of PEBA is a board of 11 members. The membership composition is three members appointed by the Governor, two members appointed by the President Pro Tempore of the Senate, two members appointed by the Chairman of the Senate Finance Committee, two members appointed by the Speaker of the House of Representatives and two members appointed by the Chairman of the House Ways and Means Committee. Individuals appointed to the PEBA board must possess certain qualifications. Members of the PEBA board serve for terms of two years and until their successors are appointed and qualify. Terms commence on July first of even numbered years. The PEBA board appoints the Executive Director. The laws of the State and the policies and procedures specified by the State for State agencies are applicable to all activities of PEBA. By law, the State Fiscal Accountability Authority (SFFA), which consists of five elected officials, also reviews certain PEBA Board decisions in administering the State Health Plan and other postemployment benefits (OPEB).

Plan Description:

The Other Post-Employment Benefits Trust Fund (OPEB Trust) refers to the South Carolina Retiree Health Insurance Trust Fund (SCRHITF), 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.

In accordance with Act 195, the SCRHITF 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Plan Description:

The SCRHITF is a cost-sharing multiple-employer defined benefit OPEB plan. Article 5 of the State Code of Laws defines the plan and authorizes the Trustee to at any time adjust the plan, including its benefits and contributions, as necessary to insure the fiscal stability of the plan. In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental 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 the postemployment and long-term disability benefits to be funded through non-employer and employer contributions for active employees and retirees to the PEBA - Insurance Benefits. Non-employer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA - Insurance Benefits reserves.

The SCRHITF is funded through participating employers that are mandated by state statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The covered payroll surcharge for the year ended June 30, 2018, was 5.50%. 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 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. Non-employer contributions include the mandatory transfer of accumulated PEBA - Insurance Benefits' reserves and the annual appropriation budgeted by the General Assembly. It is also funded through investment income.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Contributions and Funding Policies (Continued):

The allocation percentage of the OPEB amounts are calculated differently for each OPEB Trust. For the SCRHITF, the allocation percentage is based on the covered payroll surcharge contribution for each employer. Please note that the actual covered payroll contributions received from SCRS for the fiscal year 2020 totaled \$ 578,838,884. However, the covered payroll and contributions total includes prior year covered payroll contribution adjustments and true-ups that net to a total of \$2,724,225.

In accordance with part (b) of paragraph 69 of GASB Statement No. 75, participating employers should recognize revenue in an amount equal to the employer's proportionate share of the change in the collective net OPEB liability arising from contributions to the OPEB plan during the measurement period from non-employer contributing entities for purposes other than the separate financing of specific liabilities to the OPEB plan. Therefore, employers should classify this revenue in the same manner as it classifies grants from other entities. For the year ended June 30, 2020, the District recognized \$237,072 as revenue from a contribution made by a non-employer contributing entity.

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Trusts, and additions to and deductions from the OPEB Trusts fiduciary net position have been determined on the same basis as they were reported by the OPEB Trusts. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Therefore, benefit and administrative expenses are recognized when due and payable. Investments are reported at fair value.

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

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions and Methods (Continued):

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.

Additional information as of the latest actuarial valuation for SCRHITF:

Valuation Date:	June 30, 2019
Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Investment Rate of Return:	2.75 net of OPEB Plan investment expense; including inflation
Single Discount Rate:	2.45% as of June 30, 2020
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending 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
Retiree Participation:	79% for retirees who are eligible for funded premiums 59% for retirees who are eligible for partial funded premiums 20% for retirees who are eligible for non-funded premiums
Notes:	There were no benefit changes during the year; the discount rate changed from 3.13% as of June 30, 2019, to 2.45% as of June 30, 2020; updates were also made to healthcare trend rate assumption, including an adjustment to reflect the repeal of the "Cadillac Tax"

NOTES TO FINANCIAL STATEMENTS

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions and Methods (Continued):

Roll Forward Disclosure:

The actuarial valuation was performed as of June 30, 2019. Update procedures were used to roll forward the total OPEB liability to June 30, 2020, (measurement date used for the District's reporting as of June 30, 2021).

Net OPEB Liability:

The Net OPEB Liability (NOL) is calculated separately for each OPEB Trust Fund and represents that particular Trust's Total OPEB Liability (TOL) determined in accordance with GASB No. 74 less that Trust's fiduciary net position. The allocation of each employer's proportionate share of the collective Net OPEB Liability and collective OPEB Expense was determined using the employer's payroll-related contributions over the measurement period.

Net OPEB Liability:

The Net OPEB Liability (NOL) is calculated separately for each OPEB Trust Fund and represents that particular Trust's Total OPEB Liability (TOL) determined in accordance with GASB No. 74 less that Trust's fiduciary net position. The allocation of each employer's proportionate share of the collective Net OPEB Liability and collective OPEB Expense was determined using the employer's 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.

At June 30, 2021, the District reported a liability for its proportionate share of the net OPEB liability of \$167,149,354. The net OPEB liability was measured as of June 30, 2020. The District's proportion of the net OPEB liability was based on contributions to SCRHITF during the fiscal year ended June 30, 2020. At June 30, 2020, the District's proportion of the total net OPEB liability was 0.239080%, which was a decrease of 0.044380% from its proportion measured as of June 30, 2019. The plans fiduciary net position as a percentage of total OPEB liability was 8.39% as of June 30, 2020.

Single Discount Rate:

The Single Discount Rate of 2.45% was used to measure the total OPEB liability for the SCRHITF. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the plan's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

NOTES TO FINANCIAL STATEMENTS

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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 following table:

South Carolina Retiree Health Insurance Plan			
Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Weighted Long-Term Expected Real Rate of Return
U.S. Domestic Fixed Income	80.00%	0.60%	0.48%
Cash	20.00%	0.35%	0.07%
Total	100.00%		0.55%
Total expected weighted real return			0.55%
Inflation for actuarial purposes			2.25%
Total expected nominal return			2.80%
Investment return assumption			2.75%

NOTES TO FINANCIAL STATEMENTS

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Sensitivity Analysis:

The following table presents the SCRHITF's net OPEB liability calculated using a Single Discount Rate of 2.45%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

South Carolina Retiree Health Insurance Plan Sensitivity of the Net OPEB Liability to Changes in the Discount Rate			
Fiscal Year	1% Decrease (1.45%)	Current Discount Rate (2.45%)	1% Increase (3.45%)
2019	\$ 199,442,732	\$ 167,149,354	\$ 141,344,531

Regarding the sensitivity of the SCRHITF's net OPEB liability to changes in the healthcare cost trend rates, the following table presents the plan's net OPEB liability, calculated using the assumed trend rates as well as what the plan's net OPEB liability would be if were calculated using a trend rate that is one percent lower or one percent higher:

South Carolina Retiree Health Insurance Plan Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate			
Fiscal Year	1% Decrease (3.15% decreasing to 1.83%)	Current Healthcare Cost Trend Rates (4.15% decreasing to 2.83%)	1% Increase (5.15% decreasing to 3.83%)
2019	\$ 135,291,358	\$ 167,149,354	\$ 208,988,072

NOTES TO FINANCIAL STATEMENTS

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources and OPEB Expense:

For the year ended June 30, 2021, the District recognized OPEB expense of \$17,307,343. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

South Carolina Retiree Health Insurance Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,780,623	\$ 3,806,589
Changes of assumptions	24,873,911	6,656,742
Net difference between projected and actual earnings on pension plan investments	-	389,869
Changes in proportion and differences between employer contributions and proportionate share of contributions	116,513,394	96,881,535
Employer contributions subsequent to the measurement date	5,175,947	-
Total	<u>\$ 151,343,875</u>	<u>\$ 107,734,735</u>

District contributions subsequent to the measurement date of \$5,175,947 will be recognized as a reduction of the net OPEB liability in the next fiscal year.

As of June 30, 2021, other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	
2022	\$ 5,630,094
2023	5,576,218
2024	5,490,844
2025	6,972,259
2026	7,056,706
Thereafter	7,707,072
	<u>\$ 38,433,193</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. INTERFUND TRANSFERS

The interfund transfers during the year ended June 30, 2021, consisted of the following:

General Fund			
Transfers from	Amount	Transfers to	Amount
Education Improvement Act Fund	\$ 3,388,103	Special Projects Fund	\$ 56,941
Food Service Fund	300,000		-
Debt Service Fund	352,199		-
Special Projects Fund	1,031,269		-
	<u>\$ 5,071,571</u>		<u>\$ 56,941</u>
Food Service Fund			
Transfers from	Amount	Transfers to	Amount
	<u>\$ -</u>	General Fund	<u>\$ 300,000</u>
Debt Service Fund			
Transfers from	Amount	Transfers to	Amount
	<u>\$ -</u>	General Fund	352,199
		Capital Projects Fund	4,002,297
			<u>\$ 4,354,496</u>
Capital Projects Fund			
Transfers from	Amount	Transfers to	Amount
Debt Service Fund	<u>\$ 4,002,297</u>		<u>\$ -</u>
Education Improvement Act Fund			
Transfers from	Amount	Transfers to	Amount
	<u>\$ -</u>	General Fund	<u>\$ 3,388,103</u>
Special Projects Fund			
Transfers from	Amount	Transfers to	Amount
General Fund	<u>\$ 56,941</u>	General Fund	<u>\$ 1,031,269</u>
TOTAL	<u><u>\$ 9,130,809</u></u>		<u><u>\$ 9,130,809</u></u>

Transfers are primarily used to move funds from:

1. Special Revenue - Special Projects and Pupil Activity Funds to cover related expenditures paid from General Fund.
2. The Special Revenue - Special Projects and Food Service Funds to the General Fund for allowable indirect costs.
3. The EIA Fund to the General Fund for allowable transfers of EIA specified revenues.
4. TAN activity was transferred to Debt Service from the fund from which payment was made.
5. Debt Service Fund to Capital Projects Fund for amounts allocated for capital project from proceeds of issuance of debt.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. INTERFUND RECEIVABLES AND PAYABLES

The composite of interfund balances as of June 30, 2021, is as follows:

<u>Fund</u>	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ -	\$ 2,798,297
Special Project Fund	-	7,841,012
EIA Fund	1,527,162	-
Debt Service Fund	382,753	-
Food Service Fund	148,067	-
Capital Projects Fund	8,581,327	-
Total	<u>\$ 10,639,309</u>	<u>\$ 10,639,309</u>

Interfund payables and receivables are generally short-term in nature and are the result of the following:

- With the exception of several small bank accounts, the majority of the District's cash is maintained in a Concentration account and the Pool, both of which are shown as assets of the General Fund. The portions of those accounts belonging to other funds are shown as intercompany receivables and payables.
- The General Fund funds the expenditures of the Special Revenue Fund and reflects an intercompany receivable for the amount expended until reimbursement is received from the funding source.

NOTE 11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The District participates with other school districts in the South Carolina School Boards Insurance Trust/Workers' Compensation Trust Fund (SCSBIT/WCTF), where it is covered for property and casualty losses and worker's compensation. The SCSBIT/WCTF is a public-entity risk pool currently operating as a common risk management and insurance program for member school districts. The District pays an annual premium for its workers' compensation insurance coverage based upon the total payroll of the District for each plan year. The SCSBIT/WCTF is self-sustaining through member premiums and any deficiencies can be charged back to the member districts should a fund deficit arise. The District has not reduced its insurance coverage by major categories of risk from that of prior years, and no settlements in excess of insurance coverage have been made in the past three years.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. COMMITMENTS, CONTINGENCIES, AND CLAIMS PAYABLE

Commitments

The District has outstanding contractual commitments on uncompleted projects as follows at June 30, 2021:

<u>Project</u>	<u>Expenditures to Date</u>	<u>Estimated Total Project</u>
Elevator Project	\$ 46,215	\$ 85,230
William Clark Roof Replacement	802,834	903,500
OW Roof Replacement	444,117	661,500
Robert Howard Roof Replacement	630,672	616,000
	<u>\$ 1,923,838</u>	<u>\$ 2,266,230</u>

Contingencies

The Special Revenue Fund reports the activities of the Federal Projects and Office of General Education which are funded with federal and state funds. These programs are subject to financial and compliance audits by their grantors. Upon audit, should it be determined that the District has failed to comply with applicable requirements of the grants, then some or all of the grant expenditures may be deemed to be disallowed and a portion of the grant revenue may become reimbursable to the grantor. The District is of the opinion that any reimbursements, should they materialize, will be immaterial.

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion on management and legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

Claims Payable

On January 27, 2022, a former district employee plead guilty to defrauding the District utilizing various components of a fraudulent purchasing scheme. The source of the funds that were used in the fraud were federal Coronavirus Relief Funds (CRF), passed through the South Carolina Department of Education.

As a result of the fraud, management of the District believes it is probable it will have to repay these funds and estimates its liability to the State of South Carolina to be \$548,400. This amount has been accrued as a claim payable in the District's statement of net position.

NOTE 13. LEGAL COMPLIANCE

All schedules and exhibits are presented in the level of detail as required by the South Carolina Department of Education. Account numbers are presented on the combining fund statements and supporting schedules as required.

