

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2019**

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA**

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Orangeburg County Consolidated School District Three
Holly Hill, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of Orangeburg County Consolidated School District Three, as of and for the year ended June 30, 2019, 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 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.

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INDEPENDENT AUDITOR'S REPORT

(continued)

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activity, each major fund, and the aggregate remaining fund information of Orangeburg County Consolidated School District Three, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of the District's proportionate share of the net pension liability – SCRS and PORS, the District's contributions – SCRS and PORS, the District's proportionate share of the net OPEB liability – SCRHITF/SCLTDITF and the District's contributions – SCRHITF/SCLTDITF on pages 4–12 and 64–69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Orangeburg County Consolidated School District Three's basic financial statements. The combining and individual fund financial schedules and other schedules required by the SC Department of Education are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

INDEPENDENT AUDITOR'S REPORT

(continued)

The combining and individual fund financial schedules, other schedules required by the SC Department of Education, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial schedules, other schedules required by the SC Department of Education, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2019, on our consideration of Orangeburg County Consolidated School District Three's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Orangeburg County Consolidated School District Three'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 Orangeburg County Consolidated School District Three's internal control over financial reporting and compliance.

McGregor + Company LLP

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

The discussion and analysis of Orangeburg County Consolidated School District Three's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

From Government-Wide Statements:

- Unrestricted governmental activities net position (deficit) at June 30, 2019, was \$(62,902,800). This balance at June 30, 2018 was restated to \$(62,237,227) for the County's adjustment of prior year tax revenue. This represents a \$665,573 decrease in unrestricted net position over the prior year.
- The Food Service Fund had an unrestricted net position (deficit) of \$(1,244,217) at June 30, 2019, as compared to unrestricted net position of \$(1,194,174) at June 30, 2018.

From Fund Financial Statements:

- The fund balance for the General Fund at June 30, 2019, was \$3,394,595 or 12.3% of 2018-2019 General Fund expenditures.
- The fund balance for the School Building Fund at June 30, 2019, was \$313,342.
- The change in net position for the School Food Service Funds for the year ended June 30, 2019, was \$(50,043) after depreciation of \$9,822.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on page 13 and 14) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 15. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the District as a Whole

Our analysis of the District as a whole begins on page 7. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows, liabilities, and deferred inflows using the accrual basis of accounting, which is similar to the accounting used by most private-sector

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position (deficit) and changes in them. You can think of the District's net position—the difference between assets/deferred outflows and liabilities/deferred inflows—as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the District's property tax base and the level of funding from the State of South Carolina, to assess the overall health of the District.

In the Statement of Net Position and the Statement of Activities, we divide the District into two kinds of activities:

Governmental activities – Most of the District's basic services are reported here, including instruction, support services, community services, and payments to other governmental units. Property taxes, state education funds, and state and federal grants finance most of these activities.

Business-type activity – The District charges students and teachers a fee for meals served to cover the cost of providing those services. The major source of revenue for the food service program is meal reimbursements from the United States Department of Agriculture (USDA).

Reporting the District's Most Significant Funds

Our analysis of the District's major funds begins on page 9. The fund financial statements begin on page 15 and provide detailed information about the most significant funds—not the District as a whole. The District's Board of Trustees and/or the South Carolina Department of Education establish many funds to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from the U.S. Department of Education and the State Education Improvement Act). The District's two kinds of funds – governmental and proprietary – use different accounting approaches.

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

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

Proprietary funds – When the District charges customers for the services it provides, these services are generally reported in proprietary funds. The only proprietary fund operated by the District is the school food service fund. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the District's food service fund is the same as the business-type activities we report in the government-wide statements but provides more detail and additional information, such as cash flows, for the proprietary fund.

The District as Trustee

The District is the trustee, or fiduciary, of pupil activity funds. The District's fiduciary activities are reported in the separate Statement of Fiduciary Assets and Liabilities on page 22. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. The District adopts an annual expenditure budget for the General Fund. A budgetary comparison schedule has been provided for the General Fund as required supplementary information and can be found on page 64 of this report.

The District also reports as required supplementary information ten year historical information related to the District's proportionate share of the net pension liability and net OPEB liability and required schedules of the District's contributions to the South Carolina Retirement System and the Police Officers' Retirement System, and the District's contribution to the South Carolina Health Insurance Trust Fund and South Carolina Long-Term Disability Insurance Trust Fund. These schedules can be found on pages 65 through 68 of this report.

In addition, the District is required to comply with the reporting requirements of the U.S. Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). In complying, the District presents this supplementary information in the Schedule of Expenditures of Federal Awards and related notes, reports and schedules in accordance with the Uniform Guidance.

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

The School District as a Whole

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows exceeded assets and deferred outflows by \$29,608,911 as of June 30, 2019.

A large portion of the District's net position reflects its recognition of the allocated percentage of the collective net pension and net OPEB liabilities and related deferred outflows and inflows of each.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition of capital assets, the depreciation of capital assets, and the reporting of liabilities, deferred outflows, and deferred inflows related to pensions and OPEB.

Net Position

The following provides a summary of the School District's net position for June 30, 2019, and June 30, 2018.

	(Amounts expressed in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current assets	\$ 9,918	\$ 14,738	\$ 225	\$ 134	\$ 10,143	\$ 14,872
Capital assets, net	<u>46,590</u>	<u>46,588</u>	<u>80</u>	<u>90</u>	<u>46,670</u>	<u>46,678</u>
Total assets	<u>56,508</u>	<u>61,326</u>	<u>305</u>	<u>224</u>	<u>56,813</u>	<u>61,550</u>
Deferred outflows	<u>6,445</u>	<u>7,268</u>	<u>125</u>	<u>108</u>	<u>6,570</u>	<u>7,376</u>
Current liabilities	4,718	10,356	24	14	4,742	10,370
Noncurrent liabilities	<u>78,075</u>	<u>83,341</u>	<u>1,446</u>	<u>1,397</u>	<u>79,521</u>	<u>84,738</u>
Total liabilities	<u>82,793</u>	<u>93,697</u>	<u>1,470</u>	<u>1,411</u>	<u>84,263</u>	<u>95,108</u>
Deferred inflows	<u>8,525</u>	<u>5,208</u>	<u>204</u>	<u>115</u>	<u>8,729</u>	<u>5,323</u>
Net position:						
Net investment in						
capital assets	32,933	28,823	80	90	33,013	28,913
Restricted	1,605	3,198	-	-	1,605	3,198
Unrestricted	<u>(62,903)</u>	<u>(62,332)</u>	<u>(1,324)</u>	<u>(1,284)</u>	<u>(64,227)</u>	<u>(63,616)</u>
Total net position (deficit)	<u><u>\$ (28,365)</u></u>	<u><u>(30,311)</u></u>	<u><u>\$ (1,244)</u></u>	<u><u>(1,194)</u></u>	<u><u>\$ (29,609)</u></u>	<u><u>(31,505)</u></u>
Restatement		<u>(94)</u>		<u>-</u>		<u>(94)</u>
Total net position (deficit) as restated for 2018		<u><u>\$ (30,405)</u></u>		<u><u>\$ (1,194)</u></u>		<u><u>\$ (31,599)</u></u>

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

The following are significant current-year transactions that have had an impact on the Statement of Net Position:

- Depreciation expense was recorded in the amount of \$1,733,975.
- Additions to capital assets totaling \$1,748,600.
- Change in net pension liability and related deferred inflows and outflows of \$808,525.
- Change in net OPEB liability and related deferred inflows and outflows of \$(19,323).
- Principal payments of \$3,931,531 on long-term general obligation bonds and lease purchase and amortization expense of \$168,024 on bond premiums.

Statement of Activities

The following table shows the changes in net position (deficit) for the years ended June 30, 2019, and June 30, 2018.

	(Amounts expressed in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues:						
Charges for services	\$ -	\$ 14	\$ 68	\$ 59	\$ 68	\$ 73
Operating grants and contributions	20,974	19,073	1,901	1,850	22,875	20,923
General Revenue:						
Property taxes	13,816	14,126	-	-	13,816	14,126
Investment income	149	118	-	-	149	118
Unrestricted grants and contributions	4,388	4,265	-	-	4,388	4,265
Miscellaneous	98	78	-	-	98	78
Gain on sale of assets	187	-	-	-	187	-
Extraordinary Item:						
Fire-insurance proceeds in excess of depreciated value of asset	-	459	-	-	-	459
Total Revenues and Extraordinary Item	<u>39,612</u>	<u>38,133</u>	<u>1,969</u>	<u>1,909</u>	<u>41,581</u>	<u>40,042</u>
Expenses						
Instruction	17,894	19,059	-	-	17,894	19,059
Support services	19,106	18,683	-	-	19,106	18,683
Intergovernmental	181	66	-	-	181	66
Interest on long-term debt	422	552	-	-	422	552
Food services	-	-	1,987	2,342	1,987	2,342
Total Expenses	<u>37,603</u>	<u>38,360</u>	<u>1,987</u>	<u>2,342</u>	<u>39,590</u>	<u>40,702</u>
Transfers	<u>32</u>	-	<u>(32)</u>	-	-	-
Change in Net Position (Deficit)	<u>\$ 2,041</u>	<u>\$ (227)</u>	<u>\$ (50)</u>	<u>\$ (433)</u>	<u>\$ 1,991</u>	<u>\$ (660)</u>

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

Net Cost of Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows the total cost of these services and the net cost of services. That is, it identifies the costs of these services supported by tax revenue, unrestricted state entitlements and other unrestricted income.

	(In Thousands)	
	Total Cost of Services	Net Cost of services
	<u>June 30, 2019</u>	<u>June 30, 2019</u>
Governmental Activities:		
Instruction	\$ 17,894	\$ (3,872)
Support Services	19,106	(12,209)
Intergovernmental	181	(126)
Interest and Other Charges	<u>422</u>	<u>(422)</u>
Total	<u>\$ 37,603</u>	<u>\$(16,629)</u>

The Business-type activity had expenses totaling \$1,987 thousand. These expenses were financed by \$1,969 thousand in program revenues. The net cost of food service activities was \$(18) thousand.

THE DISTRICT'S FUNDS

Financial Analysis of the District's Funds

As the District completed the year, its governmental funds (as presented in the balance sheet on page 15) reported a combined fund balance of \$4,884,699, which is \$3,239,739 less than last year's total. Approximately 69% of this total (\$3,394,595) constitutes unassigned fund balance, which is available for spending at the School District's discretion. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it has already been committed to (1) payment of debt service (\$1,176,762) and (2) capital projects in the School Building Fund (\$313,342).

Fund Balance in the General Fund at June 30, 2019, was \$3,394,595, a decrease of \$1,633,434 from June 30, 2018.

Fund Balance in the School Building Fund at June 30, 2019, was \$313,342, a decrease of \$1,769,306 from June 30, 2018.

Fund Balance in the Debt Service Fund at June 30, 2019, was \$1,176,762, an increase of \$163,001.

The fund balance available for special uses can be directed by the District for use in capital improvements, certain General Fund lease obligation payments, and/or general obligation bond debt retirements. The amount exclusively for debt services is controlled by the Orangeburg County, SC, Treasurer and may only be used for the principal, interest, fees, and other expenditures related to general obligation bonds.

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

The Special Revenue Grants and EIA funds show a zero fund balance and a zero change for the year. This is because revenue is earned in the individual funds of these types only as it is spent. Approximately \$275,954 of collections at June 30, 2019, were not spent during the year. This amount is reported as "Unearned Revenue."

General Fund Budgetary Highlights

The District's General Fund final budget for 2018-2019 anticipated a \$2,093,214 use of fund balance. The District's actual deficit of revenues over expenditures for 2018-2019 was \$1,633,434.

General Fund Revenues:

The following table summarizes the actual and budgeted revenues of the governmental funds by fund type for the year ended June 30, 2019.

	(In Thousands)		
	<u>Actual</u>	<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
General Fund:			
Local Sources	\$ 9,839	\$ 9,822	\$ 17
State Sources	<u>14,965</u>	<u>14,565</u>	<u>400</u>
Total	<u><u>\$ 24,804</u></u>	<u><u>\$ 24,387</u></u>	<u><u>\$ 417</u></u>

General Fund Expenditures:

The budget presentation presents the expenditures summarized at the functional level (instruction, support services, etc.) for the year ended June 30, 2019.

	(In Thousands)		
	<u>Actual</u>	<u>Final Budget</u>	<u>Variance Favorable (Unfavorable)</u>
General Fund:			
Instruction	\$ 13,786	\$ 13,857	\$ 71
Support Services	13,207	13,531	324
Community Services	-	1	1
Intergovernmental	126	8	(118)
Capital Outlay	<u>415</u>	<u>571</u>	<u>156</u>
Total	<u><u>\$ 27,534</u></u>	<u><u>\$ 27,968</u></u>	<u><u>\$ 434</u></u>

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2019, the District had \$78,314,793 invested in a broad range of capital assets, including land, buildings, and equipment.

The following table shows the estimated cost of capital assets at June 30, 2019, and June 30, 2018.

	(Amounts Expressed in Thousands)					
	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Activities</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 412	\$ 435	\$ -	\$ -	\$ 412	\$ 435
Construction in process	1,256	-	-	-	1,256	-
Land improvements	1,279	1,271	-	-	1,279	1,271
Buildings	71,705	71,753	-	-	71,705	71,753
Machinery & Equipment	<u>2,851</u>	<u>2,366</u>	<u>812</u>	<u>812</u>	<u>3,663</u>	<u>3,178</u>
Total	<u>\$77,503</u>	<u>\$75,825</u>	<u>\$ 812</u>	<u>\$ 812</u>	<u>\$78,315</u>	<u>\$76,637</u>

The following table presents the capital assets at June 30, 2019, net of depreciation:

	(In Thousands)		<u>Total</u>
	<u>Governmental</u>	<u>Business-Type</u>	
	<u>Activities</u>	<u>Activities</u>	
Land	\$ 412	\$ -	\$ 412
Construction in process	1,256	-	1,256
Land improvements	115	-	115
Buildings	43,901	-	43,901
Machinery & Equipment	<u>906</u>	<u>80</u>	<u>986</u>
Total	<u>\$46,590</u>	<u>\$ 80</u>	<u>\$46,670</u>

More detailed information about the District's capital assets is presented in Note 5 to the financial statements.

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

Debt Administration

At year-end, the District had \$13,786,367 in general obligation bonds and unamortized premiums with \$2,833,024 due within one year. Following is a summary of debt outstanding at June 30, 2019, and June 30, 2018:

	Outstanding Debt	
	<u>2019</u>	<u>2018</u>
General Obligation Bonds	13,070,000	\$ 16,656,000
Lease Purchase Agreement	-	345,531
Unamortized Bond Premium	<u>716,367</u>	<u>884,391</u>
Total Debt	<u>\$ 13,786,367</u>	<u>\$ 17,885,922</u>

RELEVANT DECISIONS AND ECONOMIC FACTORS

Economic Factors

The School District faces financial challenges.

The State of South Carolina is in a budget crisis; consequently the school district has not been funded at the mandated level by law for education. The current Base Student Cost was raised for the 2018-2019 year; however, it is still well below the amount needed to fund public education. The State mandated a one-year step increase, up to step 23, for all teachers. The District has taken steps to reduce spending in non-critical areas and from drawing against the fund balance that was built up in prior years. Most school districts are facing similar challenges.

Fiscal Year 2020 Budgets

The three separate Districts merged to become Orangeburg County School District effective July 1, 2019; therefore, no budget exists for Orangeburg County Consolidated School District Three as it is no longer a separate entity.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Gail Sanders, Orangeburg County School District, 102 Founders Ct., Orangeburg, South Carolina 29118.

ORANGEBURG COUNTY CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
STATEMENT OF NET POSITION (DEFICIT)
JUNE 30, 2019

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITY	TOTAL
ASSETS			
CASH AND INVESTMENTS	\$ 6,043,852	\$ -	\$ 6,043,852
TAXES RECEIVABLE (NET)	499,887	-	499,887
INTERNAL BALANCES	(149,194)	149,194	-
DUE FROM COUNTY GOVERNMENT	1,606,328	-	1,606,328
DUE FROM STATE	1,672,024	37,327	1,709,351
DUE FROM OTHER STATE AGENCIES	224,610	-	224,610
DUE FROM FEDERAL GOVERNMENT	6,162	-	6,162
DUE FROM OTHER SOURCES	13,796	2,028	15,824
INVENTORY - PURCHASED FOOD AND SUPPLIES	-	25,389	25,389
INVENTORY - COMMODITIES	-	11,312	11,312
NONCURRENT ASSETS:			
CAPITAL ASSETS:			
NON-DEPRECIABLE	1,668,086	-	1,668,086
DEPRECIABLE, NET OF ACCUMULATED DEPRECIATION	44,921,958	79,680	45,001,638
TOTAL ASSETS	56,507,509	304,930	56,812,439
DEFERRED OUTFLOWS OF RESOURCES			
RELATED TO PENSIONS	4,652,181	77,843	4,730,024
RELATED TO OPEB	1,577,361	47,612	1,624,973
UNAMORTIZED REFUNDING COSTS	215,794	-	215,794
TOTAL DEFERRED OUTFLOWS OF RESOURCES	6,445,336	125,455	6,570,791
LIABILITIES			
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	761,603	12,013	773,616
ACCRUED SALARIES	1,972,061	-	1,972,061
OTHER PAYROLL LIABILITIES	1,622,420	-	1,622,420
ACCRUED INTEREST	86,082	-	86,082
REVENUES RECEIVED IN ADVANCE	275,954	11,312	287,266
NONCURRENT LIABILITIES:			
DUE WITHIN ONE YEAR	2,853,569	-	2,853,569
DUE IN MORE THAN ONE YEAR	10,994,432	-	10,994,432
NET PENSION LIABILITY	36,569,197	611,893	37,181,090
NET OPEB LIABILITY	27,657,745	834,833	28,492,578
TOTAL LIABILITIES	82,793,063	1,470,051	84,263,114
DEFERRED INFLOWS OF RESOURCES			
RELATED TO PENSIONS	3,921,827	65,622	3,987,449
RELATED TO OPEB	4,602,649	138,929	4,741,578
TOTAL DEFERRED INFLOWS OF RESOURCES	8,524,476	204,551	8,729,027
NET POSITION (DEFICIT)			
NET INVESTMENT IN CAPITAL ASSETS	32,933,389	79,680	33,013,069
RESTRICTED:			
DEBT SERVICE	1,291,375	-	1,291,375
SCHOOL BUILDING	313,342	-	313,342
UNRESTRICTED	(62,902,800)	(1,323,897)	(64,226,697)
TOTAL NET POSITION (DEFICIT)	\$ (28,364,694)	\$ (1,244,217)	\$ (29,608,911)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE BASIC FINANCIAL STATEMENTS.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT		
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITY	TOTAL
GOVERNMENTAL ACTIVITIES							
INSTRUCTION	\$ 17,894,024	\$ -	\$ 14,021,684	\$ -	\$ (3,872,340)		\$ (3,872,340)
SUPPORT SERVICES	19,106,267	-	6,897,483	-	(12,208,784)		(12,208,784)
INTERGOVERNMENTAL	180,566	-	54,948	-	(125,618)		(125,618)
INTEREST AND OTHER CHARGES	422,008	-	-	-	(422,008)		(422,008)
TOTAL GOVERNMENTAL ACTIVITIES	37,602,865	-	20,974,115	-	(16,628,750)		(16,628,750)
BUSINESS-TYPE ACTIVITY:							
FOOD SERVICE	1,987,425	68,805	1,900,661	-	-	\$ (17,959)	(17,959)
TOTAL BUSINESS-TYPE ACTIVITY	1,987,425	68,805	1,900,661	-	-	(17,959)	(17,959)
TOTAL SCHOOL DISTRICT	39,590,290	68,805	22,874,776	-	(16,628,750)	(17,959)	(16,646,709)
GENERAL REVENUES:							
TAXES							
PROPERTY TAXES, LEVIED FOR GENERAL PURPOSES					8,879,425	-	8,879,425
PROPERTY TAXES, LEVIED FOR DEBT SERVICE					3,878,147	-	3,878,147
PAYMENTS IN LIEU OF TAXES					1,057,547	-	1,057,547
FEDERAL AND STATE AID NOT RESTRICTED TO SPECIFIC PURPOSES					4,388,208	-	4,388,208
UNRESTRICTED INVESTMENT EARNINGS					149,244	-	149,244
MISCELLANEOUS					97,712	-	97,712
GAIN ON DISPOSAL OF CAPITAL ASSETS					187,103	-	187,103
SUBTOTAL, GENERAL REVENUES					18,637,386	-	18,637,386
TRANSFERS					32,084	(32,084)	-
TOTAL GENERAL REVENUES AND TRANSFERS					18,669,470	(32,084)	18,637,386
CHANGE IN NET POSITION (DEFICIT)					2,040,720	(50,043)	1,990,677
NET POSITION (DEFICIT) - AS RESTATED - JULY 1, 2018					(30,405,414)	(1,194,174)	(31,599,588)
NET POSITION (DEFICIT), JUNE 30, 2019					\$ (28,364,694)	\$ (1,244,217)	\$ (29,608,911)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE BASIC FINANCIAL STATEMENTS.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

	GENERAL	SPECIAL REVENUE	EIA	DEBT SERVICE	SCHOOL BUILDING	TOTAL GOVERNMENTAL FUNDS
ASSETS						
CASH AND INVESTMENTS	\$ 6,043,852	\$ -	\$ -	\$ -	\$ -	\$ 6,043,852
TAXES RECEIVABLE	342,038	-	-	157,849	-	499,887
DUE FROM OTHER FUNDS	906,584	-	213,526	14,645	391,454	1,526,209
DUE FROM COUNTY GOVERNMENT	487,447	-	-	1,118,881	-	1,606,328
DUE FROM STATE	-	1,664,023	8,001	-	-	1,672,024
DUE FROM OTHER STATE AGENCIES	28,024	196,586	-	-	-	224,610
DUE FROM OTHER SOURCES	13,715	81	-	-	-	13,796
DUE FROM FEDERAL GOVERNMENT	-	6,162	-	-	-	6,162
TOTAL ASSETS	<u>\$ 7,821,660</u>	<u>\$ 1,866,852</u>	<u>\$ 221,527</u>	<u>\$ 1,291,375</u>	<u>\$ 391,454</u>	<u>\$ 11,592,868</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES						
LIABILITIES						
ACCOUNTS PAYABLE	\$ 546,469	\$ 68,502	\$ 68,520	\$ -	\$ 78,112	\$ 761,603
ACCRUED SALARIES	1,972,061	-	-	-	-	1,972,061
OTHER PAYROLL LIABILITIES	1,622,420	-	-	-	-	1,622,420
DUE TO OTHER FUNDS	-	1,675,403	-	-	-	1,675,403
REVENUES RECEIVED IN ADVANCE/ UNEARNED REVENUE	-	122,947	153,007	-	-	275,954
TOTAL LIABILITIES	<u>4,140,950</u>	<u>1,866,852</u>	<u>221,527</u>	<u>-</u>	<u>78,112</u>	<u>6,307,441</u>
DEFERRED INFLOWS						
UNAVAILABLE REVENUE	286,115	-	-	114,613	-	400,728
TOTAL DEFERRED INFLOWS	<u>286,115</u>	<u>-</u>	<u>-</u>	<u>114,613</u>	<u>-</u>	<u>400,728</u>
FUND BALANCES						
RESTRICTED FOR:						
DEBT SERVICE	-	-	-	1,176,762	-	1,176,762
SCHOOL BUILDING	-	-	-	-	313,342	313,342
UNASSIGNED	3,394,595	-	-	-	-	3,394,595
TOTAL FUND BALANCES	<u>3,394,595</u>	<u>-</u>	<u>-</u>	<u>1,176,762</u>	<u>313,342</u>	<u>4,884,699</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 7,821,660</u>	<u>\$ 1,866,852</u>	<u>\$ 221,527</u>	<u>\$ 1,291,375</u>	<u>\$ 391,454</u>	<u>\$ 11,592,868</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE BASIC FINANCIAL STATEMENTS.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
WITH THE STATEMENT OF NET POSITION
JUNE 30, 2019**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS **\$ 4,884,699**

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 AS ASSETS IN THE GOVERNMENTAL FUNDS.

