

**ORANGEBURG CONSOLIDATED SCHOOL
DISTRICT FOUR**

COPE, SOUTH CAROLINA

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

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Greene Finney, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Orangeburg Consolidated School District Four
Cope, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Orangeburg Consolidated School District Four, South Carolina (the "School District"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Orangeburg Consolidated School District Four, South Carolina, as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis of Matter

As discussed in Note IV.H to the financial statements, the School District consolidated with two other area districts effective July 1, 2019. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, pension plan schedules, and other postemployment benefit plan schedules, as listed in the table of contents, 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.

Supplementary Information

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

The supplementary information 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 supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2019 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Greene Finney, LLP

Greene Finney, LLP
Mauldin, South Carolina
November 15, 2019

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

YEAR ENDED JUNE 30, 2019

INTRODUCTION

The following management's discussion and analysis (MD&A) of Orangeburg Consolidated School District Four (the "District" or "School District") offers a narrative overview and analysis of the District's financial position and results of operations for the fiscal year ended June 30, 2019. Its design and purpose is to (a) focus on significant financial issues, (b) provide an overview of the District's financial activity, (c) identify changes in the District's financial position, (d) identify any material deviations from the approved budget, and (e) identify individual fund issues or concerns. Readers should also review the District's financial statements and the notes to the financial statements to enhance their understanding of the District's financial performance as a whole.

FINANCIAL HIGHLIGHTS

Revenues. Total revenues for governmental activities decreased \$1.3 million to \$45.2 million for fiscal year 2019. Major changes include a \$0.9 million decrease in operating grants and contributions, a \$1.2 million decrease in capital grants and contributions, and \$0.3 million decrease in state revenue in lieu of taxes, partially offset by an increase of \$1.0 million in property taxes.

Expenses. Total expenses for governmental activities decreased \$2.3 million to \$45.5 million for fiscal year 2019. The major changes include a decrease of \$2.0 million in support services, a decrease of \$0.2 million in instruction, and a \$0.1 million decrease in interest and other charges.

Net Position. Net position for governmental activities for June 30, 2019 showed a deficit of \$55.2 million, a decrease of \$0.3 million from the prior year deficit of \$54.9 million. The District's net position includes a \$19.7 million net investment in capital assets, \$1.9 million restricted for debt service and food service, and a deficit of \$76.9 million in unrestricted net position primarily related to the net pension liability of \$49.7 million and the net OPEB liability of \$38.6 million. These liabilities are a result of the District's participation in the State's pension and OPEB plans. The District does not anticipate funding these liabilities, but will continue to make the required contributions to the plans.

Capital Assets. The District's capital assets showed a net decrease of \$0.7 million. Net capital assets on June 30, 2019 were \$34.9 million. The District had total additions of \$1.2 million that were offset by \$1.9 million in depreciation expense.

Governmental Funds – Fund Balance. The District's combined fund balance for all governmental funds at the fund level report an ending balance of \$5.7 million, a decrease of \$1.8 million from the prior year fund balance of \$7.5 million. The overall decrease is primarily due to decreases of \$0.2 million and \$1.6 million in the General Fund and Capital Projects Fund, respectively.

General Fund – Fund Balance. The District's principal operating fund, the General Fund, showed a decrease in its fund balance of \$0.2 million that provided a balance at year-end of \$2.3 million. This balance was completely unassigned fund balance available for operations, which was 7% of actual expenditures for the year ended June 30, 2019.

Debt. The District retired \$3.4 million in long-term debt through principal payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

This document consists of three parts: management's discussion and analysis (this section), the financial statements and required supplementary information. The discussion and analysis serves as an introduction to the District's financial statements. The financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the financial statements themselves.

- The first two statements are *government-wide financial statements* that provide both *short-term* and *long-term* information about the District's overall financial status.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

YEAR ENDED JUNE 30, 2019

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the district-wide statements.
- The *governmental funds statements* tell how basic services were financed in the *short term* as well as what remains for future spending.
- *Proprietary funds* statements offer *short-term* and *long-term* financial information about the activities that the District operates *like businesses*. The School District does not have any proprietary funds.
- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year and required schedules related to the District's participation in the State's pension and OPEB plans.

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-1: Major Features of the District-Wide and Fund Financial Statements

	Fund Financial Statements		
	Government-Wide Statements	Governmental Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary	Instances in which the district is the trustee or agent for someone else's resources such as the Pupil Activity Fund
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of assets and liabilities
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All additions and deductions during the year, regardless of when cash is received or paid

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

YEAR ENDED JUNE 30, 2019

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Government-Wide Financial Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies.

- The *Statement of Net Position* includes all of the District's assets and liabilities, current and noncurrent.
- The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

The two government-wide statements report the District's *net position* and how it has changed. Net position—the difference between the District's assets and deferred outflows and liabilities and deferred inflows—is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or diminishing, respectively.
- To assess the District's overall health, the reader also needs to consider additional non-financial factors such as changes in the District's property tax base, current property tax laws, the condition of school buildings and other facilities, and required educational programs and standards.

In the government-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities:* Most of the District's basic services are included here, such as instruction, including both regular and special education; support services, including administration, operation and maintenance of plant, and pupil transportation; community services and intergovernmental expenditures. These functions are principally supported by taxes and intergovernmental revenues.
- *Business-type activities:* These services are provided on a charge for goods and services basis to recover all of the expenses of the goods or services provided. The District does not have any business-type activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds—not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is in compliance with certain programs or sources of revenues (such as federal grants).

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

YEAR ENDED JUNE 30, 2019

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund Financial Statements (Continued)

The District has two kinds of funds:

- **Governmental funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) 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. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's education programs. Because this information does not encompass the additional long-term focus of the district-wide statements, both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to explain the relationship (or differences) between governmental funds and governmental activities.

The District maintains its accounting records in conformity with the South Carolina Department of Education's Financial Accounting Handbook. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General, Special Revenue, EIA, Food Service, Debt Service, and Capital Projects Funds, all of which are considered to be major funds.

- **Fiduciary funds:** The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds or student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations. The District's pupil activity fund is the only fiduciary fund.

Notes to the 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.

Supplementary Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information that further supports the financial statements with a comparison of the District's General Fund budget for the fiscal year as well as required pension and other postemployment benefit plan schedules. Supplementary information schedules required by the South Carolina Department of Education are also included.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

YEAR ENDED JUNE 30, 2019

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Figure A-2 provides a summary of the District's net position for fiscal year 2019 compared to 2018.

Figure A-2: Condensed Statement of Net Position (rounded thousands)

	Governmental Activities	
	2019	2018
Current and other assets	\$ 10,629	\$ 13,368
Capital assets	34,864	35,623
Total assets	45,493	48,991
Advance refunding charges	115	129
Deferred OPEB charges	5,305	1,349
Deferred pension charges	8,942	7,258
Total deferred outflows	14,362	8,736
Net OPEB liability	38,593	33,478
Net pension liability	49,685	45,475
Long-term obligations	16,740	20,719
Other liabilities	3,991	5,500
Total liabilities	109,009	105,172
Deferred OPEB credits	3,156	3,165
Deferred pension credits	2,896	4,269
Total deferred inflows	6,052	7,434
Net position:		
Net investment in capital assets	19,734	18,463
Restricted	1,943	1,817
Unrestricted	(76,883)	(75,159)
Net Position, end of year	\$ (55,206)	\$ (54,879)

Net Position

The District's net position showed a deficit of \$55.2 million, a decrease of \$0.3 million from the prior year deficit of \$54.9 million.

An increase in the base student cost and capital funding discussed above resulting in increased state revenues as well as increases in salaries and fringe benefits and repairs and maintenance expenditures discussed above had the most significant impact on the District during the year ended June 30, 2019.

- Current and other assets decreased \$2.5 million primarily due to a \$3.5 million decrease in cash and cash equivalents partially offset by increases in property taxes receivable and amounts due from other governments.
- Net capital assets decreased \$0.7 million to \$34.9 million as of June 30, 2019. The District had total additions of \$1.2 million that were offset by \$1.9 million in depreciation expense.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

YEAR ENDED JUNE 30, 2019

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Net Position (Continued)

- Total deferred outflows of resources increased \$5.6 million to \$14.4 million primarily due to increases in deferred OPEB and pension charges as a result of changes in the State's OPEB and pension plans.
- The net OPEB liability increased \$5.1 million to \$38.6 million due to an increase in the District's proportionate share of the net OPEB liability of the State's OPEB plan.
- The net pension liability increased \$4.2 million to \$49.8 million due to an increase in the District's proportionate share of the net pension liability of the State's South Carolina Retirement System and Police Officers Retirement System.
- Long-term obligations decreased \$4.0 million due to \$3.6 million in principal payments and premium amortization and a \$0.4 million decrease in compensated absences.
- Other liabilities increased \$1.5 million to \$4.0 million.
- Total deferred inflows of resources decreased \$1.4 million to \$6.1 million due to a decrease in deferred pension credits, which was due to changes in assumptions used in the actuarial valuation and changes in the District's proportionate share of the net pension liability.

The changes in net position for fiscal year 2019 compared to 2018 are shown in Figure A-3.

Figure A-3: Changes in Net Position from Operating Results (rounded thousands)

	Governmental Activities	
	2019	2018
<u>Revenues</u>		
Program Revenues		
Charges for Services	\$ 736	\$ 750
Operating Grants and Contributions	26,139	27,061
Capital Grants and Contributions	-	1,186
General Revenues		
Property Taxes	15,995	14,973
State Revenue in Lieu of Taxes	1,747	2,002
Unrestricted Investment Earnings	90	69
Other	462	421
Total Revenues	45,169	46,462
<u>Expenses</u>		
Instruction	22,685	22,910
Support Services	22,314	24,269
Intergovernmental	82	71
Interest and Other Charges	415	541
Total Expenses	45,496	47,791
Changes in Net Position	(327)	(1,329)
Net Position, Beginning of Year	(54,879)	(53,550)
Net Position, End of Year	\$ (55,206)	\$ (54,879)

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

YEAR ENDED JUNE 30, 2019

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Changes in Net Position

Revenues. Property taxes and operating grants and contributions account for most of the District's revenue, with property taxes contributing 35% and operating grants contributing 58% for every dollar raised. The remaining 7% of revenues comes from fees charged for services, state revenue in lieu of taxes, unrestricted investment earnings and other miscellaneous sources. Total revenues decreased \$1.3 million to \$45.2 million in the year ended June 30, 2019. Significant changes in revenues were discussed in detail above.