NOTES TO FINANCIAL STATEMENTS

NOTE 14. 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 County 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. As of June 30, 2021, the County has active FILOT agreements within the District's geographic area which resulted in net tax abatements of \$9,524,554.

NOTE 15. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the fiscal year ended June 30, 2021, the District's actual General Fund expenditures exceeded appropriations for debt service by \$72,593.

NOTE 16. RESTATEMENT OF NET POSITION AND FUND BALANCES

Change in Accounting Principle:

In conjunction with the implementation of GASB Statement No. 84, *Fiduciary Activities*, the District is required to reevaluate the accounting treatment of its fiduciary activities. The new standard requires the District to determine if funds are still considered fiduciary, and if so, if they are considered custodial funds under the new definitions within Statement No. 84. Previously, the District reported its pupil activity funds as agency funds; however, in accordance with paragraph 11 of Statement No. 84, the District is considered to have administrative involvement with these funds and thus the pupil activity funds do not qualify as fiduciary activities under the new Standard. As a result, the pupil activity funds have been consolidated with the District's Special Projects Fund and thus the following restatement was made to beginning fund balance:

Special Projects Fund Balance, beginning of the year	\$ 385,601
Pupil Activities Fund Balance	1,316,593
Restated Special Revenue Fund Balance, beginning of the year	<u>\$ 1,702,194</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 16. RESTATEMENT OF NET POSITION AND FUND BALANCES (CONTINUED)

Correction of Error:

The District's prior year (June 30, 2020) financial statements included a modified opinion on the governmental activities due to issues with the reporting of capital assets. During the current year, management of the District undertook the task of performing a complete review and inventory and as a result, restatements to the beginning balances of capital assets were required to properly report the historical cost and related accumulated depreciation as of the beginning of the period. The restatement to the beginning balance of the District's governmental activities is as follows:

Net Position, beginning of the year, as previously reported	\$ (200,028,849)
Adjustment to Capital Assets	(15,847,740)
Restatement for Change in Accounting Principle	1,316,593
Restated Net Position, beginning of the year	<u>\$ (214,559,996)</u>

NOTE 17. SUBSEQUENT EVENTS

The District has evaluated subsequent events through March 24, 2022, the date the financial statements were available for issuance.

On September 23, 2021, the District issued a general obligation bond in the amount of \$6,000,000 with a premium of \$76,680 and issue costs of \$35,173. The bond carries an interest rate of 3.00% with a maturity date of March 1, 2022.

On September 29, 2021, the District issued a tax anticipation note in the amount of \$12,000,000 with a premium of \$154,285 and issue costs of \$35,173. The note carries an interest rate of 3.00% and with a maturity date of April 15, 2022

REQUIRED SUPPLEMENTARY INFORMATION

ORANGEBURG COUNTY SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS JUNE 30,

South Carolina Retirement System

Plan Year Ended June 30,	District's proportion of the net pension liability	District's proportionate share of the net pension liability	District's covered employee payroll	District's share of the net pension liability as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.724279%	\$ 192,606,547	\$ 77,462,192	248.6%	50.7%
2019	0.802434%	183,228,550	85,405,942	214.5%	54.4%
2018	0.818559%	183,413,963	85,868,172	213.6%	54.1%
2017	0.820989%	184,818,278	83,791,406	220.6%	53.3%
2016	0.882898%	182,176,586	83,520,064	218.1%	52.9%
2015	0.896526%	170,031,017	84,939,615	200.2%	57.0%
2014	0.932894%	160,613,591	85,839,306	187.1%	59.6%

Police Officers Retirement System

Plan Year Ended June 30,	District's proportion of the net pension liability	District's proportionate share of the net pension liability	District's covered employee payroll	District's share of the net pension liability as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.00962%	\$ 319,157	173,938	183.5%	58.8%
2019	0.01196%	342,863	187,496	182.9%	62.7%
2018	0.00935%	264,966	101,848	260.2%	61.7%
2017	0.00813%	222,671	91,946	242.2%	60.9%
2016	0.00500%	126,875	63,770	199.0%	60.4%
2015	0.00650%	141,776	80,584	175.9%	64.6%
2014	0.00701%	134,086	84,238	159.2%	67.5%

The District implemented GASB Statements 68 and 71 with the fiscal year beginning July 1, 2014.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the government will present information for those years for which information is available.

ORANGEBURG COUNTY SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS FOR THE FISCAL YEAR ENDED JUNE 30,

South Carolina Retirement System					
<u>Fiscal Year Ended June 30,</u>	<u>Statutorily required contribution</u>	<u>Contributions in relation to the statutorily required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered employee payroll</u>	<u>Contributions as a percentage of covered employee payroll</u>
2021	\$ 12,678,052	\$ 12,678,052	\$ -	\$ 81,478,486	15.56%
2020	13,137,191	13,137,191	-	77,462,192	16.96%
2019	12,316,988	12,316,988	-	85,405,942	14.42%
2018	11,511,604	11,511,604	-	85,868,172	13.41%
2017	9,577,687	9,577,687	-	83,791,406	11.43%
2016	9,131,077	9,131,077	-	83,520,064	10.93%
2015	9,161,740	9,161,740	-	84,939,615	10.79%

South Carolina Police Officers Retirement System					
<u>Fiscal Year Ended June 30,</u>	<u>Actuarially required contribution</u>	<u>Contributions in relation to the actuarially required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered employee payroll</u>	<u>Contributions as a percentage of covered employee payroll</u>
2021	\$ 32,486	\$ 32,486	\$ -	\$ 180,077	18.04%
2020	31,726	31,726	-	173,938	18.24%
2019	32,291	32,291	-	187,496	17.22%
2018	16,541	16,541	-	101,848	16.24%
2017	15,586	15,586	-	91,946	16.95%
2016	8,462	8,462	-	63,770	13.27%
2015	10,806	10,806	-	80,584	13.41%

The District implemented GASB Statements 68 and 71 with the fiscal year beginning July 1, 2014.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the government will present information for those years for which information is available.

ORANGEBURG COUNTY SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND RELATED RATIOS JUNE 30,

South Carolina Retiree Health Plan

Plan Year Ended June 30,	District's proportion of the net OPEB liability	District's proportionate share of the net OPEB liability	District's covered employee payroll	District's share of the net OPEB liability as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2020	0.925961%	\$ 167,149,354	\$ 85,383,468	195.8%	8.39%
2019	0.970341%	146,730,353	85,593,438	171.4%	8.44%
2018	0.969030%	141,287,335	85,970,020	164.3%	7.94%
2017	0.994758%	134,738,342	83,886,352	160.6%	7.60%
2016	0.994758%	143,927,864	83,583,834	172.2%	6.62%

The District implemented GASB Statement 75 with the fiscal year beginning July 1, 2017.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the government will present information for those years for which information is available.

ORANGEBURG COUNTY SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30,

South Carolina Retiree Health Plan						
<u>Fiscal Year Ended June 30,</u>	<u>Statutorily required contribution</u>	<u>Contributions in relation to the statutorily required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered employee payroll</u>	<u>Contributions as a percentage of covered employee payroll</u>	
2021	\$ 5,175,947	\$ 5,175,947	\$ -	\$ 81,658,563	6.34%	
2020	5,334,592	5,334,592	-	85,383,468	6.25%	
2019	5,174,411	5,174,411	-	85,593,438	6.05%	
2018	4,728,350	4,728,350	-	85,970,020	5.50%	
2017	4,471,143	4,471,143	-	83,886,352	5.33%	

The District implemented GASB Statement 75 with the fiscal year beginning July 1, 2017.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the government will present information for those years for which information is available

OTHER SUPPLEMENTARY INFORMATION

GENERAL FUND

The general fund, also referred to as the “operating fund”, is the basic budgetary fund of the District. It is used to record all operating revenues and expenditures for the educational and support programs of the District and for limited capital outlays. The appropriations and the anticipated revenue sources originate in the District’s operating budget. Any unassigned fund balance may be appropriated to support operating expenditures in subsequent years.

ORANGEBURG COUNTY SCHOOL DISTRICT
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2021

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
1000 Revenue from Local Sources			
1100 Taxes:			
1110 Ad Valorem Taxes - Including Delinquent (Independent)	\$ 38,467,400	\$ 42,355,708	\$ 3,888,308
1140 Penalties & Interest on Taxes (Independent)	-	277,862	277,862
1200 Revenues from Local Governmental Units Other than LEAs:			
1280 Revenue in Lieu of Taxes	3,427,697	1,578,356	(1,849,341)
1300 Tuition:			
1310 Tuition from Regular Day School	-	4,633	4,633
1320 From Other LEAs for Regular Day School	522,000	339,851	(182,149)
1500 Earnings on Investments:			
1510 Interest on Investments	321,000	66,683	(254,317)
1900 Other Revenues from Local Sources:			
1910 Rentals	-	1,665	1,665
1920 Contributions and Donations	-	1,281	1,281
1993 Receipt of Insurance	-	198,856	198,856
1994 Receipt of Legal Settlements	-	69,465	69,465
1999 Revenue from Other Local Sources	30,000	125,079	95,079
Total Local Sources	<u>42,768,097</u>	<u>45,019,439</u>	<u>2,251,342</u>
3000 Revenue from State Sources			
3100 Restricted State Funding:			
3130 Special Programs			
3131 Handicapped Transportation	-	3,175	3,175
3160 School Bus Driver's Salary	1,719,352	1,753,833	34,481
3161 EAA Bus Driver Salary and Fringe	-	1,478	1,478
3162 Transportation Workers' Compensation	104,051	104,051	-
3180 Fringe Benefits Employer Contributions (No Carryover Provision)	14,306,352	14,237,126	(69,226)
3181 Retiree Insurance (No Carryover Provision)	4,255,504	4,073,612	(181,892)
3186 State Aid to Classrooms - Teacher Salary Increase	2,424,108	2,444,098	19,990
3189 Teacher Step	-	446,657	446,657
3300 Education Finance Act:			
3310 Full-Time Programs			
3311 Kindergarten	1,447,491	1,311,415	(136,076)
3312 Primary	4,510,560	4,143,791	(366,769)
3313 Elementary	7,938,876	7,556,755	(382,121)
3314 High School	2,694,668	2,690,771	(3,897)
3315 Trainable Mentally Handicapped	156,721	119,821	(36,900)
3316 Speech Handicapped (Part-Time Program)	2,172,020	2,309,582	137,562
3317 Homebound	14,103	1,719	(12,384)
3320 Part-Time Programs			
3321 Emotionally Handicapped	74,877	77,349	2,472
3322 Educable Mentally Handicapped	307,211	235,353	(71,858)
3323 Learning Disabilities	1,690,606	1,636,303	(54,303)
3324 Hearing Handicapped	102,819	95,940	(6,879)
3325 Visually Handicapped	62,001	63,122	1,121
3326 Orthopedically Handicapped	33,398	14,453	(18,945)
3327 Pre-Career and Career Technology	3,556,963	3,804,601	247,638
3330 Other EFA Programs			
3331 Autism	579,684	665,740	86,056
3332 High Achieving Students	131,988	136,844	4,856
3334 Limited English Proficiency	101,252	100,077	(1,175)
3350 Residential Treatment Facilities (RTF)			
3351 Academic Assistance	1,460,990	1,437,093	(23,897)
3352 Pupils in Poverty	3,764,470	3,659,634	(104,836)
3353 Dual Credit Enrollment	63,549	102,647	39,098
3800 State Revenue In Lieu of Taxes:			
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	6,244,146	6,937,940	693,794

ORANGEBURG COUNTY SCHOOL DISTRICT
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2021

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES (CONTINUED)			
3000 Revenue from State Sources (Continued)			
3820 Homestead Exemption (Tier 2)	\$ 2,000,669	\$ 2,222,965	\$ 222,296
3825 Reimbursement for Property Tax Relief (Tier 3)	9,509,458	9,665,169	155,711
3830 Merchant's Inventory Tax	453,808	672,308	218,500
3840 Manufacturers Depreciation Reimbursement	1,000,855	1,193,681	192,826
3890 Other State Property Tax Revenues	281,285	906,920	625,635
3900 Other State Revenue:			
3993 PEBA on Behalf	767,630	852,923	85,293
Total State Sources	<u>73,931,465</u>	<u>75,678,946</u>	<u>1,747,481</u>
TOTAL REVENUE ALL SOURCES	<u>116,699,562</u>	<u>120,698,385</u>	<u>3,998,823</u>
EXPENDITURES			
100 INSTRUCTION			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	3,345,526	2,676,839	668,687
200 Employee Benefits	1,554,197	1,554,197	-
400 Supplies and Materials	32,334	31,652	682
500 Capital Outlay	800	-	800
112 Primary Programs:			
100 Salaries	7,960,031	7,291,031	669,000
200 Employee Benefits	3,041,037	3,041,037	-
300 Purchased Services	6,492	4,992	1,500
400 Supplies and Materials	68,997	62,183	6,814
500 Capital Outlay	2,750	-	2,750
600 Other Objects	1,000	286	714
113 Elementary Programs:			
100 Salaries	13,952,891	13,193,864	759,027
200 Employee Benefits	5,277,132	5,277,132	-
300 Purchased Services	171,793	165,361	6,432
400 Supplies and Materials	144,758	133,546	11,212
500 Capital Outlay	12,410	-	12,410
600 Other Objects	1,251	480	771
114 High School Programs:			
100 Salaries	10,750,278	9,455,827	1,294,451
200 Employee Benefits	3,944,848	3,944,848	-
300 Purchased Services	27,789	21,971	5,818
400 Supplies and Materials	76,860	76,860	-
500 Capital Outlay	4,000	-	4,000
600 Other Objects	4,041	3,190	851
115 Career and Technology Education Programs:			
100 Salaries	2,227,425	2,227,425	-
200 Employee Benefits	959,007	959,007	-
300 Purchased Services	37,271	10,599	26,672
400 Supplies and Materials	90,548	58,381	32,167
500 Capital Outlay	5,000	-	5,000
600 Other Objects	4,000	510	3,490
120 Exceptional Programs:			
121 Educable Mentally Handicapped:			
100 Salaries	269,326	269,326	-
200 Employee Benefits	138,586	138,586	-
400 Supplies and Materials	4,590	-	4,590