THE COST OF CAPITAL ASSETS IS	\$ 77,503,269	
ACCUMULATED DEPRECIATION IS	<u>(30,913,225)</u>	46,590,044

PROPERTY TAXES RECEIVABLE ARE NOT AVAILABLE TO PAY FOR CURRENT PERIOD EXPENDITURES AND, THEREFORE, ARE DEFERRED IN THE FUNDS	400,728
--	---------

DEFERRED OUTFLOWS (INFLOWS) RESULTING FROM RECOGNITION OF THE EMPLOYER'S SHARE OF THE STATE'S NET PENSION AND OPEB LIABILITIES ARE NOT CURRENT FINANCIAL RESOURCES; THEREFORE, THEY ARE NOT REPORTED ON THE FUND FINANCIAL STATEMENTS.	(2,294,934)
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CERTAIN LIABILITIES ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND, THEREFORE, ARE NOT REPORTED AS LIABILITIES IN THE FUNDS. THESE INCLUDE THE FOLLOWING:

DEBT PAYABLE - BONDS AND LEASE PURCHASE AGREEMENT	(13,070,000)	
ACCRUED INTEREST ON BONDS	(86,082)	
COMPENSATED ABSENCES	(61,634)	
UNAMORTIZED REFUNDING COSTS	215,794	
UNAMORTIZED BOND PREMIUM	(716,367)	
NET PENSION LIABILITY	(36,569,197)	
NET OPEB LIABILITY	<u>(27,657,745)</u>	<u>(77,945,231)</u>

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES **\$ (28,364,694)**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE BASIC FINANCIAL STATEMENTS.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	GENERAL	SPECIAL REVENUE	EIA	DEBT SERVICE	SCHOOL BUILDING	TOTAL GOVERNMENTAL FUNDS
REVENUE						
LOCAL	\$ 9,839,354	\$ 1,376,851	\$ -	\$ 4,150,990	\$ -	\$ 15,367,195
STATE	14,965,495	1,881,999	2,785,979	412,712	-	20,046,185
FEDERAL	-	3,939,287	-	-	-	3,939,287
TOTAL REVENUES	24,804,849	7,198,137	2,785,979	4,563,702	-	39,352,667
EXPENDITURES						
CURRENT						
INSTRUCTION	13,786,428	3,162,711	1,454,614	-	-	18,403,753
SUPPORT SERVICES	13,206,791	2,312,765	336,419	-	1,042,651	16,898,626
OTHER CHARGES						
INTERGOVERNMENTAL EXPENDITURES	125,618	54,948	-	-	-	180,566
DEBT SERVICE						
PRINCIPAL	-	-	-	2,575,000	1,011,000	3,586,000
INTEREST	-	-	-	587,100	19,263	606,363
OTHER OBJECTS	-	-	-	10,560	-	10,560
CAPITAL OUTLAY	414,617	1,667,263	142,309	-	942,077	3,166,266
TOTAL EXPENDITURES	27,533,454	7,197,687	1,933,342	3,172,660	3,014,991	42,852,134
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(2,728,605)	450	852,637	1,391,042	(3,014,991)	(3,499,467)
OTHER FINANCING SOURCES (USES):						
SALE OF CAPITAL ASSETS	210,000	-	-	-	-	210,000
PREMIUM ON BONDS SOLD	-	-	-	17,644	-	17,644
OPERATING TRANSFERS IN	986,171	101,000	-	-	1,245,685	2,332,856
OPERATING TRANSFERS OUT	(101,000)	(101,450)	(852,637)	(1,245,685)	-	(2,300,772)
TOTAL OTHER FINANCING SOURCES (USES)	1,095,171	(450)	(852,637)	(1,228,041)	1,245,685	259,728
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(1,633,434)	-	-	163,001	(1,769,306)	(3,239,739)
FUND BALANCE, AS RESTATED, JULY 1, 2018	5,028,029	-	-	1,013,761	2,082,648	8,124,438
FUND BALANCE JUNE 30, 2019	\$ 3,394,595	\$ -	\$ -	\$ 1,176,762	\$ 313,342	\$ 4,884,699

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE BASIC FINANCIAL STATEMENTS.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES WITH THE DISTRICT-WIDE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS **\$ (3,239,739)**

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF
ACTIVITIES ARE DIFFERENT BECAUSE OF THE FOLLOWING:

CAPITAL OUTLAYS ARE REPORTED IN THE 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.
WHEN CAPITAL ASSETS ARE DISPOSED OF, THE DIFFERENCE BETWEEN ORIGINAL COST
AND DEPRECIATION, AND THE PROCEEDS, IF ANY, ARE RECORDED ON THE STATEMENT
OF ACTIVITIES AS A GAIN OR (LOSS) ON THE DISPOSAL. THIS IS THE AMOUNT BY
WHICH DEPRECIATION EXCEEDS CAPITAL OUTLAYS IN THE PERIOD:

CAPITAL OUTLAYS	\$ 1,748,600	
LOSS ON DISPOSAL OF ASSETS	187,103	
DEPRECIATION EXPENSE	(1,724,153)	
PROCEEDS ON SALE OF CAPITAL ASSETS	<u>(210,000)</u>	1,550

REPAYMENT OF DEBT PRINCIPAL IS AN EXPENDITURE IN THE GOVERNMENTAL FUNDS,
BUT THE REPAYMENTS REDUCE LONG-TERM LIABILITIES IN THE GOVERNMENT-WIDE
STATEMENTS. 3,931,531

GOVERNMENTAL FUNDS REPORT THE EFFECT OF PREMIUMS, DISCOUNTS, AND COSTS
OF REFUNDING WHEN DEBT IS FIRST ISSUED, WHEREAS THESE AMOUNTS ARE
AMORTIZED OVER THE LIFE OF THE DEBT IN THE STATEMENT OF ACTIVITIES:

AMORTIZATION OF BOND PREMIUM	168,024	
AMORTIZATION OF REFUNDING COSTS	<u>(56,294)</u>	111,730

BECAUSE SOME PROPERTY TAXES WILL NOT BE COLLECTED FOR SEVERAL MONTHS
AFTER THE DISTRICT'S FISCAL YEAR ENDS, THEY ARE NOT CONSIDERED
"AVAILABLE" REVENUES AND ARE DEFERRED IN THE GOVERNMENTAL FUNDS.
DEFERRED TAX REVENUES DECREASED BY THIS AMOUNT THIS YEAR. 71,731

IN THE STATEMENT OF ACTIVITIES, COMPENSATED ABSENCES (VACATIONS) ARE
MEASURED BY THE AMOUNTS EARNED DURING THE YEAR. IN THE GOVERNMENTAL
FUNDS, HOWEVER, EXPENDITURES FOR THESE ITEMS ARE MEASURED BY THE AMOUNT
OF FINANCIAL RESOURCES USED (ESSENTIALLY, THE AMOUNTS ACTUALLY PAID). 186,697

INTEREST IS REPORTED AS AN EXPENDITURE WHEN PAID IN THE GOVERNMENTAL
FUNDS, BUT IS ACCRUED ON THE OUTSTANDING DEBT IN THE STATEMENT OF ACTIVITIES.
ACCRUED INTEREST (INCREASED) DECREASED BY THIS AMOUNT DURING THE YEAR 65,541

IN THE STATEMENT OF ACTIVITIES, RETIREMENT EXPENSE IS MEASURED BY THE DISTRICT'S
SHARE OF THE SC RETIREMENT SYSTEM'S TOTAL PENSION EXPENSE. IN THE
GOVERNMENTAL FUNDS, THE EXPENDITURE FOR RETIREMENT IS MEASURED BY THE
CURRENT CONTRIBUTIONS TO THE RETIREMENT SYSTEM. THE AMOUNT PRESENTED
IS THE DIFFERENCE IN ACCOUNTING FOR THESE COSTS DURING THE CURRENT YEAR. 927,276

IN THE STATEMENT OF ACTIVITIES, OPEB EXPENSE IS MEASURED BY THE DISTRICT'S
SHARE OF THE STATE'S (PEBA) TOTAL OPEB EXPENSE. IN THE GOVERNMENTAL FUNDS,
THE EXPENDITURE FOR OPEB IS MEASURED BY THE CURRENT CONTRIBUTIONS
TO THE STATE'S (PEBA) SYSTEM. THE AMOUNT PRESENTED IS THE DIFFERENCE
IN ACCOUNTING FOR THESE COSTS DURING THE CURRENT YEAR. (15,597)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 2,040,720**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE BASIC FINANCIAL STATEMENTS.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
STATEMENT OF NET POSITION (DEFICIT)
PROPRIETARY FUND
JUNE 30, 2019**

	ENTERPRISE FUND- FOOD SERVICE
ASSETS	
CURRENT ASSETS	
DUE FROM OTHER FUNDS	\$ 149,194
DUE FROM STATE DEPT OF EDUCATION	37,327
DUE FROM OTHER SOURCES	2,028
INVENTORY - PURCHASED FOOD AND SUPPLIES	25,389
INVENTORY - COMMODITIES	11,312
TOTAL CURRENT ASSETS	<u>225,250</u>
NONCURRENT ASSETS	
MACHINERY AND EQUIPMENT	811,524
LESS: ACCUMULATED DEPRECIATION	(731,844)
TOTAL NONCURRENT ASSETS	<u>79,680</u>
TOTAL ASSETS	<u>304,930</u>
DEFERRED OUTFLOWS OF RESOURCES	
RELATED TO PENSIONS	77,843
RELATED TO OPEB	47,612
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>125,455</u>
LIABILITIES	
CURRENT LIABILITIES	
ACCOUNTS PAYABLE	12,013
REVENUES RECEIVED IN ADVANCE/ UNEARNED REVENUE	11,312
TOTAL CURRENT LIABILITIES	<u>23,325</u>
NONCURRENT LIABILITIES	
NET PENSION LIABILITY	611,893
NET OPEB LIABILITY	834,833
TOTAL NONCURRENT LIABILITIES	<u>1,446,726</u>
TOTAL LIABILITIES	<u>1,470,051</u>
DEFERRED INFLOWS OF RESOURCES	
RELATED TO PENSIONS	65,622
RELATED TO OPEB	138,929
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>204,551</u>
NET POSITION (DEFICIT)	
NET INVESTMENT IN CAPITAL ASSETS	79,680
UNRESTRICTED	(1,323,897)
TOTAL NET POSITION (DEFICIT)	<u>\$ (1,244,217)</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE BASIC FINANCIAL STATEMENTS.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION (DEFICIT)
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	ENTERPRISE FUND- FOOD SERVICE
OPERATING REVENUES:	
PROCEEDS SALE OF MEALS	\$ 14,985
OTHER OPERATING FUNDS - HEAD START	53,820
TOTAL OPERATING REVENUES	68,805
OPERATING EXPENSES:	
FOOD COSTS	853,271
SALARIES AND BENEFITS	875,273
SUPPLIES AND MATERIALS	63,719
PURCHASED SERVICES	184,466
DEPRECIATION	9,822
OTHER OPERATING COSTS	874
TOTAL OPERATING EXPENSES	1,987,425
OPERATING INCOME (LOSS)	(1,918,620)
NON-OPERATING REVENUES (EXPENSES):	
USDA REIMBURSEMENTS	1,791,423
COMMODITIES RECEIVED FROM USDA	109,238
TOTAL NON-OPERATING REVENUES (EXPENSES)	1,900,661
INCOME BEFORE OPERATING TRANSFERS	(17,959)
OPERATING TRANSFERS IN (OUT)	(32,084)
CHANGE IN NET POSITION	(50,043)
NET POSITION (DEFICIT) - JULY 1, 2018	(1,194,174)
NET POSITION (DEFICIT) - JUNE 30, 2019	\$ (1,244,217)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE BASIC FINANCIAL STATEMENTS.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES:

CASH RECEIVED FROM PATRONS	\$ 14,985
CASH RECEIVED FROM HEAD START	52,780
CASH PAYMENTS TO SUPPLIERS FOR GOODS AND SERVICES	(987,988)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	<u>(752,796)</u>

NET CASH USED BY OPERATING ACTIVITIES	<u>(1,673,019)</u>
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CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:

CASH RECEIVED FROM USDA REIMBURSEMENTS	1,791,423
CASH RECEIVED FROM OTHER FEDERAL AND STATE AID	6,181
OPERATING TRANSFERS IN FROM OTHER FUNDS	<u>(124,585)</u>

NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	<u>1,673,019</u>
--	-------------------------

NET INCREASE IN CASH	-
-----------------------------	----------

CASH AND CASH EQUIVALENTS - JULY 1, 2018	<u>-</u>
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CASH AND CASH EQUIVALENTS - JUNE 30, 2019	<u><u>\$ -</u></u>
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SUPPLEMENTAL SCHEDULE OF NONCASH OPERATING ACTIVITIES

COMMODITIES RECEIVED FROM USDA	<u><u>\$ 109,238</u></u>
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RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

OPERATING INCOME (LOSS)	\$ (1,918,620)
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ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH

PROVIDED BY OPERATING ACTIVITIES:

DEPRECIATION	9,822
DONATED COMMODITIES	109,238
PENSION AND OPEB EXPENSE	122,477
CHANGE IN ASSETS AND LIABILITIES:	
(INCREASE) DECREASE IN DUE FROM OTHER SOURCES AND OTHER RECEIVABLES	(1,040)
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	5,131
(INCREASE) DECREASE IN INVENTORY AND SUPPLIES	<u>(27)</u>

NET CASH USED BY OPERATING ACTIVITIES	<u><u>\$ (1,673,019)</u></u>
--	-------------------------------------

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE BASIC FINANCIAL STATEMENTS.

**ORANGEBURG COUNTY CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2019**

ASSETS

CASH AND CASH EQUIVALENTS	<u>\$ 134,012</u>
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TOTAL ASSETS

<u>\$ 134,012</u>

LIABILITIES

DUE TO STUDENT ORGANIZATIONS	<u>\$ 134,012</u>
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TOTAL LIABILITIES

<u>\$ 134,012</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE BASIC FINANCIAL STATEMENTS.

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 – ORGANIZATION

Orangeburg County Consolidated School District Three (the “School District”) is organized under the authority of Orangeburg County and the State of South Carolina. The School District operates under a locally elected board form of government consisting of seven members. The School District provides educational services as authorized by State statute and/or federal guidelines.

The School District was established July 1, 1997, through the consolidation of existing school districts and includes the towns and surrounding areas of Holly Hill and Elloree, South Carolina.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District’s financial statements are presented in accordance with generally accepted accounting principles in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements of Interpretation). The more significant accounting policies established by GAAP and used by the District are discussed below.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if it appoints a voting majority of the organization’s governing board and (1) is able to significantly influence the programs or services performed or provided by the organization, or (2) is legally entitled to or can otherwise access the organization’s resources, is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization, or is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. The School District does not have any component units.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the District’s activities. The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues. The effect of inter-fund activity has been removed from the government-wide financial statements.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements

The District Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to inter-fund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. GASB 34 establishes criteria (percentage of assets and deferred outflows, liabilities and deferred outflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise funds combined) for the determination of major funds. The District has presented all major funds that met those qualifications. In addition, the District has presented certain funds, specifically the South Carolina Education Improvement Act (EIA) as a major fund separate from the other federal and state grants to comply with SDE requirements.

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in the net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources which have been treated as susceptible to accrual by the District are property tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows. The District has a single proprietary fund that is the Food Service Fund. The District does not have an internal service fund. Inter-fund balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets and deferred outflows and liabilities and deferred inflows (whether current or non-current) are included in the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Fiduciary Fund Financial Statements

Fiduciary Fund Financial Statements include a Statement of Fiduciary Assets and Liabilities. The District’s fiduciary funds represent agency funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting, as are the proprietary funds described above.

The Funds of the District

The financial transactions of the District are recorded in individual governmental and proprietary (enterprise) funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets and deferred outflows, liabilities and deferred inflows, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Funds of the District (continued)

The District reports the following as major governmental funds:

- **General Fund** – The general fund is the operating fund of the School District and is used to account for all financial resources not accounted for and reported in another fund. The general fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of South Carolina
- **Special Revenue Fund** – Special Revenue Funds are used to account for the proceeds of specific local, state and federal sources (other than special assessments, expendable trusts, or major capital projects) that are restricted or committed to expenditures for specified purposes.
- **Special Revenue EIA Funds** – Special Revenue EIA Funds are used to account for the proceeds of state-sponsored grants under the Education Improvement Act. The funds are restricted to expenditures for specified purposes.
- **Debt Service Fund** – Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.
- **School Building Fund** – The School Building Fund is used to account for all financial resources that are restricted, committed or assigned to expenditure for capital outlays.

The District reports the following major proprietary fund:

- **Enterprise Fund: Food Service** – Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered through user charges. The Food Service Fund is the only proprietary type fund of the District.

Additionally, the District reports the following fiduciary type fund:

- **Trust and Agency Funds: Pupil Activities** – Trust and Agency Funds are used to account for assets held by the District in a trustee capacity as an agent for student organizations, schools and employees. Agency funds are custodial in nature and do not involve measurement of results of operations.

GASB 34 eliminates the presentation of account groups, but provides for these records to be maintained. Information for the District's general capital assets and general long-term debt is presented in the governmental activities column of the government-wide statement of net position. Information for the capital assets and long-term debt of the District's Food Service activity is presented in the enterprise fund financial statements and in the business-type activities column of the government-wide financial statements.

Program and General Revenues

Amounts reported as program revenues include 1) charges to customers and applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants or contributions. Likewise, general revenues include all taxes.

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted and Non-restricted Assets

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

Budgetary Basis of Accounting

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The District administration submits to the District Board of Trustees a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Prior to July 1, the District Board of Trustees legally adopts the budget.
3. At the discretion of the District Board of Trustees, budget amendments may be made. The District Superintendent may make budget adjustments during the year without board approval provided that the total budgets per function are not changed. The Superintendent is allowed to make budget modifications as considered necessary provided that the total budgeted expenditures for any particular fund are not increased.
4. Formal budgetary integration is employed as a management control device during the year for all funds except fiduciary funds.
5. Budgets for the General Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). The budgeted amounts shown are as originally adopted by the Board and revised for changes by the administration that are within its authority. Year-end total expenditures are required to be within the specific fund budget unless unbudgeted revenue is incurred which offsets the expenditures in excess of the budgeted amount. Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year end are reported as assigned fund balances and do not constitute expenditures or liabilities because commitments will be honored during the subsequent year.

Cash and Cash Equivalents

Except for cash held for Pupil Activity at each school, all cash received by the School District is pooled. Monies for all funds are maintained in this pool, including cash and investments of the proprietary fund types. The asset cash is recorded in the General Fund. The proportionate share of the cash balance or liability which relates to other funds is recorded as due from or to the General Fund with a corresponding due from or due to recorded in the General Fund.

The District considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents (continued)

The District has not formally adopted deposit and investment policies that limit the District's allowable deposits or investments and address the specific types of risk to which the District is exposed, but instead, adhere to state statutes regarding allowable investments.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recognized as prepaid items.