Expenses. Instruction expenses include a) salaries for teachers, teaching assistants and substitutes, b) pupil-use technology and software and c) classroom materials and supplies. Instruction expenses accounted for 50% of total District expenses. Support services include support services, operations and school leadership. These categories include a) guidance and counseling, b) library and media, c) student health and psychological services, d) curriculum and staff development, e) pupil transportation, f) school security, g) building upkeep, utilities and maintenance, h) technology support, and i) business operations and administration. Support services accounted for 49% of total District expenses. The remaining 1% of expenses is made up of interest and fiscal charges and intergovernmental expenses. Salaries and fringe benefits constitute the largest cost area accounting for 73% of the District's total expenses. Total expenses for all programs and services decreased \$2.3 million to \$45.5 million. Significant changes in expenses were discussed in detail above.

GOVERNMENTAL ACTIVITIES

Figure A-4 presents the cost of the District's governmental activities. The table also shows each activity's net cost (total cost less fees generated by activities and operating grants and contributions provided for specific programs). The net cost is the cost of the activities that were funded by general revenues, i.e., property taxes and federal and state formula aid.

Figure A-4: Net Cost of Governmental Activities (rounded thousands)

	Total Cost of Services		Percent Change	Net Profit (Cost) of Services		Percent Change
	2019	2018	2018-2019	2019	2018	2018-2019
Instruction	\$ 22,685	\$ 22,910	-0.98%	\$ (3,444)	\$ (2,781)	23.84%
Support services	22,314	24,269	-8.06%	(14,680)	(15,401)	-4.68%
Intergovernmental	82	71	15.49%	(81)	(71)	14.08%
Interest and other charges	415	541	-23.29%	(225)	(541)	-58.41%
Total governmental activities	<u>\$ 45,496</u>	<u>\$ 47,791</u>	<u>-4.80%</u>	<u>\$ (18,430)</u>	<u>\$ (18,794)</u>	<u>-1.94%</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District's combined fund balance for all governmental funds at the fund level report an ending balance of \$5.7 million, a decrease of \$1.8 million from the prior year fund balance of \$7.5 million. Major changes by fund were as follows:

- Fund balance for the General Fund decreased \$0.2 million to \$2.3 million as expenditures of \$32.6 million exceeded revenues of \$30.6 million and transfers in of \$1.8 million. Expenditures increased \$0.5 million due to the General Fund covering the principal and interest payments on the 2015 and 2016 series acquisition, use and security agreements.
- Fund balance for the Special Revenue Fund increased \$0.1 million to \$0.5 million as revenues of \$4.3 million exceeded expenditures of \$4.1 million and transfers out of \$0.1 million.

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COPE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

YEAR ENDED JUNE 30, 2019

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (CONTINUED)

- The Special Revenue – EIA Fund reports no ending fund balance as any unspent funds are recorded as unearned revenues and recognized in the period they are expended. The unearned revenue was \$0.1 million at year end.
- Fund balance for the Special Revenue – Food Service Fund increased slightly to \$0.1 million as revenues of \$2.5 million exceeded expenditures of \$2.4 million.
- Fund balance for the Debt Service Fund decreased \$0.1 million to \$1.8 million primarily due to revenues of \$4.1 million exceeding expenditures of \$3.6 million and transfers out of \$0.6 million.
- Fund balance for the Capital Projects Fund decreased \$1.6 million to \$1.1 million due to capital outlay and support services expenditures.

General Fund Budgetary Highlights

The District had no amendments to its General Fund budget during the fiscal year.

- Actual revenues exceeded budgeted at year-end by \$0.1 million primarily due to taxes, investment earnings and other local sources exceeding budget by \$0.2 million, partially offset by state revenues and intergovernmental revenue coming in \$0.1 million under budget.
- Actual expenditures exceeded budgeted at year-end by \$0.4 million primarily due to capital outlay, principal retirement, and interest and fiscal charges coming in over budget by \$0.6 million, partially offset by instruction and support services expenditures coming in under budget by \$0.2 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2019, the District had invested a net amount of \$34.9 million in capital assets for its governmental activities. These assets include land, construction in progress, school buildings and improvements, and machinery and equipment.

Total capital asset additions were \$1.2 million including \$0.6 million in construction in progress and \$0.6 million in buildings, machinery, and equipment. Total depreciation expense for the year was \$1.9 million in governmental activities. Figure A-5 presents capital asset balances, net of depreciation for the years ended June 30, 2019 and 2018.

Figure A-5 Capital Assets (Net of Depreciation, rounded thousands)

	Governmental Activities	
	2019	2018
Land	\$ 502	\$ 502
Construction in progress	103	34
Buildings	31,968	33,621
Other Improvements	1,313	874
Machinery and Equipment	978	592
Total	<u>\$ 34,864</u>	<u>\$ 35,623</u>

More detailed information about the School District's capital assets can be found in Note III.D. to the financial statements.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

YEAR ENDED JUNE 30, 2019

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Long-Term Debt

At year-end the District has \$14.5 million in long-term general obligation bonds, \$0.4 million in long-term Qualified Zone Academy Bonds, and \$0.2 million in long-term Acquisition, Use, and Security Agreements.

Figure A-6 Outstanding Long-Term Debt for Total School District (rounded thousands)

	Long-Term Debt		Percentage
	2019	2018	Change 2018-2019
School District:			
General Obligation Bonds	\$ 14,493	\$ 17,435	-17%
QZAB	400	400	0%
Acquisition, Use and Security Agreements	207	648	-68%
Total School District	<u>\$ 15,100</u>	<u>\$ 18,483</u>	<u>-18%</u>

- The District retired \$3.4 million in long-term debt through principal payments. In addition, the District borrowed \$2,830,000 in a short-term Tax Anticipation Note that was repaid in March 2019.

More detailed information about the School District's debt and other long-term obligations is presented in Note III.H. to the financial statements.

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

The South Carolina state legislature introduced Bill 662 in the spring of 2017 to consolidate the three school districts in Orangeburg County, including the School District, into one school district effective July 1, 2019. Bill 662 was ratified by the Senate and the House in June 2017, but was vetoed by the Governor in June 2017. The veto was overridden by the Senate and the House in January 2018. As a result, Orangeburg Consolidated School District Four consolidated with the other two school districts located in Orangeburg County effective July 1, 2019.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, 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, contact the Finance Department, Orangeburg Consolidated School District Four; PO Box 68, Cope, South Carolina 29038 (Telephone: 803-534-8081).

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BASIC FINANCIAL STATEMENTS

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2019

	PRIMARY GOVERNMENT
	Governmental
	Activities
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 6,248,862
Cash and Cash Equivalents, Restricted	643
Investments, Restricted	356,625
Property Taxes Receivable, Net	1,163,345
Accounts Receivable, Net	89,799
Due from Other Governments	2,734,831
Inventories	34,086
Total Current Assets	10,628,191
Non-Current Assets:	
Capital Assets:	
Non-Depreciable	605,494
Depreciable, Net	34,258,955
Total Non-Current Assets	34,864,449
TOTAL ASSETS	45,492,640
DEFERRED OUTFLOWS OF RESOURCES	
Advance Refunding Charges	114,868
Deferred OPEB Charges	5,304,789
Deferred Pension Charges	8,942,176
TOTAL DEFERRED OUTFLOWS OF RESOURCES	14,361,833
LIABILITIES	
Current Liabilities:	
Accounts Payable and Accrued Expenses	3,619,276
Accrued Interest Payable	192,749
Due to Other Governments	19,841
Unearned Revenue	158,681
Total Current Liabilities	3,990,547
Non-Current Liabilities:	
Net OPEB Liability	38,592,880
Net Pension Liability	49,685,474
Due Within One Year	3,558,129
Due in More than One Year	13,181,448
Total Non-Current Liabilities	105,017,931
TOTAL LIABILITIES	109,008,478
DEFERRED INFLOWS OF RESOURCES	
Deferred OPEB Credits	3,156,472
Deferred Pension Credits	2,895,728
TOTAL DEFERRED INFLOWS OF RESOURCES	6,052,200
NET POSITION	
Net Investment in Capital Assets	19,733,660
Restricted For:	
Debt Service	1,880,280
Food Service	62,548
Unrestricted	(76,882,693)
TOTAL NET POSITION	\$ (55,206,205)

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2019

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
PRIMARY GOVERNMENT:					
Governmental Activities:					
Instruction	\$ 22,685,060	636,251	18,604,342	-	\$ (3,444,467)
Support Services	22,314,300	100,065	7,534,768	-	(14,679,467)
Intergovernmental	81,589	-	-	-	(81,589)
Interest and Other Charges	415,251	-	-	-	(415,251)
Total Governmental Activities	<u>45,496,200</u>	<u>736,316</u>	<u>26,139,110</u>	<u>-</u>	<u>(18,620,774)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 45,496,200</u>	<u>736,316</u>	<u>26,139,110</u>	<u>-</u>	<u>(18,620,774)</u>
GENERAL REVENUES AND TRANSFERS:					
General Revenues:					
Property Taxes Levied for General Purposes					11,962,978
Property Taxes Levied for Debt Service					4,032,367
State Revenue in Lieu of Taxes					1,746,816
Unrestricted Investment Earnings					89,628
Miscellaneous					462,264
Total General Revenues					<u>18,294,053</u>
CHANGE IN NET POSITION					(326,721)
NET POSITION, Beginning of Year					<u>(54,879,484)</u>
NET POSITION, End of Year					<u>\$ (55,206,205)</u>

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2019

	GENERAL	SPECIAL REVENUE	SPECIAL REVENUE - EIA
ASSETS			
Cash and Cash Equivalents	\$ 6,196,163	-	-
Cash and Cash Equivalents, Restricted	-	-	-
Investments, Restricted	-	-	-
Receivables, Net			
Taxes	867,089	-	-
Accounts	82,502	7,297	-
Due From:			
County Treasurer	296,678	-	-
State Agencies	-	30,730	11,873
Federal Agencies	-	1,132,689	-
Other Funds	702,559	-	93,570
Inventories	-	-	-
TOTAL ASSETS	\$ 8,144,991	1,170,716	105,443
LIABILITIES			
Accounts Payable & Accrued Expenditures	\$ 1,033,861	-	-
Accrued Salaries & Benefits	2,585,415	-	-
Due To:			
State Department of Education	-	11,142	8,699
Other Funds	1,426,850	625,624	-
Unearned Revenue	-	61,937	96,744
TOTAL LIABILITIES	5,046,126	698,703	105,443
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	824,251	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	824,251	-	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	5,870,377	698,703	105,443
FUND BALANCES:			
Fund Balances			
Restricted for:			
Debt Service	-	-	-
Capital Projects	-	-	-
Food Service	-	-	-
Assigned for:			
Special Revenue - E-Rate	-	81,139	-
Special Revenue - Medicaid	-	328,335	-
Special Revenue - Other Grants	-	62,539	-
Unassigned	2,274,614	-	-
TOTAL FUND BALANCES	2,274,614	472,013	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 8,144,991	1,170,716	105,443