ORANGEBURG COUNTY SCHOOL DISTRICT
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2021

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
EXPENDITURES (CONTINUED)			
100 INSTRUCTION (CONTINUED)			
120 Exceptional Programs (Continued):			
122 Trainable Mentally Handicapped:			
100 Salaries	\$ 487,921	\$ 487,921	\$ -
200 Employee Benefits	226,511	226,511	-
123 Orthopedically Handicapped:			
100 Salaries	73,053	73,053	-
200 Employee Benefits	30,246	30,246	-
124 Visually Handicapped:			
100 Salaries	83,836	83,836	-
200 Employee Benefits	31,028	31,028	-
125 Hearing Handicapped:			
300 Purchased Services	65,000	-	65,000
126 Speech Handicapped:			
100 Salaries	598,433	532,189	66,244
200 Employee Benefits	230,577	230,577	-
400 Supplies and Materials	2,066	2,066	-
127 Learning Disabilities:			
100 Salaries	3,690,766	3,623,899	66,867
200 Employee Benefits	1,485,522	1,485,522	-
300 Purchased Services	2,007	507	1,500
400 Supplies and Materials	1,547	1,547	-
128 Emotionally Handicapped:			
100 Salaries	1,161,149	1,002,952	158,197
200 Employee Benefits	332,869	332,869	-
130 Pre-School Programs:			
134 Pre-School Handicapped-Self-Contained (5 year olds):			
100 Salaries	181,983	181,983	-
200 Employee Benefits	65,838	65,838	-
136 Pre-School Handicapped-Itinerant (3-and 4 Yr.-Olds):			
100 Salaries	90	90	-
200 Employee Benefits	109	109	-
140 Special Programs:			
141 Gifted and Talented-Academic:			
100 Salaries	345,382	345,382	-
200 Employee Benefits	143,423	143,423	-
300 Purchased Services	18,700	14,175	4,525
400 Supplies and Materials	18,278	13,510	4,768
500 Capital Outlay	4,300	-	4,300
600 Other Objects	6,000	2,783	3,217
143 Advanced Placement:			
400 Supplies and Materials	4,700	4,700	-
145 Homebound:			
100 Salaries	950	950	-
200 Employee Benefits	399	399	-
147 CDEP			
100 Salaries	1,083,589	909,036	174,553
200 Employee Benefits	373,237	373,237	-

ORANGEBURG COUNTY SCHOOL DISTRICT
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2021

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
EXPENDITURES (CONTINUED)			
100 INSTRUCTION (CONTINUED)			
140 Special Programs (Continued):			
148 Gifted and Talented- Artistic:			
100 Salaries	\$ 31,714	\$ 31,714	\$ -
200 Employee Benefits	9,543	9,543	-
300 Purchased Services	25,872	22,337	3,535
400 Supplies and Materials	12,541	1,715	10,826
500 Capital Outlay	2,007	-	2,007
600 Other Objects	28,590	2,916	25,674
149 Other Special Programs:			
200 Employee Benefits	197	197	-
300 Purchased Services	41,348	16,248	25,100
400 Supplies and Materials	4,627	4,627	-
600 Other Objects	266	-	266
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	355,585	355,585	-
200 Employee Benefits	111,246	111,246	-
180 Adult/Continuing Education Programs:			
181 Adult Basic Education Programs:			
300 Purchased Services	273,036	248,885	24,151
188 Parenting/Family Literacy:			
100 Salaries	81,973	10,293	71,680
200 Employee Benefits	4,811	4,811	-
300 Purchased Services	659	659	-
Total Current Expenditures	<u>65,824,225</u>	<u>61,620,244</u>	<u>4,203,981</u>
Total Capital Outlay	<u>26,267</u>	<u>-</u>	<u>26,267</u>
TOTAL INSTRUCTION	<u>65,850,492</u>	<u>61,620,244</u>	<u>4,230,248</u>
200 SUPPORT SERVICES			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	473,886	374,924	98,962
200 Employee Benefits	189,942	189,942	-
300 Purchased Services	36	36	-
400 Supplies and Materials	584	584	-
212 Guidance Services:			
100 Salaries	2,972,873	2,875,094	97,779
200 Employee Benefits	1,142,091	1,142,912	(821)
300 Purchased Services	3,691	3,691	-
400 Supplies and Materials	35,063	29,062	6,001
500 Capital Outlay	676	-	676
600 Other Objects	3,114	903	2,211
213 Health Services:			
100 Salaries	1,446,943	1,243,542	203,401
200 Employee Benefits	571,198	571,198	-
300 Purchased Services	52,350	50,251	2,099
400 Supplies and Materials	14,084	14,084	-

ORANGEBURG COUNTY SCHOOL DISTRICT
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2021

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
EXPENDITURES (CONTINUED)			
200 SUPPORT SERVICES (CONTINUED)			
210 Pupil Services (Continued):			
214 Psychological Services:			
300 Purchased Services	\$ 2,974	\$ 914	\$ 2,060
215 Exceptional Program Services:			
100 Salaries	140,074	-	140,074
300 Purchased Services	61,296	2,822	58,474
400 Supplies and Materials	8,071	-	8,071
217 Career Specialist Services:			
100 Salaries	81,370	-	81,370
200 Employee Benefits	359	359	-
220 Instructional Staff Services:			
221 Improvement of Instruction - Curriculum Development:			
100 Salaries	700,247	457,769	242,478
200 Employee Benefits	270,400	185,086	85,314
300 Purchased Services	230,058	165,463	64,595
400 Supplies and Materials	118,759	103,722	15,037
500 Capital Outlay	4,000	705	3,295
600 Other Objects	1,754	950	804
222 Library and Media Services:			
100 Salaries	2,166,596	2,165,416	1,180
200 Employee Benefits	947,738	947,738	-
300 Purchased Services	319	319	-
400 Supplies and Materials	55,639	55,639	-
500 Capital Outlay	1,112	-	1,112
600 Other Objects	400	100	300
223 Supervision of Special Programs:			
100 Salaries	914,085	364,703	549,382
200 Employee Benefits	398,031	153,672	244,359
300 Purchased Services	15,000	3,532	11,468
224 Improvement of Instruction - Inservice and Staff Training			
300 Purchased Services	20,479	11,376	9,103
400 Supplies and Materials	1,332	1,332	-
600 Other Objects	2,150	150	2,000
230 General Administration Services:			
231 Board of Education:			
100 Salaries	89,059	89,059	-
200 Employee Benefits	27,753	27,753	-
300 Purchased Services	384,960	195,245	189,715
400 Supplies and Materials	35,000	10,420	24,580
600 Other Objects	85,000	53,020	31,980
232 Office of the Superintendent:			
100 Salaries	419,398	419,398	-
200 Employee Benefits	157,250	157,250	-
300 Purchased Services	144,048	112,452	31,596
400 Supplies and Materials	72,824	49,168	23,656
600 Other Objects	72,132	60,530	11,602
233 School Administration:			
100 Salaries	8,715,100	8,608,397	106,703
200 Employee Benefits	3,522,282	3,522,282	-
300 Purchased Services	105,397	57,981	47,416
400 Supplies and Materials	166,058	165,684	374
500 Capital Outlay	2,362	1,522	840
600 Other Objects	9,205	3,110	6,095

ORANGEBURG COUNTY SCHOOL DISTRICT
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2021

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
EXPENDITURES (CONTINUED)			
200 SUPPORT SERVICES (CONTINUED)			
250 Finance and Operations Services:			
251 Student Transportation (Federal/District Mandated):			
100 Salaries	\$ 25,228	\$ 25,228	\$ -
200 Employee Benefits	8,628	8,628	-
252 Fiscal Services:			
100 Salaries	1,003,366	930,648	72,718
200 Employee Benefits	351,057	351,057	-
300 Purchased Services	128,675	88,313	40,362
400 Supplies and Materials	307,398	170,866	136,532
500 Capital Outlay	5,000	-	5,000
600 Other Objects	391,792	(206)	391,998
254 Operation and Maintenance of Plant:			
100 Salaries	6,076,385	5,908,977	167,408
200 Employee Benefits	3,560,381	3,356,040	204,341
300 Purchased Services	4,099,293	2,838,769	1,260,524
400 Supplies and Materials	4,219,626	4,086,538	133,088
500 Capital Outlay	13,000	7,854	5,146
255 Student Transportation (State Mandated):			
100 Salaries	2,830,163	2,727,800	102,363
200 Employee Benefits	1,090,105	1,090,105	-
300 Purchased Services	65,541	26,501	39,040
400 Supplies and Materials	26,232	4,645	21,587
500 Capital Outlay	30,902	30,902	-
600 Other Objects	4,260	2,130	2,130
256 Food Services:			
200 Employee Benefits	698,710	694,100	4,610
257 Internal Services:			
100 Salaries	45,795	45,795	-
200 Employee Benefits	18,388	18,388	-
258 Security:			
100 Salaries	263,231	190,092	73,139
200 Employee Benefits	84,325	84,325	-
300 Purchased Services	615,858	384,021	231,837
400 Supplies and Materials	3,226	3,226	-
500 Capital Outlay	4,769	4,769	-
260 Central Support Services:			
262 Planning:			
300 Purchased Services	43,000	37,658	5,342
263 Information Services:			
100 Salaries	161,387	161,387	-
200 Employee Benefits	68,791	68,791	-
300 Purchased Services	159,565	46,863	112,702
400 Supplies and Materials	26,550	280	26,270
500 Capital Outlay	667	-	667
600 Other Objects	2,216	1,227	989
264 Staff Services:			
100 Salaries	1,094,485	976,804	117,681
200 Employee Benefits	2,509,595	546,361	1,963,234
300 Purchased Services	435,937	422,622	13,315
400 Supplies and Materials	175,177	175,177	-
600 Other Objects	1,725	225	1,500

ORANGEBURG COUNTY SCHOOL DISTRICT
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2021

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
EXPENDITURES (CONTINUED)			
200 SUPPORT SERVICES (CONTINUED)			
260 Central Support Services (Continued):			
266 Technology and Data Processing Services:			
100 Salaries	\$ 1,308,426	\$ 787,690	\$ 520,736
200 Employee Benefits	481,446	326,518	154,928
300 Purchased Services	1,643,338	1,540,334	103,004
400 Supplies and Materials	379,585	355,142	24,443
500 Capital Outlay	308,796	69,702	239,094
270 Support Services Pupil Activity:			
271 Pupil Services Activities:			
100 Salaries	1,496,559	1,496,559	-
200 Employee Benefits	524,432	524,432	-
300 Purchased Services	791,611	249,166	542,445
400 Supplies and Materials	127,951	45,371	82,580
500 Capital Outlay	7,523	7,523	-
600 Other Objects	12,752	5,867	6,885
Total Expenditures, Excluding Capital Outlay	64,410,643	55,453,494	8,957,149
Total Capital Outlay	378,807	122,977	255,830
TOTAL SUPPORT SERVICES	<u>64,789,450</u>	<u>55,576,471</u>	<u>9,212,979</u>
410 Intergovernmental Expenditures			
412 Payments to Other Governmental Units	40,000	23,699	16,301
416 LEA Payments to Charter Schools	3,526,495	3,526,495	-
TOTAL INTERGOVERNMENTAL EXPENDITURES	<u>3,566,495</u>	<u>3,550,194</u>	<u>16,301</u>
500 Debt Services			
620 Interest	-	72,593	(72,593)
TOTAL DEBT SERVICES	<u>-</u>	<u>72,593</u>	<u>(72,593)</u>
TOTAL EXPENDITURES	<u>134,206,437</u>	<u>120,819,502</u>	<u>13,386,935</u>
OTHER FINANCING SOURCES (USES):			
Interfund Transfers, From (To) Other Funds:			
5210 Transfer from General Fund - Fund Balance	13,053,507	-	(13,053,507)
5230 Transfer from Special Revenue EIA Fund	3,653,368	3,388,103	(265,265)
5240 Transfer from DSF	-	352,199	352,199
5280 Transfer from Other Funds Indirect Cost	800,000	1,331,269	531,269
421-710 Transfer to Special Projects Fund	-	(56,941)	(56,941)
TOTAL OTHER FINANCING SOURCES	<u>17,506,875</u>	<u>5,014,630</u>	<u>(12,492,245)</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	4,893,513	<u>\$ 4,893,513</u>
FUND BALANCE, JULY 1, 2020		<u>7,126,478</u>	
FUND BALANCE, JUNE 30, 2021		<u>\$ 12,019,991</u>	

SPECIAL REVENUE FUND – SPECIAL PROJECTS

The special revenue funds are used to record revenues derived from the State of South Carolina and the federal government, certain of which require matching revenues from local sources, which are required to finance particular activities. Separate revenues, expenditures and changes in fund balances are set forth for various reporting requirements.