Receivables and Allowance for Uncollectible Accounts

Receivable balances have been disaggregated by type and presented separately in the financial statements. Property taxes receivable are reported net of an allowance for uncollectible accounts based on management's judgment and historical collection ratios and trends. Other accounts receivable consist of amounts due from the State of South Carolina and federal granting agencies and are considered fully collectible.

Revenues Received in Advance/Unearned Revenue

The District reports unearned revenue on its statement of net position and governmental funds balance sheet. In both government-wide and fund financial statements, unearned revenue consists of revenue received for which purpose restrictions have not yet been met.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and/or the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of resources that applies to a future period(s) and, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position and/or the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of resources that applies to a future period(s) and, therefore, will not be recognized as an inflow of resources (revenue) until that time.

Inventory

Inventories are valued at the lower of cost (first-in, first-out) or market. Inventories reported in the Food Service Fund consist of food products and general supplies. The Food Service inventory at June 30, 2019, included \$11,312 of unused donated United States Department of Agriculture (USDA) commodities that are also recorded as unearned revenue. The costs of purchased inventories are recorded as expenditures at the time of purchase. USDA food commodities are recorded as revenue and expenditure when received. Inventory balances are adjusted at year-end based on physical counts.

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets

General capital assets, which result from expenditures in the governmental funds, are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$5,000. The School District does not possess any infrastructure. Improvements are capitalized whereas the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	15 Years
Buildings and Improvements	20-50 Years
Furniture and Equipment	5-12 Years
Vehicles	5 Years

Interest Capitalization

Interest costs are capitalized as part of the historical cost of acquiring certain assets. To qualify for interest capitalization, assets must require a period of time before they are ready for their intended purpose. Interest received on proceeds of tax-exempt borrowing arrangements restricted to the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized. Interest cost on long-term debt incurred for the year ended June 30, 2019, was \$606,363. No interest was required to be capitalized.

Pensions

The Governmental Accounting Standards Board (GASB) issued Statement No. 68 entitled *Accounting and Financial Reporting for Pension Plans* in June 2012 and issued GASB Statement No. 71 (an amendment of GASB No. 68), entitled *Pension Transition for Contributions Made Subsequent to the Measurement Date* in November, 2013. The disclosure requirements applicable to employers participating in the South Carolina Retirement System or the Police Officers Retirement System are prescribed in paragraphs 48 through 82 of GASB 68. 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 and additions to/deductions from the South Carolina Retirement System's fiduciary net position have been determined on the same basis as they are reported by the South Carolina Retirement System. 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.

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Postemployment Benefits Other Than Pensions (OPEB)

The Governmental Accounting Standards Board (GASB) issued Statement No. 75 entitled *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in June 2015 and is effective for fiscal years commencing after June 15, 2017. Paragraphs 89 through 98 of GASB Statement No. 75 discuss the note disclosures and RSI for cost-sharing employers.

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.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means.

Vacation is awarded to 12-month employees at the rate of ten days per year each July 1. Sick leave is awarded at the rate of 12-15 days per year contingent on an employee's length of contract. No employee may accumulate more than 90 days.

The estimated liabilities include required salary-related payments. Compensated absences are reported as accrued in the government-wide financial statements. Governmental funds report only matured compensated absences payable to currently terminating employees and are included in wages and benefits payable.

Other Long Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the proprietary fund statements and the government-wide statements (either governmental activities or business-type activities, as applicable). Bond premiums and discounts are deferred and amortized over the life of the bonds. Amortization of premiums and discounts are included in interest expense. Bonds payable are reported net of the applicable premiums and discounts.

In the governmental fund financial statements, bond premiums and discounts are recognized during the current period. The face amount of debt issued and any premiums received are reported as other financing sources while discounts are reported as other financing uses.

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position (Deficit)

Net position (deficit) represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws and regulations of other governments. None of the net position is restricted by enabling legislation.

Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School Food Service Fund are charges to teachers for meals served. Operating expenses for enterprise funds include the food, payroll, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Inter-fund Receivables and Payables

Inter-fund receivables and payables arise from inter-fund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that inter-fund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made. Inter-fund receivables and payables between funds are eliminated in the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as "internal balances."

Inter-fund Transfers

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to move unrestricted revenue collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. For the purpose of the statement of activities, all inter-fund transfers between individual governmental funds have been eliminated.

Use of Estimates

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the period reported. These estimates include assessing the collectability of accounts receivable, the use and recoverability of inventory, and the useful lives and impairment of tangible and intangible assets, among others. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from the estimates.

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balances

Governmental Fund Financial Statements

In accordance with Government Accounting Standards Board Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- **Nonspendable** – Funds are a) not in a spendable form (i.e. inventories, prepaid items, long-term loans and notes receivable), or b) legally or contractually required to be maintained intact (i.e. corpus of a permanent fund).
- **Restricted** – Constraints placed on the use of resources are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or b) imposed by law through constitutional provisions of enabling legislation.
- **Committed** – Constraints on use are imposed by formal action by the District's Board of Trustees and can only be removed by the same type of action (i.e. resolution or ordinance).
- **Assigned** – Amounts constrained by the Board of Trustees' intent that they be used for a specific purpose, but are neither restricted nor committed.
- **Unassigned** – Residual amounts not falling into any of the above categories.

Management is authorized to assign fund balance amounts for specified purposes as needed.

The District used restricted amounts first when both restricted and unrestricted fund balances are available, unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The District does not have a formal minimum fund balance policy.

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 3 – CASH DEPOSITS AND INVESTMENTS

State statutes authorize the School District to invest in the following:

- a. Obligations of the United States, its agencies, and instrumentalities;
- b. Obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, the African Development Bank, and the Asian Development Bank;
- c. Obligations of a corporation, state, or political subdivision denominated in United States dollars, if the obligations bear investment grade ratings of at least two nationally recognized rating services;
- d. Certificates of Deposit - if the certificates are secured collaterally by securities of the type described in a. and c. above, 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 deposits 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;
- e. Repurchase agreements if collateralized by securities of the types described in a. and c. above 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;
- f. 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.

Cash deposits of Orangeburg County Consolidated School District Three, Holly Hill, South Carolina consist of cash on hand and demand deposits with local banks.

Investments consist of participation units in the South Carolina Local Government Investment Pool. The State Treasurer sells "participation units" in the South Carolina Local Government Pool ("Pool") to political subdivisions of the State. The pool is an investment trust fund. It is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but has a policy that it will operate in a manner consistent with SEC's Rule 2a 7 of the Investment Company Act of 1940. 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 determined annually based upon quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. 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.

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 3 – CASH DEPOSITS AND INVESTMENTS (continued)

The District's cash and investments are reported as follows:

Pooled Cash and Investments:	
Demand Deposits	\$ 2,767,412
Investments	<u>3,410,452</u>
 Total	 <u>\$ 6,177,864</u>
 Per Statement of Net Position	 \$ 6,043,852
Per Statement of Fiduciary Assets and Liabilities	<u>134,012</u>
 Total	 <u>\$ 6,177,864</u>

Custodial Credit Risk for Deposits: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. The School District's policy to manage custodial credit risk is to keep its deposits in high quality financial institutions. In addition, it follows the investment policy statutes of the State of South Carolina. At June 30, 2019, the reported amount of the District's deposits was \$2,767,412 and the bank balance was \$4,353,716. Of the bank balance, \$375,490 was covered by federal depository insurance and \$3,978,226 was collateralized by securities pledged in the District's name.

The difference between the bank balance, \$4,353,716, and the reported amount of the District's deposits, \$2,767,412, is due to outstanding checks and/or deposits.

Concentration of Credit Risk for Investments: The School District does not limit the amount it may invest in any one issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this disclosure requirement.

NOTE 4 – PROPERTY TAXES

The District's ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. The taxes are due without penalty if paid by January 15 and become delinquent after March 16.

The levy date for motor vehicle 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.

Accrued property taxes receivable represent delinquent taxes outstanding. In the government-wide statement of net position the full amount of the levy which was not collected by June 30, 2019, is recorded, net of an allowance for doubtful accounts as presented in the following table.

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 4 – PROPERTY TAXES (continued)

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Property Taxes Receivable	\$ 1,413,531	\$ 577,747	\$ 1,991,278
Interest and Penalties	<u>8,169</u>	<u>5,164</u>	<u>13,333</u>
	1,421,700	582,911	2,004,611
Less Allowance for Un-collectibles	<u>(1,079,662)</u>	<u>(425,062)</u>	<u>(1,504,724)</u>
Totals	<u>\$ 342,038</u>	<u>\$ 157,849</u>	<u>\$ 499,887</u>

In the governmental funds only the amount collected within sixty days of year-end has been recorded since this is the amount considered available to pay obligations of the current period.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2019, is presented as follows:

	<u>Balances June 30, 2018</u>	<u>Additions</u>	<u>Reclassifications and Retirements</u>	<u>Balances June 30, 2019</u>
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 435,289	\$ -	\$ (22,897)	\$ 412,392
Construction in process	<u>-</u>	<u>1,255,694</u>	<u>-</u>	<u>1,255,694</u>
Total Capital Assets, Not Being Depreciated	<u>435,289</u>	<u>1,255,694</u>	<u>(22,897)</u>	<u>1,668,086</u>
Capital Assets, Being Depreciated:				
Land improvements	1,271,162	8,211	-	1,279,373
Building and Improvements	71,753,335	-	(48,036)	71,705,299
Furniture and Equipment	<u>2,365,816</u>	<u>484,695</u>	<u>-</u>	<u>2,850,511</u>
Total Capital Assets, Being Depreciated	<u>75,390,313</u>	<u>492,906</u>	<u>(48,036)</u>	<u>75,835,183</u>
Less Accumulated Depreciation:				
Land improvements	1,153,264	10,632	-	1,163,896
Building and Improvements	26,333,652	1,518,716	(48,036)	27,804,332
Furniture and Equipment	<u>1,750,192</u>	<u>194,805</u>	<u>-</u>	<u>1,944,997</u>
Total Accumulated Depreciation	<u>29,237,108</u>	<u>1,724,153</u>	<u>(48,036)</u>	<u>30,913,225</u>
Total Capital Assets, Being Depreciated, Net	<u>46,153,205</u>	<u>(1,231,247)</u>	<u>-</u>	<u>44,921,958</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 46,588,494</u>	<u>\$ 24,447</u>	<u>\$ (22,897)</u>	<u>\$46,590,044</u>
Proprietary Activities				
Equipment	\$ 811,524	\$ -	\$ -	\$ 811,524
Less Accumulated Depreciation	<u>722,022</u>	<u>9,822</u>	<u>-</u>	<u>731,844</u>
Proprietary Activities Capital Assets, Net	<u>\$ 89,502</u>	<u>\$ (9,822)</u>	<u>\$ -</u>	<u>\$ 79,680</u>

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 5 – CAPITAL ASSETS (continued)

Depreciation expense was charged to functions as follows:

Governmental Activities:

Support Services	
Buildings and Grounds	\$ 1,724,153

Business Type Activities:

Food Service	<u>9,822</u>
Total Depreciation Expense	<u>\$ 1,733,975</u>

NOTE 6 – SHORT-TERM OBLIGATIONS

During the year ended June 30, 2019, the District issued a tax anticipation note (TAN) to provide funding for the annual debt service and operating needs of the District. The TAN was issued at a premium of \$17,644, with issue costs of \$7,080. As of June 30, 2019, the District had no outstanding short-term obligations. The District paid \$21,319 in interest on the TAN during the fiscal year.

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

	<u>Balance at June 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at June 30, 2019</u>
General Obligation Bonds,				
Tax Anticipation Note	\$ -	\$ 1,740,000	\$ 1,740,000	\$ -
	<u>\$ -</u>	<u>\$ 1,740,000</u>	<u>\$ 1,740,000</u>	<u>\$ -</u>

NOTE 7 – ADVANCE REFUNDING

The advance refunding of debt in prior years' debt resulted in book losses that are being amortized over the original remaining life of the old bonds which were defeased or the life of the new bonds, whichever is shorter. The current year amortization of \$56,294 is included as a component of interest expense in the governmental activities. The remaining unamortized refunding costs at June 30, 2019, of \$215,794 are shown under deferred outflows on the Statement of Net Position.

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 – LONG TERM OBLIGATIONS

A summary of long-term liability activity for the year ended June 30, 2019, is as follows. Additional detailed information is available on the following pages.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General Obligation Bonds	\$ 16,656,000	\$ -	\$ 3,586,000	\$ 13,070,000	\$ 2,665,000
Lease Purchase Agreement	345,531	-	345,531	-	-
Unamortized Bond Premium	<u>884,391</u>	<u>-</u>	<u>168,024</u>	<u>716,367</u>	<u>168,024</u>
Total Bond and Lease Obligations	<u>17,885,922</u>	<u>-</u>	<u>4,099,555</u>	<u>13,786,367</u>	<u>2,833,024</u>
Compensated absences	<u>248,331</u>	<u>-</u>	<u>186,697</u>	<u>61,634</u>	<u>20,545</u>
Total	<u>\$ 18,134,253</u>	<u>\$ -</u>	<u>\$ 4,286,252</u>	<u>\$ 13,848,001</u>	<u>\$ 2,853,569</u>

General obligation bonds issued for governmental activity purposes are liquidated by the Debt Service Fund.

The School District paid \$602,650 of interest on the long-term general obligation bonds and \$3,713 on lease purchase agreement during the year ended June 30, 2019. The following schedules list the interest and principal due for each series of bonds and lease purchase outstanding at June 30, 2019:

<u>Interest Description and Year</u>	<u>Annual Rate</u>	<u>Annual Interest</u>	<u>Principal</u>
\$12,615,000 G. O. Refunding Bonds, Series 2011:			
2020	4.000%	\$ 167,200	\$ 1,355,000
2021	4.000%	113,000	1,395,000
2022	4.000%	<u>57,200</u>	<u>1,430,000</u>
Totals		<u>\$ 337,400</u>	<u>\$ 4,180,000</u>

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 – LONG TERM OBLIGATIONS (continued)

<u>Interest Description and Year</u>	<u>Annual Rate</u>	<u>Annual Interest</u>	<u>Principal</u>
\$8,750,000 G. O. Refunding Bonds, Series 2012:			
2020	3.000%	\$ 210,700	\$ 865,000
2021	4.000%	184,750	905,000
2022	4.000%	148,550	945,000
2023	4.000%	<u>110,750</u>	<u>2,215,000</u>
Totals		<u>\$ 654,750</u>	<u>\$ 4,930,000</u>

<u>Interest Description and Year</u>	<u>Annual Rate</u>	<u>Annual Interest</u>	<u>Principal</u>
\$5,645,000 G. O. Refunding Bonds, Series 2014:			
2020	3.000%	\$ 118,800	\$ 445,000
2021	3.000%	105,450	465,000
2022	3.000%	91,500	495,000
2023	3.000%	76,650	780,000
2024	3.000%	53,250	875,000
2025	3.000%	<u>27,000</u>	<u>900,000</u>
Totals		<u>\$ 472,650</u>	<u>\$ 3,960,000</u>

Total debt Retirement by year:

Year ended June 30,	Bonds	
	<u>Interest</u>	<u>Principal</u>
2020	\$ 496,700	\$ 2,665,000
2021	403,200	2,765,000
2022	297,250	2,870,000
2023	187,400	2,995,000
2024	53,250	875,000
2025	<u>27,000</u>	<u>900,000</u>
	<u>\$ 1,464,800</u>	<u>\$13,070,000</u>

There are a number of limitations and restrictions contained in the various general obligation bond indentures. The District is in compliance with all significant limitations and restrictions at June 30, 2019.

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 – LONG TERM OBLIGATIONS (continued)

Capitalization of Interest

Interest costs incurred during construction are capitalized, net of interest income from the proceeds of related tax-exempt debt, as part of the cost of the related assets. Interest costs on long-term debt incurred and capitalized during the year ended June 30, 2019, were as follows:

	<u>Total Interest Cost Incurred</u>	<u>Interest Cost Capitalized</u>	<u>Net Interest Expense</u>
General Obligation Bonds	\$ 602,650	\$ -	\$ 602,650
Lease Purchase Agreement	<u>3,713</u>	<u>-</u>	<u>3,713</u>
Totals	<u>\$ 606,363</u>	<u>\$ -</u>	<u>\$ 606,363</u>

NOTE 9 – DEFERRED COMPENSATION PLAN

Several optional deferred compensation plans are available to the District's employees. The multiple-employer plans, created under Internal Revenue Code Section 457 and 401(k) are accounted for by the State of South Carolina. Employees may withdraw the current value of their contributions when they terminate employment. With approval of the State's Deferred Compensation Commission, employees may also withdraw the current value of their contributions prior to termination of employment if they meet certain requirements. These requirements differ among the two plans. Compensation deferred under the Section 457 and 401(k) plans is placed in trust for the contributing employees. Neither the State nor the District has any liability for losses under the plans.

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**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 10 – RETIREMENT PLAN

Description of the Entity

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012 and governed by an 11-member Board, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. The Retirement Funding and Administration Act of 2017, which became effective July 1, 2017, increased the employer and employee contribution rates, established a ceiling on the SCRS and PORS employee contribution rates, lowered the assumed rate of return, required a scheduled reduction of the funding periods, and addressed various governance issues including the assignment of the PEBA Board as custodian of the retirement trust funds and assignment of the RSIC and PEBA as co-trustees of the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

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 plan. Investments are reported at fair value.

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

Plan Descriptions

- The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.
- The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired employees of state agencies, institutions of higher education, public school districts and individuals first elected to the General Assembly at or after the general election in November 2012. State ORP participants direct the investment of their funds into an account administered by one of four third party record keepers.

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 10 – RETIREMENT PLAN (continued)

Plan Descriptions (continued)

- The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

In addition to the plans described above, PEBA also administers three single-employer defined benefit pension plans, which are not covered in this report. They are the Retirement System for Members of the General Assembly of the State of South Carolina (GARS), the Retirement System for Judges and Solicitors of the State of South Carolina (JSRS), and the South Carolina National Guard Supplemental Retirement Plan (SCNG).

Membership

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

- SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.
- State ORP - As an alternative to membership in SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the S.C. General Assembly beginning with the November 2012 general election have the option to participate in the State ORP. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party record keepers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes. 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 vendor for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.
- PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 10 – RETIREMENT PLAN (continued)

Benefits

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

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

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

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

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

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 10 – RETIREMENT PLAN (continued)

Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. If the scheduled employee and employer contributions provided in statute, or the rates last adopted by the board, are insufficient to maintain the amortization period set in statute, the board shall increase employer contribution rates as necessary.

After June 30, 2027, 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 eighty-five percent, then the board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than eighty-five 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 eighty-five percent, then effective on the following July first, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than eighty-five percent.

The Retirement System Funding and Administration Act establishes a ceiling on employee contribution rates at 9 percent and 9.75 percent for SCRS and PORS respectively. The employer contribution rates will continue to increase annually by 1 percent through July 1, 2022. The legislation's ultimate scheduled employer rate is 18.56 percent for SCRS and 21.24 percent for PORS. The amortization period is scheduled to be reduced one year for each of the next 10 years to a twenty year amortization period.

Required employee contribution rates¹ are as follows:

	<u>Fiscal Year 2019¹</u>	<u>Fiscal year 2018¹</u>
<u>SCRS</u>		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
<u>State ORP</u>		
Employee	9.00%	9.00%
<u>PORS</u>		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 10 – RETIREMENT PLAN (continued)

Contributions (continued)

Required employer contribution rates¹ are as follows:

	<u>Fiscal Year 2019¹</u>	<u>Fiscal year 2018¹</u>
<u>SCRS</u>		
Employer Class Two	14.41%	13.41%
Employer Class Three	14.41%	13.41%
Employer Incidental Death Benefit	0.15%	0.15%
<u>State ORP</u>		
Employer Contribution ²	14.41%	13.41%
Employer Incidental Death Benefit	0.15%	0.15%
<u>PORS</u>		
Employer Class Two	16.84%	15.84%
Employer Class Three	16.84%	15.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

¹Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

²Of this employer contribution, 5% of earnable compensation must be remitted by the employer directly to the ORP vendor to be allocated to the member's account with the remainder of the employer contribution remitted to the SCRS.

The governmental unit's contributions to the SCRS and PORS for their last three fiscal years were as follows:

<u>SCRS</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Employee Contributions	\$ 1,562,993	\$ 1,520,185	\$ 1,550,742
Employer Contributions	2,526,309	2,296,086	2,079,156
Employer Group Life Contributions	<u>26,429</u>	<u>25,889</u>	<u>27,702</u>
Total	<u>\$ 4,115,731</u>	<u>\$ 3,842,160</u>	<u>\$ 3,657,600</u>
 <u>PORS</u>	 <u>2019</u>	 <u>2018</u>	 <u>2017</u>
Employee Contributions	\$ 7,898	\$ 7,418	\$ 7,301
Employer Contributions	13,642	12,052	10,936
Employer Group Life Contributions	<u>324</u>	<u>304</u>	<u>316</u>
Total	<u>\$ 21,864</u>	<u>\$ 19,774</u>	<u>\$ 18,553</u>

The governmental unit contributed 100% of the required contributions for the current year and each of the two proceeding years.

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 10 – RETIREMENT PLAN (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the District reported a liability of \$37,025,330 for its proportionate share of the net pension liability for SCRS and a liability of \$155,760 for its proportionate share of the net pension liability for PORS. The net pension liability of the defined benefit plan was determined based on the most recent actuarial valuation as of July 1, 2017, using membership as of that date projected forward to the end of the retirement plan's fiscal year, and financial information of the pension trust funds as of June 30, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental units, actuarially determined.