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

FOOD SERVICE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
52,699	-	-	\$ 6,248,862
-	643	-	643
-	356,625	-	356,625
-	296,256	-	1,163,345
-	-	-	89,799
-	1,210,163	-	1,506,841
-	-	-	42,603
52,698	-	-	1,185,387
-	209,342	1,123,938	2,129,409
34,086	-	-	34,086
139,483	2,073,029	1,123,938	\$ 12,757,600
-	-	-	\$ 1,033,861
-	-	-	2,585,415
-	-	-	19,841
76,935	-	-	2,129,409
-	-	-	158,681
76,935	-	-	5,927,207
-	273,612	-	1,097,863
-	273,612	-	1,097,863
76,935	273,612	-	7,025,070
-	1,799,417	-	1,799,417
-	-	1,123,938	1,123,938
62,548	-	-	62,548
-	-	-	81,139
-	-	-	328,335
-	-	-	62,539
-	-	-	2,274,614
62,548	1,799,417	1,123,938	5,732,530
139,483	2,073,029	1,123,938	\$ 12,757,600

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

JUNE 30, 2019

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$	5,732,530
Amounts reported for the governmental activities in the Statement of Net Position are different because:		
Property taxes receivable will be collected in the future but are not available soon enough to pay for the current period's expenditures and therefore are unavailable in the funds.		1,097,863
The School District's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State pension plans are not recorded in the governmental funds but are recorded in the Statement of Net Position.		(43,639,026)
The School District's proportionate shares of the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State OPEB plan are not recorded in the governmental funds but are recorded in the Statement of Net Position.		(36,444,563)
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets was \$77,351,082 and the accumulated depreciation was \$42,486,633.		34,864,449
Advance refunding charges are amortized over the lives of the bonds; however, in governmental accounting, the costs are recognized as expenditures the year they are incurred. The advance refunding charges of \$232,000 have been shown net of accumulated amortization expense of \$117,132.		114,868
Accrued interest on the outstanding bonds in governmental accounting is not due and payable in the current period and therefore is not reported as a liability in the funds.		(192,749)
Long-term obligations, including debt premiums and discounts, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consisted of the following:		
Long-Term Debt	(15,100,000)	
Long-Term Debt Premiums	(1,269,595)	
Compensated Absences	(369,982)	(16,739,577)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	\$	(55,206,205)

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

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**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2019

	GENERAL	SPECIAL REVENUE	SPECIAL REVENUE - EIA
REVENUES			
Local Sources:			
Taxes	\$ 11,593,183	-	-
Investment Earnings	78,174	-	-
Other Local Sources	674,897	582,371	-
State Sources	18,228,287	642,598	3,218,751
Federal Sources	-	2,928,484	-
Intergovernmental Revenue	59,611	95,045	-
TOTAL REVENUE ALL SOURCES	30,634,152	4,248,498	3,218,751
EXPENDITURES			
Current:			
Instruction	17,871,301	2,018,313	1,674,717
Support Services	14,166,741	1,940,229	439,847
Intergovernmental	-	81,589	-
Capital Outlay	104,795	41,189	48,253
Debt Service:			
Principal Retirement	441,000	-	-
Interest and Fiscal Charges	24,948	-	-
TOTAL EXPENDITURES	32,608,785	4,081,320	2,162,817
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,974,633)	167,178	1,055,934
OTHER FINANCING SOURCES (USES)			
Transfers In	1,751,944	-	-
Transfers Out	-	(104,051)	(1,055,934)
TOTAL OTHER FINANCING SOURCES (USES)	1,751,944	(104,051)	(1,055,934)
NET CHANGES IN FUND BALANCES	(222,689)	63,127	-
FUND BALANCES, Beginning of Year	2,497,303	408,886	-
FUND BALANCES, End of Year	\$ 2,274,614	472,013	-

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

FOOD SERVICE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
-	3,888,649	-	\$ 15,481,832
-	11,454	-	89,628
120,838	-	-	1,378,106
-	197,304	-	22,286,940
2,336,314	-	-	5,264,798
-	-	-	154,656
2,457,152	4,097,407	-	44,655,960
-	-	-	21,564,331
2,398,318	-	357,956	19,303,091
-	-	-	81,589
37,166	-	1,208,569	1,439,972
-	2,942,000	-	3,383,000
-	643,407	-	668,355
2,435,484	3,585,407	1,566,525	46,440,338
21,668	512,000	(1,566,525)	(1,784,378)
-	-	-	1,751,944
-	(591,959)	-	(1,751,944)
-	(591,959)	-	-
21,668	(79,959)	(1,566,525)	(1,784,378)
40,880	1,879,376	2,690,463	7,516,908
62,548	1,799,417	1,123,938	\$ 5,732,530

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2019

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ (1,784,378)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This amount represents the change in unavailable revenues - property taxes for the year.	513,511
Repayment of bond and capital lease principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position.	3,383,000
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This amount is the net change in accrued interest for the year.	41,166
Advance refunding charges are expenditures in the year they are incurred in governmental funds, but are amortized over the lives of the bonds in the Statement of Activities. This amount represents the amortization of deferred charges for the year.	(14,358)
Bond premiums are revenues the year they are received in governmental funds but are amortized over the lives of the bonds in the Statement of Activities. This amount represents the amortization of premiums for the year.	226,298
Changes in the School District's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the Statement of Activities.	(1,152,784)
Changes in the School District's proportionate shares of the net OPEB liability, deferred outflows of resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the Statement of Activities.	(1,149,707)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	368,706
Governmental funds report capital asset additions as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense of \$1,908,926 exceeded current year capital asset additions of \$1,150,751.	(758,175)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ (326,721)
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The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

STATEMENT OF ASSETS AND LIABILITIES

FIDUCIARY FUND

JUNE 30, 2019

	<u>AGENCY</u>
ASSETS	
Cash and Cash Equivalents	\$ 488,330
Accounts Receivable	73,404
TOTAL ASSETS	<u><u>\$ 561,734</u></u>
LIABILITIES	
Due to Student Organizations	\$ 561,734
TOTAL LIABILITIES	<u><u>\$ 561,734</u></u>

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

Orangeburg Consolidated School District Four, South Carolina (the “School District”) is a school district created to provide public education services to students of a specified geographical district of Orangeburg County, South Carolina. The School District receives funding from local, state and federal sources and must comply with any requirements of the funding source entities. A seven member Board of Trustees (the “Board”) governs the School District.

The School District (the primary government) is the lowest level of government which has oversight responsibility and control over all activities related to public school education. The School District is not included in any other governmental reporting entity because it does not meet the financial accountability criteria for inclusion established by Governmental Accounting Standard Board Statement (“GASB”) No. 61. Board Members have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters.

The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to governmental units. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. As required by GAAP, these financial statements present the School District and its component units, entities for which the School District is considered to be financially accountable or for which exclusion of a component unit would render the financial statements incomplete or misleading. Blended component units, although legally separate entities, are in substance, part of the government's operations and data from these units are combined with data of the primary government. The School District has no blended component units. Discretely presented component units, on the other hand, are reported in a separate column in the financial statements to emphasize that they are legally separate from the School District. The School District has no discretely presented component units.

B. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the School District (the primary government). For the most part, the effect of interfund activity (except for interfund services provided and used between functions) has been removed from these financial statements.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The School District does not have any business-type activities.

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

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

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

The government-wide financial statements are prepared using a different measurement focus from the manner in which governmental fund financial statements are prepared (see further detail below). Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers all revenues with the exception of grants to be available if they are collected within 60 days of the end of the current fiscal period. Grant related revenues are considered to be available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Real property taxes, federal and state grant programs and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash has been received by the government.

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. There are a minimum number of funds maintained to keep the accounts consistent with legal and managerial requirements. The focus of governmental financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Fiduciary Funds are reported by fund type. The following major funds and fund types are used by the School District:

Governmental fund types are those through which most governmental functions of the School District are financed. The School District's expendable financial resources and related assets, deferred outflows of resources, liabilities, and deferred inflows of resources (except for those accounted for in the Fiduciary Funds) are accounted for through governmental funds. Governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting.

The following are the School District's major governmental funds:

The **General Fund, a major fund** and a budgeted fund, is the general operating fund of the School District and accounts for all revenues and expenditures of the School District except those required to be accounted for in other funds. All general tax revenues and other receipts that (a) are not allocated by law or contractual agreement to other funds or (b) that have not been restricted, committed, or assigned to other funds are accounted for in the General Fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources (that are expected to continue to comprise a substantial portion of the inflows of the fund) that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The School District has three Special Revenue Funds:

- i.) **The Special Revenue Fund, a major fund** and an unbudgeted fund, is used to account for and report the financial resources provided by federal, state and local projects and grants that are restricted, committed or assigned for specific educational programs.
- ii.) **The Special Revenue – Education Improvement Act (EIA) Fund, a major fund** and an unbudgeted fund, is used to account for and report the restricted revenue from the South Carolina Education Improvement Act of 1984 (which is legally required by the state to be accounted for as a specific revenue source) which are restricted for specific programs authorized or mandated by EIA.
- iii.) **The Food Service Fund, a major fund** and an unbudgeted fund, is used to account for and report the financial resources received that are restricted for the cafeteria operations at school locations. These resources primarily consist of revenues received (a) from breakfast, lunch, and other food sales and (b) from the United States Department of Agriculture's ("USDA") national school breakfast and lunch programs.

The *Debt Service Fund, a major fund* and an unbudgeted fund, is used to account for and report the accumulation of financial resources that are restricted for the payment of all long-term debt principal, interest, and related costs for the School District.

The *Capital Projects Fund, a major fund* and an unbudgeted fund, is used to account for and report financial resources that are restricted, committed, or assigned for expenditures of capital outlay related to equipment, site acquisitions, construction, renovation of capital facilities, and other capital assets for the School District.

Fiduciary Fund types are accounted for based on the flow of economic resources measurement focus and use of the accrual basis of accounting and are used to account for expendable assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds and include Trust Funds and Agency Funds. Fiduciary Fund Types include the following:

The Agency Fund, an unbudgeted fund, accounts for the receipt and disbursement of monies to and from student activity organizations. These funds have no equity (assets are equal to liabilities) and do not include revenues and expenditures for general operation of the School District. This accounting reflects the agency relationship of the School District with the student activity organizations.

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity

1. *Cash, Cash Equivalents, and Investments*

Cash and Cash Equivalents

The School District considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased, money market funds and investments in the South Carolina Local Government Investment Pool to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchased) are reported as investments. Restricted cash and cash equivalents include amounts legally restricted by the funding source (grants, debt proceeds, etc.).