The Special Projects Fund is used to account for all federal, state and local projects except for those subject to the Education Improvement Act.

Purpose of Special Revenue Subfunds:

Title I. Title I funds are used for programs to benefit the educationally disadvantaged. Guidelines are set by the Federal Government.

IDEA and Preschool Handicapped. IDEA and Preschool Handicapped funds are provided for the purpose of educating the handicapped. Guidelines are set by the Federal Government.

Occupational Education. The purpose of these funds is to provide vocational education. Guidelines are set by the Federal Government.

Drug Free. The purpose of these funds is to assist districts in establishing, operating or improving local programs of drug and violence prevention. Guidelines are set by the Federal Government.

Other State Restricted Grants. The purpose of these funds varies. Guidelines are set by the South Carolina General Assembly.

Other Special Revenue Programs. The purpose of these funds varies. Guidelines are set by the grantor/donors.

ORANGEBURG COUNTY SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021

	Title I	IDEA	Preschool Handicapped	CATE	Other Restricted State Grants	Pupil Activity Programs	*Other Special Revenue Programs	Total
REVENUES:								
1000 Revenue from Local Sources:								
1500 Earnings on Investments:								
1510 Interest on Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 118	\$ -	\$ 118
1700 Other Revenue from Local Sources:								
1710 Admissions	-	-	-	-	-	85,757	-	85,757
1720 Bookstore sales	-	-	-	-	-	957	-	957
1730 Pupil Organization Membership Dues and Fees	-	-	-	-	-	37,551	-	37,551
1740 Student Fees	-	-	-	-	-	3,411	-	3,411
1790 Other Pupil Activity Income	-	-	-	-	-	93,498	-	93,498
1900 Other Revenue from Local Sources:								
1920 Contributions and Donations Private Sources	-	-	-	-	-	(960)	-	(960)
1930 Medicaid	-	-	-	-	-	-	14,376	14,376
1999 Revenue from Other Local Sources	-	-	-	-	-	288	970,803	971,091
Total Local Sources	-	-	-	-	-	220,620	985,179	1,205,799
2000 Revenue from Intergovernmental Sources:								
2300 Payments from Non-profit Entities	-	-	-	-	-	-	760,556	760,556
Total Intergovernmental Sources	-	-	-	-	-	-	760,556	760,556
3000 Revenue from State Sources:								
3100 Restricted Grants:								
3110 Occupational Education:								
3118 EEDA Career Specialist	-	-	-	-	627,738	-	-	627,738
3120 General Education:								
3127 Student Health and Fitness	-	-	-	-	85,613	-	-	85,613
3130 Special Programs:								
3135 Reading Coaches	-	-	-	-	760,420	-	-	760,420
3136 Student Health and Fitness - Nurses	-	-	-	-	461,027	-	-	461,027
3190 Miscellaneous Restricted State Grants:								
3193 Education License Plates	-	-	-	-	4,180	-	-	4,180
3199 Other State Restricted Grants	-	-	-	-	-	-	494,216	494,216
3600 Education Lottery Act Revenue:								
3670 School Safety - Facility and Infrastructure Safety Upgrades	-	-	-	-	96,223	-	-	96,223
3900 Other State Revenue								
3994 PEBA Nonemployer Contributions	-	-	-	-	1,294,054	-	-	1,294,054
3995 CRF Per Pupil	-	-	-	-	-	-	3,955,507	3,955,507
Total State Sources	-	-	-	-	3,329,255	-	4,449,723	7,778,978

ORANGEBURG COUNTY SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021

REVENUES (CONTINUED):									
4000 Revenue from Federal Sources:									
Title I	IDEA	Preschool Handicapped	CATE	Other Restricted State Grants	Pupil Activity Programs	*Other Special Revenue Programs	Total		
\$	-	\$	-	\$	-	\$	-	\$	301,602
4200 Occupational Education:									
4210 Perkins Aid, Title I									
4300 Elementary and Secondary Education Act:									
8,002,227									8,331,659
4310 Title I								329,432	72,129
4312 Rural & Low Income, Title VI								37,930	1,332,344
4341 Language Instruction for Limited English Proficient and Immigrant Students									
4351 Improving Teacher Quality									
4500 Programs for Children with Disabilities:									
4510 IDEA			3,213,546					9,093	3,222,639
4520 Preschool					149,713				149,713
4900 Other Federal Sources:									
4924 21st Century Community Learning Centers									
4975 CARES Act								351,670	351,670
4977 ESSER II								3,241,677	3,241,677
4997 Title IV - SSAE								4,194,371	4,194,371
4999 Revenue from Other Federal Sources								1,024,637	1,024,637
								296,258	296,258
Total Federal Sources									
8,002,227			3,213,546		149,713			10,889,541	22,556,629
TOTAL REVENUE ALL SOURCES									
8,002,227			3,213,546		149,713			3,329,255	32,301,962

EXPENDITURES:

100 INSTRUCTION:

110 General Instruction:

111 Kindergarten Programs:

100 Salaries

200 Employee Benefits

300 Purchased Services

400 Supplies and Materials

112 Primary Programs:

100 Salaries

200 Employee Benefits

300 Purchased Services

400 Supplies and Materials

600 Other Objects

113 Elementary Programs:

100 Salaries

200 Employee Benefits

300 Purchased Services

400 Supplies and Materials

60,678	-	-	-	-	-	-	-	76,416	137,094
26,772	-	-	-	-	-	-	-	22,461	49,233
1,627	-	-	-	-	2,090	-	-	5,498	9,215
490,045	-	-	-	-	-	-	-	195,110	685,155
239,047	-	-	-	-	-	-	-	54,684	293,731
119,732	-	-	-	-	-	-	-	31,921	151,653
885,506	-	-	-	-	-	-	-	350,813	1,236,319
-	-	-	-	-	-	-	-	-	-
4,181	-	-	-	-	61,901	-	-	456,992	523,074
1,303	-	-	-	-	23,712	-	-	148,193	173,208
126,370	-	-	-	-	-	-	-	4,148	130,518
1,993,733	-	-	-	-	2,090	-	-	835,251	2,831,074

ORANGEBURG COUNTY SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021

	Title I	IDEA	Preschool Handicapped	CATE	Other Restricted State Grants	Pupil Activity Programs	*Other Special Revenue Programs	Total		
EXPENDITURES (CONTINUED):										
100 INSTRUCTION (CONTINUED):										
110 General Instruction (Continued):										
114 High School Programs:										
100 Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ 242,538	\$ 242,538	\$ 242,538	
200 Employee Benefits	-	-	-	-	-	-	80,615	80,615	80,615	
300 Purchased Services	-	-	-	-	-	-	70,689	70,689	70,689	
400 Supplies and Materials	58,982	-	-	-	-	-	128,558	128,558	187,540	
115 Vocational Programs:										
100 Salaries	-	-	-	20,513	-	-	21,566	21,566	42,079	
200 Employee Benefits	-	-	-	11,150	-	-	8,139	8,139	19,289	
300 Purchased Services	-	-	-	13,700	-	-	-	-	13,700	
400 Supplies and Materials	-	-	-	143,757	-	-	6,561	6,561	150,318	
500 Capital Outlay	-	-	-	28,000	-	-	326,003	326,003	354,003	
120 Exceptional Programs:										
121 Educable Mentally Handicapped:										
100 Salaries	-	69,456	-	-	-	-	6,385	6,385	75,841	
200 Employee Benefits	-	21,903	-	-	-	-	1,984	1,984	23,887	
122 Trainable Mentally Handicapped:										
100 Salaries	-	158,998	-	-	-	-	7,315	7,315	166,313	
200 Employee Benefits	-	54,814	-	-	-	-	2,256	2,256	57,070	
123 Orthopedically Handicapped:										
300 Purchased Services	-	171,558	-	-	-	-	200	200	171,758	
400 Supplies and Materials	-	-	-	-	-	-	564	564	564	
124 Visually Handicapped:										
100 Salaries	-	-	-	-	-	-	2,127	2,127	2,127	
200 Employee Benefits	-	-	-	-	-	-	661	661	661	
300 Purchased Services	-	54,428	-	-	-	-	-	-	54,428	
126 Speech Handicapped:										
100 Salaries	-	32,193	-	-	-	-	124,138	124,138	156,331	
200 Employee Benefits	-	21,686	-	-	-	-	44,322	44,322	66,008	
300 Purchased Services	-	414,661	-	-	-	-	2,054	2,054	416,715	
400 Supplies and Materials	-	-	-	-	-	-	1,627	1,627	1,627	
127 Learning Disabilities:										
100 Salaries	-	358,706	-	-	-	-	69,547	69,547	428,253	
200 Employee Benefits	-	176,000	-	-	-	-	19,211	19,211	195,211	
300 Purchased Services	-	161,533	-	-	-	-	2,440	2,440	163,973	
400 Supplies and Materials	-	285,476	-	-	-	-	2,823	2,823	288,299	
128 Emotionally Handicap										
100 Salaries	-	168,635	-	-	-	-	13,269	13,269	181,904	
200 Employee Benefits	-	74,359	-	-	-	-	3,162	3,162	77,521	

ORANGEBURG COUNTY SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021

EXPENDITURES (CONTINUED):										
100 INSTRUCTION (CONTINUED):										
130 Preschool Handicapped Programs:										
133 Preschool Handicapped Self-Contained (5 Year Olds):										
	\$	-	\$	-	\$	-	\$	-	\$	4,459
100 Salaries		-		-		-		-		1,153
200 Employee Benefits										
136 Preschool Handicapped Itinerant (3 & 4 Year Olds):										
100 Salaries		-		-	104,070		-		2,518	106,588
200 Employee Benefits		-		-	23,868		-		495	24,363
400 Supplies and Materials		-		-	13,804		-		-	13,804
140 Special Programs:										
141 Gifted and Talented Academic:										
100 Salaries		-		-			-		6,904	6,904
200 Employee Benefits		-		-			-		2,141	2,141
400 Supplies and Materials		-		-			-		1,400	1,400
147 CDEPP										
100 Salaries		-		-			-		55,339	55,339
200 Employee Benefits		-		-			-		16,775	16,775
300 Purchased Services		-		-			-		2,483	2,483
400 Supplies and Materials		-		-			-		84,428	84,428
500 Capital Outlay		-		-			-		9,668	9,668
148 Gifted and Talented Artistic:										
300 Purchased Services		-		-			-		34,820	34,820
400 Supplies and Materials		-		-			-		1,328	1,328
149 Other Special Programs										
100 Salaries		-	57,398	-			-		67,732	125,130
200 Employee Benefits		-	29,427	-			-		29,574	59,001
160 Other Exceptional Programs:										
161 Autism:										
100 Salaries		-	25,397	-			-		6,556	31,953
200 Employee Benefits		-	12,600	-			-		1,439	14,039
400 Supplies and Materials		-	-	-			-		9,992	9,992
170 Summer School Programs:										
172 Elementary Summer School:										
100 Salaries		-		-			-		60,255	60,255
200 Employee Benefits		-		-			-		17,491	17,491
300 Purchased Services		-		-			-		10,720	10,720
400 Supplies and Materials	97,714		-	-			-		96,395	194,109
173 High School Summer School:										
100 Salaries	480		-	-			-		16,635	17,115
200 Employee Benefits	147		-	-			-		4,678	4,825
400 Supplies and Materials	-		-	-			-		7,200	7,200