At the retirement plan's year end of June 30, 2018, the District's proportion was 0.165241% and .005497% for SCRS and PORS, respectively.

For the year ended June 30, 2019, the District recognized pension expense of \$1,758,179, including \$1,748,612 for SCRS and \$9,567 for PORS, respectively. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>SCRS</u>		
Differences between expected and actual experience	\$ 66,835	\$ 217,884
Assumption changes	1,468,958	-
Net difference between projected and actual earnings on pension plan investments	588,149	-
Deferred amounts from changes in proportionate share and differences between District contributions and proportionate share of contributions	-	3,750,300
District contributions subsequent to the measurement date	<u>2,552,738</u>	<u>-</u>
Totals	<u>\$ 4,676,680</u>	<u>\$ 3,968,184</u>

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 10 – RETIREMENT PLAN (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>PORS</u>		
Differences between expected and actual experience	\$ 4,799	\$ -
Assumption changes	10,270	-
Net difference between projected and actual earnings on pension plan investments	3,115	-
Deferred amounts from changes in proportionate share and differences between District contributions and proportionate share of contributions	21,184	19,265
District contributions subsequent to the measurement date	<u>13,966</u>	<u>-</u>
Totals	<u>\$ 53,344</u>	<u>\$ 19,265</u>

The amount of \$2,552,738 for SCRS and \$13,966 for PORS reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

As discussed in GASB 68, collective deferred outflows/inflows of resources arising from differences between projected and actual pension plan investment earnings in different measurement periods should be aggregated and included as a net collective deferred outflow or inflow of resources related to pensions. The following schedules reflect the District's proportionate share of amortization of collective deferred outflows/(inflows) of resources related to pensions outstanding at June 30, 2019.

	<u>SCRS</u>	<u>PORS</u>
	June 30, 2018	June 30, 2018
Initial Balance	\$ 864,321	\$ 10,478
Amortized ² period ending June 30,		
2014	\$ (249,343)	\$ (728)
2015	(231,630)	(806)
2016	(250,384)	(942)
2017	(272,528)	(1,003)
2018	(11,485)	(2,200)
2019	31,805	(1,560)
2020	45,478	(1,452)
2021	68,182	(1,334)
2022	5,584	(453)
Thereafter	-	-

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 10 – RETIREMENT PLAN (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

	Assumption Changes	
	<u>SCRS</u>	<u>PORS</u>
	June 30, 2018	June 30, 2018
Initial Balance	\$2,886,180	\$ 18,315
Amortized ² period ending June 30,		
2017	\$ (708,611)	\$ (4,023)
2018	(708,611)	(4,022)
2019	(708,611)	(4,022)
2020	(708,611)	(4,022)
2021	(51,736)	(2,226)
Thereafter	-	-
Difference between projected and actual investment earnings³		
	<u>SCRS</u>	<u>PORS</u>
	June 30, 2018	June 30, 2018
Initial Balance	\$ 858,152	\$ 4,954
Amortized ² period ending June 30,		
2014	\$ 599,615	\$ 3,044
2015	97,462	433
2016	(568,096)	(3,083)
2017	(227,356)	(1,243)
2018	(171,628)	(990)
2019	(771,245)	(4,035)
2020	(269,093)	(1,424)
2021	396,466	2,092
2022	55,723	252
Thereafter	-	-

¹ In accordance with GASB 68, the difference between each year's expected and actual experience is required to be amortized over the average remaining service lives of all employees provided with pensions through the plan at June 30. The service periods used for amortization periods are 4.233 (SCRS) and 4.856 (PORS) years for 6/30/14; 4.164 (SCRS) and 4.796 (PORS) years for 6/30/15; 4.116 (SCRS) and 4.665 (PORS) years for 6/30/16; 4.073 (SCRS) and 4.553 (PORS) years for 6/30/17; and 4.080 (SCRS) and 4.348 (PORS) years for 6/30/18

² Amount amortized and included in pension expense during measurement period listed.

³ In accordance with GASB 68, the difference between each year's projected and actual investment earnings is required to be amortized over a closed, 5 year period.

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 10 – RETIREMENT PLAN (continued)

Actuarial Assumptions and Methods

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

The June 30, 2018, 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, 2017. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2018, using generally accepted actuarial principles.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2018.

	SCRS	PORS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment rate of return ¹	7.25%	7.25%
Projected salary increases	3.0% to 12.5% (varies by service) ¹	3.5% to 9.5% (varies by service) ¹
Benefit adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually
¹ Includes inflation at 2.25%		

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina Mortality table (2016 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

Assumptions used in the determination of the June 30, 2018, TPL are as follows.

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

**ORANGEBURG COUNTY CONSOLIDATED
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NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 10 – RETIREMENT PLAN (continued)

Net Pension Liability

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2018, for SCRS and PORS are presented below.

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 48,821,730,067	\$ 26,414,916,370	\$ 22,406,813,697	54.1%
PORS	7,403,972,673	4,570,430,247	2,833,542,426	61.7%

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon 30 year capital market assumptions. 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. 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 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 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.

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 10 – RETIREMENT PLAN (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	47.0%		
Global Public Equity	33.0%	6.99%	2.31%
Private Equity	9.0%	8.73%	0.79%
Equity Options Strategies	5.0%	5.52%	0.28%
Real Assets	10.0%		
Real Estate (Private)	6.0%	3.54%	0.21%
Real Estate (REITs)	2.0%	5.46%	0.11%
Infrastructure	2.0%	5.09%	0.10%
Opportunistic	13.0%		
GTAA/Risk Parity	8.0%	3.75%	0.30%
Hedge Funds (non-PA)	2.0%	3.45%	0.07%
Other Opportunistic Strategies	3.0%	3.756%	0.11%
Diversified Credit	18.0%		
Mixed Credit	6.0%	3.05%	0.18%
Emerging Markets Debt	5.0%	3.94%	0.20%
Private Debt	7.0%	3.89%	0.27%
Conservative Fixed Income	12.0%		
Core Fixed Income	10.0%	0.94%	0.09%
Cash and Short Duration (Net)	2.0%	0.34%	0.01%
Total Expected Real Return	100.0%		5.03%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.28%

Discount Rate

The discount rate used to measure the TPL was 7.25 percent. 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 Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the 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 TPL.

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 10 – RETIREMENT PLAN (continued)

Sensitivity Analysis

The following table presents the collective NPL of the participating employers calculated using the discount rate of 7.25 percent, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1.00 percent lower (6.25 percent) or 1.00 percent higher (8.25 percent) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Decrease (6.25%)
SCRS	\$ 47,311,385	\$ 37,025,330	\$ 29,671,637
PORS	209,984	155,760	111,346

Additional Financial and Actuarial Information

Information contained in these Notes to the Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2018, and the accounting and financial reporting actuarial valuation as of June 30, 2018. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' CAFR.

Payables to the Pension Plan

As of June 30, 2019, the District had \$1,032,858 in payables outstanding to the pension plans for its legally required contributions.

On-Behalf Payments

The State of South Carolina made payments of \$192,168 (SCRS) and \$545 (PORS) to PEBA on behalf of the District for the year ended June 30, 2019.

NOTE 11 – POST EMPLOYMENT BENEFITS

Plan Description

The Other Post-Employment Benefits Trust Funds (OPEB Trusts), which collectively refers to the South Carolina Retiree Health Insurance Trust Fund (SCRHITF) and the South Carolina Long-Term Disability Insurance Trust Fund (SCLTDITF), were established by the State of South Carolina as Act 195, which became effective in May 2008. The SCRHITF was created to fund and account for the employer costs of the State's retiree health and dental plans. The SCLTDITF was created to fund and account for the employer costs of the State's Basic Long-Term Disability Income Benefit Plan.

In accordance with Act 195, the OPEB Trusts are 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.

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 11 – POST EMPLOYMENT BENEFITS (continued)

Plan Description (continued)

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

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

Benefits Provided

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 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.

The SCLTDITF is a long-term disability plan that covers employees of the State of South Carolina, including all agencies and public school districts and all participating local government entities. The SCLTDITF provides disability payments to eligible employees who have been approved for disability.

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 contribution consist of an annual appropriation by the General Assembly and the statutorily required transfers 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 percent. The South Carolina Retirement System collects the monthly covered payroll 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 the age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the healthcare expenditures paid on behalf of the employer's active employees. For purposes of

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 11 – POST EMPLOYMENT BENEFITS (continued)

Contributions and Funding Policies (continued)

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. The contributions from nonemployee contributing entities recognized for the year ended June 30, 2019, was approximately \$214,993 reflected as state revenues and intergovernmental expenditures in the District's governmental financial statements.

Contributions to the SCRHITF by the District were \$1,070,871 for the year ended June 30, 2019.

The SCLTDITF is funded through employer contributions for active employees that elect health insurance coverage. For this group of active employees, PEBA-Insurance Benefits bills and collects premiums charged to State agencies, public school districts and other participating local governments. The monthly premium per active employee was \$3.22 for the fiscal year ended June 30, 2018. The SCLTDITF premium is billed monthly by PEBA-Insurance Benefits and transferred monthly to the SCLTDITF. It is also funded through investment income.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, the District reported a liability of \$28,492,578 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2018, the District's proportion was .201024% for SCRHITF and .205846% for SCLTDITF.

For the year ended June 30, 2019, the District recognized OPEB expense of \$1,104,671. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>SCRHITF</u> <u>Deferred Inflows of Resources</u>
Net differences between expected and actual experience	\$ 426,737	\$ 9,925
Changes in assumptions	-	2,319,642
Net difference between projected and actual investment earnings	109,227	-
Changes in proportionate share and differences between District contributions and proportionate share of contributions	-	2,410,692
District contributions subsequent to the measurement date	<u>1,070,871</u>	<u>-</u>
Totals	<u>\$ 1,606,835</u>	<u>\$ 4,740,259</u>

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

	<u>Deferred Outflows of Resources</u>	<u>SCLTDITF</u> <u>Deferred Inflows of Resources</u>
Net differences between expected and actual experience	\$ -	\$ 385
Changes in Assumptions	-	411
Net difference between projected and actual Investment earnings	3,661	-
Changes in proportionate share and differences between District contributions and proportionate share of contributions	-	523
District contributions subsequent to the measurement date	<u>14,477</u>	<u>-</u>
Totals	<u>\$ 18,138</u>	<u>\$ 1,319</u>

\$1,070,871 (SCRHITF) and \$14,477 (SCLTDITF) reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as reductions of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Difference between expected and actual experience

	<u>SCRHITF</u> <u>June 30, 2018</u>	<u>SCLTDITF</u> <u>June 30, 2018</u>
(Inflow)/Outflow	\$ 483,715	\$ (426)
Amortization period remaining	7.203	10.4006
Amortized period ended June 30,		
2018	\$ (66,903)	\$ 41
2019	(66,903)	41
2020	(66,903)	41
2021	(66,903)	41
2022	(66,903)	41
2023	(66,903)	41
Thereafter	(82,297)	180

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

Assumption changes

	<u>SCRHITF</u> <u>June 30, 2018</u>	<u>SCLTDITF</u> <u>June 30, 2018</u>
(Inflow)/Outflow	\$ (2,756,882)	\$ (460)
Amortization period remaining	7.203	10.4006
Amortized period ended June 30,		
2018	\$ 437,240	\$ 49
2019	437,240	49
2020	437,239	49
2021	437,239	49
2022	437,239	49
2023	437,239	49
Thereafter	133,446	166

Difference between projected and actual investment earnings

	<u>SCRHITF</u> <u>June 30, 2018</u>	<u>SCLTDITF</u> <u>June 30, 2018</u>
(Inflow)/Outflow	\$ 139,458	\$ 4,688
Amortization period remaining	5.0000	5.0000
Amortized period ended June 30,		
2018	\$ (30,231)	\$ (1,027)
2019	(30,231)	(1,028)
2020	(30,231)	(1,028)
2021	(30,231)	(1,028)
2022	(18,534)	(577)

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (continued)

Actuarial Assumptions

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 trends. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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, 2017
Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Investment Rate of Return:	4.00, net of OPEB Plan investment expense; including inflation.
Single Discount Rate:	3.62% as of June 30, 2018.
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 6.75% and gradually decreasing to an ultimate trend of 4.15% over a period of 14 years.
Retiree Participation:	79% for retirees who are eligible for funded premiums. 59% participation for retirees who are eligible for Partial Funded Premiums. 20% participation for retirees who are eligible for Non-Funded Premiums.
Notes:	The discount rate changed from 3.59% as of June 30, 2017, to 3.62% as of June 30, 2018.

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

Additional information as of the latest actuarial valuation for SCLTDITF:

Valuation Date:	June 30, 2017
Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Investment Rate of Return:	4.00%, net of OPEB Plan investment expense; including inflation.
Single Discount Rate:	3.91% as of June 30, 2018.
Salary, Termination, and Retirement Rates:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2015.
Disability Incidence:	The rates used in the valuation are based on the rates developed for the South Carolina Retirement Systems pension plans.
Disability Recovery:	For participants in payment, 1987 CGDT Group Disability; for active employees, 60% were assumed to recover after the first year and 92% were assumed to recover after the first two years.
Offsets:	40% are assumed to be eligible for Social Security benefits; assumed percentage who will be eligible for a pension plan offset varies based on employee group.
Expenses:	Third party administrative expenses were included in the benefit projections.
Notes:	There were no benefit changes during the year; the discount rate changed from 3.87% as of June 30, 2017, to 3.91% as of June 30, 2018.

Roll Forward Disclosure

The actuarial valuation was performed as of June 30, 2017. Update procedures were used to roll forward the total OPEB liability to June 30, 2018.

Net OPEB Liability

The Net OPEB Liability (NOL) is calculated separately for each OPEB Trust Fund and represents that particular Trusts' 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.

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (continued)

Net OPEB Liability (continued)

The following table represents the components of the net OPEB liability as of June 30, 2018:

<u>OPEB Trust</u>	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>	<u>Plan Fiduciary Net Position as a % of Total OPEB Liability</u>
SCRHITF	\$ 15,387,115,010	\$ 1,216,530,062	\$ 14,170,584,948	7.91%
SCLTDITF	\$ 39,261,091	\$ 36,199,863	\$ 3,061,228	92.20%

The TOL is calculated by the Trusts' actuary, and each Trust's fiduciary net position is reported in the Trust's financial statements. The NOL is disclosed in accordance with the requirements of GASB No. 74 in the Trusts' notes to the financial statements and required supplementary information. Liability calculations performed by the Trusts' actuary for the purpose of satisfying the requirements of GASB Nos. 74 and 75 and are not applicable for other purposes, such as determining the Trusts' funding requirements.

Single Discount Rate

The Single Discount Rate of 3.62% 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).

A Single Discount Rate of 3.91% was used to measure the total OPEB liability for the SCLTDITF. This Single Discount Rate was based on an expected rate of return on plan investments of 4.00% and a municipal bond rate of 3.62%. The projection of cash flows to determine this Single Discount Rate assumed that employer contributions will remain \$38.64 per year for each covered active employee. Based on these assumptions, the plan's Fiduciary Net Position and future contributions were sufficient to finance the benefit payments through the year 2037. As a result, the long-term expected rate of return on plan investments was applied to project benefit payments through the year 2037, and the municipal bond rate was applied to all benefit payments after that date.

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (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 2017 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:

	<u>Target Asset Allocation</u>	<u>Arithmetic Real Rate of Return</u>	<u>Allocation- Weighted Long- Term Expected Real Rate of Return</u>
Asset Class			
U.S. Domestic Fixed Income	80.00%	2.09%	1.67%
Cash	<u>20.00%</u>	0.84%	<u>0.17%</u>
Total	100.00%		1.84%
Expected Inflation			<u>2.25%</u>
Total Return			<u>4.09%</u>
Investment Return Assumption			<u>4.00%</u>

Sensitivity Analysis

The following table presents the District's proportionate share of the SCRHITF's net OPEB liability calculated using a Single Discount Rate of 3.62%, as well as what the District's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	<u>1% Decrease 2.62%</u>	<u>Current Discount Rate 3.62%</u>	<u>1% Increase 4.62%</u>
SCRHITF Net OPEB Liability	\$ 33,559,570	\$ 28,486,277	\$ 24,396,800

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (continued)

Sensitivity Analysis

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

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
SCRHITF Net OPEB Liability	\$ 23,439,607	\$ 28,486,277	\$ 35,010,686

The following table represents the District's proportionate share of the SCLTDITF's net OPEB liability calculated using a Single Discount Rate of 3.87%, as well as what the District's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	<u>1% Decrease 2.91%</u>	<u>Current Discount Rate 3.91%</u>	<u>1% Increase 4.91%</u>
SCLTDITF Net OPEB Liability	\$ 9,417	\$ 6,301	\$ 3,260

Additional Financial and Actuarial Information

Information in this note was compiled from the OPEB Trusts Funds' audited financial statement for the year ended June 30, 2018, and the accounting and financial reporting actuarial valuation as of June 30, 2018. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the OPEB Trusts Funds' audited financial statements.

NOTE 12 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; workers compensation claims; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. Because of the high cost of insurance purchased from commercial insurers, the School District has chosen to participate with other school districts in the State of South Carolina School Boards Insurance Trust/Workers' Compensation Pool (SCSBIT/WF) and in its Property and Casualty Pool (SCSBIT/PCP). This public entity risk pool operates as a common risk management and insurance program for member school districts. The School District pays annual premiums to the public entity risk pools for its workers' compensation and property liability insurance coverage based upon the total payroll of the School District for each plan year. The agreement for formation of the public entity risk pools provides that SCSBIT/WCTF will be self-sustaining through member premiums and any deficiencies can be charged back to member school districts in the event that a fund deficit arises. Since the pool requests initial payments (premiums) to cover substantially any losses to be incurred for that policy year, the District anticipates no future liabilities for incurred losses. The District's levels of coverage have not changed from the past years. There were no insurance settlements that exceeded insurance coverage in any of the past three years.

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 13 – LITIGATION

There are several pending legal cases currently filed against the District and determination of an outcome is unknown. The District has determined each case is covered under the District's insurance coverage and not anticipated to exceed coverage limits.

NOTE 14 – CONTINGENCIES AND COMMITMENTS

Contingencies – The District recognizes as revenue grant monies received as reimbursements for costs incurred in certain Federal and State programs it administers. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

Commitments – The District has an ongoing roofing project for Holly Hill Roberts Middle School with a contract price of \$1,295,165 and costs incurred through June 30, 2019 of \$1,195,888. The project balance of \$99,277 will be completed in the next fiscal year and paid by the newly formed Orangeburg County School District.

NOTE 15 – OTHER REQUIRED INDIVIDUAL FUND DISCLOSURE

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

- Segment information for certain individual Enterprise Funds. The District maintains only one Enterprise Fund which is the Food Service Fund.
- Summary disclosures of debt service requirements to maturity for all types of outstanding debt. Note 8 meets this requirement.
- Summary disclosures of changes in capital assets by major asset class. This requirement is met by Note 5.
- Summary disclosures of changes in long-term debt. See Note 8.
- Excess of expenditures/expenses (including transfers) over appropriations in individual funds. The General Fund's expenditures exceeded appropriations for intergovernmental expenditures by \$117,618.
- Deficit in the fund balance or net position of an individual fund. Proprietary Fund had a deficit net position of \$1,244,217.
- Economic Dependency. The District is not economically dependent on any major taxpayers or industries.

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 15 – OTHER REQUIRED INDIVIDUAL FUND DISCLOSURE (continued)

- Inter-fund receivable and payable balances at June 30, 2019, (all of which are expected to be paid or received within one year) are as follows:

<u>FUND CATEGORY</u>	<u>INTERFUND RECEIVABLES</u>	<u>INTERFUND PAYABLES</u>
General Fund	\$ 906,584	\$ -
Federal and State Grants	-	1,675,403
Combined EIA Funds	213,526	-
Debt Service Fund	14,645	-
School Building Fund	391,454	-
Food Service Fund	<u>149,194</u>	<u>-</u>
Totals	<u>\$ 1,675,403</u>	<u>\$ 1,675,403</u>

- Inter-fund transfers include funding allowed for indirect costs, required matches, supplemental funding, state cuts, and accounting practice. A summary of inter-fund transfers for the year ended June 30, 2019, follows:

<u>FUND CATEGORY</u>	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
General Fund	\$ 885,171	\$ -
Federal and State Grants	-	450
Combined EIA Funds	-	852,637
Debt Service Fund	-	1,245,685
School Building Fund	1,245,685	-
Food Service Fund	<u>-</u>	<u>32,084</u>
Totals	<u>\$ 2,130,856</u>	<u>\$ 2,130,856</u>

NOTE 16 – FUNDING FLEXIBILITY

The State of South Carolina passed a Joint Resolution to provide funding flexibility for the fiscal year ended June 30, 2019. Under the resolution, school districts may transfer revenue between programs to any instructional program with the same funding source and may make expenditure for instructional programs and essential operating costs from any state source without regard to fund type except school building bond funds.

Certain funds and other exceptions apply. The District used this flexibility for the current fiscal year by making certain transfers allowed under the Joint Resolution. The impact of applying funding flexibility to the District's General Fund was not measured.

NOTE 17 – OPERATING LEASES

The District is obligated under an operating lease for 12 office machines (copier/printer) to be used through the District in the amount of \$1,240 per month for 60 months beginning August 23, 2017.

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 18 – 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 Counties to enter into negotiated fee-in-lieu of tax ("FILOT") arrangements with entities in exchange for making investments in facilities and jobs in the County. The FILOT's typically include millage caps and reduced assessment ratios for entities who commit to certain investment and employment targets. Some FILOT's also include Special Source Revenue Credits which further reduce the negotiated fee by a percentage for some time period.