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

1. Cash, Cash Equivalents, and Investments (Continued)

Investments

The School District's investment policy is designed to operate within existing statutes (which are identical for all funds, fund types and component units within the State of South Carolina) that authorize the School District to invest in the following:

- (a) Obligations of the United States and agencies thereof;
- (b) Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, The Federal Home Loan Banks, the Federal Home Loan Mortgage Corporations, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories issued by at least two nationally recognized credit rating organizations;
- (c) General obligations of the State of South Carolina or any of its political units; or revenue obligations of the State of South Carolina if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories issued by at least two nationally recognized credit rating organizations;
- (d) Savings and Loan Associations to the extent that the same are insured by an agency of the Federal Government;
- (e) Certificates of Deposit and funds in deposit accounts with banking institutions provided that such certificates and funds in deposit accounts are collaterally secured by securities of the type described in (a) and (b) above, held by a third party as escrow agent, or custodian of a market value, not less than the amount of the certificates or funds in deposit accounts so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government;
- (f) Collateralized repurchase agreements when collateralized by securities as set forth in (a) and (b) above and held by the governmental entity or a third party as escrow agent or custodian; and
- (g) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (a), (b), (c), and (f) above and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

1. Cash, Cash Equivalents, and Investments (Continued)

Investments (Continued)

The School District's cash investment objectives are preservation of capital, liquidity, and yield. South Carolina Local Government Investment Pool ("SCLGIP") investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The SCLGIP is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. In accordance with GASB Statement No. 31 *"Accounting and Financial Reporting for Certain Investments and for External Investment Pools"* and GASB Statement No. 72 *"Fair Value Measurement and Application"*, investments are carried at fair value determined annually based upon (a) quoted market prices for identical or similar investments or (b) observable inputs other than 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. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours' notice. Financial statements for the Pool may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, P.O. Box 11778, Columbia, SC 29211-1960.

Restricted Investments include amounts legally restricted by bond covenants.

The School District currently or in the past year has used the following investments:

- South Carolina Local Government Investment Pool held by the Office of the State Treasurer along with other participating local governments. The State Treasurer invests these funds in investments authorized by state statute as outlined above. All interest and other earnings are distributed by the Office of the State Treasurer to the respective governments on a periodic basis.
- Various securities as described in (b) above.
- Open-ended money market mutual funds mainly investing in governmental securities.

2. Interfund Receivables and Payables

Transactions between funds that are representative of reimbursement arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds."

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due from/to other funds." These amounts are eliminated in the governmental activities columns of the Statement of Net Position.

3. Inventories

Under the system of accounting for inventories, materials and supplies are carried in an inventory account at average cost, determined using the first-in, first-out method, and are subsequently charged to expenditures when consumed rather than when purchased. The Food Service Fund inventory includes food and supplies, including an amount for commodities received from the USDA, recorded at fair market value at the time of receipt, that have not been consumed at fiscal year end.

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

4. Capital Assets

General capital assets generally result from expenditures in the governmental funds. These assets 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). The capital asset system is updated for additions and retirements during the year. Donated capital assets are recorded at estimated acquisition value (as estimated by the School District) at the date of donation. The School District maintains a capitalization threshold of \$5,000. The School District's practice is not to capitalize purchases of a large quantity of items that individually fall under the capitalization threshold (i.e. bulk computer purchases, etc.). The School District does not possess any infrastructure assets. 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 capitalized. Interest is not capitalized during the construction of capital assets.

All reported capital assets except land and construction in progress are depreciated. Construction projects begin being depreciated once they are complete, at which time the complete costs of the project are transferred to the appropriate capital asset category. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities
	Estimated Lives
Improvements	5 - 40 Years
Buildings	40 Years
Machinery and Equipment	5 - 10 Years

5. Compensated Absences

The School District reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. School District employees receive twelve leave days per year, of which seven are sick leave and five are personal leave days. These days carry forward and can be accumulated, up to a maximum of ninety days. Upon termination of employment, an employee is paid \$10 per cumulative sick day for a maximum benefit of \$900. The District will also pay up to a maximum of 45 days of unused vacation at the employee's applicable daily rate of pay upon termination of employment. The entire compensated absences liability and expense is reported on the government-wide financial statements.

6. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. If material, bond premiums, discounts, and deferred refunding changes are deferred and amortized over the life of the bonds using the straight-line method (as it approximates the effective interest method). Debt is reported net of applicable bond premiums and discounts. Bond issuance costs (if any) are expensed in the period incurred.

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

6. *Accrued Liabilities and Long-Term Obligations (Continued)*

In the governmental fund financial statements, bond premiums, discounts, and bond issuance costs are recognized in the period that the bonds are issued. The face amount of debt or capital leases issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, the non-current portion of debt and capital leases, compensated absences, contractually required pension contributions, and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

7. *Fund Balance*

In accordance with GASB #54, the School District classifies governmental fund balances as follows:

Nonspendable – includes amounts that inherently cannot be spent either because it is not in spendable form (i.e. prepaids, inventories, etc.) or because of legal or contractual requirements (i.e. principal on an endowment, etc.).

Restricted – includes amounts that are constrained by specific purposes which are externally imposed by (a) other governments through laws and regulations, (b) grantors or contributions through agreements, (c) creditors through debt covenants or other contracts, or (d) imposed by law through constitutional provisions or enabling legislation.

Committed – includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action made by the Board of Trustees, which is the highest level of decision making authority, before the end of the reporting period. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned – includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and that such assignments are made before the report issuance date. The Board is the only party that has the right to make assignments of fund balance for the School District at this time. Assignments of fund balance are related to various special revenue programs as of June 30, 2019.

Unassigned – includes amounts that do not qualify to be accounted for and reported in any of the other fund balance categories. This classification represents the amount of fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts of restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

7. *Fund Balance (Continued)*

The School District generally uses restricted amounts to be spent first when both restricted and unrestricted (committed, assigned, and unassigned) fund balance is available unless there are legal documents, contracts, or agreements that prohibit doing such. Additionally, the School District generally would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

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

8. *Deferred Outflows and Inflows of Resources*

In addition to assets, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School District currently has three types of deferred outflows of resources: (1) The School District reports *advance refunding charges* in its Statement of Net Position. These charges are the difference between the reacquisition price and the net carrying amount of the defeased debt, and are deferred and amortized over the life of the refunding bonds, which has the same maturity as the bonds that were refunded. Amortization of *advance refunding charges* is included in interest expense. (2) The School District reports *deferred pension charges* in its Statement(s) of Net Position in connection with its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. (3) The School District reports *deferred OPEB charges* in its Statement(s) of Net Position in connection with its participation in the South Carolina Retiree Health Insurance Trust Fund. The *deferred pension and OPEB charges* are either (a) recognized in the subsequent period as a reduction of the net pension/OPEB liability (which includes contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension/OPEB expense in future periods in accordance with GAAP.

In addition to liabilities, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School District currently has three types of deferred inflows of resources: (1) The School District reports *unavailable revenue* for property taxes only in the governmental funds Balance Sheet; it is deferred and recognized as an inflow of resources (revenues) in the period the amounts become available. (2) The School District also reports *deferred pension credits* in its Statement(s) of Net Position in connection with its participation in the South Carolina Retirement System and South Carolina Police Officers Retirement System. (3) The School District reports *deferred OPEB credits* in its Statement(s) of Net Position in connection with its participation in the South Carolina Retiree Health Insurance Trust Fund. The *deferred pension and OPEB credits* are amortized in a systematic and rational method and recognized as a reduction of pension/OPEB expense in future periods in accordance with GAAP.

9. *Net Position*

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows in the Statement of Net Position. Net position is classified as net investment in capital assets; restricted; and unrestricted. 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. Outstanding debt, which has not been spent, is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

10. Pensions and Other Postemployment Benefits

In government-wide financial statements, pensions and other postemployment benefits (“OPEB”) are required to be recognized and disclosed using the accrual basis of accounting (see Notes IV.A and IV.B and the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amounts recognized as pension and OPEB expenditures on the modified accrual basis of accounting. The School District recognizes net pension and net OPEB liabilities for each plan in which it participates, which represents the excess of the total pension and OPEB liabilities over the fiduciary net position of the qualified plan, or the School District’s proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the School District’s fiscal year-end. Changes in the net pension and OPEB liabilities during the period are recorded as pension and OPEB expenses, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension and OPEB liabilities that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified plan and recorded as a component of pension and OPEB expense beginning with the period in which they are incurred. Any projected earnings on qualified pension and OPEB plan investments are recognized as a component of pension and OPEB expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension and OPEB expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

11. Fair Value

The fair value measurement and disclosure framework provides for a three-tier fair value hierarchy that gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the School District can access at the measurement date.

Level 2 – Inputs to the valuation methodology, other than quoted prices included in Level 1, that are observable for an asset or liability either directly or indirectly and include:

- Quoted prices for similar assets and liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted market prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology that are unobservable for an asset or liability and include:

- Fair value is often based on developed models in which there are few, if any, observable inputs.

The asset’s or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

11. Fair Value (Continued)

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The School District believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no significant changes from the prior year in the methodologies used to measure fair value.

12. Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and deferred outflows of resources and liabilities and deferred inflows of resources and disclosure of these balances as of the date of the financial statements. In addition, they affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates and assumptions.

13. Comparative Data

Comparative data (i.e., presentation of prior year totals by fund type) has not been presented in each of the statements since their inclusion would make the statement unduly complex and difficult to read.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Budgetary Practices - Budgets are presented in the required supplementary information section for the General Fund. The budget is presented on the modified accrual basis of accounting, which is consistent with GAAP. The budget is prepared by function and object as dictated by the State of South Carolina adopted Program Oriented Budgeting and Accounting System and for management control purposes.

In May of each year, the School District's management submits a proposed budget to the Board for the General Fund. The School District prepares its budget on a basis to conform with GAAP. The budget includes proposed expenditures and the means of financing the expenditures. After modifications are made, resulting from discussions between the Board and the School District's management, the Board legally enacts the budget through passage of a resolution. The total budget may not be increased without approval of the Board. The legal level of budgetary control is at the fund level. There were no significant amendments or revisions to the budget during the year ended June 30, 2019.

The School District's management has the authority to overspend the budget within percentages established by the South Carolina State Department of Education for most state and federally funded projects. The School District may overspend in certain funds as long as funds are available from other areas.

No formally adopted annual budgets are prepared for the Special Revenue Funds; however, budgets are prepared on a grant-by-grant basis. The Capital Projects Fund revenues and expenditures are not legally adopted but are budgeted on a project-by-project basis. A budget for the Debt Service Fund is not provided as the provisions of the bond indentures provide adequate control.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A. Deposits and Investments

Deposits

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 for custodial credit risk states that the School District will only use instruments that are collateralized by third parties or insured by the Federal Deposit Insurance Corporation. As of June 30, 2019, none of the School District's total bank balances of approximately \$4,547,000 (with a carrying value of approximately \$3,714,000) were exposed to custodial credit risk.

Investments

As of June 30, 2019, the School District had the following investments and maturities:

Investment Type	Fair Value Level ⁽¹⁾	Credit Rating ^	Fair Value	Weighted Average Maturity
SC Local Government Investment Pool	N/A	NR, NR, NR	\$ 3,024,122	< 1 Year
Federal Home Loan Mortgage Corporation Discount Note	Level 1	AA+, Aaa, AAA	356,625	< 1 Year
Total			<u>\$ 3,380,747</u>	

^ If available, credit ratings are for Standard & Poor's, Moody's, and Fitch Investors Service.