ORANGEBURG COUNTY SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021

		Title I	IDEA	Preschool Handicapped	CATE	Other Restricted State Grants	Pupil Activity Programs	*Other Special Revenue Programs	Total
EXPENDITURES (CONTINUED):									
100 INSTRUCTION (CONTINUED):									
170 Summer School Programs (Continued):									
175 Instructional Programs Beyond Regular School Day									
100 Salaries	\$	-	\$	-	\$	-	\$	\$	342,876
200 Employee Benefits	-	-	-	-	-	-	-	90,352	90,352
300 Purchased Services	-	-	-	-	-	-	-	48,745	48,745
400 Supplies and Materials	61,333	-	-	-	8,000	-	-	119,353	188,686
180 Adult/Continuing Educational Programs:									
183 Adult Education Literacy:									
300 Purchased Services	-	-	-	-	-	-	-	5,009	5,009
400 Supplies and Materials	-	-	-	-	-	-	-	31,464	31,464
188 Parenting/Family Literacy:									
100 Salaries	560,572	-	-	-	-	-	-	150,978	711,550
200 Employee Benefits	273,582	-	-	-	-	-	-	65,528	339,110
300 Purchased Services	1,436	-	-	-	-	-	-	1,402	2,838
400 Supplies and Materials	344,048	-	-	-	-	-	-	8,063	352,111
Total Expenditures, Excluding Capital Outlay	5,347,288	2,349,228	141,742	225,120	89,793	-	-	4,786,589	12,939,760
Total Capital Outlay	-	-	-	-	-	-	-	-	-
TOTAL INSTRUCTION	5,347,288	2,349,228	141,742	225,120	89,793	-	-	4,786,589	12,939,760
200 SUPPORTING SERVICES:									
210 Pupil Services:									
211 Attendance and Social Work Services:									
100 Salaries	20,976	-	-	-	-	-	-	98,574	119,550
200 Employee Benefits	11,147	-	-	-	-	-	-	42,013	53,160
400 Supplies and Materials	9,689	-	-	-	-	-	-	-	9,689
212 Guidance:									
100 Salaries	-	-	-	13,195	-	-	-	516,726	529,921
200 Employee Benefits	-	-	-	7,231	-	-	-	224,999	232,230
300 Purchased Services	-	-	-	-	-	-	-	1,076	1,076
400 Supplies and Materials	72,877	-	-	-	-	-	-	814	73,691
213 Health:									
100 Salaries	-	-	-	-	-	322,015	-	196,070	518,085
200 Employee Benefits	-	-	-	-	-	139,012	-	87,666	226,678
300 Purchased Services	-	-	-	-	-	-	-	172,932	172,932
400 Supplies and Materials	-	13,540	-	-	-	-	-	6,757	20,297

ORANGEBURG COUNTY SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021

EXPENDITURES (CONTINUED):								
200 SUPPORTING SERVICES (CONTINUED) :								
210 Pupil Services (Continued):								
214 Psychological:								
100 Salaries	\$ -	\$ 249,110	\$ -	-	\$ -	-	\$ -	\$ 249,110
200 Employee Benefits	-	89,662	-	-	-	-	-	89,662
300 Purchased Services	-	116,040	-	-	-	-	2,286	118,326
215 Exceptional Program Services:								
100 Salaries	-	-	-	-	-	-	141,949	141,949
200 Employee Benefits	-	-	-	-	-	-	56,249	56,249
217 Career Specialist Services:								
100 Salaries	-	-	-	-	429,332	-	85,189	514,521
200 Employee Benefits	-	-	-	-	198,407	-	30,888	229,295
220 Instructional Staff Services:								
221 Improvement of Instruction:								
100 Salaries	1,059,634	-	-	10,000	539,765	-	412,569	2,021,968
200 Employee Benefits	442,852	-	-	2,946	220,654	-	136,959	803,411
300 Purchased Services	60,719	-	-	-	-	-	553,728	614,447
400 Supplies and Materials	11,962	-	-	-	-	-	39,441	51,403
222 Library and Media:								
100 Salaries	-	-	-	-	-	-	45,440	45,440
200 Employee Benefits	-	-	-	-	-	-	13,689	13,689
400 Supplies and Materials	-	-	-	-	-	-	4,506	4,506
223 Supervision of Special Programs:								
100 Salaries	140,303	126,473	-	-	-	-	1,155,361	1,422,137
200 Employee Benefits	57,974	51,180	-	-	-	-	463,720	572,874
300 Purchased Services	11,525	30,588	-	-	-	-	23,754	65,867
400 Supplies and Materials	9,465	9,925	-	-	-	-	10,061	29,451
224 Improvement of Instruction-In-service and Staff Training:								
100 Salaries	12,979	-	-	-	-	-	3,550	16,529
200 Employee Benefits	3,837	-	-	-	-	-	-	3,837
300 Purchased Services	170,789	5,705	-	25,829	-	-	75,322	277,645
400 Supplies and Materials	36,333	-	-	-	-	-	984,188	1,020,521
230 General Administration Services								
233 School Administration								
100 Salaries	-	-	-	-	-	-	2,780	2,780
200 Employee Benefits	-	-	-	-	-	-	862	862
400 Supplies and Materials	-	-	-	-	-	-	4,750	4,750

ORANGEBURG COUNTY SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021

EXPENDITURES (CONTINUED):									
200 SUPPORTING SERVICES (CONTINUED) :									
250 Finance and Operations Services:									
252 Fiscal Services									
100 Salaries									
200 Employee Benefits									
254 Operations and Maintenance of Plant:									
100 Salaries									
200 Employee Benefits									
300 Purchased Services									
400 Supplies and Materials									
500 Capital Outlay									
255 Student Transportation:									
100 Salaries									
200 Employee Benefits									
256 Food Services:									
400 Supplies and Materials									
258 Student Transportation:									
100 Salaries									
200 Employee Benefits									
259 Food Services:									
400 Supplies and Materials									
300 Purchased Services									
400 Supplies and Materials									
500 Capital Outlay									
260 Central Support Services:									
262 Planning									
400 Supplies and Materials									
263 Information Services									
400 Supplies and Materials									
264 Staff Services:									
100 Salaries									
200 Employee Benefits									
300 Purchased Services									
400 Supplies and Materials									
266 Technology and Data Processing Services:									
100 Salaries									
200 Employee Benefits									
300 Purchased Services									
400 Supplies and Materials									
267 Other Special Revenue Programs:									
100 Salaries									
200 Employee Benefits									
300 Purchased Services									
400 Supplies and Materials									
500 Capital Outlay									

ORANGEBURG COUNTY SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021

EXPENDITURES (CONTINUED):							
200 SUPPORTING SERVICES (CONTINUED) :							
270 Support Services - Pupil Activity:							
271 Pupil Service Activities:							
100 Salaries							
200 Employee Benefits							
300 Purchased Services							
400 Supplies and Materials							
600 Other Objects	23,241			1,275			
272 Enterprise Activities:							
100 Salaries							
200 Employee Benefits							
300 Purchased Services							
400 Supplies and Materials							
600 Other Objects							
Total Expenditures, Excluding Capital Outlay	2,156,302	692,223		60,476	1,945,408	574,012	17,032,409
Total Capital Outlay	-	-	-	-	-	-	-
TOTAL SUPPORT SERVICES	2,156,302	692,223	-	60,476	1,945,408	574,012	17,032,409
300 COMMUNITY SERVICES:							
360 Other Community Services:							
300 Purchased Services	53,370		-		-	-	53,370
Total Expenditures, Excluding Capital Outlay	53,370		-		-	-	53,370
Total Capital Outlay	-		-		-	-	-
TOTAL COMMUNITY SERVICES	53,370		-		-	-	53,370
410 INTERGOVERNMENTAL EXPENDITURES:							
411-720 Payments to State Department of Education							
414-720 Medicaid Payments to SCDE							
416-720 Payments to Nonprofit Entities							
419-720 Payments to PEBA							
TOTAL INTERGOVERNMENTAL EXPENDITURES	-		-		1,294,054	-	1,752,761
TOTAL EXPENDITURES	7,556,960	3,041,451	141,742	285,596	3,329,255	574,012	31,778,300

ORANGEBURG COUNTY SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021

	Title I	IDEA	Preschool Handicapped	CATE	Other Restricted State Grants	Pupil Activity Programs	*Other Special Revenue Programs	Total
OTHER FINANCING SOURCES (USES):								
5210 Transfer from General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,941	\$ -	\$ 56,941
431-791 Special Revenue Indirect Cost Transfer	(445,267)	(172,095)	(7,971)	(16,006)	-	-	(389,930)	(1,031,269)
TOTAL OTHER FINANCING SOURCES	<u>(445,267)</u>	<u>(172,095)</u>	<u>(7,971)</u>	<u>(16,006)</u>	<u>-</u>	<u>56,941</u>	<u>(389,930)</u>	<u>(974,328)</u>
Excess (Deficiency) of Revenues over (under) Expenditures	-	-	-	-	-	(296,451)	(154,215)	(450,666)
FUND BALANCE, JULY 1, 2020 AS RESTATED	-	-	-	-	-	1,316,653	385,601	1,702,254
FUND BALANCE, JUNE 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,020,202</u>	<u>\$ 231,386</u>	<u>\$ 1,251,588</u>

ORANGEBURG COUNTY SCHOOL DISTRICT
SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS
SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021

SUBFUND	REVENUE CODE	PROGRAM	REVENUES	EXPENDITURES	TRANSFERS	DEFERRED REVENUE
919	3193	Education License Plates	\$ 4,180	\$ 4,180	\$ -	\$ -
924	3134	CDEP Expansion	-	-	-	131,252
928	3118	EEEDA Career Specialist	627,738	627,738	-	-
935	3135	Reading Coaches	760,420	760,420	-	-
936	3136	Student Health & Fitness - Nurses	461,027	461,027	-	-
937	3127	Student Health & Fitness	85,613	85,613	-	-
970	3670	School Safety Upgrades	96,223	96,223	-	-
994	3994	PEBA Nonemployer Contributions	1,294,054	1,294,054	-	-
		Totals	\$ 3,329,255	\$ 3,329,255	\$ -	\$ 131,252

ORANGEBURG COUNTY SCHOOL DISTRICT
SUMMARY SCHEDULE FOR OTHER SPECIAL REVENUE PROGRAMS
SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021

***Other Special Revenue Programs**

209	IDEA - SSIP
210	Title IV, SSAE
212	Extended Year ESY IDEA
217	CARES LEAP and ARC Funds
220	CARES Act
224	21st Century Community Learning Centers
225	ESSER II
234	School Improvement Grants
237	Title I School Improvement
238	Title I, School Improvement
239	Comprehensive Support & Improvement
251	Rural and Low-income Program (REAP)
264	English Second Language
267	Supporting Effective Instruction
801	Mapps Medicaid
803	Speech Medicaid
805	Nursing Medicaid
807	Army JROTC
808	Project MELT - Mellichamp
810	SC Child Cares
811	Stems Program - Clemson
813	District Miscellaneous
815	SCSBIT Risk Control Grant
816	Fy20 Fact Forward ARH - Teen Pregnant
817	SREB Grant
818	Gear Up
819	SC Farm To School
821	HSHP Miscellaneous
822	Minneapolis Foundation
825	DONATIONS
829	SC Council of Competitiveness
830	Rural Recruiting Incentive - Winthrop
832	Save the Children
838	Scana Homework Center Vpe
836	Fact Forward ARH
842	12 MONTH AGRICULTURAL ED
845	Bethune-Bowan Mohawk Mania
848	JAG - SC
850	Dick Horne/Irene Myers Foundation
852	Tourism Video Production
855	First Steps
860	Rural Development Grant
862	Miscellaneous - Operations
866	Technology ID Revenue
876	Digital Promise Global 1
877	Counseling Initiative
878	Savannah River Nuclear Grant
880	Profound Mentally Disable
882	Undefined O5
888	Msap Grant
890	Winthrop University - CERRA Proviso 1A.54
896	Technology Local Revenue

SPECIAL REVENUE FUND – EDUCATION IMPROVEMENT ACT (EIA)

Education Improvement Act. The purpose of these funds is to improve education by providing funds for specific strategies implemented by the Education Improvement Act of 1984, enacted by the South Carolina General Assembly.