As of June 30, 2019, the County of Orangeburg has 5 entities with active FILOT's within the District's boundaries which resulted in net tax abatements for the District's property tax revenues of \$7,789,227.

NOTE 19 – RESTATEMENT OF NET POSITION/FUND BALANCE

The Orangeburg County Treasurer's office reduced the District's January 2019 property tax remittance by \$94,341 to recoup fiscal year 2018 property taxes based on their recalculations. The effect on the District's prior period balances are as follows:

Governmental Activities:

Net position, June 30, 2018	\$ (30,311,073)
County's adjustment to prior year tax collections	<u>(94,341)</u>
Restated net position (deficit) as of July 1, 2018	<u>\$ (30,405,414)</u>

General Fund:

Fund balance, June 30, 2018	\$ 5,122,370
County's adjustment to prior year tax collections	<u>(94,341)</u>
Restated fund balance as of July 1, 2018	<u>\$ 5,028,029</u>

NOTE 20 – DISTRICT MERGER

As enacted by the General Assembly of the State of South Carolina, the present three school districts of Orangeburg County must be abolished on July 1, 2019. Effective on July 1, 2019, Orangeburg County shall consist of one school district to be known as Orangeburg County School District. The initial opening balances of the new district's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position will be determined on the basis of the carrying values reported in the separate June 30, 2019, financial statements of the current three districts following the guidance of Governmental Accounting Standards Board, Statement No. 69, *Government Combinations and Disposals of Government Operations*.

NOTE 21 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 26, 2019, the date the financial statements were available for issuance.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET - POSITIVE (NEGATIVE)
REVENUES				
LOCAL	\$ 9,822,000	\$ 9,822,000	\$ 9,839,354	\$ 17,354
STATE	14,564,801	14,564,801	14,965,495	400,694
TOTAL REVENUES	<u>24,386,801</u>	<u>24,386,801</u>	<u>24,804,849</u>	<u>418,048</u>
EXPENDITURES				
CURRENT				
INSTRUCTION	13,813,476	13,857,185	13,786,428	70,757
SUPPORT SERVICES	12,646,650	13,530,590	13,206,791	323,799
COMMUNITY SERVICES	233,820	1,302	-	1,302
INTERGOVERNMENTAL	8,000	8,000	125,618	(117,618)
CAPITAL OUTLAY	571,203	571,203	414,617	156,586
TOTAL EXPENDITURES	<u>27,273,149</u>	<u>27,968,280</u>	<u>27,533,454</u>	<u>434,826</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,886,348)</u>	<u>(3,581,479)</u>	<u>(2,728,605)</u>	<u>852,874</u>
OTHER FINANCING SOURCES (USES):				
PROCEEDS FROM SALE OF CAPITAL ASSETS	-	-	210,000	210,000
OPERATING TRANSFERS IN (OUT)	793,134	793,134	885,171	92,037
TOTAL OTHER FINANCING SOURCES (USES)	<u>793,134</u>	<u>793,134</u>	<u>1,095,171</u>	<u>302,037</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,093,214)</u>	<u>\$ (2,788,345)</u>	<u>(1,633,434)</u>	<u>\$ 1,154,911</u>
FUND BALANCE, AS RESTATED, JULY 1, 2018			<u>5,028,029</u>	
FUND BALANCE JUNE 30, 2019			<u>\$ 3,394,595</u>	

THE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY SCHEDULES ARE AN INTEGRAL PART OF THIS SCHEDULE.

ORANGEBURG COUNTY CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
Schedules of Required Supplementary Information
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - SCRS AND PORS
Last 10 Fiscal Years

	SOUTH CAROLINA RETIREMENT SYSTEM (SCRS)									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the net pension liability (asset)	0.165241%	0.180635%	0.191877%	0.195800%	0.204463%	0.204463%	NA*	NA*	NA*	NA*
District's proportionate share of the net pension liability (asset)	\$ 37,025,330	\$ 40,663,844	\$ 40,984,644	\$ 37,134,414	\$ 35,201,750	\$ 36,673,368	NA*	NA*	NA*	NA*
District's covered payroll	\$ 17,259,662	\$ 18,468,146	\$ 18,809,772	\$ 18,547,473	\$ 18,778,925	\$ 8,896,869	NA*	NA*	NA*	NA*
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	214.52%	220.18%	217.89%	200.21%	187.45%	412.21%	NA*	NA*	NA*	NA*
Plan fiduciary net position as a percentage of the total pension liability	54.10%	53.30%	52.90%	57.00%	59.90%	56.40%	NA*	NA*	NA*	NA*
	POLICE OFFICERS RETIREMENT SYSTEM (PORS)									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the net pension liability (asset)	0.005497%	0.005870%	0.004160%	0.005590%	0.006090%	0.006090%	NA*	NA*	NA*	NA*
District's proportionate share of the net pension liability (asset)	\$ 155,760	\$ 160,757	\$ 105,467	\$ 121,877	\$ 116,512	\$ 126,161	NA*	NA*	NA*	NA*
District's covered payroll	\$ 76,087	\$ 79,020	\$ 53,006	\$ 69,271	\$ 73,200	\$ 13,179	NA*	NA*	NA*	NA*
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	204.71%	203.44%	198.97%	175.94%	159.17%	957.29%	NA*	NA*	NA*	NA*
Plan fiduciary net position as a percentage of the total pension liability	61.70%	60.90%	60.40%	64.60%	67.50%	63.00%	NA*	NA*	NA*	NA*

NA* - Not Available

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

Source: Audit reports on the schedules of employer allocations, schedules of pension amounts by employer, and related notes of the South Carolina and Police Officers Retirement Systems, as administered by the SC Public Employee Benefits Authority for the year ended June 30, 2018

ORANGEBURG COUNTY CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
Schedules of Required Supplementary Information
SCHEDULE OF DISTRICT'S CONTRIBUTIONS - SCRS AND PORS
Last 10 Fiscal Years

SOUTH CAROLINA RETIREMENT SYSTEM (SCRS)										
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 2,552,738	\$ 2,321,976	\$ 2,106,858	\$ 2,051,768	\$ 2,001,236	\$ 1,967,633	\$ 940,970	NA*	NA*	NA*
Contributions in relation to the contractually required contribution	<u>(2,552,738)</u>	<u>(2,321,976)</u>	<u>(2,106,858)</u>	<u>(2,051,768)</u>	<u>(2,001,236)</u>	<u>(1,967,633)</u>	<u>(940,970)</u>	<u>NA*</u>	<u>NA*</u>	<u>NA*</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 17,619,344	\$ 17,259,662	\$ 18,468,146	\$ 18,809,772	\$ 18,547,473	\$ 18,778,925	\$ 8,896,869	NA*	NA*	NA*
Contributions as a percentage of covered payroll	14.49%	13.45%	11.41%	10.91%	10.79%	10.48%	10.58%	NA*	NA*	NA*
POLICE OFFICERS RETIREMENT SYSTEM (PORS)										
	2018	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 13,966	\$ 12,357	\$ 11,252	\$ 7,283	\$ 9,289	\$ 9,399	\$ 1,594	NA*	NA*	NA*
Contributions in relation to the contractually required contribution	<u>(13,966)</u>	<u>(12,357)</u>	<u>(11,252)</u>	<u>(7,283)</u>	<u>(9,289)</u>	<u>(9,399)</u>	<u>(1,594)</u>	<u>NA*</u>	<u>NA*</u>	<u>NA*</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 81,009	\$ 76,087	\$ 79,020	\$ 53,006	\$ 69,271	\$ 73,200	\$ 13,179	NA*	NA*	NA*
Contributions as a percentage of covered payroll	17.24%	16.24%	14.24%	13.74%	13.41%	12.84%	12.09%	NA*	NA*	NA*

NA* - Not Available

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

Source: District quarterly retirement contribution reports for the four quarters ended June 30 of each year presented.

ORANGEBURG COUNTY CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
Schedules of Required Supplementary Information
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - SCRHITE AND SCLTDITF
Last 10 Fiscal Years

	SCRHITE									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the net OPEB liability (asset)	0.201024%	0.219940%	0.219940%	NA*	NA*	NA*	NA*	NA*	NA*	NA*
District's proportionate share of the net OPEB liability (asset)	\$ 28,486,277	\$ 29,790,513	\$ 31,822,307	NA*	NA*	NA*	NA*	NA*	NA*	NA*
District's covered payroll	\$ 17,335,749	\$ 18,547,166	\$ 18,862,778	NA*	NA*	NA*	NA*	NA*	NA*	NA*
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	164.32%	160.62%	168.70%	NA*	NA*	NA*	NA*	NA*	NA*	NA*
Plan fiduciary net position as a percentage of the total OPEB liability	7.91%	7.60%	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*
	SCLTDITF									
	2018	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the net OPEB liability (asset)	0.205846%	0.212811%	0.212811%	NA*	NA*	NA*	NA*	NA*	NA*	NA*
District's proportionate share of the net OPEB liability (asset)	\$ 6,301	\$ 3,858	\$ 1,477	NA*	NA*	NA*	NA*	NA*	NA*	NA*
District's covered payroll (1)										
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll (1)										
Plan fiduciary net position as a percentage of the total OPEB liability	92.20%	95.29%	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*

NA* - Not Available

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

(1): Long-term Disability is assessed per covered individual, not as a percentage of covered payroll.

Source: Audit reports on the schedules of employer and non-employer entity allocations and other post-employment benefit (OPEB) amounts by employer for the South Carolina Retiree Health Insurance and Long-Term Disability Insurance Trust Funds, as administered by the SC Public Employee Benefits Authority for the year ended June 30, 2018

ORANGEBURG COUNTY CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
Schedules of Required Supplementary Information
SCHEDULE OF DISTRICT'S CONTRIBUTIONS - SCRHITF AND SCLTDITF
Last 10 Fiscal Years

SCRHITF										
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 1,070,871	\$ 953,466	\$ 988,564	\$ 1,005,386	NA*	NA*	NA*	NA*	NA*	NA*
Contributions in relation to the contractually required contribution	<u>(1,070,871)</u>	<u>(953,466)</u>	<u>(988,564)</u>	<u>(1,005,386)</u>	<u>NA*</u>	<u>NA*</u>	<u>NA*</u>	<u>NA*</u>	<u>NA*</u>	<u>NA*</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 17,700,353	\$ 17,335,749	\$ 18,547,166	\$ 18,862,778	NA*	NA*	NA*	NA*	NA*	NA*
Contributions as a percentage of covered payroll	6.05%	5.50%	5.33%	5.33%	NA*	NA*	NA*	NA*	NA*	NA*
SCLTDITF										
	2018	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 14,477	\$ 14,950	\$ 15,404	\$ 16,067	NA*	NA*	NA*	NA*	NA*	NA*
Contributions in relation to the contractually required contribution	<u>(14,477)</u>	<u>(14,950)</u>	<u>(15,404)</u>	<u>(16,067)</u>	<u>NA*</u>	<u>NA*</u>	<u>NA*</u>	<u>NA*</u>	<u>NA*</u>	<u>NA*</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll (1)										
Contributions as a percentage of covered payroll (1)										

NA* - Not Available

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

(1): Long-term Disability is assessed per covered individual, not as a percentage of covered payroll.

Source: District quarterly retirement contribution reports and health insurance reports

**ORANGEBURG COUNTY CONSOLIDATED
SCHOOL DISTRICT THREE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 – BUDGET – MAJOR SPECIAL REVENUE FUNDS

The District is legally required to adopt a budget for the General Fund only. Budgets for major Special Revenue funds are approved by the South Carolina Department of Education. The District maintains budgetary control over these Special Revenue funds as the fiscal agent, providing statements of revenues and expenditures, budget and actual and other financial reports as requested by the grantor.

NOTE 2 – PENSIONS AND OPEB

Until information is available for other years, comparability of benefit terms and changes in assumptions are not available.

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
1000 REVENUE FROM LOCAL SOURCES			
1100 TAXES:			
1110 AD VALOREM TAXES	\$ 7,190,000	\$ 7,344,513	\$ 154,513
1140 PENALTIES & INTEREST ON TAXES	120,000	99,095	(20,905)
1200 REVENUE FROM LOCAL GOVERNMENTAL UNITS OTHER THAN LEA'S:			
1210 AD VALOREM TAXES	1,430,000	1,364,086	(65,914)
1280 REVENUE IN LIEU OF TAXES	920,000	784,704	(135,296)
1500 EARNINGS ON INVESTMENTS:			
1510 INTEREST ON INVESTMENTS	10,000	149,072	139,072
1520 DIVIDENDS ON INVESTMENTS	70	172	102
1900 OTHER REVENUE FROM LOCAL SOURCES			
1910 RENTALS	11,930	13,679	1,749
1920 CONTRIBUTIONS & DONATIONS PRIVATE SOURCES	-	2,600	2,600
1990 MISCELLANEOUS LOCAL REVENUE			
1999 REVENUE FROM OTHER LOCAL SOURCES	140,000	81,433	(58,567)
TOTAL LOCAL SOURCES	<u>9,822,000</u>	<u>9,839,354</u>	<u>17,354</u>
3000 REVENUE FROM STATE SOURCES			
3100 RESTRICTED STATE FUNDING:			
3130 SPECIAL PROGRAMS:			
3131 HANDICAPPED TRANSPORTATION	-	641	641
3160 SCHOOL BUS DRIVERS SALARY	395,356	472,263	76,907
3162 TRANSPORTATION WORKERS' COMPENSATION	-	30,228	30,228
3180 FRINGE BENEFITS EMPLOYER CONTRIBUTIONS	2,868,815	2,966,385	97,570
3181 RETIREE INSURANCE	759,180	779,462	20,282
3190 MISCELLANEOUS RESTRICTED STATE GRANTS			
3199 OTHER RESTRICTED STATE GRANTS	-	55	55
3300 EDUCATION FINANCE ACT:			
3310 FULL-TIME PROGRAMS:			
3311 KINDERGARTEN	241,175	335,341	94,166
3312 PRIMARY	993,901	880,560	(113,341)
3313 ELEMENTARY	1,566,696	1,528,923	(37,773)
3314 HIGH SCHOOL	356,154	331,053	(25,101)
3315 TRAINABLE MENTALLY HANDICAPPED	17,340	27,815	10,475
3316 SPEECH HANDICAPPED (PART-TIME PROGRAM)	531,419	617,268	85,849
3317 HOMEBOUND	5,294	2,217	(3,077)

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
3320 PART-TIME PROGRAMS:			
3321 EMOTIONALLY HANDICAPPED	\$ 18,779	\$ 23,857	\$ 5,078
3322 EDUCABLE MENTALLY HANDICAPPED	52,039	31,407	(20,632)
3323 LEARNING DISABILITIES	563,479	492,429	(71,050)
3324 HEARING HANDICAPPED	9,482	12,717	3,235
3325 VISUALLY HANDICAPPED	9,334	4,709	(4,625)
3326 ORTHOPEDICALLY HANDICAPPED	7,379	3,738	(3,641)
3327 VOCATIONAL	1,024,910	1,014,725	(10,185)
3330 OTHER EFA PROGRAMS:			
3331 AUTISM	82,015	65,873	(16,142)
3332 HIGH ACHIEVING STUDENTS	23,667	9,034	(14,633)
3334 LIMITED ENGLISH PROFICIENCY	9,629	9,766	137
3350 RESIDENTIAL TREATMENT FACILITIES (RTF):			
3351 ACADEMIC ASSISTANCE	312,380	309,742	(2,638)
3352 PUPILS IN POVERTY	833,062	824,636	(8,426)
3353 DUAL CREDIT ENROLLMENT	6,198	10,774	4,576
3392 NBC EXCESS EFA FORMULA	49,210	11,668	(37,542)
3800 STATE REVENUE IN LIEU OF TAXES:			
3810 REIMBURSEMENT FOR LOCAL PROPERTY TAX RELIEF	1,297,390	1,297,390	-
3820 HOMESTEAD EXEMPTION	490,398	490,398	-
3825 REIMBURSEMENT FOR PROPERTY TAX RELIEF - TIER 3	1,530,000	1,639,764	109,764
3830 MERCHANT'S INVENTORY TAX	281,500	281,503	3
3840 MANUFACTURER DEPRECIATION REIMBURSEMENT	134,620	140,663	6,043
3890 OTHER STATE PROPERTY TAX REVENUE	94,000	125,778	31,778
3900 OTHER STATE REVENUE			
3993 PEBA ON-BEHALF	-	192,713	192,713
TOTAL STATE SOURCES	14,564,801	14,965,495	400,694
TOTAL REVENUE ALL SOURCES	24,386,801	24,804,849	418,048
EXPENDITURES			
100 INSTRUCTION			
110 GENERAL INSTRUCTION			
111 KINDERGARTEN PROGRAMS:			
100 SALARIES	660,417	657,088	3,329
200 EMPLOYEE BENEFITS	274,576	272,982	1,594
300 PURCHASED SERVICES	14,750	14,750	-
400 SUPPLIES AND MATERIALS	8,218	7,420	798

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
112 PRIMARY PROGRAMS:			
100 SALARIES	\$ 1,664,246	\$ 1,659,799	\$ 4,447
200 EMPLOYEE BENEFITS	510,162	509,240	922
300 PURCHASED SERVICES	72,000	71,700	300
400 SUPPLIES AND MATERIALS	15,785	14,505	1,280
113 ELEMENTARY PROGRAMS:			
100 SALARIES	3,283,860	3,277,647	6,213
200 EMPLOYEE BENEFITS	1,014,269	1,021,344	(7,075)
300 PURCHASED SERVICES	249,500	266,266	(16,766)
400 SUPPLIES AND MATERIALS	108,146	70,849	37,297
500 CAPITAL OUTLAY	22,878	12,335	10,543
600 OTHER OBJECTS	150	1,500	(1,350)
114 HIGH SCHOOL PROGRAMS:			
100 SALARIES	1,947,212	1,991,194	(43,982)
200 EMPLOYEE BENEFITS	585,882	610,905	(25,023)
300 PURCHASED SERVICES	119,746	117,803	1,943
400 SUPPLIES AND MATERIALS	63,072	51,142	11,930
500 CAPITAL OUTLAY	2,000	-	2,000
600 OTHER OBJECTS	500	-	500
115 CAREER AND TECHNOLOGY EDUCATION PROGRAMS:			
100 SALARIES	649,934	649,555	379
200 EMPLOYEE BENEFITS	253,353	251,916	1,437
300 PURCHASED SERVICES	44,000	35,539	8,461
400 SUPPLIES AND MATERIALS	50,000	11,135	38,865
500 CAPITAL OUTLAY	3,000	-	3,000
120 EXCEPTIONAL PROGRAMS			
121 EDUCABLE MENTALLY HANDICAPPED:			
100 SALARIES	33,708	28,677	5,031
200 EMPLOYEE BENEFITS	10,733	9,857	876
300 PURCHASED SERVICES	100	-	100
400 SUPPLIES AND MATERIALS	4,100	1,185	2,915
122 TRAINABLE MENTALLY HANDICAPPED:			
100 SALARIES	224,355	224,329	26
200 EMPLOYEE BENEFITS	62,372	62,310	62
300 PURCHASED SERVICES	18,100	18,000	100
400 SUPPLIES AND MATERIALS	2,500	-	2,500
123 ORTHOPEDICALLY HANDICAPPED:			
100 SALARIES	36,847	36,845	2
200 EMPLOYEE BENEFITS	11,980	11,978	2
300 PURCHASED SERVICES	2,135	11,979	(9,844)
124 VISUALLY HANDICAPPED:			
100 SALARIES	4,810	4,809	1
200 EMPLOYEE BENEFITS	1,597	1,158	439
300 PURCHASED SERVICES	47,000	38,548	8,452

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
125 HEARING HANDICAPPED:			
100 SALARIES	\$ 7,202	\$ 7,199	\$ 3
200 EMPLOYEE BENEFITS	3,432	3,263	169
300 PURCHASED SERVICES	13,135	12,324	811
400 SUPPLIES AND MATERIALS	1,000	-	1,000
126 SPEECH HANDICAPPED:			
100 SALARIES	39,913	73,172	(33,259)
200 EMPLOYEE BENEFITS	19,940	19,534	406
300 PURCHASED SERVICES	1,300	2,350	(1,050)
400 SUPPLIES AND MATERIALS	7,500	2,977	4,523
127 LEARNING DISABILITIES:			
100 SALARIES	781,270	775,612	5,658
200 EMPLOYEE BENEFITS	219,013	200,621	18,392
300 PURCHASED SERVICES	242,035	233,934	8,101
400 SUPPLIES AND MATERIALS	6,000	3,894	2,106
128 EMOTIONALLY HANDICAPPED:			
100 SALARIES	429	429	-
200 EMPLOYEE BENEFITS	6,193	52	6,141
400 SUPPLIES AND MATERIALS	3,500	1,649	1,851
130 PRE-SCHOOL PROGRAMS			
135 PRESCHOOL HANDICAPPED - SPEECH (3 & 4 YR OLDS):			
100 SALARIES	1,000	1,000	-
140 SPECIAL PROGRAMS			
141 GIFTED AND TALENTED-ACADEMIC:			
400 SUPPLIES AND MATERIALS	4,000	-	4,000
145 HOMEBOUND:			
100 SALARIES	29,000	28,471	529
200 EMPLOYEE BENEFITS	5,662	6,135	(473)
300 PURCHASED SERVICES	7,650	-	7,650
147 CDEP:			
100 SALARIES	144,140	137,923	6,217
200 EMPLOYEE BENEFITS	55,926	53,453	2,473
400 SUPPLIES AND MATERIALS	2,231	1,455	776
600 OTHER OBJECTS	400	-	400
148 GIFTED AND TALENTED ARTISTIC:			
300 PURCHASED SERVICES	19,000	8,617	10,383
149 OTHER SPECIAL PROGRAMS:			
100 SALARIES	-	9	(9)