⁽¹⁾ See Note I.C.11 for details of the School District's fair value hierarchy.

NR – Not rated.

Interest Rate Risk: The School District interest rate risk policy states that the School District will not invest in maturities exceeding 24 months in order to avoid fair value losses arising from increasing interest rates.

Custodial Credit Risk for Investments: Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's policy for custodial credit risk states that the School District will only use instruments that are collateralized by third parties or insured by the Federal Deposit Insurance Corporation. As of June 30, 2019, none of the School District's investments were exposed to custodial credit risk.

Credit Risk for Investments: Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School District does not have an investment policy for credit risk but follows the investment policy statutes of the State of South Carolina.

Concentration of Credit Risk for Investments: The School District places no limit on the amount the School District may invest in any one issuer. Investments issued by or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools and other pooled investments are exempt from concentration of credit risk disclosures.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

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

A. Deposits and Investments (Continued)

The following table reconciles deposits and investments within the footnotes to the amounts in the financial statements for the Primary Government:

Financial Statements	
Statement of Net Position:	
Unrestricted Assets:	
Cash and Cash Equivalents	\$ 6,248,862
Restricted Assets:	
Cash and Cash Equivalents, Restricted	643
Investments, Restricted	356,625
Statement of Assets and Liabilities - Fiduciary Fund	
Cash and Cash Equivalents	488,330
Total	<u>\$ 7,094,460</u>
Notes to the Financial Statements	
Deposits	\$ 3,713,713
Investments	3,380,747
Total	<u>\$ 7,094,460</u>

B. Property Taxes and Other Receivables

Orangeburg County, South Carolina (the "County") is responsible for levying and collecting sufficient property taxes to meet its funding obligation for the School District. This obligation is established each year by the Orangeburg County Council and does not necessarily represent actual taxes levied or collected. The property taxes are considered both measurable and available for purposes of recognizing revenue and a receivable from the County at the time they are collected by the County or if they are collected within 60 days of the end of the fiscal year.

Property taxes are levied and billed by the County on real and personal properties on October 1 based on an assessed value as of the preceding December 31 of approximately \$62.8 million at rates of 162.2 mills and 49.0 mills for the General Fund and Debt Service Fund, respectively. In addition, the County levies an additional 25 mills and 5 mills that is shared between the three Orangeburg County school districts and used for operations and debt retirement or capital outlay, respectively. These taxes are due without penalty through January 15.

Penalties are added to taxes depending on the date paid as follows:

January 16 through February 1	-	3% of tax
February 2 through March 15	-	10% of tax
After March 15	-	15% of tax plus collection costs

Current year real and personal taxes become delinquent on March 16. Unpaid property taxes become a lien against the property as of June 1 of the calendar year following the levy date. The levy date for motor vehicles 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. Taxes receivable include an allowance for uncollectibles of approximately \$372,000 and \$127,000 at June 30, 2019 for the General Fund and the Debt Service Fund, respectively. Significant allowances for uncollectibles were not necessary for the other receivable accounts.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

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

C. Unearned Revenue and Deferred Inflows of Resources

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue in connection with resources that have been received, but not yet earned. At June 30, 2019, the various components of unearned revenue and deferred inflows of resources reported in the governmental funds as follows:

Deferred Inflows of Resources:	
Unavailable Delinquent Property Taxes Receivable (General Fund)	\$ 824,251
Unavailable Delinquent Property Taxes Receivable (Debt Service Fund)	273,612
Total Deferred Inflows of Resources - Governmental Funds	<u>\$ 1,097,863</u>
Unearned Revenue:	
Unearned Revenue from Special Revenue Funds	\$ 61,937
Unearned Revenue from Special Revenue - EIA Funds	96,744
Total Unearned Revenue - Governmental Funds	<u>\$ 158,681</u>

D. Capital Assets

Capital asset activity for the School District for the year ended June 30, 2019, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, Non Depreciable:					
Land	\$ 502,286	-	-	-	\$ 502,286
Construction in Progress	34,239	584,832	-	(515,863)	103,208
Total Capital Assets, Non Depreciable	<u>536,525</u>	<u>584,832</u>	<u>-</u>	<u>(515,863)</u>	<u>605,494</u>
Capital Assets, Depreciable:					
Buildings	68,637,380	29,608	-	-	68,666,988
Other Improvements	2,397,853	-	-	515,863	2,913,716
Machinery and Equipment	4,628,573	536,311	-	-	5,164,884
Total Capital Assets, Depreciable	<u>75,663,806</u>	<u>565,919</u>	<u>-</u>	<u>515,863</u>	<u>76,745,588</u>
Less: Accumulated Depreciation for:					
Buildings	35,016,208	1,682,664	-	-	36,698,872
Other Improvements	1,523,985	76,992	-	-	1,600,977
Machinery and Equipment	4,037,514	149,270	-	-	4,186,784
Total Accumulated Depreciation	<u>40,577,707</u>	<u>1,908,926</u>	<u>-</u>	<u>-</u>	<u>42,486,633</u>
Total Capital Assets, Depreciable, Net	<u>35,086,099</u>	<u>(1,343,007)</u>	<u>-</u>	<u>515,863</u>	<u>34,258,955</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 35,622,624</u>	<u>(758,175)</u>	<u>-</u>	<u>-</u>	<u>\$ 34,864,449</u>

In the year ended June 30, 2019, depreciation expense for governmental activities of approximately \$21,000 and \$1,888,000 was charged to Instruction and Support Services functions, respectively.

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

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

E. Interfund Receivables and Payables

Interfund balances at June 30, 2019 (which are expected to be received or paid within one year), consisted of the following individual fund receivables and payables:

<u>Fund</u>	<u>Receivables</u>	<u>Payables</u>
Primary Government:		
General Fund	\$ 702,559	\$ 1,426,850
Special Revenue Funds:		
Special Revenue	-	625,624
EIA	93,570	-
Food Service	-	76,935
Debt Service Fund	209,342	-
Capital Projects Fund	1,123,938	-
Total Primary Government	<u>\$ 2,129,409</u>	<u>\$ 2,129,409</u>

The General Fund receivable is a result of the General Fund central depository account making payments of salaries and other expenditures for other funds. These amounts will be reimbursed as revenue is received from claims that have been submitted. The General Fund payable is a result of other funds depositing cash receipts into the General Fund central depository account. These amounts will be repaid as those funds expend the amounts held in the central depository.

The Special Revenue Fund and Food Service Fund payables are a result of payments made by the General Fund for salaries and other expenditures. Reimbursement to the General Fund will be made as revenue is received from claims that have been submitted.

The Special Revenue – EIA Fund, Debt Service Fund, and Capital Projects Fund receivables are a result of cash receipts deposited into the central depository that have not yet been spent.

F. Short-Term Obligations

In August 2018, the School District issued a short-term Tax Anticipation Note (“TAN”) with a par amount of \$2,830,000 at a coupon rate of 3.0% and received a premium of approximately \$20,000. Principal and interest were paid in full April 2019 using operating tax collections. The TAN was issued for the purpose of providing funds to pay the operational expenditures of the School District during fiscal year 2019 until sufficient property tax revenues are collected.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

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

G. Transfers In and (Out)

Transfers from (to) other funds for the year ended June 30, 2019 consisted of the following:

Transfers from	Amount	Transfers to	Amount
General Fund			
Special Revenue - EIA	\$ 1,055,934	None	\$ -
Special Revenue - Indirect Costs	104,051		-
Debt Service	591,959		-
	<u>1,751,944</u>		<u>-</u>
Special Revenue Funds			
<u>Special Revenue</u>			
None	-	General Fund - Indirect Costs	104,051
<u>Special Revenue - EIA</u>			
None	-	General Fund	1,055,934
Debt Service Fund			
None	-	General Fund	591,959
	<u>\$ 1,751,944</u>		<u>\$ 1,751,944</u>

Interfund transfers typically include funding allowed for indirect costs, required matches, supplemental funding, state cuts, and accounting practice. The transfers for the year ended June 30, 2019 consisted of the following:

General Fund

Transfers from: Funds were transferred into the General Fund from the Special Revenue Funds for EIA flexibility and indirect costs charged to federal programs.

Special Revenue Funds

Transfers to: The Special Revenue Funds' transfers out are related to EIA flexibility transfers and indirect costs charged to federal programs.

Debt Service Fund

Transfers to: The Debt Service Fund transferred property tax revenues that the School District received from the County that relates to millage assessed for capital needs.

H. Long-Term Obligations

The School District issues bonds to provide funds for the acquisition and construction of major capital facilities for its governmental activities. General Obligation Bonds are direct obligations and pledge the full faith and credit of the School District. Capital Lease obligations are special obligations of the School District payable from the general revenues of the School District. The full faith, credit, and taxing powers of the School District are not pledged for the payment of capital lease obligations nor the interest thereon.

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

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

H. Long-Term Obligations (Continued)

General Obligation bonds and other obligations at June 30, 2019, were comprised of the following:

<u>Issue</u>	<u>Interest Rates</u>	<u>Maturity</u>	<u>Original Issue</u>	<u>Outstanding at June 30, 2019</u>
<u>General Obligation Bonds</u>				
2017 General Obligation Bonds*	1.842%	2022	\$ 2,275,000	\$ 1,408,000
<u>General Obligation Refunding Bonds</u>				
2009 General Obligation Refunding Bonds	2.20-4.00%	2023	7,780,000	1,270,000
2013 General Obligation Refunding Bonds	2.00-5.00%	2027	12,345,000	5,185,000
2016A General Obligation Refunding and Improvement Bonds**	5.00%	2024	8,000,000	6,630,000
<u>Other Obligations</u>				
2006 Qualified Zone Academy Bonds ("QZAB")	5.44%	2022	400,000	400,000
2016 Acquisition, Use and Security Agreement	1.00%	2020	770,000	207,000
			<u>\$ 31,570,000</u>	<u>\$ 15,100,000</u>

*Applicable to the 8% debt limit

**A portion of these bonds is applicable to the 8% debt limit

The following is a summary of changes in the School District's governmental activities long-term obligations for the year ended June 30, 2019:

<u>Long-Term Obligations</u>	<u>Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>End of Year</u>	<u>Due Within One Year</u>
Governmental Activities:					
Debt: (Direct Placements/Borrowings)					
2006 QZAB	\$ 400,000	-	-	400,000	\$ -
2009 GO Refunding Bonds	1,830,000	-	560,000	1,270,000	580,000
2013 GO Refunding and Improvement Bonds	6,120,000	-	935,000	5,185,000	970,000
2015 Acquisition, Use and Security Agreement	213,000	-	213,000	-	-
2016A GO Refunding and Improvement Bonds	7,625,000	-	995,000	6,630,000	1,065,000
2016 Acquisition, Use and Security Agreement	435,000	-	228,000	207,000	207,000
2017 GO Bonds	1,860,000	-	452,000	1,408,000	461,000
Total Bonded Debt	<u>18,483,000</u>	<u>-</u>	<u>3,383,000</u>	<u>15,100,000</u>	<u>3,283,000</u>
Premiums					
2013 GO Refunding and Improvement Bonds	646,084	-	71,787	574,297	-
2016 GO Refunding and Improvement Bonds	849,809	-	154,511	695,298	-
Total Premiums	<u>1,495,893</u>	<u>-</u>	<u>226,298</u>	<u>1,269,595</u>	<u>-</u>
Total Net Debt	<u>19,978,893</u>	<u>-</u>	<u>3,609,298</u>	<u>16,369,595</u>	<u>3,283,000</u>
Compensated Absences	738,688	180,603	549,309	369,982	275,129
Governmental Activities Long-Term Obligations	<u>\$ 20,717,581</u>	<u>180,603</u>	<u>4,158,607</u>	<u>16,739,577</u>	<u>\$ 3,558,129</u>

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

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

H. Long-Term Obligations (Continued)

General Fund resources typically have been used in prior years to liquidate compensated absences. The General Fund and Debt Service Fund have been used to service all other long-term obligations.