ORANGEBURG COUNTY SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - EDUCATION IMPROVEMENT ACT
YEAR ENDED JUNE 30, 2021

	TOTAL
REVENUES:	
3000 Revenue from State Sources:	
3500 Education Improvement Act:	
3502 ADEPT	\$ 3,755
3518 Formative Assessment	122,008
3519 Grade 10 Assessment	48,102
3526 Refurbishment of K-8 Science Kits	11,405
3528 Industry Certificates	93,099
3529 Career and Technology Education	479,039
3532 National Board Salary Supplement (No Carryover Provision)	255,684
3533 Teacher of the Year Awards	1,077
3535 Reading Coaches	204,307
3538 Students at Risk of School Failure	1,632,307
3541 Child Development Education Pilot Program (CDEPP)	1,687,465
3550 Teacher Salary Increase (No Carryover Provision)	2,725,031
3555 School Employer Contributions (No Carryover Provision)	663,071
3557 Summer Reading Camp	47,637
3571 Technical Assistance - State Priority Schools	456,355
3577 Teacher Supplies (No Carryover Provision)	227,975
3594 EEDA - Supplemental Programs	168,535
3595 EEDA - Supplies & Materials - Career Awareness	14,246
3597 Aid to Districts	342,567
TOTAL REVENUE ALL SOURCES	9,183,665
EXPENDITURES:	
100 INSTRUCTION:	
110 General Instruction:	
111 Kindergarten Programs:	
200 Employee Benefits	77
112 Primary Programs:	
100 Salaries	144,854
200 Employee Benefits	62,490
300 Purchased Services	4,971
400 Supplies and Materials	153,702
113 Elementary Programs:	
100 Salaries	582,505
200 Employee Benefits	253,225
300 Purchased Services	31,628
400 Supplies and Materials	203,263
500 Capital Outlay	61,693
114 High School Programs:	
100 Salaries	458,381
200 Employee Benefits	165,359
400 Supplies and Materials	57,870
115 Career Technology Education Programs:	
100 Salaries	20,000
200 Employee Benefits	6,196
300 Purchased Services	89,749
400 Supplies and Materials	350,092
500 Capital Outlay	138,621
600 Other Objects	3,400
116 Career Technology Education (Vocational) Programs - Middle School:	
600 Other Objects	1,000

ORANGEBURG COUNTY SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - EDUCATION IMPROVEMENT ACT
YEAR ENDED JUNE 30, 2021

	TOTAL
EXPENDITURES (CONTINUED):	
100 INSTRUCTION (CONTINUED):	
124 Visually Handicapped:	
100 Salaries	\$ 7,500
200 Employee Benefits	2,325
126 Speech Handicapped:	
400 Supplies and Materials	550
127 Learning Disabilities:	
100 Salaries	7,712
200 Employee Benefits	2,311
128 Emotionally Handicapped:	
200 Employee Benefits	239
136 Preschool Handicapped Self-Contained (3- and 4-Yr. Olds):	
100 Salaries	1,580
140 Special Programs:	
141 Gifted and Talented Academic:	
100 Salaries	7,500
200 Employee Benefits	2,336
147 CDEP:	
100 Salaries	1,149,406
200 Employee Benefits	503,861
300 Purchased Services	7,759
400 Supplies and Materials	46,078
149 Other Special Programs:	
100 Salaries	158,590
200 Employee Benefits	57,549
400 Supplies and Materials	16,890
170 Summer School Programs:	
171 Primary Summer School:	
300 Purchased Services	10,000
400 Supplies and Materials	24,001
172 Elementary Summer School:	
400 Supplies and Materials	13,637
173 High School Summer School:	
100 Salaries	4,515
200 Employee Benefits	1,402
175 Instructional Programs Beyond Regular School Day:	
100 Salaries	13,200
200 Employee Benefits	3,829
300 Purchased Services	10,647
400 Supplies and Materials	77,973
180 Adult/Continuing Educational Programs:	
188 Parenting/Family Literacy:	
100 Salaries	5,871
200 Employee Benefits	9,306
400 Supplies and Materials	1,203
Total Expenditures, Excluding Capital Outlay	4,736,532
Total Capital Outlay	200,314
TOTAL INSTRUCTION	4,936,846

ORANGEBURG COUNTY SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - EDUCATION IMPROVEMENT ACT
YEAR ENDED JUNE 30, 2021

	TOTAL
EXPENDITURES (CONTINUED):	
200 SUPPORT SERVICES:	
210 Pupil Services:	
211 Attendance and Social Work Services:	
100 Salaries	\$ 118,691
200 Employee Benefits	55,559
400 Supplies and Materials	2,500
212 Guidance Services:	
100 Salaries	48,121
200 Employee Benefits	33,870
300 Purchased Services	2,700
400 Supplies and Materials	61,109
213 Health Services:	
100 Salaries	5,547
200 Employee Benefits	3,354
217 Career Specialist Services:	
100 Salaries	8,573
200 Employee Benefits	7,788
220 Instructional Staff Services:	
221 Improvement of Instruction - Curriculum Development:	
100 Salaries	226,476
200 Employee Benefits	84,544
300 Purchased Services	12,500
222 Library and Media Services:	
100 Salaries	22,500
200 Employee Benefits	6,943
400 Supplies and Materials	527
223 Supervision of Special Programs:	
100 Salaries	51
200 Employee Benefits	900
224 Improvement of Instruction Inservice and Staff Training:	
200 Employee Benefits	1,026
300 Purchased Services	134,999
400 Supplies and Materials	6,045
Total Expenditures, Excluding Capital Outlay	844,323
Total Capital Outlay	-
TOTAL SUPPORT SERVICES	844,323
400 OTHER CHARGES	
410 Intergovernmental Expenditures	
412-720 Payments to Other State Agencies	14,393
TOTAL EXPENDITURES	5,795,562
OTHER FINANCING SOURCES (USES):	
Interfund Transfers From (To) Other Funds:	
420 - 710 Transfer to General Fund	(3,388,103)
Excess (Deficiency) of Revenues over (under) Expenditures	-
FUND BALANCE, JULY 1, 2020	-
FUND BALANCE, JUNE 30, 2021	\$ -

ORANGEBURG COUNTY SCHOOL DISTRICT
SUMMARY SCHEDULE BY PROGRAM
EDUCATION IMPROVEMENT ACT
YEAR ENDED JUNE 30, 2021

PROGRAM	Revenues	Expenditures	EIA Interfund Transfers In/(Out)	Transfers In/(Out)	Unearned Revenue
3500 Education Improvement Act:					
3502 ADEPT	\$ 3,755	\$ 3,755	\$ -	\$ -	10,723
3518 Formative Assessment	122,008	122,008	-	-	16,412
3519 Grade 10 Assessment	48,102	48,102	-	-	30,290
3526 Refurbishment of K-8 Science Kits	11,405	11,405	-	-	43,784
3528 Industry Certificates	93,099	93,099	-	-	28,067
3529 Career and Technology Education	479,039	479,039	-	-	261,768
3532 National Board Salary Supplement (No Carryover Provision)	255,684	255,684	-	-	-
3533 Teacher of the Year Awards	1,077	1,077	-	-	-
3535 Reading Coaches	204,307	204,307	-	-	-
3538 Students at Risk of School Failure	1,632,307	1,632,307	-	-	123,295
3541 Child Development Education Program (CDEP)	1,687,465	1,687,465	-	-	1,074,338
3550 Teacher Salary Increase (No Carryover Provision)	2,725,031	-	-	(2,725,031)	-
3555 School Employer Contributions (No Carryover Provision)	663,071	-	-	(663,071)	-
3557 Summer Reading Camp	47,637	47,637	-	-	211,241
3571 Technical Assistance - State Priority Schools	456,355	456,355	-	-	455,763
3577 Teacher Supplies (No Carryover Provision)	227,975	227,975	-	-	-
3594 EEDA - Supplemental Programs	168,535	168,535	-	-	-
3595 EEDA - Supplies and Materials - Career Awareness	14,246	14,246	-	-	18,769
3597 Aid to Districts	342,567	342,567	-	-	320,008
TOTALS	\$ 9,183,665	\$ 5,795,563	\$ -	\$ (3,388,102)	\$ 2,594,458

SPECIAL REVENUE FUND – FOOD SERVICE

The food service fund records the financing, operation and maintenance of the Student Nutrition Services fund. The fund's purpose is to provide balanced nutritional meals to District students, some of which are free and reduced meals under the United States Department of Agriculture school breakfast and lunch programs.

ORANGEBURG COUNTY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOOD SERVICE FUND
YEAR ENDED JUNE 30, 2021

REVENUES

1000 Revenue from Local Sources

1500 Earnings on Investments:	
1510 Interest on Investments	\$ 6
1600 Food Service:	
1610 Lunch Sales to Pupils	540
1630 Special Sales to Pupils	29
1640 Lunch Sales to Adults	22,092
1650 Breakfast Sales to Adults	178
1660 Special Sales to Adults	2,901
1900 Other Revenue from Local Sources:	
1999 Revenue from Other Local Sources	7,276
Total Revenue from Local Sources	33,022

3000 Revenue from State Sources:

3900 Other State Revenue:	
3995 CRF Per Pupil Funding	397,535

4000 Revenue from Federal Sources:

4800 USDA Reimbursement:	
4810 School Lunch Program	3,852,727
4830 School Breakfast Program	2,368,362
4860 Fresh Fruit & Vegetable Program	207,624
4900 Other Federal Sources:	
4991 USDA Commodities	783,355
Total Revenue from Federal Sources	7,212,068
TOTAL REVENUE ALL SOURCES	7,642,625

EXPENDITURES

256 Food Services:	
100 Salaries	2,960,780
200 Employee Benefits	863,792
300 Purchased Services	98,815
400 Supplies and Materials	3,333,324
500 Capital Outlay	19,392
600 Other Objects	772
TOTAL SUPPORT SERVICES	7,276,875

OTHER FINANCING USES

Interfund Transfers (to) Other Funds:

432-791 Food Service Fund Indirect Costs	(300,000)
TOTAL OTHER FINANCING USES	(300,000)

Excess of Revenues over Expenditures and Other Financing (Uses) 65,750

FUND BALANCE, JULY 1, 2020 403,629

FUND BALANCE, JUNE 30, 2021 **\$ 469,379**

DEBT SERVICE FUND

The Debt Service Fund is used to record payments of interest and principal on long-term general obligation debt from tax proceeds and earnings on temporary investments.

ORANGEBURG COUNTY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2021

REVENUES

1000 Revenue from Local Sources

1100 Taxes:

1110 Ad Valorem Taxes - including Delinquent Taxes \$ 10,140,134

1140 Penalties and Interest on Taxes 116,590

1200 Revenue from Local Governmental Units Other than LEA's:

1280 Revenue in Lieu of Taxes (Dependent and Independent) 736,321

1500 Earnings on Investments:

1510 Interest on Investments 12,521

Total Local Sources 11,005,566

3000 Revenue from State Sources

3800 State Revenue in Lieu of Taxes:

3820 Homestead Exemption (Tier 2) 548,936

3830 Merchant's Inventory Tax 141,748

3840 Manufacturer's Depreciation Reimbursement 231,805

3890 Motor Carrier Vehicle Tax 245,261

Total State Sources 1,167,750

TOTAL REVENUE ALL SOURCES 12,173,316

EXPENDITURES

500 DEBT SERVICE

610 Redemption of Principal 9,294,000

620 Interest 1,539,836

690 Other Objects (includes Fees for Servicing Bonds) 138,002

Total Debt Service 10,971,838

TOTAL EXPENDITURES 10,971,838

OTHER FINANCING SOURCES (USES)

5110 Premium on Bonds Sold 33,480

Interfund Transfers, (to) Other Funds:

420 Transfer to General Fund (352,199)

424 Transfer to Capital Projects (4,002,297)

TOTAL OTHER FINANCING (USES) (4,321,016)

Deficiency of Revenues under Expenditures (3,119,538)

FUND BALANCE, JULY 1, 2020 7,556,083

FUND BALANCE, JUNE 30, 2021 \$ 4,436,545

CAPITAL PROJECTS FUND

The capital projects fund is used to record the proceeds from the sale of long-term general obligation bonds and other revenues used for facilities acquisition and construction. The fund balance is restricted for the completion of specific projects.

ORANGEBURG COUNTY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021

REVENUES

1000 Revenue from Local Sources

1900 Other Revenue from Local Sources:	
1993 Receipt of Insurance Proceeds	\$ 155,181

Total Local Sources	<u>155,181</u>
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TOTAL REVENUE ALL SOURCES	<u>155,181</u>
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EXPENDITURES

250 Finance and Operations

253 Facilities Acquisition and Construction:

300 Purchased Services	536,264
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400 Supplies and Materials	191,898
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500 Capital Outlay:

520 Construction Services	3,372,120
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540 Equipment	41,083
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550 Vehicles	4,185
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258 Security:

500 Capital Outlay	81,290
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260 Central Support Services

266 Technology and Data Processing Services:

400 Supplies and Materials	208,008
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500 Capital Outlay	<u>61,814</u>
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TOTAL CAPITAL OUTLAY	<u>4,496,662</u>
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TOTAL EXPENDITURES	<u>4,496,662</u>
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OTHER FINANCING SOURCES

Interfund Transfers, from Other Funds:

5240 Transfer from Debt Service	<u>4,002,297</u>
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TOTAL OTHER FINANCING SOURCES	<u>4,002,297</u>
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Deficiency of Revenues under Expenditures	(339,184)
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FUND BALANCE, JULY 1, 2020	<u>8,578,354</u>
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FUND BALANCE JUNE 30, 2021	<u><u>\$ 8,239,170</u></u>
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ORANGEBURG COUNTY SCHOOL DISTRICT
INSITE LOCATION RECONCILIATION SCHEDULE
YEAR ENDED JUNE 30, 2021