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
160 OTHER EXCEPTIONAL PROGRAMS			
161 AUTISM:			
100 SALARIES	\$ 62,111	\$ 74,106	\$ (11,995)
200 EMPLOYEE BENEFITS	19,211	18,061	1,150
300 PURCHASED SERVICES	598	64	534
170 SUMMER SCHOOL PROGRAM			
172 ELEMENTARY SUMMER SCHOOL:			
100 SALARIES	25,900	25,778	122
200 EMPLOYEE BENEFITS	4,473	4,470	3
400 SUPPLIES AND MATERIALS	-	2,420	(2,420)
173 HIGH SCHOOL SUMMER SCHOOL:			
100 SALARIES	6,000	5,088	912
200 EMPLOYEE BENEFITS	1,640	1,762	(122)
175 INSTRUCTIONAL PROGRAMS BEYOND REG SCHOOL DAY			
100 SALARIES	8,000	7,669	331
200 EMPLOYEE BENEFITS	2,766	2,165	601
180 ADULT/CONTINUING EDUCATIONAL PROGRAMS			
181 ADULT BASIC EDUCATION PROGRAMS:			
300 PURCHASED SERVICES	46,000	41,729	4,271
188 PARENTING/FAMILY LITERACY:			
100 SALARIES	7,000	12,189	(5,189)
200 EMPLOYEE BENEFITS	-	2,774	(2,774)
300 PURCHASED SERVICES	2,500	126	2,374
TOTAL INSTRUCTION SERVICES	<u>13,885,063</u>	<u>13,798,763</u>	<u>86,300</u>
200 SUPPORT SERVICES			
210 PUPIL SERVICES			
211 ATTENDANCE AND SOCIAL WORK SERVICES:			
100 SALARIES	6,416	6,416	-
200 EMPLOYEE BENEFITS	547	545	2
300 PURCHASED SERVICES	38,406	38,210	196
400 SUPPLIES AND MATERIALS	500	-	500
212 GUIDANCE SERVICES:			
100 SALARIES	677,147	665,344	11,803
200 EMPLOYEE BENEFITS	270,129	269,250	879
300 PURCHASED SERVICES	13,100	6,887	6,213
400 SUPPLIES AND MATERIALS	43,503	25,493	18,010
213 HEALTH SERVICES:			
100 SALARIES	208,276	204,836	3,440
200 EMPLOYEE BENEFITS	84,212	82,344	1,868
300 PURCHASED SERVICES	7,850	5,130	2,720
400 SUPPLIES AND MATERIALS	1,000	916	84
500 CAPITAL OUTLAY	393	-	393

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
214 PSYCHOLOGICAL SERVICES:			
300 PURCHASED SERVICES	\$ -	\$ 1,869	\$ (1,869)
400 SUPPLIES AND MATERIALS	2,000	-	2,000
215 EXCEPTIONAL PROGRAM SERVICES:			
100 SALARIES	24,261	24,261	-
200 EMPLOYEE BENEFITS	9,570	9,557	13
300 PURCHASED SERVICES	1,600	1,600	-
400 SUPPLIES AND MATERIALS	1,000	-	1,000
220 INSTRUCTIONAL STAFF SERVICES			
221 IMPROVEMENT OF INSTRUCTION - CURRICULUM DEVELOPMENT:			
100 SALARIES	466,580	427,434	39,146
200 EMPLOYEE BENEFITS	148,790	145,917	2,873
300 PURCHASED SERVICES	23,250	18,435	4,815
400 SUPPLIES AND MATERIALS	3,500	3,498	2
222 LIBRARY AND MEDIA SERVICES:			
100 SALARIES	483,807	481,102	2,705
200 EMPLOYEE BENEFITS	198,532	197,266	1,266
300 PURCHASED SERVICES	1,800	1,351	449
400 SUPPLIES AND MATERIALS	137,555	103,584	33,971
223 SUPERVISION OF SPECIAL PROGRAMS:			
100 SALARIES	72,590	72,594	(4)
200 EMPLOYEE BENEFITS	27,390	28,411	(1,021)
300 PURCHASED SERVICES	3,450	4,037	(587)
224 IMPROVEMENT OF INSTRUCTION - INSERVICE & STAFF TRAINING:			
300 PURCHASED SERVICES	18,100	8,240	9,860
400 SUPPLIES AND MATERIALS	3,500	3,200	300
230 GENERAL ADMINISTRATION SERVICES			
231 BOARD OF EDUCATION:			
100 SALARIES	20,130	20,129	1
200 EMPLOYEE BENEFITS	6,365	6,555	(190)
300 PURCHASED SERVICES	180,122	171,082	9,040
318 AUDIT SERVICES	40,000	37,015	2,985
400 SUPPLIES AND MATERIALS	25,000	20,665	4,335
500 CAPITAL OUTLAY	1,000	-	1,000
600 OTHER OBJECTS	28,000	26,727	1,273
232 OFFICE OF THE SUPERINTENDENT:			
100 SALARIES	385,186	375,240	9,946
140 TERMINAL LEAVE	1,500	1,256	244
200 EMPLOYEE BENEFITS	113,217	112,076	1,141
300 PURCHASED SERVICES	25,000	22,143	2,857
400 SUPPLIES AND MATERIALS	10,000	9,741	259
600 OTHER OBJECTS	4,000	2,510	1,490

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
233 SCHOOL ADMINISTRATION:			
100 SALARIES	\$ 1,521,203	\$ 1,515,309	\$ 5,894
200 EMPLOYEE BENEFITS	583,466	580,879	2,587
300 PURCHASED SERVICES	42,900	38,175	4,725
400 SUPPLIES AND MATERIALS	36,564	30,358	6,206
250 FINANCE AND OPERATIONS SERVICES			
251 STUDENT TRANSPORTATION:			
100 SALARIES	107,040	104,670	2,370
200 EMPLOYEE BENEFITS	31,421	30,692	729
300 PURCHASED SERVICES	30,236	20,594	9,642
252 FISCAL SERVICES:			
100 SALARIES	140,916	137,916	3,000
180 HEAD OF ORGANIZATIONAL UNIT SALARIES	97,510	97,510	-
200 EMPLOYEE BENEFITS	77,909	55,406	22,503
280 HEAD OF ORGANIZATIONAL UNIT EMPLOYEE BENEFITS	30,866	30,604	262
300 PURCHASED SERVICES	24,300	5,815	18,485
380 HEAD OF ORGANIZATIONAL UNIT TRAVEL	7,600	6,086	1,514
400 SUPPLIES AND MATERIALS	25,000	14,466	10,534
400 HEAD OF ORGANIZATIONAL UNIT SUPPLIES AND MATERIALS	1,000	235	765
600 OTHER OBJECTS	31,100	21,889	9,211
600 HEAD OF ORGANIZATIONAL UNIT OTHER OBJECTS	500	-	500
254 OPERATION AND MAINTENANCE OF PLANT:			
100 SALARIES	928,558	923,140	5,418
200 EMPLOYEE BENEFITS	834,941	831,440	3,501
300 PURCHASED SERVICES	720,564	732,694	(12,130)
321 PUBLIC UTILITIES	74,312	69,263	5,049
400 SUPPLIES AND MATERIALS	239,143	201,562	37,581
470 ENERGY	1,007,000	878,245	128,755
500 CAPITAL OUTLAY	60,220	5,697	54,523
255 STUDENT TRANSPORTATION:			
100 SALARIES	1,171,585	1,166,119	5,466
200 EMPLOYEE BENEFITS	465,519	462,471	3,048
300 PURCHASED SERVICES	16,500	13,277	3,223
400 SUPPLIES AND MATERIALS	2,000	1,086	914
256 FOOD SERVICE:			
200 EMPLOYEE BENEFITS	-	132,307	(132,307)
258 SECURITY:			
100 SALARIES	60,638	60,638	-
200 EMPLOYEE BENEFITS	18,452	18,529	(77)
300 PURCHASED SERVICES	165,500	138,084	27,416
400 SUPPLIES AND MATERIALS	3,550	3,603	(53)
260 CENTRAL SUPPORT SERVICES			
261 HEAD OF COMPONENT UNIT:			
300 PURCHASED SERVICES	3,000	-	3,000
600 OTHER OBJECTS	500	-	500

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
262 PLNG, RESEARCH, DEVELOP./EVAL			
300 PURCHASED SERVICES	\$ 5,000	\$ -	\$ 5,000
263 INFORMATION SERVICES:			
300 PURCHASED SERVICES	13,200	10,604	2,596
264 STAFF SERVICES:			
100 SALARIES	177,256	170,718	6,538
180 HEAD OF ORGANIZATIONAL UNIT SALARIES	108,173	108,173	-
200 EMPLOYEE BENEFITS	55,805	57,086	(1,281)
280 HEAD OF ORGANIZATIONAL UNIT EMPLOYEE BENEFITS	38,815	38,542	273
300 PURCHASED SERVICES	26,900	21,097	5,803
380 HEAD OF ORGANIZATIONAL UNIT TRAVEL	7,100	2,625	4,475
400 SUPPLIES AND MATERIALS	15,500	11,557	3,943
480 HEAD OF ORGANIZATIONAL UNIT SUPPLIES	1,000	216	784
600 OTHER OBJECTS	4,000	131,734	(127,734)
600 HEAD OF ORGANIZATIONAL UNIT OTHER OBJECTS	500	-	500
266 TECHNOLOGY AND DATA PROCESSING SERVICES:			
100 SALARIES	143,450	136,450	7,000
180 HEAD OF ORGANIZATIONAL UNIT SALARIES	104,014	103,697	317
200 EMPLOYEE BENEFITS	50,537	50,916	(379)
280 HEAD OF ORGANIZATIONAL UNIT EMPLOYEE BENEFITS	38,815	38,331	484
300 PURCHASED SERVICES	13,200	9,482	3,718
380 HEAD OF ORGANIZATIONAL UNIT TRAVEL	8,400	6,940	1,460
400 SUPPLIES AND MATERIALS	15,000	1,913	13,087
480 HEAD OF ORGANIZATIONAL UNIT SUPPLIES	2,000	-	2,000
500 CAPITAL OUTLAY	481,712	396,585	85,127
270 SUPPORT SERVICES PUPIL ACTIVITY:			
271 PUPIL SERVICE ACTIVITIES			
100 SALARIES	154,235	140,498	13,737
200 EMPLOYEE BENEFITS	35,954	35,287	667
300 PURCHASED SERVICES	140,700	130,641	10,059
400 SUPPLIES AND MATERIALS	52,862	34,356	18,506
TOTAL SUPPORTING SERVICES	<u>14,073,915</u>	<u>13,609,073</u>	<u>464,842</u>
300 COMMUNITY SERVICES			
330 CIVIC:			
100 SALARIES	302	-	302
390 OTHER COMMUNITY SERVICES:			
400 SUPPLIES AND MATERIALS	<u>1,000</u>	<u>-</u>	<u>1,000</u>
TOTAL COMMUNITY SERVICES	<u>1,302</u>	<u>-</u>	<u>1,302</u>

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
400 OTHER CHARGES			
410 INTERGOVERNMENTAL EXPENDITURES			
412 PAYMENTS TO OTHER GOVERNMENTAL UNITS: 720 TRANSITS	\$ 8,000	\$ 125,618	\$ (117,618)
TOTAL INTERGOVERNMENTAL EXPENDITURES	<u>8,000</u>	<u>125,618</u>	<u>(117,618)</u>
TOTAL EXPENDITURES	<u>27,968,280</u>	<u>27,533,454</u>	<u>434,826</u>
OTHER FINANCING SOURCES (USES)			
5300 PROCEEDS FROM SALE OF CAPITAL ASSETS	-	210,000	210,000
INTERFUND TRANSFERS, FROM (TO) OTHER FUNDS:			
5220 TRANSFER FROM SPECIAL REVENUE FUND	-	6,455	6,455
5230 TRANSFER FROM SPECIAL REVENUE EIA FUND	863,134	852,637	(10,497)
5280 TRANSFER FROM OTHER FUNDS INDIRECT COSTS	180,000	127,079	(52,921)
421-710 TRANSFER TO SPECIAL REVENUE FUND	<u>(250,000)</u>	<u>(101,000)</u>	<u>149,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>793,134</u>	<u>1,095,171</u>	<u>302,037</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (2,788,345)</u>	<u>(1,633,434)</u>	<u>\$ 1,154,911</u>
FUND BALANCE, AS RESTATED, JULY 1, 2018		<u>5,028,029</u>	
FUND BALANCE JUNE 30, 2019		<u>\$ 3,394,595</u>	

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
SPECIAL REVENUE FUND - SPECIAL PROJECTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	TITLE I (201/202)	IDEA (203/204)	PRESCHOOL HANDICAPPED (205/206)	CATE (207/208)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
REVENUES							
1000 REVENUE FROM LOCAL SOURCES							
1930 MEDICAID	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 746,733	\$ 746,733
1999 REVENUE FROM OTHER LOCAL SOURCES	-	-	-	-	-	630,118	630,118
TOTAL LOCAL SOURCES	-	-	-	-	-	1,376,851	1,376,851
3000 REVENUE FROM STATE SOURCES							
3100 RESTRICTED STATE FUNDING:							
3105 TECHNOLOGY TECHNICAL ASSISTANCE	-	-	-	-	10,719	-	10,719
3118 EEDA CAREER SPECIALISTS	-	-	-	-	168,828	-	168,828
3120 GENERAL EDUCATION:							
3127 STUDENT HEALTH AND FITNESS - PE TEACHERS	-	-	-	-	19,015	-	19,015
3130 SPECIAL PROGRAMS:							
3134 CHILD EARLY READ DEV AND EDUC PRGM (CERDEP)-FULL DAY	-	-	-	-	10,826	-	10,826
3135 READING COACHES	-	-	-	-	242,004	-	242,004
3136 STUDENT HEALTH AND FITNESS - NURSES	-	-	-	-	116,387	-	116,387
3183 TEACHER RECRUITING AND RETENTION	-	-	-	-	34,528	-	34,528
3190 MISCELLANEOUS RESTRICTED STATE GRANTS:							
3193 EDUCATION LICENSE PLATES	-	-	-	-	3,089	-	3,089
3199 OTHER RESTRICTED STATE GRANTS	-	-	-	-	-	1,176	1,176
3300 EDUCATION FINANCE ACT:							
3393 CAPITAL IMPROVEMENT PLAN -ADDITIONAL	-	-	-	-	1,163,101	-	1,163,101
3600 EDUCATION LOTTERY ACT REVENUE:							
3630 K-12 TECHNOLOGY INITIATIVE	-	-	-	-	37,848	-	37,848
3655 CLASSROOM LIBRARIES	-	-	-	-	14,599	-	14,599
3670 SCHOOL SAFETY-FAC AND INFRASTR SAFETY UPGRADES	-	-	-	-	59,879	-	59,879
TOTAL STATE SOURCES	-	-	-	-	1,880,823	1,176	1,881,999
4000 REVENUE FROM FEDERAL SOURCES							
4200 OCCUPATIONAL EDUCATION:							
4210 PERKINS AID, TITLE I	-	-	-	82,337	-	-	82,337
4300 ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965:							
4310 TITLE I, BASIC STATE GRANT PROGRAMS	1,722,324	-	-	-	-	328,301	2,050,625
4312 RURAL & LOW - INCOME S/P TITLE V	-	-	-	-	-	42,016	42,016
4351 SUPPORTING EFFECTIVE INSTRUCTION	-	-	-	-	-	169,639	169,639

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
SPECIAL REVENUE FUND - SPECIAL PROJECTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	TITLE I (201/202)	IDEA (203/204)	PRESCHOOL HANDICAPPED (205/206)	CATE (207/208)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
4500 PROGRAMS FOR CHILDREN WITH DISABILITIES							
4510 INDIVIDUALS WITH DISABILITIES EDUCATION ACT (IDEA)	\$ -	\$ 1,060,192	\$ -	\$ -	\$ -	\$ -	\$ 1,060,192
4520 PRE-SCHOOL GRANTS (IDEA)	-	-	26,045	-	-	-	26,045
4900 OTHER FEDERAL SOURCES:							
4997 TITLE IV - SSAE	-	-	-	-	-	141,158	141,158
4999 REVENUE FROM OTHER FEDERAL SOURCES	-	-	-	-	-	367,275	367,275
TOTAL FEDERAL SOURCES	1,722,324	1,060,192	26,045	82,337	-	1,048,389	3,939,287
TOTAL REVENUE ALL SOURCES	1,722,324	1,060,192	26,045	82,337	1,880,823	2,426,416	7,198,137
EXPENDITURES							
100 INSTRUCTION							
110 GENERAL INSTRUCTION							
111 KINDERGARTEN PROGRAMS:							
100 SALARIES	70,464	-	-	-	-	-	70,464
200 EMPLOYEE BENEFITS	25,869	-	-	-	-	-	25,869
500 CAPITAL OUTLAY	-	-	-	-	-	4,964	4,964
112 PRIMARY PROGRAMS:							
100 SALARIES	281,300	-	-	-	5,370	-	286,670
200 EMPLOYEE BENEFITS	123,880	-	-	-	18	-	123,898
300 PURCHASED SERVICES	-	-	-	-	-	24,050	24,050
500 CAPITAL OUTLAY	-	-	-	-	-	4,637	4,637
113 ELEMENTARY PROGRAMS:							
100 SALARIES	186,468	-	-	-	9,730	19,675	215,873
200 EMPLOYEE BENEFITS	61,561	-	-	-	3,897	2,004	67,462
300 PURCHASED SERVICES	5,880	-	-	-	-	115,288	121,168
400 SUPPLIES AND MATERIALS	62,753	-	-	-	14,599	89,666	167,018
500 CAPITAL OUTLAY	-	-	-	-	1,165	101,232	102,397
114 HIGH SCHOOL PROGRAMS:							
100 SALARIES	-	-	-	-	-	138,432	138,432
200 EMPLOYEE BENEFITS	-	-	-	-	-	34,381	34,381
300 PURCHASED SERVICES	-	-	-	-	-	73,250	73,250
500 CAPITAL OUTLAY	-	-	-	-	1,925	-	1,925
115 CAREER AND TECHNOLOGY EDUCATION PROGRAMS:							
100 SALARIES	-	-	-	15,592	-	14,318	29,910
200 EMPLOYEE BENEFITS	-	-	-	9,046	-	2,267	11,313
300 PURCHASED SERVICES	-	-	-	-	-	2,471	2,471
400 SUPPLIES AND MATERIALS	-	-	-	12,871	-	30,298	43,169
600 OTHER OBJECTS	-	-	-	35,000	-	-	35,000

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
SPECIAL REVENUE FUND - SPECIAL PROJECTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	TITLE I (201/202)	IDEA (203/204)	PRESCHOOL HANDICAPPED (205/206)	CATE (207/208)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
120 EXCEPTIONAL PROGRAMS							
121 EDUCABLE MENTALLY HANDICAPPED:							
100 SALARIES	\$ -	\$ 20,547	\$ -	\$ -	\$ -	\$ -	\$ 20,547
200 EMPLOYEE BENEFITS	-	9,010	-	-	-	-	9,010
122 TRAINABLE MENTALLY HANDICAPPED:							
100 SALARIES	-	73,707	-	-	-	-	73,707
200 EMPLOYEE BENEFITS	-	34,896	-	-	-	-	34,896
123 ORTHOPEDICALLY HANDICAPPED:							
100 SALARIES	-	24,058	-	-	-	-	24,058
200 EMPLOYEE BENEFITS	-	2,389	-	-	-	-	2,389
300 PURCHASED SERVICES	-	148,165	-	-	-	3,780	151,945
126 SPEECH HANDICAPPED:							
100 SALARIES	-	5,198	-	-	-	23,736	28,934
200 EMPLOYEE BENEFITS	-	398	-	-	-	21,917	22,315
300 PURCHASED SERVICES	-	131,010	-	-	-	61,960	192,970
400 SUPPLIES AND MATERIALS	-	-	-	-	-	8,869	8,869
500 CAPITAL OUTLAY	-	-	-	-	-	583	583
600 OTHER OBJECTS	-	-	-	-	-	351	351
127 LEARNING DISABILITIES:							
100 SALARIES	-	159,607	-	-	-	-	159,607
200 EMPLOYEE BENEFITS	-	50,144	-	-	-	-	50,144
300 PURCHASED SERVICES	-	21,410	-	-	-	-	21,410
130 PRESCHOOL PROGRAMS							
135 PRESCHOOL HANDICAPPED SPEECH (3 & 4 YEAR OLDS):							
100 SALARIES	-	-	26,045	-	-	-	26,045
140 SPECIAL PROGRAMS							
147 CDEP:							
100 SALARIES	-	-	-	-	9,000	-	9,000
200 EMPLOYEE BENEFITS	-	-	-	-	1,826	-	1,826
500 CAPITAL OUTLAY	-	-	-	-	-	5,251	5,251