Section 15 of Article X of the South Carolina State Constitution allows school districts to incur a legal debt limit not to exceed 8% of the assessed value of all property in the School District (as of the date of debt issuance), unless approved by a majority vote in a referendum authorized by law. As of June 30, 2019, the School District had approximately \$4,103,000 of bonded debt subject to the 8% limit of approximately \$5,023,000 resulting in an unused legal debt margin of approximately \$920,000.

Qualified Zone Academy Bonds

In December 2006, Special Obligation Qualified Zone Academy Bonds ("QZAB") were issued pursuant to Section 54E of the Internal Revenue Code of 1986. The purpose of the QZAB was to (i) finance the cost of the QZAB projects including the acquisition and installation of roofing and equipment (ii) pay the costs of issuance of the Bonds, and (iii) such other lawful purposes as the Board of the School District may determine. The full \$400,000 in principal is due on December 20, 2022. The School District has agreed to make annual payments into a sinking fund in order to fund the full principal payment of \$400,000 due on December 20, 2022. The School District made the required annual sinking fund payments from March 1, 2008 through March 1, 2012. As of June 30, 2019, the School District has made all required sinking fund payments. The balance in the escrow sinking fund account at June 30, 2019 was approximately \$357,000 and is included in Investments, Restricted and Cash and Cash Equivalents, Restricted in the financial statements.

Annual debt service requirements to maturity for all long-term debt as of June 30, 2019 are as follows (excluding discount/premium amortization):

Year Ending June 30,	Principal	Interest	Total
2020	\$ 3,283,000	539,353	\$ 3,822,353
2021	2,334,000	426,141	2,760,141
2022	2,658,000	343,655	3,001,655
2023	2,505,000	245,488	2,750,488
2024	2,615,000	148,888	2,763,888
2025-2027	1,705,000	60,313	1,765,313
Totals	<u>\$ 15,100,000</u>	<u>1,763,838</u>	<u>\$ 16,863,838</u>

I. Food Service

Federal Guidelines

The School District's Food Service Fund administers the meal programs in accordance with United States Department of Agriculture ("USDA") guidelines. Revenues are provided from USDA reimbursements and cash collections. Reimbursements may be in the form of cash or commodities. The Food Service expenditures are inclusive of approximately \$172,000 of commodities consumed during the year ended June 30, 2019.

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

IV. OTHER INFORMATION

A. Retirement Plans

The School District participates in the State of South Carolina's retirement plans, which are administered by the South Carolina Public Employee Benefit Authority ("PEBA"). The PEBA, created on July 1, 2012 and governed by an 11-member Board of Directors ("PEBA 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, the PEBA is responsible for administering the South Carolina Retirement Systems' ("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 Retirement Systems Investment Commission ("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

The PEBA issues a Comprehensive Annual Financial Report ("CAFR") containing financial statements and required supplementary information for the System's Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on the 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. The PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan Description

The South Carolina Retirement System ("SCRS"), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public school districts, and 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 the SCRS to certain newly hired state, public school, and higher education employees. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers.

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

Plan 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.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Membership (Continued)

- SCRS – Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.
- State ORP - As an alternative to membership in the 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, which is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers. For this reason, State ORP programs are not part of the retirement systems' trust funds for financial statement purposes. Contributions to the State ORP are at the same rates as the SCRS. A direct remittance is required from the employers to the member's account with investment providers for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to the SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by the 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 the PORS. Magistrates are required to participate in the 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.

Plan 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 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.

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Benefits (Continued)

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

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

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

Plan 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 PEBA Board, are insufficient to maintain the period set in statute, the PEBA 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 PEBA 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 PEBA 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 the SCRS and the 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 the SCRS and 21.24 percent for the PORS. The amortization period is scheduled to be reduced one year for each of the next 10 years to a twenty-year amortization period.

As noted earlier, both employees and the School District are required to contribute to the Plans at rates established and as amended by the PEBA. The School District's contributions are actuarially determined but are communicated to and paid by the School District as a percentage of the employees' annual eligible compensation. Required employer and employee contribution rates for the past three years are as follows:

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Contributions (Continued)

	SCRS and State ORP Rates			PORS Rates		
	2017	2018	2019	2017	2018	2019
Employer Contribution Rate:^						
Retirement*	11.41%	13.41%	14.41%	13.84%	15.84%	16.84%
Incidental Death Benefit	0.15%	0.15%	0.15%	0.20%	0.20%	0.20%
Accidental Death Contributions	0.00%	0.00%	0.00%	0.20%	0.20%	0.20%
	<u>11.56%</u>	<u>13.56%</u>	<u>14.56%</u>	<u>14.24%</u>	<u>16.24%</u>	<u>17.24%</u>
Employee Contribution Rate	<u>8.66%</u>	<u>9.00%</u>	<u>9.00%</u>	<u>9.24%</u>	<u>9.75%</u>	<u>9.75%</u>

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

* Of the rate for the State ORP Plan, 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 required contributions and percentages of amounts contributed to the Plans for the past three years were as follows:

Year Ended June 30,	SCRS Contributions		State ORP Contributions		PORS Contributions	
	Required	% Contributed	Required	% Contributed	Required	% Contributed
2019	\$ 3,184,158	100%	117,861	100%	\$ 1,901	100%
2018	3,006,573	100%	175,674	100%	1,932	100%
2017	\$ 2,289,459	100%	122,233	100%	\$ 1,841	100%

In an effort to help offset a portion of the burden of the increased contribution requirement for employers, the State General Assembly ("State") funded 1 percent of the SCRS and PORS contribution increases for the year ended June 30, 2018. The State's budget appropriated these funds directly to the PEBA for the South Carolina Retirement System Trust Fund and the Police Officers Retirement System Trust Fund. The amount of funds appropriated by the State (nonemployer contributing entity) for the year ended June 30, 2018 (measurement date) to the School District were approximately \$225,000 and \$100 for the SCRS and PORS, respectively.

The School District recognized contributions (on-behalf benefits) from the State of approximately \$226,000 and \$100 for the year ended June 30, 2019. These contributions by the State are recognized as intergovernmental revenues and pension expenditures in the School District's governmental fund financial statements.

Eligible payrolls of the School District covered under the Plans for the past three years were as follows:

Year Ended June 30,	SCRS Payroll	State ORP Payroll	PORS Payroll	Total Payroll
2019	\$ 21,869,217	811,062	11,027	\$ 22,691,306
2018	22,172,368	1,301,964	11,894	23,486,226
2017	\$ 19,805,008	1,025,632	12,926	\$ 20,843,566

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Actuarial Assumptions and Methods

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

The June 30, 2018 total pension liability ("TPL"), net pension liability ("NPL"), and sensitivity information shown in this report were determined by the consulting actuary, Gabriel, Roeder, Smith and Company ("GRS"), and are based on an actuarial valuation performed as of July 1, 2017. The TPL 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 for the SCRS and PORS.

	SCRS	PORS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Investment Rate of Return*	7.25%	7.25%
Projected Salary Increases*	3.0% to 12.5% (varies by service)	3.5% to 9.5% (varies by service)
Benefit Adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

* 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.

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%

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

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.

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%	3.75%	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%

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

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

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 the SCRS and PORS, are presented in the following table:

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 Plans' fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB No. 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.

At June 30, 2019, the School District reported liabilities of approximately \$49,661,000 and \$24,000 for its proportionate share of the NPL for the SCRS and PORS, respectively. The NPL were measured as of June 30, 2018, and the TPL for the Plans used to calculate the NPL were determined based on the most recent actuarial valuation report of July 1, 2017 that was projected forward to the measurement date. The School District's proportion of the NPL were based on a projection of the School District's long-term share of contributions to the Plans relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2018 measurement date, the School District's SCRS proportion was 0.221634 percent, which was a increase of 0.019742 percent from its proportion measured as of June 30, 2017. At the June 30, 2018 measurement date, the School District's PORS proportion was 0.00086 percent, which was a decrease of 0.00010 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the School District recognized pension expense of approximately \$4,184,000 and \$3,000 for the SCRS and PORS, respectively. At June 30, 2019, the School District reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences Between Expected and Actual Experience	\$ 89,644	\$ 292,242
Change in Assumptions	1,970,276	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	788,868	-
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	3,051,392	2,601,118
Employer Contributions Subsequent to the Measurement Date	3,035,928	-
Total SCRS	<u>8,936,108</u>	<u>2,893,360</u>
PORS		
Differences Between Expected and Actual Experience	750	-
Change in Assumptions	1,605	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	486	-
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	1,437	2,368
Employer Contributions Subsequent to the Measurement Date	1,790	-
Total PORS	<u>6,068</u>	<u>2,368</u>
Total SCRS and PORS	<u>\$ 8,942,176</u>	<u>\$ 2,895,728</u>

Approximately \$3,036,000 and \$2,000 that were reported as deferred outflows of resources related to the School District's contributions subsequent to the measurement date to the SCRS and PORS, respectively, will be recognized as a reduction of the NPL in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS and PORS will increase (decrease) pension expense as follows:

Year Ended June 30,	SCRS	PORS	Total
2020	\$ 1,468,986	1,189	\$ 1,470,175
2021	1,178,033	886	1,178,919
2022	362,777	(6)	362,771
2023	(2,976)	(159)	(3,135)
Total	<u>\$ 3,006,820</u>	<u>1,910</u>	<u>\$ 3,008,730</u>

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

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, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Sensitivity Analysis

The following table presents the sensitivity of the School District's proportionate share of the NPL of the Plans to changes in the discount rate, calculated using the discount rate of 7.25 percent, as well as what it would be if it were calculated using a discount rate that is 1% point lower (6.25 percent) or 1% point higher (8.25 percent) than the current rate:

System	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
The School District's proportionate share of the net pension liability of the SCRS	\$ 63,457,697	49,661,126	\$ 39,797,899
The School District's proportionate share of the net pension liability of the PORS	32,824	24,348	17,405
Total	<u>\$ 63,490,521</u>	<u>49,685,474</u>	<u>\$ 39,815,304</u>

Plans Fiduciary Net Position

Detailed information regarding the fiduciary net position of the Plans administered by the PEBA is available in the separately issued CAFR containing financial statements and required supplementary information for the SCRS and PORS. The CAFR is publicly available through the Retirement Benefits' link on the 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.