Location	Location Description	Education Level	Cost Type	Total Expenditures
000	District Office	Non-School	Central	\$ 53,975,857
007	STAR	Alternative School	School	870,793
010	Bethune-Bowman Middle High	High School	School	4,215,652
012	Bethune-Bowman Elementary	Elementary School	School	3,090,371
018	Holly Hill-Roberts Middle	Middle School	School	4,462,411
019	Holly Hill Elementary	Elementary School	School	4,509,608
021	St. James-Gaillard Elementary	Elementary School	School	2,829,673
022	Vance-Providence Elementary	Elementary School	School	2,834,474
024	Edisto High	High School	School	6,039,680
025	Carver Edisto Middle	Middle School	School	4,545,428
026	Edisto Primary	Elementary School	School	6,157,415
027	Robert E Howard Middle	Middle School	School	4,684,446
028	Orangeburg Wilkinson High	High School	School	9,139,947
034	Marshall Elementary	Elementary School	School	5,785,917
036	Brookdale Elementary	Elementary School	School	3,324,029
037	William J Clark Middle	Middle School	School	7,272,687
039	Sheridan Elementary	Elementary School	School	4,553,662
040	Whittaker Elementary	Elementary School	School	3,985,335
042	North Middle High	High School	School	3,575,370
044	Dover Elementary	Elementary School	School	3,397,842
047	Elloree Elementary	Elementary School	School	5,223,306
048	Lake Marion High	High School	School	8,952,751
049	Branchville High	High School	School	3,573,265
051	Lockett Elementary	Elementary School	School	2,794,550
053	Edisto Elementary	Elementary School	School	4,080,925
054	Hunter Kinard Tyler High	High School	School	3,423,762
055	Hunter Kinard Tyler Elementary	Elementary School	School	2,535,970
056	Rivelon Elementary	Elementary School	School	3,132,102
057	Mellichamp Elementary	Elementary School	School	3,018,918
601	High School for Health Profession	High School	School	291,086
995	Cope Area Career Center	Career Center	School	1,763,498
996	Orangeburg Consolidated School District Technology	Career Center	School	3,064,529
Total Expenditures/Disbursement for All Funds				<u><u>\$ 181,105,259</u></u>

RECONCILIATION OF PRIMARY GOVERNMENT EXPENDITURES TO THE FINANCIAL STATEMENTS

General Fund	\$ 120,819,502
Special Revenue Fund	31,778,300
Special Revenue EIA Fund	5,795,562
Special Revenue Food Service Fund	7,276,875
Debt Service Fund	10,938,358
Capital Projects Fund	4,496,662
Total Expenditures/Disbursements for All Funds	<u><u>\$ 181,105,259</u></u>

ORANGEBURG COUNTY SCHOOL DISTRICT
DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/FEDERAL
GOVERNMENT
JUNE 30, 2021

<u>Program</u>	<u>Project Number</u>	<u>Revenue/ Subfund Code</u>	<u>Description</u>	<u>Amount Due to State Department or Federal Government</u>
None				

COMPLIANCE SECTION

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

**To the Honorable Chairman and Members of the Board of Education
Orangeburg County School District
Orangeburg, South Carolina**

We have audited, 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, the financial statements of the governmental activities, the discretely presented component unit, and each major fund of the **Orangeburg County School District** (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 24, 2022. Our report includes a reference to other auditors who audited the financial statements of Orangeburg High School for Health Professions as described in our report on the District's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 District'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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001, 2021-002, and 2021-003, that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

The District's Responses to Findings

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Columbia, South Carolina
March 24, 2022



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

**To the Honorable Chairman and Members of the Board of Trustees
Orangeburg County School District
Orangeburg, South Carolina**

Report on Compliance for Each Major Federal Program

We have audited the **Orangeburg County School District's** (the "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 District's major federal programs for the year ended June 30, 2021. The 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.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the 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* (CFR) 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 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 qualified and unmodified opinions on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Basis for Qualified Opinion on Child Nutrition Cluster

As described in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding the Child Nutrition Cluster (Assistance Listing #10.553 and #10.555) as described in finding number 2021-004 for Cash Management. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

Qualified Opinion on Child Nutrition Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster (Assistance Listing #10.553 and #10.555) for the year ended June 30, 2021.

Unmodified Opinion on Other Major Federal Programs

In our opinion, the 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 other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2021-005. Our opinion on each major federal program is not modified with respect to these matters.

The District's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Management of the 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 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 District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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 a 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-004 to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-005 to be a significant deficiency.

The District's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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.

Mauldin & Jenkins, LLC

Columbia, South Carolina
March 24, 2022

ORANGEBURG COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

LEA Subfund Code	Federal Grantor/ Pass-through Grantor Program Title	Federal AL Number	Pass-through Grantor's Number	Total Expenditures
<u>U.S. DEPARTMENT OF EDUCATION</u>				
	Passed through S.C. Department of Education			
201	Title I	84.010	H63010100119	\$ 100,208
201	Title I	84.010	H63010100120	2,667,404
201	Title I Mini Grant	84.010	H63010100121	5,234,615
237	Title I Targeted School Improvement	84.010	H63010100120	103,354
237	Title I School Improvement Mini Grant	84.010	H63010100119	91,424
239	Title I Comprehensive School Improvement	84.010	H63010100120	130,908
239	Title I Comprehensive School Improvement	84.010	H63010100119	3,747
	Total for Title I			8,331,660
203	Individuals with Disabilities Education Act	84.027	H63010100921	2,468,347
204	Individuals with Disabilities Education Act	84.027	H63010100920	745,199
212	IDEA	84.027	ESY	9,093
205	Special Education - Preschool Grants	84.173	H63010100821	135,909
206	Special Education - Preschool Grants	84.173	H63010100820	13,805
	Total IDEA Cluster			3,372,353
	Passed Through SC Department of Education:			
208	Vocational Education-subprogram 03	84.048	H63010107120	192,776
207	Vocational Education-subprogram 01	84.048	H63010107121	159
207	Vocational Education-subprogram 02	84.048	H63010107121	28,427
207	Vocational Education-subprogram 03	84.048	H63010107121	32,938
207	Vocational Education-subprogram 04	84.048	H63010107121	25,828
207	Vocational Education-subprogram 06	84.048	H63010107121	13,700
207	Vocational Education-subprogram 11	84.048	H63010107121	1,401
207	Vocational Education-subprogram 15	84.048	H63010107121	6,373
224	21st Century	84.287	H63010006921	351,670
251	Title VI	84.358	H63010007019	15,561
251	Title VI	84.358	H63010007020	56,569
264	Title II - English Language Acquisition	84.365	H63010006719	4,195
264	Title II - English Language Acquisition	84.365	H63010006720	27,285
264	Title II - English Language Acquisition	84.365	H63010006721	6,450
267	Title II Part A Improving Teacher Quality	84.367	H63010006819	217,460
267	Title II Part A Improving Teacher Quality	84.367	H63010006820	666,155
267	Title II Part A Improving Teacher Quality	84.367	H63010006821	448,729
210	Title IV - Student Support and Academic Enrichment	84.424	H53010100319	231,221
210	Title IV - Student Support and Academic Enrichment	84.424	H53010100320	504,410
210	Title IV - Student Support and Academic Enrichment	84.424	H53010100321	289,006
220	SC Cares (COVID-19 Emergency Funding)	84.425D	H63010497520	3,241,677
225	ESSER II - COVID-19	84.425D	H63010497522	4,194,371
	Direct Programs:			
800	Smithsonian Institute	84.411C	N/A	3,548
	Total U.S. Department of Education			22,263,922
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
	Non-cash Assistance:			
	Commodities	10.555	N/A	783,355
	Passed Through SC Department of Education:			
600,680	School breakfast program	10.553	H63010103221	2,368,362
600,680	School lunch program	10.555	H63010103221	3,852,727
	Total for Child Nutrition Cluster			7,004,444
605	Fresh Fruits and Vegetables	10.582	N/A	207,624
	Total U.S. Department of Agriculture			7,212,068

ORANGEBURG COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

<u>LEA Subfund Code</u>	<u>Federal Grantor/ Pass-through Grantor Program Title</u>	<u>Federal AL Number</u>	<u>Pass-through Grantor's Number</u>	<u>Total Expenditures</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
<u>Direct Programs:</u>				
800	Teen Pregnancy Prevention Program	93.297	N/A	\$ 23,308
<u>U.S. DEPARTMENT OF DEFENSE</u>				
<u>Direct Programs</u>				
	U.S. Department of Defense - ROTC	12.000	N/A	269,400
TOTAL EXPENDITURE OF FEDERAL AWARDS				\$ 29,768,698

Notes

- (1) **Basis of Presentation**
The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Orangeburg County School District (the "District") under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) 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 District, it is not intended to and does not present the financial position, change in net position, or cash flows of the District.
- (2) **Summary of Significant Accounting Policies**
Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in 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) The District has a restricted indirect cost rate that is used for its federal programs and did not use the 10% de Minimis indirect cost rate allowed under the Uniform Guidance and covered in 2 CFR Part 200.414.

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

I. Summary of Auditor's Results:

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes

Significant deficiency(ies) identified? None Reported

Noncompliance material to the financial statements noted? No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? Yes

Significant deficiency(ies) identified? Yes

Type of auditor's report issued on compliance for major Federal programs:

<i>Federal Agency and Name of Major Program</i>	<i>Type of Opinion on Major Program</i>
Dept of Agriculture, Child Nutrition Cluster	Qualified
Dept of Education, Special Education Cluster	Unmodified
Dept of Education, Title 1	Unmodified
Dept of Education, ESSER	Unmodified
Dept of Education, Title IV	Unmodified
Dept of Education, Title II	Unmodified

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

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027, 84.173	Dept of Education, IDEA Cluster
10.553, 10.555	Dept of Agriculture, Child Nutrition Cluster
84.010	Dept of Education, Title 1
84.425D	Dept of Education, ESSER
84.424	Dept of Education, Title IV
84.367	Dept of Education, Title II Part A

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

I. Summary of Auditor's Results (Continued):

Dollar threshold used to distinguish between Type A and Type B programs	\$ 893,061
Audited qualified as a low risk auditee	No

II. Financial Statement Findings and Responses:

2021-001. Restatement of Prior Year Balances

Criteria: Internal controls should be in place to ensure that financial statements properly present the financial position and results of operations of the District.

Condition: Internal controls were not sufficient to timely detect certain material misstatements in the District's financial statements for the fiscal year ended June 30, 2020.

Context/Cause: The fiscal year ended June 30, 2020, was the first year for the District to report as a consolidated, countywide school district, combining the operations and financial balances of three (3) previous school districts in Orangeburg County. As a part of this consolidation process, errors and a lack of information/documentation led to the auditors expressing a qualified opinion on the District's governmental activities as of June 30, 2020, due to the capital asset balances being unavailable as of June 30, 2020, and thus the District reported these balances as of June 30, 2019. Subsequent to the issuance of the June 30, 2020 audit report, the District undertook a comprehensive process to identify all capital assets as of June 30, 2020, so that a consolidated listing of all District capital assets could be created and rolled-forward each year.

Effects: As a result of the process to identify the District's capital assets balances as of June 30, 2020, a restatement to the beginning balance of the District's governmental activities net position in the amount of \$15,847,740 was necessary to properly report the capital asset balances that should have been reflected in the District's June 30, 2020 financial statements.

Recommendation: We recommend the District carefully review the financial statements and the applicable reporting requirements under generally accepted accounting principles (GAAP) to ensure that all information and financial data is being properly reported.

Auditee's Response: As noted in the finding, this was a unique issue due to the consolidation process that the District undertook during the fiscal year ended June 30, 2020. We will continue to make improvements in our financial reporting process to ensure the District's financial statements include all information and financial data is properly reported in accordance with GAAP.

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

II. Financial Statement Findings and Responses (Continued):

2021-002. Financial Closeout and Reporting

Criteria: Internal controls should be in place to ensure the District and their external accountants perform timely and accurate financial closeout procedures in order for the District to produce its monthly and annual financial statements.

Condition: Internal controls were not sufficient to detect certain misstatements in the District's year-end balances that were submitted for audit.

Context/Cause: During the course of our testing, audit adjustments were required to correct year-end balances of the District due to errors incurred and procedures not being performed during the financial closeout process. The nature of these errors and the magnitude of the audit adjustments required are as follows:

- Management of the District did not make the necessary entries to record revenue, expenditures, receivables, and payables and as such, audit adjustments totaling \$2,218,746 were required to correct taxes, due to/from other funds, transfers, expenditures and payroll liabilities in the General Fund.
- Management of the District did not make the necessary entries to record revenue, receivables, due to/from and fund balance on various programs in the Special Projects Fund and as such, audit adjustments totaling \$1,207,904 were required to adjust those accounts.
- Management of the District did not make the necessary entries to record expenditures in the Education Improvement Act Fund and as such, audit adjustments totaling \$204,307 were required to adjust the expenditures and due to/from the General Fund.
- Management of the District did not make the necessary entries to record the debt and taxes in the Debt Service Fund and as such, audit adjustments totaling \$45,894,518 were required to adjust the short-term debt, county taxes, transfers, interest and principal payments, and bond proceeds.
- Management of the District did not make the necessary entries to record the retainage, fund balance capital expenditures in a fund with enough revenues or fund balance to cover the costs and as such, audit adjustments totaling \$15,585,005 were required to adjust those accounts.
- Management of the District did not make the necessary entries to net assets, inventory and record revenue and as such, audit adjustments totaling \$2,010,790 were required to adjust the receivables and revenue in the School Food Service Fund.

Effects: Audit adjustments totaling approximately \$66,721,270 were required to correctly report current year balances in accordance with generally accepted accounting principles (GAAP).