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
SPECIAL REVENUE FUND - SPECIAL PROJECTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	TITLE I (201/202)	IDEA (203/204)	PRESCHOOL HANDICAPPED (205/206)	CATE (207/208)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
149 OTHER SPECIAL PROGRAMS:							
100 SALARIES	\$ -	\$ 12,628	\$ -	\$ -	\$ -	\$ -	\$ 12,628
200 EMPLOYEE BENEFITS	-	6,460	-	-	-	-	6,460
160 OTHER EXCEPTIONAL PROGRAMS							
161 AUTISM:							
100 SALARIES	-	52,568	-	-	-	-	52,568
200 EMPLOYEE BENEFITS	-	12,512	-	-	-	-	12,512
170 SUMMER SCHOOL PROGRAMS							
172 ELEMENTARY SUMMER SCHOOL:							
100 SALARIES	71,138	-	-	-	-	-	71,138
200 EMPLOYEE BENEFITS	14,853	-	-	-	-	-	14,853
300 PURCHASED SERVICES	-	-	-	-	-	34,842	34,842
400 SUPPLIES AND MATERIALS	-	-	-	-	-	1,972	1,972
173 HIGH SCHOOL SUMMER SCHOOL:							
100 SALARIES	-	5,588	-	-	-	-	5,588
200 EMPLOYEE BENEFITS	-	1,579	-	-	-	-	1,579
300 PURCHASED SERVICES	-	613	-	-	-	-	613
400 SUPPLIES AND MATERIALS	-	1,704	-	-	-	-	1,704
175 INSTRUCTIONAL PROGRAMS BEYOND REGULAR SCHOOL DAY:							
100 SALARIES	54,729	-	-	-	-	161,400	216,129
200 EMPLOYEE BENEFITS	8,983	-	-	-	-	36,016	44,999
300 PURCHASED SERVICES	16,800	-	-	-	-	27,894	44,694
400 SUPPLIES AND MATERIALS	35,664	-	-	-	-	15,166	50,830
180 ADULT/CONTINUING EDUCATIONAL PROGRAMS							
188 PARENTING/FAMILY LITERACY:							
100 SALARIES	107,793	-	-	-	-	47,714	155,507
200 EMPLOYEE BENEFITS	49,567	-	-	-	-	22,227	71,794
300 PURCHASED SERVICES	6,935	-	-	-	-	6,565	13,500
400 SUPPLIES AND MATERIALS	32,603	-	-	-	-	7,777	40,380
TOTAL INSTRUCTION	1,217,240	774,191	26,045	72,509	47,530	1,144,953	3,282,468

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
SPECIAL REVENUE FUND - SPECIAL PROJECTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	TITLE I (201/202)	IDEA (203/204)	PRESCHOOL HANDICAPPED (205/206)	CATE (207/208)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
200 SUPPORT SERVICES							
210 PUPIL SERVICES							
211 ATTENDANCE AND SOCIAL WORK:							
100 SALARIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 265,346	\$ 265,346
200 EMPLOYEE BENEFITS	-	-	-	-	-	116,430	116,430
300 PURCHASED SERVICES	-	-	-	-	-	14,600	14,600
400 SUPPLIES AND MATERIALS	-	-	-	-	-	3,965	3,965
500 CAPITAL OUTLAY	-	-	-	-	-	14,461	14,461
212 GUIDANCE:							
100 SALARIES	-	-	-	-	123,236	85,428	208,664
200 EMPLOYEE BENEFITS	-	-	-	-	45,592	24,809	70,401
300 PURCHASED SERVICES	-	-	-	-	-	4,256	4,256
213 HEALTH SERVICES:							
100 SALARIES	-	-	-	-	84,870	28,651	113,521
200 EMPLOYEE BENEFITS	-	-	-	-	31,517	13,090	44,607
300 PURCHASED SERVICES	5,700	-	-	-	-	9,654	15,354
400 SUPPLIES AND MATERIALS	-	-	-	-	-	2,805	2,805
214 PSYCHOLOGICAL SERVICES:							
300 PURCHASED SERVICES	-	84,590	-	-	-	44,494	129,084
400 SUPPLIES AND MATERIALS	-	-	-	-	-	5,342	5,342
215 EXCEPTIONAL PROGRAM SERVICES:							
100 SALARIES	-	-	-	-	-	17,136	17,136
200 EMPLOYEE BENEFITS	-	-	-	-	-	8,315	8,315
300 PURCHASED SERVICES	-	-	-	-	-	5,286	5,286
220 INSTRUCTIONAL STAFF SERVICES							
221 IMPROV OF INSTRUCTION - CURRICULUM DEVELOPMENT:							
100 SALARIES	179,889	-	-	-	204,220	106,874	490,983
200 EMPLOYEE BENEFITS	57,626	-	-	-	72,313	38,299	168,238
300 PURCHASED SERVICES	5,380	-	-	-	-	3,073	8,453
400 SUPPLIES AND MATERIALS	-	-	-	-	-	3,427	3,427
222 LIBRARY AND MEDIA:							
400 SUPPLIES AND MATERIALS	-	-	-	-	-	63,566	63,566
223 SUPERVISION OF SPECIAL PROGRAMS:							
100 SALARIES	81,247	100,050	-	-	-	16,659	197,956
200 EMPLOYEE BENEFITS	30,446	40,274	-	-	-	3,525	74,245
300 PURCHASED SERVICES	6,196	8,885	-	-	-	-	15,081
400 SUPPLIES AND MATERIALS	8,251	-	-	-	-	4,904	13,155
500 CAPITAL OUTLAY	899	-	-	-	-	-	899

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
SPECIAL REVENUE FUND - SPECIAL PROJECTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	TITLE I (201/202)	IDEA (203/204)	PRESCHOOL HANDICAPPED (205/206)	CATE (207/208)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
224 IMPROVEMENT OF INSTRUCTION - INSERVICE TRAINING:							
300 PURCHASED SERVICES	\$ 74,960	\$ 10,759	\$ -	\$ 9,828	\$ -	\$ 43,123	\$ 138,670
400 SUPPLIES AND MATERIALS	4,056	-	-	-	-	2,689	6,745
250 FINANCE AND OPERATIONS SERVICES							
251 STUDENT TRANSPORTATION (FEDERAL/DISTRICT MANDATED):							
100 SALARIES	-	-	-	-	-	49,743	49,743
200 EMPLOYEE BENEFITS	-	-	-	-	-	14,258	14,258
300 PURCHASED SERVICES	-	-	-	-	-	26,978	26,978
253 FACILITIES ACQUISITION AND CONSTRUCTION:							
500 CAPITAL OUTLAY							
520 CONSTRUCTION	-	-	-	-	1,000,000	-	1,000,000
550 VEHICLES	-	-	-	-	-	46,600	46,600
256 FOOD SERVICE:							
100 SALARIES	-	-	-	-	-	1,075	1,075
258 SECURITY:							
300 PURCHASED SERVICES	-	-	-	-	-	570	570
500 CAPITAL OUTLAY	-	-	-	-	59,879	164,101	223,980
260 CENTRAL SUPPORT SERVICES							
264 STAFF SERVICES:							
300 PURCHASED SERVICES	-	-	-	-	-	9,443	9,443
400 SUPPLIES AND MATERIALS	-	-	-	-	-	1,634	1,634
266 TECHNOLOGY AND DATA PROCESSING SERVICES:							
500 CAPITAL OUTLAY	-	-	-	-	211,666	49,900	261,566
270 SUPPORT SERVICES - PUPIL ACTIVITY							
271 PUPIL SERVICE ACTIVITIES:							
100 SALARIES	-	-	-	-	-	881	881
300 PURCHASED SERVICES	-	-	-	-	-	208	208
400 SUPPLIES AND MATERIALS	-	-	-	-	-	2,344	2,344
TOTAL SUPPORTING SERVICES	454,650	244,558	-	9,828	1,833,293	1,317,942	3,860,271
410 INTERGOVERNMENTAL EXPENDITURES							
411 PAYMENTS TO STATE DEPARTMENT OF EDUCATION							
720 TRANSITS	-	-	-	-	-	54,948	54,948
TOTAL INTERGOVERNMENTAL EXPENDITURES	-	-	-	-	-	54,948	54,948
TOTAL EXPENDITURES	1,671,890	1,018,749	26,045	82,337	1,880,823	2,517,843	7,197,687

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
SPECIAL REVENUE FUND - SPECIAL PROJECTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	TITLE I (201/202)	IDEA (203/204)	PRESCHOOL HANDICAPPED (205/206)	CATE (207/208)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	\$ 50,434	\$ 41,443	\$ -	\$ -	\$ -	\$ (91,427)	\$ 450
OTHER FINANCING SOURCES (USES)							
INTERFUND TRANSFERS, FROM (TO) OTHER FUNDS:							
5210 TRANSFER FROM GENERAL FUND	-	-	-	-	-	101,000	101,000
420-710 TRANSFER TO GENERAL FUND	-	-	-	-	-	(6,455)	(6,455)
431-791 SPECIAL REVENUE FUND INDIRECT COSTS	(50,434)	(41,443)	-	-	-	(3,118)	(94,995)
TOTAL OTHER FINANCING SOURCES (USES)	(50,434)	(41,443)	-	-	-	91,427	(450)
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES AND USES	-	-	-	-	-	-	-
FUND BALANCE JULY 1, 2018	-	-	-	-	-	-	-
FUND BALANCE JUNE 30, 2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
NOTE TO SPECIAL REVENUE FUND - SPECIAL PROJECTS
SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

OTHER DESIGNATED RESTRICTED STATE GRANTS

903	TEACHER RECRUITING AND RETENTION
915	TECHNOLOGY TECHNICAL ASSISTANCE
919	EDUCATION LICENSE PLATES
924	CERDEP FULL DAY 4K
928	EEDA CAREER SPECIALIST
935	READING COACHES
936	STUDENT HEALTH AND FITNESS-NURSES
937	STUDENT HEALTH AND FITNESS-PE TEACHERS
939	CAPITAL IMPROVEMENT PLAN - ADDITIONAL
963	K-12 TECHNOLOGY INITIATIVE
968	CLASSROOM LIBRARIES
970	SCHOOL SAFETY-FAC AND INFRASTR SAFETY UPGRADES

OTHER SPECIAL REVENUE PROGRAMS

210	TITLE IV SUPPORT
238	TITLE I SCHOOL SUPPORT
240	TITLE 1 DIRECT STUDENT SERVICES
250-251	RURAL & LOW INCOME SCHOOL PROGRAM, TITLE V
264	LANGUAGE INSTRUCTION FOR LIMITED ENGLISH PROFICIENT AND IMMIGRANT STUDENTS, TITLE III
266-267	IMPROVING TEACHER QUALITY
800	BENEVOLENCE FUND
801	MAPPS
803	SPEECH MEDICAID
805	NURSING MEDICAID
807	ARMY ROTC
808	12 MONTH AGRICULTURE
811	SAVE THE CHILDREN
813	DISTRICT MISCELLANEOUS
814	RURAL RECRUITING
815	SCSBIT RISK CONTROL GRANT
816	SC CAMPAIGN TO PREVENT TEEN PREGNANCY
817	SREB GRANT
848	JAG
850	DICK HORNE FOUNDATION
860	USDA RURAL DEVELOPMENT GRANT

ORANGEBURG COUNTY CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
SPECIAL REVENUE FUND - SPECIAL PROJECTS
SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

SUBFUND	REVENUE CODE	PROGRAMS	REVENUES	EXPENDITURES	SPECIAL REVENUE		SPECIAL REVENUE FUND UNEARNED
					INTERFUND TRANSFERS IN/(OUT)	OTHER FUND TRANSFERS IN/(OUT)	
903	3183	TEACHER RECRUITING AND RETENTION	\$ 34,528	\$ 34,528	\$ -	\$ -	\$ -
915	3105	TECHNOLOGY TECHNICAL ASSISTANCE	10,719	10,719	-	-	-
919	3193	EDUCATION LICENSE PLATES	3,089	3,089	-	-	-
924	3134	CERDEP FULL DAY 4K	10,826	10,826	-	-	-
928	3118	EEDA CAREER SPECIALIST	168,828	168,828	-	-	19,893
935	3135	READING COACHES	242,004	242,004	-	-	-
936	3136	STUDENT HEALTH AND FITNESS-NURSES	116,387	116,387	-	-	-
937	3127	STUDENT HEALTH AND FITNESS-PE TEACHERS	19,015	19,015	-	-	-
939	3393	CAPITAL IMPROVEMENT PLAN - ADDITIONAL	1,163,101	1,163,101	-	-	-
963	3630	K-12 TECHNOLOGY INITIATIVE	37,848	37,848	-	-	-
968	3655	CLASSROOM LIBRARIES	14,599	14,599	-	-	-
970	3670	SCHOOL SAFETY-FAC AND INFRASTR SAFETY UPGRADES	59,879	59,879	-	-	86,770
			<u>\$ 1,880,823</u>	<u>\$ 1,880,823</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 106,663</u>

**ORANGEBURG COUNTY CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - ALL PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	ACTUAL
REVENUES	
3000 REVENUE FROM STATE SOURCES	
3500 EDUCATION IMPROVEMENT ACT:	
3502 ADEPT	\$ 12,346
3507 AID TO DISTRICTS - TECHNOLOGY	142,309
3511 PROFESSIONAL DEVELOPMENT	7,386
3518 ADOPTION LIST OF FORMATIVE ASSESSMENT	15,584
3519 GRADE 10 ASSESSMENTS	17,476
3526 REFURBISHMENTS OF SCIENCE KITS	24,791
3528 INDUSTRY CERTIFICATES/CREDENTIALS	26,383
3529 CAREER AND TECHNOLOGY EDUCATION	98,800
3532 NATIONAL BOARD SALARY SUPPLEMENT	38,478
3533 TEACHER OF THE YEAR AWARDS	1,077
3538 STUDENTS AT RISK OF SCHOOL FAILURE	399,476
3541 CHILD EARLY READING DEV AND EDUCATION PRGM (CERDEP) - FULL DAY 4K	507,993
3550 TEACHER SALARY INCREASE	707,500
3555 TEACHER SALARY FRINGE	145,137
3557 SUMMER READING PROGRAM	48,190
3558 READING	2,732
3571 CSI AND STATE PRIORITY SCHOOLS	104,603
3577 TEACHER SUPPLIES	59,400
3589 MAINTENANCE OF STATE FINANCIAL SUPPORT (MES) TIER II	339,113
3595 EEDA - SUPPLIES AND MATERIALS	1,145
3597 AID TO DISTRICTS	86,060
	<hr/>
TOTAL STATE SOURCES	2,785,979
	<hr/>
TOTAL REVENUE ALL SOURCES	2,785,979
	<hr/>
EXPENDITURES	
100 INSTRUCTION	
110 GENERAL INSTRUCTION	
111 KINDERGARTEN PROGRAMS:	
400 SUPPLIES AND MATERIALS	2,475
112 PRIMARY PROGRAMS:	
100 SALARIES	7,500
200 EMPLOYEE BENEFITS	2,120
400 SUPPLIES AND MATERIALS	18,369
113 ELEMENTARY PROGRAMS:	
100 SALARIES	151,497
200 EMPLOYEE BENEFITS	63,728
300 PURCHASED SERVICES	24,152
400 SUPPLIES AND MATERIALS	57,642

**ORANGEBURG COUNTY CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - ALL PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	ACTUAL
114 HIGH SCHOOL PROGRAMS:	
100 SALARIES	\$ 117,817
200 EMPLOYEE BENEFITS	39,050
300 PURCHASED SERVICES	46,075
400 SUPPLIES AND MATERIALS	24,467
115 CAREER AND TECHNOLOGY EDUCATION PROGRAMS:	
100 SALARIES	9,775
200 EMPLOYEE BENEFITS	2,721
300 PURCHASED SERVICES	3,956
400 SUPPLIES AND MATERIALS	70,811
600 OTHER OBJECTS	22,883
120 EXCEPTIONAL PROGRAMS	
121 EDUCABLE MENTALLY HANDICAPPED:	
400 SUPPLIES AND MATERIALS	275
122 TRAINABLE MENTALLY HANDICAPPED:	
400 SUPPLIES AND MATERIALS	550
126 SPEECH HANDICAPPED:	
400 SUPPLIES AND MATERIALS	550
127 LEARNING DISABILITIES:	
100 SALARIES	24,702
200 EMPLOYEE BENEFITS	12,392
400 SUPPLIES AND MATERIALS	174,291
128 EMOTIONALLY HANDICAPPED:	
400 SUPPLIES AND MATERIALS	275
140 SPECIAL PROGRAMS	
147 CERDEP:	
100 SALARIES	357,697
200 EMPLOYEE BENEFITS	148,373
300 PURCHASED SERVICES	1,923
400 SUPPLIES AND MATERIALS	1,650
170 SUMMER SCHOOL PROGRAM	
172 ELEMENTARY SUMMER SCHOOL:	
100 SALARIES	10,656
200 EMPLOYEE BENEFITS	2,514
300 PURCHASED SERVICES	12,581
400 SUPPLIES AND MATERIALS	12,854
175 INSTRUCTIONAL PROGRAMS BEYOND REGULAR SCHOOL DAY:	
100 SALARIES	23,236
200 EMPLOYEE BENEFITS	5,057
TOTAL INSTRUCTION	1,454,614

**ORANGEBURG COUNTY CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - ALL PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>ACTUAL</u>
200 SUPPORT SERVICES	
210 PUPIL SERVICES	
212 GUIDANCE SERVICES:	
300 PURCHASED SERVICES	\$ 1,145
400 SUPPLIES AND MATERIALS	8,123
213 HEALTH SERVICES:	
300 PURCHASED SERVICES	3,176
220 INSTRUCTIONAL STAFF SERVICES	
221 IMPROVEMENT OF INSTRUCTION - CURRICULUM DEVELOPMENT:	
100 SALARIES	8,812
200 EMPLOYEE BENEFITS	2,106
300 PURCHASED SERVICES	400
222 LIBRARY AND MEDIA:	
400 SUPPLIES AND MATERIALS	1,650
224 IMPROVEMENT OF INSTRUCTION - INSERVICE AND STAFF TRAINING:	
100 SALARIES	500
200 EMPLOYEE BENEFITS	145
300 PURCHASED SERVICES	288,767
400 SUPPLIES AND MATERIALS	4,495
230 GENERAL ADMINISTRATION SERVICES	
233 SCHOOL ADMINISTRATION:	
100 SALARIES	3,500
200 EMPLOYEE BENEFITS	987
250 FINANCE AND OPERATIONS SERVICES	
251 STUDENT TRANSPORTATION (FEDERAL/DISTRICT MANDATED):	
100 SALARIES	9,935
200 EMPLOYEE BENEFITS	2,451
300 PURCHASED SERVICES	227
260 CENTRAL SUPPORT SERVICES	
266 TECHNOLOGY AND DATA PROCESSING SERVICES:	
500 CAPITAL OUTLAY	<u>142,309</u>
TOTAL SUPPORT SERVICES	<u>478,728</u>
TOTAL EXPENDITURES	<u>1,933,342</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>852,637</u>
OTHER FINANCING SOURCES (USES)	
INTERFUND TRANSFERS, FROM (TO) OTHER FUNDS:	
420-710 TRANSFER TO GENERAL FUND	<u>(852,637)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(852,637)</u>

ORANGEBURG COUNTY CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - ALL PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>ACTUAL</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	\$ -
FUND BALANCE JULY 1, 2018	<u>-</u>
FUND BALANCE JUNE 30, 2019	<u><u>\$ -</u></u>

**ORANGEBURG COUNTY CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
EDUCATION IMPROVEMENT ACT
SUMMARY SCHEDULE BY PROGRAM
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

PROGRAM	REVENUES	EXPENDITURES	EIA INTERFUND TRANSFERS IN/OUT	OTHER FUND TRANSFERS IN/(OUT)	EIA FUND UNEARNED REVENUE
3500 EDUCATION IMPROVEMENT ACT:					
3502 ADEPT	\$ 12,346	\$ 12,346	\$ -	\$ -	\$ -
3507 AID TO DISTRICTS - TECHNOLOGY	142,309	142,309	-	-	-
3511 PROFESSIONAL DEVELOPMENT	7,386	7,386	-	-	-
3518 ADOPTION LIST OF FORMATIVE ASSESSMENT	15,584	15,584	-	-	-
3519 GRADE 10 ASSESSMENTS	17,476	17,476	-	-	3,512
3526 REFURBISHMENT OF SCIENCE KITS	24,791	24,791	-	-	6,465
3528 INDUSTRY CERTIFICATES/CREDENTIALS	26,383	26,383	-	-	8,825
3529 CAREER AND TECHNOLOGY EDUCATION	98,800	98,800	-	-	22,550
3532 NATIONAL BOARD SALARY SUPPLEMENT	38,478	38,478	-	-	-
3533 TEACHER OF THE YEAR AWARDS	1,077	1,077	-	-	-
3538 STUDENTS AT RISK OF SCHOOL FAILURE	399,476	399,476	-	-	8,354
3541 CHILD EARLY READING DEV AND ED PRGM (CERDEP) - FULL DAY 4K	507,993	507,993	-	-	-
3550 TEACHER SALARY INCREASE	707,500	-	-	(707,500)	-
3555 TEACHER SALARY FRINGE	145,137	-	-	(145,137)	-
3557 SUMMER READING PROGRAM	48,190	48,190	-	-	10,693
3558 READING	2,732	2,732	-	-	-
3571 STATE PRIORITY SCHOOLS	104,603	104,603	-	-	87,547
3577 TEACHER SUPPLIES	59,400	59,400	-	-	-
3589 MAINTENANCE OF STATE FINANCIAL SUPPORT (MES) TIER II	339,113	339,113	-	-	-
3595 EEDA-SUPPLIES AND MATERIALS	1,145	1,145	-	-	2,586
3597 AID TO DISTRICTS	86,060	86,060	-	-	-
3599 OTHER EIA	-	-	-	-	2,475
TOTALS	\$ 2,785,979	\$ 1,933,342	\$ -	\$ (852,637)	\$ 153,007