Payable to Plans

The School District reported payables of approximately \$541,000 and \$300 to the PEBA as of June 30, 2019, representing required employer and employee contributions for the month of June 2019 for the SCRS and PORS, respectively. This amount is included in Accounts Payable and Accrued Expenditures on the financial statements and was paid in July 2019.

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits

The PEBA is the state agency responsible for the administration and management of the state's employee insurance programs, other postemployment benefits trusts, and retirement systems. The laws of the State and the policies and procedures specified by the State for State agencies are applicable to all activities of the PEBA. By law, the SFAA also reviews certain PEBA Board decisions in administering the State Health Plan and other postemployment benefits ("OPEB"). See Note IV.A for more details on the PEBA and the SFAA.

The PEBA – Insurance Benefits issues audited financial statements and required supplementary information for the OPEB trust funds. This information is publicly available through the PEBA – Insurance Benefits link on the PEBA's website at www.peba.sc.gov or a copy may be obtained by submitting a request to the PEBA – Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223. The 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.

Plan Descriptions

The Other Postemployment Benefits Trust Funds ("OPEB Trust" or "OPEB Plan") collectively refers to the South Carolina Retiree Health Insurance Trust Fund ("SCRHITF") and the South Carolina Long-Term Disability Insurance Trust Fund ("SCLTDITF") which were established by the State of South Carolina as Act 195 which became effective on May 2008. The SCRHITF was created to fund and account for the employer costs of the State's retiree health and dental plans. The SCLTDITF was created to fund and account for the employer costs of the State's Basic Long-Term Disability ("BLTD") 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 PEBA Board has been designated as the Trustee.

The OPEB Trusts are cost-sharing multiple-employer defined benefit OPEB 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 postemployment health and dental and long-term disability benefits to retired State and school district employees and their covered dependents.

Plan Benefits

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

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 governmental entities. The SCLTDITF provides disability payments to eligible employees that have been approved for disability. Since the employer contribution/premium paid and the proportionate share of the net OPEB liability and related deferred outflows and inflows of resources related to the SCLTDITF are not material to the School District, no SCLTDITF OPEB amounts have been recorded in these financial statements and only limited note disclosures have been provided related to these benefits.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits (Continued)

Plan 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 nonemployer and employer contributions for active employees and retirees to the PEBA – Insurance Benefits. Nonemployer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits reserves.

The SCRHITF is funded through participating employers that are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The 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 implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Nonemployer 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 covered payroll surcharge rates for the past three years were as follows:

	Year Ended June 30,		
	2017	2018	2019
Employer Contribution Rate [^]	5.33%	5.50%	6.05%

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

The required payroll surcharge, percentages of amounts contributed, and eligible payroll covered by the SCRHITF for the past three years were as follows:

Year Ended June 30,	Contributions		Eligible Payroll
	Required	% Contributed	
2019	\$ 1,372,824	100%	\$ 22,691,306
2018	1,291,742	100%	23,486,226
2017	\$ 1,110,962	100%	\$ 20,843,566

The State (via state appropriations) and the PEBA – Insurance Benefits (via state statute to transfer amounts above 140% of incurred but not reported claims) contributed to the SCRHITF on behalf of the School District approximately \$291,000 for the year ended June 30, 2018 (measurement period). The contributions from these nonemployer contributing entities were approximately \$281,000 and are not recognized in the financial statements due to immateriality.

In accordance with part (b) of paragraph 69 of GASB Statement No. 75, participating employers should recognize revenue in an amount equal to the employer's proportionate share of the change in the collective net OPEB liability ("NOL") arising from contributions to the OPEB plan during the measurement period from nonemployer contributing entities for purposes other than the separate financing of specific liabilities to the OPEB plan. Therefore, employers should classify this revenue in the same manner as it classifies grants from other entities.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits (Continued)

Plan Contributions and Funding Policies (Continued)

For purposes of measuring the NOL, 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 Trust's fiduciary net position have been determined on the same basis as they were reported by the OPEB Trusts. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Therefore, benefit and administrative expenses are recognized when due and payable. Investments are reported at fair value.

Actuarial Assumptions and Methods

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedules of the School District's Proportionate Share of the Net OPEB Liability and the Schedule of the School District's Contributions, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about the School District's NOL, funded status of the OPEB Plan, and the School District's contributions to the OPEB Plan.

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

The total OPEB liability ("TOL"), NOL, and sensitivity information were determined by the consulting actuary and are based on the June 30, 2017 actuarial valuation. The TOL was rolled-forward from the valuation date to the OPEB plan's fiscal year ended June 30, 2018 using generally accepted actuarial principles.

The following table provides a summary of the actuarial assumptions and methods used in the latest valuation for the SCRHITF:

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits (Continued)

Actuarial Assumptions and Methods (Continued)

Valuation Date:	June 30, 2017
Actuarial Cost Method:	Entry Age Normal
Actuarial Assumptions:	
Inflation:	2.25%
Investment Rate of Return:	4.00%, net of 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 five-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 based tables based on gender and employment type.
Health Care Trend Rate:	Initial trend starting at 6.75% and gradually decreasing to an ultimate trend rate of 4.15% over a period of 14 years
Retiree Participation:	79% for retirees who are eligible for funded premiums 59% for retirees who are eligible for partial funded premiums 20% for retirees who are eligible for non-funded premiums
Notes:	There were no benefit changes during the current year. The discount rate changed from 3.56% as of June 30, 2017 to 3.62% as of June 30, 2018.

Long-Term Expected Rate of Return

The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2018 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation. For actuarial purposes, the 4.00 percent assumed annual investment rate of return includes a 1.75 percent real rate of return and a 2.25 percent inflation component. This information is summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return	Allocation-Weighted Long-Term Expected Real Rate of Return
US Domestic Fixed Income	80.0%	2.09%	1.67%
Cash	20.0%	0.84%	0.17%
Total	100.0%		1.84%
Expected Inflation			2.25%
Total Return			4.09%
Investment Return Assumption			4.00%

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits (Continued)

Single Discount Rate

The Single Discount Rate of 3.62% was used to measure the TOL 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 SCRHITF'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).

OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

The NOL is calculated separately for each plan and represents that particular plan's TOL determined in accordance with GASB No. 74 less its fiduciary net position. NOL totals, as of the June 30, 2018 measurement date for the SCRHITF, are presented in the following table:

System	Total OPEB Liability	OPEB Plan Fiduciary Net Position	Employers' Net OPEB Liability (Asset)	OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
SCRHITF	\$ 15,387,115,010	1,216,530,062	\$ 14,170,584,948	7.91%

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

At June 30, 2019, the School District reported a liability of approximately \$38,593,000 for its proportionate share of the NOL for the SCRHITF. The NOL was measured as of June 30, 2018, and the TOL for the SCRHITF used to calculate the NOL was determined based on the most recent actuarial valuation report of June 30, 2017 that was projected forward to the measurement date. The School District's proportion of the NOL was based on a projection of the School District's long-term share of contributions to the SCRHITF relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2018 measurement date, the School District's proportion was 0.272345 percent, which was an increase of 0.025174 from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the School District recognized OPEB expense of approximately \$2,773,000 for the SCRHITF. At June 30, 2019, the School District reported deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to OPEBs from the following sources:

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits (Continued)

OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 578,139	\$ 13,447
Change in Assumptions	-	3,142,625
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	147,980	-
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	3,210,120	400
Employer Contributions Subsequent to the Measurement Date	1,368,550	-
Total	<u>\$ 5,304,789</u>	<u>\$ 3,156,472</u>

Approximately \$1,369,000 that was reported as deferred outflows of resources related to the School District's contributions subsequent to the measurement date to the SCRHITF, will be recognized as a reduction of the NOL in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to the SCRHITF will increase (decrease) OPEB expense as follows:

Year Ended June 30,	Increase (Decrease) OPEB Expense
2020	\$ 113,328
2021	56,664
2022	40,818
2023	15,708
Thereafter	553,249
Total	<u>\$ 779,767</u>

The following table presents the sensitivity of the School District's NOL for the SCRHITF to changes in the discount rate, calculated using the discount rate of 3.62%, as well as what it would be if it were calculated using a discount rate that is 1% point lower (2.62%) or 1% point higher (4.62%) than the current rate:

	1% Decrease (2.62%)	Current Discount Rate (3.62%)	1% Increase (4.62%)
Net OPEB Liability	\$ 45,466,120	38,592,880	\$ 33,052,504

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following table presents the sensitivity of the School District's NOL to changes in the healthcare cost trend rate, calculated using the healthcare cost trend rate of 6.75% decreasing to 4.15%, as well as what it would be if it were calculated using a healthcare cost trend rate that is 1% point lower (5.75% decreasing to 3.15%) or 1% point higher (7.75% decreasing to 5.15%) than the current rate:

	1% Decrease (5.75% decreasing to 3.15%)	Current Healthcare Cost Trend Rate (6.75% decreasing to 4.15%)	1% Increase (7.75% decreasing to 5.15%)
Net OPEB Liability	\$ 31,755,709	38,592,880	\$ 47,432,075

OPEB Plans' Fiduciary Net Position

Detailed information regarding the fiduciary net position of the OPEB Plans administered by the PEBA is available in the separately issued financial statements and required supplementary information for the South Carolina Public Employee Benefit Authority, Insurance Benefits and Other Postemployment Benefits Trust Funds. This information is publicly available through the Insurance Benefits' link on the PEBA's website at www.peba.sc.gov or a copy may be obtained by submitting a request to the PEBA – Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223.

C. Risk Management

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees' and natural disasters. The School District continues to carry commercial insurance for employee health and dental coverage, workers' compensation, and general liability, auto, and property and casualty. 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 in the South Carolina School Boards Insurance Trust/Property and Casualty Pool ("SCSBIT/PCP") and the South Carolina School Board Insurance Trust/Workers' Compensation Pool ("SCSBIT/WCP"). These public entity risk pools operate as common risk management and insurance programs for member school districts. The School District pays annual premiums to the public entity risk pools for its property liability insurance coverage based upon property values of the School District for the plan year and for its workers' compensation 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 provide that SCSBIT/PCP and SCSBIT/WCP will be self-sustaining through member premiums and any deficiencies can be charged back to the member school districts in the event that a fund deficit arises. As of the latest available audited financial statements, June 30, 2018, the SCSBIT/PCP had retained earnings of approximately \$30,310,000 and SCSBIT/WCP had retained earnings of approximately \$33,833,000. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years and there has been no significant reduction in insurance coverage.