Recommendation: We recommend the District carefully review these year-end adjustments and all relevant closeout procedures to ensure all transactions are reported in the proper period and in accordance with GAAP.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure all amounts are properly recorded in accordance with GAAP.

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

II. Financial Statement Findings and Responses (Continued):

2021-003. Internal Controls over the Procurement Process

Criteria: The District has adopted a formal Procurement Policy in accordance with applicable laws and regulations in the State of South Carolina. The Procurement Policy specifies all steps that must be taken throughout the procurement process, regardless of the type of procurement. In the event, however, that the District identifies a vendor that already has a pre-approved contract with the State Department of Education (SDE), the District does not have to go through all procurement steps and can utilize the vendor that has already been approved and provided with the statewide contract from SDE.

Condition: The District elected to purchase media equipment to outfit classrooms for the virtual learning environment from a vendor with an approved statewide contract. However, the purchases were not made from that vendor as a third party was used to make the purchases on the District's behalf.

Context/Cause: A former District employee created a fictitious company to handle these purchases on behalf of the District. As a result, the District was not in compliance with its purchasing policy and internal controls were not able to identify the issue until the vendor with the approved state contract informed the District that it had not been paid for purchases made on the District's behalf.

Effects: The former District employee was placed on administrative leave when the irregularities were identified and ultimately, after a federal investigation, plead guilty of defrauding the District of approximately \$550,000. The District's internal controls did not identify that the process for using a preapproved state contract had been circumvented and that a third party vendor was being paid instead of the vendor approved by SDE. Additionally, these were federal dollars misused in the theft and the District has reported a claim payable liability for the potential repayment to the grantor.

Recommendation: We recommend the District carefully review its internal controls and procedures over selecting statewide contracts to make purchases on behalf of the District. Procedures to be implemented should include checks to ensure the vendor being paid is the proper vendor approved by SDE.

Auditee's Response: We concur with the finding. Internal controls and procedures have been implemented to ensure the utilization of state contracted vendors. We are providing additional training to staff on procurement policies and procedures.

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

III. Federal Awards Findings and Questioned Costs:

2021-004. Cash Management Requirements Related to U.S. Department of Agriculture, Child Nutrition Cluster (Assistance Listing #10.553 and #10.555)

Criteria: The Child Nutrition Cluster provides the District with funding to operate its school breakfast, lunch, and snack programs. Each month, the District prepares reports showing the number of meals and snacks served at all locations and based on the predetermined reimbursement rate, is paid by the South Carolina Department of Education for those meals based on the number served. The District is required to maintain records that support the number of meals served and claimed for reimbursement.

Condition: The District did not maintain proper documentation to support the number of meals claimed and reimbursed by the State Department of Education.

Context/Cause: Throughout the 2020-2021 school year, the District was operating under a dramatically different feeding program as a result of the pandemic caused by the COVID-19 coronavirus. Due to the unique circumstances that persisted throughout the year, the District was unable to adapt and change its recordkeeping process related to meals served and thus when it came time for audit, the District was unable to locate the records supporting meal counts at various District locations throughout the year.

Effect: The District was unable to support the meal counts used in requesting reimbursement during the fiscal year ended June 30, 2021.

Questioned Costs: From the testing that we performed, we identified \$187,792 of questioned costs where the District claimed reimbursement for more meals than the District had records to support. Extrapolating this error to the population using the error rates in our sample, we project approximately \$629,400 of likely questioned costs where the District claimed reimbursement for more meals than the District has records to support.

Recommendation: We recommend the District review its procedures for calculating accurate meal counts to request reimbursement from the State Department of Education under its school nutrition program. Furthermore, we recommend the District review its procedures for determining that proper records have been maintained to support the meal counts and that these records are appropriately stored and available for review and/or audit.

Auditee's Response: We concur with the finding. Procedures have been put in place to have each cafeteria manager and cashier prepare "special" daily audit reports with proper back up for the auditors. The daily audit sheets will contain a copy of the production records, roster, or printout of the Consolidated Sales Report from the Point of Sale. These audit sheets will be stored separately from their day-to-day operation sheets for each access for review/audit.

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

III. Federal Awards Findings and Questioned Costs (Continued):

2021-005. Procurement Requirements Related to U.S. Department of Agriculture, Child Nutrition Cluster (Assistance Listing #10.553 and 10.555) and U.S. Department of Education, Special Education Cluster (Assistance Listing #84.027 and #84.173)

Criteria: Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), states that non-Federal entities are prohibited from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred.

Condition: During our testing of procurement, suspension, and debarment related to the above two (2) major federal programs, we noted the District did not retain documentation to support its check of the excluded parties list system to ensure the District was not entering into covered transactions with parties who had been suspended or debarred.

Effect: Not performing a verification check for covered transactions, by using the System for Award Management website (SAM.gov) and retaining the results of that search has caused the District to not be in compliance with requirements of its federal award programs.

Cause: The District was not aware of the requirement to maintain this written documentation and therefore was unable to show that the vendors had been tested prior to awarding the contract; however, during our testing of the transactions, we noted no parties with whom the District contracted under the above two (2) programs that were included on the excluded parties listing and thus there are no questioned costs to report.

Recommendation: Finance and management should be familiar with all aspects of the Procurement Policy and ensure that it has been followed for all non-exempt purchases made by the District.

Auditee's Response: We concur with the finding. We will continue to use SAM.gov and maintain appropriate documentation for Federal and Bid Solicitations. The debarment and suspension statement were added to our signature page on bids and contracts. SAM.gov certification statement has been added on purchase orders.

ORANGEBURG COUNTY SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2021

2020-001. Compliance with Act No. 23 of 2017

Criteria: Act No. 23 of 2017 requires all School Districts in the State of South Carolina to maintain unrestricted fund balance in the General Fund of at least one month of General Fund operating expenditures as calculated using the year then ended's operating expenditures and the average of the year then ended and the previous year's expenditures.

Condition: The District's unrestricted fund balance in the General Fund as of June 30, 2020, was \$7,126,478. The required reserve based on 8.33% of the year ended June 30, 2020's operating General Fund expenditures was \$10,744,780 and the required reserve based on 8.33% of the average of the June 30, 2020 and 2019's General Fund operating expenditures was \$10,486,238. As a result, the District is not in compliance with State law.

Effect: The District is not in compliance with the requirements established by Act No. 23 of 2017.

Status: Resolved

2020-002. Material Audit Adjustments

Criteria: The District should present a trial balance to the auditor that does not require any audit adjustments that would have a material effect on the financial statements.

Condition: Several significant audit adjustments which affected the General Fund, Special Revenue Fund, Food Service Fund, Debt Service Fund, and Capital Projects Fund (Governmental Funds) were proposed and posted to the District's general ledgers to correct material misstatements. It is believed that there is more than a remote likelihood that these errors would not have been detected and corrected by the District's internal control prior to issuance of the District's financial statements.

Effect: Without the proposed audit adjustments, the District's financial statements would have been materially misstated as of and for the year ended June 30, 2020.

Status: Unresolved See 2021-002

2020-003. Maintaining the General Ledger

Criteria: The District should capture and properly record all of its financial activity in the general ledger system by fund and reconcile monthly to bank and other reconciliations in order to generate financial data for reporting and facilitate Board decisions.

Condition: The District did not import the correct beginning balances from the former three districts into their system. Many receipts of prior year receivables were recorded in current year revenues. Payroll withholdings carried from the prior year were not reconciled to payment. Some bank accounts were not reconciled until after year end. In September 2020, the District issued a request for proposals for consulting services to assist correcting and recording these issues and a firm was subsequently hired. A closed out trial balance was presented for audit on January 7, 2021, that still contained an unidentified balance of \$1,663,617.28 resulting from adjusting beginning balances and payment/receipt of payables/receivables. We also noted several expenditure accounts carried a credit balance due to a reversing entry being made to an improper account; some expenditure accounts had the function as 000 and several account numbers used were not in the SC Department of Education's listings causing issues with proper reporting; several Pupil Activity Funds did not have a fund name which required determining their true classifications.

ORANGEBURG COUNTY SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2021

2020-003. Maintaining the General Ledger (Continued)

Effect: The general ledger did not capture and properly record the financial data of the District.

Status: Resolved

2020-004. Capital Assets

Criteria: A complete capital assets listing should be maintained by the District of all capital assets owned meeting the \$5,000 capitalization threshold and should be included in the financial statements of the District at their original cost (or estimated historical value if cost is not available) at the time acquired. These capital assets should be depreciated as applicable over their respective lives.

Condition: The District's detailed schedule of capital assets and related accumulated depreciation as of July 1, 2019, did not agree to the ending balances from the former three districts. Therefore, 2020 fiscal year transactions could not be recorded and June 30, 2020 balances could not be determined.

Effect: The government-wide financial statements do not include all capital asset information as of and for the year ended June 30, 2020. The combined June 30, 2019 balances for capital assets are recorded in the financial statements.

Status: A prior period adjustment was required (2021-001); no issues were noted with regard to capital assets as of June 30, 2021.

2020-005. Payroll Withholdings and Related Expenditures

Criteria: Each pay period, a payroll journal is generated and recorded in the general ledger with the District's portion of expenditures and employees' withholdings to result in the net payment to employees. As payment for the benefits are made to various vendors, the withholding accounts are cleared of the liability.

Condition: We noted large balances remaining in the payroll withholding accounts from posting the payments to vendors. One cause was a portion of the District's expenditures was being recorded in the payroll liability account rather than the proper expenditure accounts. We further noted the payments to vendors for various benefits were in excess of the amounts being generated by the payroll journals. Therefore, benefits are being paid that are neither charged to the District's expenditures as its portion of the cost nor withheld from the employees' paychecks. The result is an accumulation of payments to vendors in the withholding accounts not allocated to expenditures or cleared by withholdings.

Effect: The cost of benefits is not being properly allocated to the employees or the District.

Status: Resolved

**ORANGEBURG COUNTY SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2021**

2020-006. Pupil Activity Funds

Criteria: Funds collected for Pupil Activities should be receipted and timely turned over to the school office for deposit and recording. Disbursements of the funds for related Pupil Activity should be by District check in accordance with the District's policies so it may be captured into the financial system and properly documented.

Condition: During our testing of receipts and disbursements of Pupil Activity Funds, we noted the Star Center had receipts to students for collections but no funds were turned over to the District for deposit. The District staff collecting the funds made payments in cash for activity expenditures. No documentation of these disbursements were retained.

Effect: The collections were not properly deposited or recorded and cash disbursements were not documented or recorded.

Status: Resolved



MANAGEMENT'S CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2021

2021-001 Restatement of Prior Year Balances

Contact Person Responsible for the Corrective Action Plan: Gail Sanders, Assistant Superintendent for Finance and Dedra Felder, Finance Director

Corrective Action Plan: As noted in the finding, this was a unique issue due to the consolidation process that the District undertook during the fiscal year ended June 30, 2020. We will continue to make improvements in our financial reporting process to ensure the District's financial statements include all information and financial data is properly reported in accordance with GAAP.

Anticipated Completion Date: June 30, 2022

2021-002 Financial Closeout and Reporting

Contact Person Responsible for the Corrective Action Plan: Gail Sanders, Assistant Superintendent for Finance and Dedra Felder, Finance Director

Corrective Action Plan: We will take required steps in the future to ensure all funds are properly recorded in accordance with GAAP. We will ensure that the necessary entries are recorded for revenue, expenditures, payables, and receivables. Additional staff is in place to ensure that internal controls are followed.

Anticipated Completion Date: June 30, 2022

2021-003 Internal Controls Over the Procurement Process

Contact Person Responsible for the Corrective Action Plan: Greg Twitty, Procurement Coordinator

Corrective Action Plan: Internal controls and procedures have been implemented to ensure the utilization of state contracted vendors. We are providing additional training to staff on procurement policies and procedures.

Anticipated Completion Date: June 30, 2022



2021-004 Cash Management Requirements Related to U.S. Department of Agriculture, Child Nutrition Cluster (Assistance Listing #10.553 and #10.555)

Contact Person Responsible for the Corrective Action Plan: Angela Robinson, Coordinator of Food and Nutrition Services

Corrective Action Plan: Procedures have been put in place to have each cafeteria manager and cashier prepare “special” daily audit reports with proper back up for the auditors. The daily audit sheets will contain a copy of the production records, roster, or printout of the Consolidated Sales Report from the Point of Sale. These audit sheets will be stored separately from their day-to-day operation sheets for easy access for review/audit.

Anticipated Completion Date: June 30, 2022

2021-005 Procurement Requirements Related to U.S. Department of Agriculture, Child Nutrition Cluster (Assistance Listing #10.553 and 10.555) and U.S. Department of Education, Special Education Cluster (Assistance Listing #84.027 and #84.173)

Contact Person Responsible for the Corrective Action Plan: Greg Twitty, Procurement Coordinator

Corrective Action Plan: We will continue to use SAM.gov and maintain appropriate documentation for Federal and Bid Solicitations. The debarment and suspension statement were added to our signature page on bids and contracts. SAM.gov certification statement has been added on the purchase orders.

Anticipated Completion Date: June 30, 2022