**ORANGEBURG COUNTY CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>ACTUAL</u>
REVENUES	
1000 REVENUE FROM LOCAL SOURCES	
1100 TAXES:	
1110 AD VALOREM TAXES	\$ 3,610,829
1140 PENALTIES AND INTEREST ON TAXES	57,045
1200 REVENUE FROM LOCAL GOVERNMENTAL UNITS OTHER THAN LEAS	
1210 AD VALOREM TAXES	210,273
1280 REVENUE IN LIEU OF TAXES	<u>272,843</u>
TOTAL LOCAL SOURCES	<u>4,150,990</u>
3000 REVENUE FROM STATE SOURCES	
3800 STATE REVENUE IN LIEU OF TAXES:	
3820 HOMESTEAD EXEMPTION	244,692
3830 MERCHANT'S INVENTORY TAX	76,522
3840 MANUFACTURERS DEPRECIATION REIMBURSEMENT	49,810
3890 OTHER STATE PROPERTY TAX REVENUE	<u>41,688</u>
TOTAL STATE SOURCES	<u>412,712</u>
TOTAL REVENUE ALL SOURCES	<u>4,563,702</u>
EXPENDITURES	
500 DEBT SERVICE:	
610 REDEMPTION OF PRINCIPAL	2,575,000
620 INTEREST	587,100
690 OTHER OBJECTS	<u>10,560</u>
TOTAL EXPENDITURES	<u>3,172,660</u>
OTHER FINANCING SOURCES (USES)	
5110 PREMIUM ON BONDS SOLD	17,644
INTERFUND TRANSFERS, FROM (TO) OTHER FUNDS:	
424-710 TRANSFER TO SCHOOL BUILDING FUND	<u>(1,245,685)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,228,041)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	163,001
FUND BALANCE JULY 1, 2018	<u>1,013,761</u>
FUND BALANCE JUNE 30, 2019	<u><u>\$ 1,176,762</u></u>

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
SCHOOL BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>ACTUAL</u>
REVENUES	
TOTAL REVENUE ALL SOURCES	\$ -
EXPENDITURES	
250 FINANCE AND OPERATIONS	
253 FACILITIES ACQUISITION & CONSTRUCTION:	
300 PURCHASED SERVICES	984,371
400 SUPPLIES AND MATERIALS	57,930
500 CAPITAL OUTLAY	
520 CONSTRUCTION SERVICES	266,691
530 IMPROVEMENTS OTHER THAN BLDGS	108,301
540 EQUIPMENT	166,073
545 TECHNOLOGY, EQUIPMENT AND SOFTWARE	234,646
550 VEHICLES	20,300
600 OTHER OBJECTS	
690 OTHER OBJECTS	350
258 SECURITY:	
500 CAPITAL OUTLAY	129,264
260 CENTRAL SUPPORT SERVICES	
266 TECHNOLOGY AND DATA PROCESSING SERVICE:	
500 CAPITAL OUTLAY	16,802
TOTAL SUPPORT SERVICES	<u>1,984,728</u>
500 DEBT SERVICE	
610 REDEMPTION OF PRINCIPAL	1,011,000
620 INTEREST	19,263
TOTAL DEBT SERVICE	<u>1,030,263</u>
TOTAL EXPENDITURES	<u>3,014,991</u>
OTHER FINANCING SOURCES (USES)	
INTERFUND TRANSFERS, FROM (TO) OTHER FUNDS:	
5240 TRANSFER FROM DEBT SERVICE	1,245,685
TOTAL OTHER FINANCING SOURCES	<u>1,245,685</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(1,769,306)
FUND BALANCE JULY 1, 2018	<u>2,082,648</u>
FUND BALANCE JUNE 30, 2019	<u>\$ 313,342</u>

**ORANGEBURG COUNTY CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
ENTERPRISE FUND - FOOD SERVICE
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION (DEFICIT)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>ACTUAL</u>
REVENUES	
1000 REVENUE FROM LOCAL SOURCES	
1600 FOOD SERVICE:	
1640 LUNCH SALES TO ADULTS	\$ 8,982
1650 BREAKFAST SALES TO ADULTS	56
1660 SPECIAL SALES TO ADULTS	5,947
1900 OTHER REVENUE FROM LOCAL SOURCES:	
1999 REVENUE FROM OTHER LOCAL SOURCES	<u>53,820</u>
TOTAL LOCAL SOURCES	<u>68,805</u>
4000 REVENUE FROM FEDERAL SOURCES	
4800 USDA REIMBURSEMENT:	
4810 SCHOOL LUNCH AND AFTER SCHOOL SNACKS PROGRAM	1,168,313
4830 SCHOOL BREAKFAST PROGRAM	581,661
4860 FRESH FRUITS AND VEGETABLES PROGRAM	41,449
4900 OTHER FEDERAL SOURCES:	
4991 USDA COMMODITIES	<u>109,238</u>
TOTAL FEDERAL SOURCES	<u>1,900,661</u>
TOTAL REVENUE ALL SOURCES	<u>1,969,466</u>
EXPENDITURES	
256 FOOD SERVICE:	
100 SALARIES	590,919
200 EMPLOYEE BENEFITS	165,603
221 PENSION EXPENSE	118,751
300 PURCHASED SERVICES	184,466
400 SUPPLIES AND MATERIALS	916,990
500 CAPITAL OUTLAY	9,822
600 OTHER OBJECTS	<u>874</u>
TOTAL EXPENDITURES	<u>1,987,425</u>
TRANSFERS IN (OUT)	
432-791 FOOD SERVICE FUND INDIRECT COSTS	<u>(32,084)</u>
TOTAL TRANSFERS IN (OUT)	<u>(32,084)</u>
CHANGE IN NET POSITION	(50,043)
NET POSITION (DEFICIT) - JULY 1, 2018	<u>(1,194,174)</u>
NET POSITION (DEFICIT) - JUNE 30, 2019	<u>\$ (1,244,217)</u>

**ORANGEBURG COUNTY CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
PUPIL ACTIVITY FUND - AGENCY FUNDS
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN
DUE TO STUDENT ORGANIZATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>ACTUAL</u>
RECEIPTS	
1000 RECEIPTS FROM LOCAL SOURCES	
1300 TUITION:	
1510 INTEREST ON INVESTMENTS	\$ 131
1700 PUPIL ACTIVITIES:	
1710 ADMISSIONS	36,645
1740 STUDENT FEES	513
1790 OTHER	708,252
1900 OTHER REVENUE FROM LOCAL SOURCES:	
1910 RENTALS	11,166
1999 REVENUE FROM OTHER LOCAL SOURCES	<u>34,660</u>
TOTAL RECEIPTS FROM LOCAL SOURCES	<u>791,367</u>
TOTAL RECEIPTS ALL SOURCES	<u>791,367</u>
DISBURSEMENTS	
190 INSTRUCTIONAL PUPIL ACTIVITY	
660 PUPIL ACTIVITY	121,294
270 SUPPORT SERVICES PUPIL ACTIVITY:	
271 PUPIL SERVICE ACTIVITIES:	
660 PUPIL ACTIVITY	597,226
272 ENTERPRISE ACTIVITIES:	
660 PUPIL ACTIVITY	<u>67,399</u>
TOTAL PUPIL ACTIVITY DISBURSEMENTS	<u>785,919</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	5,448
DUE TO STUDENT ORGANIZATIONS, JULY 1, 2018	<u>128,564</u>
DUE TO STUDENT ORGANIZATIONS, JUNE 30, 2019	<u><u>\$ 134,012</u></u>

ORANGEBURG COUNTY CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

PROGRAM	PROJECT/ GRANT NUMBER	REVENUE CODE	DESCRIPTION	AMOUNT DUE TO SDE/FEDERAL GOVERNMENT	STATUS OF AMOUNTS DUE TO GRANTORS
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NONE

**ORANGEBURG COUNTY CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
SCHOOL LOCATION RECONCILIATION SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

LOCATION ID	LOCATION DESCRIPTION	EDUCATION LEVEL	COST TYPE	TOTAL EXPENDITURES
00	DISTRICT WIDE	NON-SCHOOLS	CENTRAL	\$ 706,898
01	DISTRICT OFFICE	NON-SCHOOLS	CENTRAL	13,446,880
02	WAREHOUSE	NON-SCHOOLS	CENTRAL	2,071
18	HOLLY HILL ROBERTS MIDDLE SCHOOL	MIDDLE SCHOOL	SCHOOL	5,887,270
19	HOLLY HILL PRIMARY	ELEMENTARY SCHOOLS	SCHOOL	4,698,499
21	ST. JAMES/GAILLARD	ELEMENTARY SCHOOLS	SCHOOL	3,397,884
22	VANCE/PROVIDENCE	ELEMENTARY SCHOOLS	SCHOOL	2,935,264
47	ELLOREE ELEMENTARY	ELEMENTARY SCHOOLS	SCHOOL	5,337,898
48	LAKE MARION HIGH SCHOOL	HIGH SCHOOL	SCHOOL	9,212,814
TOTAL EXPENDITURES/DISBURSEMENTS FOR ALL FUNDS				\$ 45,625,478

THE ABOVE EXPENDITURES ARE RECONCILED TO THE DISTRICT'S FINANCIAL STATEMENTS AS FOLLOWS:

GENERAL FUND (SUBFUND 100'S)	\$ 27,533,454
SPECIAL REVENUE FUND (SUBFUND 200'S, 800's, 900's)	7,197,687
SPECIAL REVENUE EIA FUND (SUBFUND 300'S)	1,933,342
DEBT SERVICE FUND (SUBFUND 400'S)	3,172,660
CAPITAL PROJECTS FUND (SCHOOL BUILDING) (SUBFUND 500'S)	3,014,991
PROPRIETARY FUND (FOOD SERVICE) (SUBFUND 600'S)	1,987,425
TRUST AND AGENCY FUND (PUPIL ACTIVITY) (SUBFUND 700'S)	785,919
TOTAL EXPENDITURES/DISBURSEMENTS FOR ALL FUNDS	\$ 45,625,478

**ORANGEBURG COUNTY CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

LEA Subfund Code	FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	TOTAL EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through S. C. Department of Education:				
Child Nutrition Cluster:				
Non-Cash Assistance (Commodities):				
603	** National School Lunch Program	10.555	H63010103019	\$ 109,238
Cash Assistance:				
602	** School Breakfast Program	10.553	H63010103218	83,041
602	** School Breakfast Program	10.553	H63010103219	498,620
601	** School Lunch Program	10.555	H63010103218	164,523
601	** School Lunch Program	10.555	H63010103219	981,768
604	** School Lunch Program	10.555	H63010103219	<u>22,022</u>
Total Child Nutrition Cluster				<u>1,859,212</u>
605	Fresh Fruit and Vegetable Program	10.582	H63010002118	4,423
		10.582	H63010002119	<u>37,026</u>
Total 10.582				<u>41,449</u>
Direct Program:				
860	** Rural Development - Community Facilities Loans and Grants	10.766	N/A	<u>243,300</u>
Total 10.766				<u>243,300</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE				<u>2,143,961</u>
U. S. DEPARTMENT OF EDUCATION				
Passed through S. C. Department of Education:				
204	** IDEA	84.027	H63010100917	26,410
203	** IDEA - Extended School Year	84.027	H63010100918	9,483
204	** IDEA	84.027	H63010100918	45,677
203	** IDEA	84.027	H63010100919	978,622
205	** Handicapped Preschool	84.173	H63010100819	<u>26,045</u>
Total IDEA Cluster				<u>1,086,237</u>
240	** Title I	84.010	H63010100118	124,471
201	** Title I	84.010	H63010100118	12,059
202	** Title I	84.010	H63010100118	116,767
238	** Title I	84.010	H63010100119	203,830
201	** Title I	84.010	H63010100119	<u>1,593,498</u>
Total 84.010				<u>2,050,625</u>
207	Vocational Education - Program 01	84.048	H63010107118	12,871
207	Vocational Education - Program 08	84.048	H63010107118	32
207	Vocational Education - Program 01	84.048	H63010107119	1,486
207	Vocational Education - Program 04	84.048	H63010107119	8,282
207	Vocational Education - Program 08	84.048	H63010107119	24,666
207	Vocational Education - Program 10	84.048	H63010107119	<u>35,000</u>
Total 84.048				<u>82,337</u>
250	Rural and Low Income Schools	84.358	H63010007018	3,735
251	Rural and Low Income Schools	84.358	H63010007019	<u>38,281</u>
Total 84.358				<u>42,016</u>

**ORANGEBURG COUNTY CONSOLIDATED SCHOOL DISTRICT THREE
HOLLY HILL, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

LEA Subfund Code	FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	TOTAL EXPENDITURES
210	Title IV, Part A, Student Support and Academic Enrichment Program	84.424 84.424	H63010100318 H63010100319	\$ 6,818 <u>134,340</u>
	Total 84.424			<u>141,158</u>
266	Improving Teacher Quality	84.367	H63010006818	3,898
267	Improving Teacher Quality	84.367	H63010006819	<u>165,741</u>
	Total 84.367			<u>169,639</u>
TOTAL U. S. DEPARTMENT OF EDUCATION				<u>3,572,012</u>
U.S. DEPARTMENT OF LABOR				
Passed through S. C. Dept. of Employment and Workforce:				
848	WIA Dislocated Worker Formula Grants	17.278	15JAG106	<u>54,358</u>
TOTAL U.S. DEPARTMENT OF LABOR				<u>54,358</u>
U.S. DEPARTMENT OF DEFENSE				
Direct Program:				
807	Army JROTC	12.000	N/A	<u>69,617</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u><u>\$ 5,839,948</u></u>

** Denotes Major Program

Notes:

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Orangeburg County Consolidated School District Three under programs of the federal government for the year ended June 30, 2019. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget's (OMB) Uniform Guidance. Because the schedule presents only a select portion of the operations of Orangeburg County Consolidated School District Three, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Orangeburg County Consolidated School District Three.

(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 OMB 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. Also, the District has not elected to use the 10% de minimus indirect cost rate.

(3) Reconciliation of SEFA to Financial Statements:

Federal Assistance:

Governmental Funds	\$ 3,939,287
Enterprise Funds	<u>1,900,661</u>
Total Federal Assistance per Financial Statements	<u><u>\$ 5,839,948</u></u>

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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 Board of Trustees
Orangeburg County Consolidated School District Three
Holly Hill, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of Orangeburg County Consolidated School District Three, Holly Hill, South Carolina ("the District"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 26, 2019.

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) to determine the 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.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2019-001 to be a material weakness.

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**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**
(continued)

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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs in item 2019-002.

Orangeburg County Consolidated School District Three's Response to Findings

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

Purpose of this Report

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

McGregor & Company LLP

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

To the Board of Trustees
Orangeburg County Consolidated School District Three
Holly Hill, South Carolina

Report on Compliance for Each Major Federal Program

We have audited Orangeburg County Consolidated School District Three, Holly Hill, South Carolina's ("the District's") 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, 2019. 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* 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 opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

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

Opinion on Each Major Federal Program

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 major federal programs for the year ended June 30, 2019.

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.

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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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.

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.

McGregor + Company LLP

**ORANGEBURG COUNTY CONSOLIDATED SCHOOL DISTRICT THREE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

SECTION A.

Financial Statements

Summary of Auditor's Results

- | | |
|---|------------|
| 1.) Type of auditor's report issued: | Unmodified |
| 2.) Internal controls over financial reporting: | |
| a.) Material weakness identified? | Yes |
| b.) Significant deficiencies identified not considered to be material weaknesses? | No |
| 3.) Noncompliance material to financial statements noted? | Yes |

Federal Awards

- | | |
|--|------------|
| 1.) Internal control over major programs: | |
| a.) Material weakness identified? | No |
| b.) Significant deficiencies identified not considered to be material weaknesses? | No |
| 2.) Type of auditor's report issued on compliance for major programs: | Unmodified |
| 3.) Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? | No |
| 4.) Identification of major programs: | |

CFDA Number

Name of Federal Program

10.766	USDA Rural Development Community Facilities Loans and Grants
10.553 and 10.555	Child Nutrition Cluster
84.010	Title 1
84.027 and 84.173	IDEA

- | | |
|--|------------|
| 5.) Dollar Threshold used to distinguish between Type A and Type B programs? | \$ 750,000 |
| 6.) Auditee qualified as a low-risk auditee under the Uniform Guidance? | No |

**ORANGEBURG COUNTY CONSOLIDATED SCHOOL DISTRICT THREE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

SECTION B – Financial Statement Findings

Finding 2019-001 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: Three significant audit adjustments which affected the EIA Special Revenue Fund, Debt Service Fund, and School Building 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.

Cause: Recording of accounts payable in the proper year, recording of short-term bond principal payments as debt service expenditures, and netting transfers against revenues errors by District personnel.

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, 2019.

Auditor's Recommendation: Invoices should be reviewed for cutoff and recording in proper year. Payment of short-term borrowings should be recorded as changes to short-term liability accounts to comply with GAAP. Transfers of revenues to other funds should not be netted against the revenue account which distorts the actual revenue received and will result in transfers not balancing between funds.

Views of responsible officials and planned corrective actions: The District agrees with the finding and will adhere to the corrective action plan on page 109 of this audit report.

Finding 2019-002 Commercial Driver's License (CDL) Drug and Alcohol Testing

Criteria: The District is to conduct random controlled substances testing of all school bus drivers at a minimum percentage of 25% of average number of bus driver positions and random alcohol testing of all bus driver positions at a minimum percentage of 10% of the average number of bus driver positions.

Condition: For calendar year 2018, the District only tested 8% of the average number of driver positions for controlled substances and 4% of the average number of driver positions for alcohol.

Cause: The District relied on the testing companies to sample and test the appropriate number of drivers for applicable substances. The District did not follow up and verify the proper number of drivers were being tested.

Effect: The District did not meet the requirement to test 25% of the average number of bus driver positions for controlled substances or 10% for alcohol.

**ORANGEBURG COUNTY CONSOLIDATED SCHOOL DISTRICT THREE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

SECTION B – Financial Statement Findings

Finding 2019-002 Commercial Driver's License (CDL) Drug and Alcohol Testing (continued)

Auditor's recommendation: The District should verify and ensure that the required number of drivers are selected and tested for drug and alcohol as required.

Views of responsible officials and planned corrective actions: The District agrees with the finding and will adhere to the corrective action plan on page 110 of this audit report.

C. Major Federal Award Findings

None.

**ORANGEBURG COUNTY CONSOLIDATED SCHOOL DISTRICT THREE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

Finding 2018-001 Material Audit Adjustments

Condition: Three significant audit adjustments which affected the Special Revenue Funds, Debt Service Fund, School Building Fund (Governmental Funds) and the Food Service Fund (Proprietary Fund) 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.

Auditor's Recommendation: Invoices should be reviewed for cutoff, recording in proper year and duplication. Prior year receivable accounts should be reviewed to ensure proper recording of subsequent receipt in current year. Proceeds and subsequent payment of short-term borrowings should be recorded as changes to short-term liability accounts to comply with GAAP. Capital assets purchased in proprietary funds should be reviewed to determine items meeting the District's capitalization threshold are capitalized rather than expensed.

Current Status: Material adjustments required in current year. See Finding 2019-001.

Finding 2018-002 Food Service Commodities

Condition: Thirty units of a commodity food item were ordered but only 18 units were allocated to the District and available to be shipped. Those 18 units were noted in the State's system as being shipped in June, 2018, but no invoice could be located verifying these units were received by the District.

Auditor's Recommendation: Care should be exercised in ordering only the amount of a commodity that is allocated and available. Within a reasonable time frame for shipping, the receipt of the commodities noted as ordered and shipped by the State should be verified by the vendor's delivery invoice and District's inventory records.

Current Status: This finding has been corrected as of June 30, 2019.

Finding 2018-003 Commercial Driver's License (CDL) Drug and Alcohol Testing

Condition: For calendar year 2017, the District only tested 8% of the average number of driver positions for controlled substances and 4% of the average number of driver positions for alcohol.

Auditor's recommendation: The District should verify and ensure that the required number of drivers are selected and tested for drug and alcohol as required.

Current Status: This finding has not been corrected. See finding 2019-002.

Associate Superintendent
GERALD WRIGHT



Board of Trustees
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Orangeburg County Consolidated School District Three

JESULON GIBBS-BROWN, Superintendent

November 26, 2019

Melissa A. Myers, Director
Office of Auditing Services
SC Department of Education
1429 Senate Street, Suite 403
Columbia, SC 29201

Dear Ms. Myers,

The District's Corrective Action Plans, as required by the Uniform Guidance for audit findings related to the year ended June 30, 2019 are as follows:

Finding 2019- 001 Material Audit Adjustments

Name of Contact Person: Gail Sanders, Business Manager

Corrective Action: The District agrees with the finding. Several invoices were paid after year end to fulfill Orangeburg 3's obligations to vendors for expenses encumbered prior to June 30, 2019. District Personnel will enforce a deadline for major purchases to ensure that accounts payable are recorded in the proper year. As recommended, proceeds and subsequent payment of short-term borrowings will be recorded to a liability account to comply with General Accounting Acceptance Principals. Going forward, transfers will be recorded correctly and reviewed for accuracy.

Proposed Completion Date: June 30, 2020

Finding 2019- 002 Commercial Driver's License (CDL) Drug and Alcohol Testing

Name of Contact Person: Kevin Addison, Transportation Director

Corrective Action: The District has entered an agreement with Tri-County Commission on Alcohol & Drug Abuse to perform the required drug and alcohol testing. As of November 25, 2019, 12 (or 25%) of our drivers have been drug tested and 5 (or 11%) of our drivers have been alcohol tested.

Proposed Completion Date: June 30, 2020

Sincerely,

A handwritten signature in cursive script that reads "Gail Sanders".

Gail Sanders
Business Manager