D. Contingencies and Commitments

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

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

IV. OTHER INFORMATION (CONTINUED)

E. Grants

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

F. Arbitrage Rebate

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of (1) the amount earned on investments purchased with bond proceeds over (2) the amount that such investments would have earned had such investments been invested at a rate equal to the yield of the bond issue. In order to comply with the arbitrage rebate requirement, positive arbitrage must be paid to the U.S. Treasury at the end of each five-year anniversary date of the bond issue. As of June 30, 2019, there was no arbitrage rebate liability.

G. Tax Abatements

The School District is subject to tax abatements entered into by Orangeburg County (the "County"), who enters into property tax abatement agreements with local businesses through the various tax abatement programs. For the fiscal year ended June 30, 2019, the School District's property taxes abated by agreements entered into by the County totaled approximately \$424,000.

H. Subsequent Events

Effective July 1, 2019, the three school districts in Orangeburg County were consolidated into one school district. This consolidation was the result of the House and the Senate overriding Bill 662 in January 2018 and passing Act No. 280 in October 2018.

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REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS AND ACTUAL -
GENERAL FUND

YEAR ENDED JUNE 30, 2019

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Local Sources:				
Taxes	\$ 11,522,346	11,522,346	11,593,183	\$ 70,837
Investment Earnings	15,000	15,000	78,174	63,174
Other Local Sources	579,005	579,005	674,897	95,892
State Sources	18,343,502	18,343,502	18,228,287	(115,215)
Intergovernmental Revenue	65,000	65,000	59,611	(5,389)
TOTAL REVENUE ALL SOURCES	30,524,853	30,524,853	30,634,152	109,299
EXPENDITURES				
Current:				
Instruction	18,036,740	18,036,740	17,871,301	165,439
Support Services	14,172,004	14,172,004	14,166,741	5,263
Capital Outlay	-	-	104,795	(104,795)
Debt Service:				
Principal Retirement	-	-	441,000	(441,000)
Interest and Fiscal Charges	11,471	11,471	24,948	(13,477)
TOTAL EXPENDITURES	32,220,215	32,220,215	32,608,785	(388,570)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,695,362)	(1,695,362)	(1,974,633)	(279,271)
OTHER FINANCING SOURCES (USES)				
Transfers In	1,173,470	1,173,470	1,751,944	578,474
TOTAL OTHER FINANCING SOURCES (USES)	1,173,470	1,173,470	1,751,944	578,474
NET CHANGE IN FUND BALANCE	(521,892)	(521,892)	(222,689)	299,203
FUND BALANCES, Beginning of Year	2,497,303	2,497,303	2,497,303	-
FUND BALANCES, End of Year	\$ 1,975,411	1,975,411	2,274,614	\$ 299,203

Note: Expenditures exceeded appropriations by \$388,570.

Note: There were no amendments to the School District's budget.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
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NOTES TO THE BUDGETARY COMPARISON SCHEDULE

YEAR ENDED JUNE 30, 2019

I. BUDGETARY INFORMATION

Budgetary Practices - Budgets are presented in the required supplementary information section for the General Fund. The budget is presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America ("GAAP"). The budget is prepared by function and object as dictated by the State of South Carolina adopted Program Oriented Budgeting and Accounting System and for management control purposes.

In May of each year, the School District's management submits a proposed budget to the Board for the General Fund. The School District prepares its budget on a basis to conform with GAAP. The budget includes proposed expenditures and the means of financing the expenditures. After modifications are made, resulting from discussions between the Board and the School District's management, the Board legally enacts the budget the passage of a resolution. The total budget may not be increased without approval of the Board. The legal level of budgetary control is at the fund level. There were no amendments or revisions to the budget during the year ended June 30, 2019.

The School District's management has the authority to overspend the budget within percentages established by the South Carolina State Department of Education for most state and federally funded projects. The School District may overspend in certain funds as long as funds are available from other areas.

No formally adopted annual budgets are prepared for the Special Revenue Funds; however, budgets are prepared on a grant-by-grant basis. The Capital Projects Fund revenues and expenditures are not legally adopted but are budgeted on a project-by-project basis. A budget for the Debt Service Fund is not provided as the provisions of the bond indentures provide adequate control.

II. 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.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

**SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SOUTH CAROLINA RETIREMENT SYSTEM**

LAST SIX FISCAL YEARS

	Year Ended June 30,					
	2019	2018	2017	2016	2015	2014
School District's Proportion of the Net Pension Liability	0.22163%	0.20189%	0.22322%	0.23239%	0.23724%	0.23724%
School District's Proportionate Share of the Net Pension Liability	\$ 49,661,126	45,449,136	47,678,395	44,074,423	40,845,035	\$ 42,552,572
School District's Covered Payroll	\$ 23,474,332	20,830,640	22,039,384	22,161,149	22,051,225	\$ 21,092,578
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	211.56%	218.18%	216.33%	198.88%	185.23%	201.74%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.10%	53.34%	52.91%	56.99%	59.92%	56.39%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.
The School District implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available.
The discount rate was lowered from 7.50% to 7.25% beginning with the year ended June 30, 2017 measurement date.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

**SCHEDULE OF CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM**

LAST SIX FISCAL YEARS

	Year Ended June 30,					
	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 3,261,696	3,118,021	2,356,740	2,390,400	2,374,075	\$ 2,283,074
Contributions in Relation to the Contractually Required Contribution:						
Contributions from the School District	3,035,928	2,893,187	2,356,740	2,390,400	2,374,075	2,283,074
Contributions from the State	225,768	224,834	-	-	-	-
Contribution Deficiency (Excess)	\$ -	-	-	-	-	\$ -
School District's Covered Payroll	\$ 22,680,279	23,474,332	20,830,640	22,039,384	22,161,149	\$ 22,051,225
Contributions as a Percentage of Covered Payroll	14.38%	13.28%	11.31%	10.85%	10.71%	10.35%

Notes to Schedule:

The School District implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

**SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
POLICE OFFICERS RETIREMENT SYSTEM**

LAST SIX FISCAL YEARS

	Year Ended June 30,					
	2019	2018	2017	2016	2015	2014
School District's Proportion of the Net Pension Liability	0.00086%	0.00096%	0.00084%	0.00091%	0.00092%	0.00092%
School District's Proportionate Share of the Net Pension Liability	\$ 24,348	26,300	21,408	19,899	17,574	\$ 19,030
School District's Covered Payroll	\$ 11,894	12,926	10,764	11,313	11,038	\$ 13,702
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	204.71%	203.47%	198.89%	175.89%	159.21%	138.88%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.73%	60.94%	60.44%	64.57%	67.55%	62.98%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.
The School District implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available.
The discount rate was lowered from 7.50% to 7.25% beginning with the year ended June 30, 2017 measurement date.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

**SCHEDULE OF CONTRIBUTIONS
POLICE OFFICERS RETIREMENT SYSTEM**

LAST SIX FISCAL YEARS

	Year Ended June 30,					
	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 1,901	1,932	1,841	1,479	1,517	\$ 1,373
Contributions in Relation to the Contractually Required Contribution:						
Contributions from the School District	1,790	1,821	1,841	1,479	1,517	1,373
Contributions from the State	111	111	-	-	-	-
Contribution Deficiency (Excess)	\$ -	-	-	-	-	\$ -
School District's Covered Payroll	\$ 11,027	11,894	12,926	10,764	11,313	\$ 11,038
Contributions as a Percentage of Covered Payroll	17.24%	16.24%	14.24%	13.74%	13.41%	12.44%

Notes to Schedule:

The School District implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES

**SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND**

LAST THREE FISCAL YEARS

	Year Ended June 30,		
	2019	2018	2017
School District's Proportion of the Net OPEB Liability	0.272345%	0.247171%	0.247171%
School District's Proportionate Share of the Net OPEB Liability	\$ 38,592,880	33,478,907	\$ 35,762,260
School District's Covered Payroll	\$ 23,486,226	20,843,566	\$ 22,050,148
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	164.3%	160.6%	162.2%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	7.9%	7.6%	6.6%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year (measurement date).
The School District adopted GASB #75 during the year ended June 30, 2018. Information before 2017 is not available.

The discount rates used by year were as follows: 3.62% 3.56% 2.92%

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES

**SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS
SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND**

LAST THREE FISCAL YEARS

	Year Ended June 30,		
	2019	2018	2017
Contractually Required Contribution	\$ 1,372,824	1,291,742	\$ 1,110,962
Contributions in Relation to the Contractually Required Contribution	1,372,824	1,291,742	1,110,962
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 22,691,306	23,486,226	\$ 20,843,566
Contributions as a Percentage of Covered Payroll	6.05%	5.50%	5.33%

Notes to Schedule:

The School District adopted GASB #75 during the year ended June 30, 2018. Information before 2017 is not available.

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SUPPLEMENTARY INFORMATION

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2019

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
1000 Revenue from Local Sources:			
1100 Taxes:			
1110 Ad Valorem Taxes-Including Delinquent (Independent)	\$ 8,509,265	8,574,477	\$ 65,212
1140 Penalties & Interest on Taxes (Independent)	72,648	-	(72,648)
1200 Revenue from Local Governmental Units Other than LEAs:			
1280 Revenue in Lieu of Taxes (Independent and Dependent)	167,643	246,639	78,996
1290 Other Taxes (Dependent)	2,772,790	2,772,067	(723)
1300 Tuition:			
1310 From Patrons for Regular Day School	87,600	61,800	(25,800)
1320 From Other LEAs for Regular Day School	486,405	566,296	79,891
1350 From Patrons for Summer School	-	8,155	8,155
1500 Earnings on Investments:			
1510 Interest on Investments	15,000	78,174	63,174
1900 Other Revenue from Local Sources:			
1910 Rentals	-	705	705
1950 Refund of Prior Year's Expenditures	5,000	19,101	14,101
1990 Miscellaneous Local Revenue:			
1999 Revenue from Other Local Sources	-	18,840	18,840
Total Revenue from Local Sources	12,116,351	12,346,254	229,903
2000 Intergovernmental Revenue:			
2100 Payments from Other Governmental Units	65,000	59,611	(5,389)
Total Intergovernmental Revenue	65,000	59,611	(5,389)
3000 Revenue from State Sources:			
3100 Restricted State Funding:			
3130 Special Programs:			
3131 Handicapped Transportation	-	641	641
3160 School Bus Driver's Salary (Includes Hazardous Condition Transportation)	407,090	445,982	38,892
3162 Transportation Workers' Compensation	34,502	35,064	562
3180 Fringe Benefits Employer Contributions (No Carryover Provision)	4,182,331	4,140,917	(41,414)
3181 Retiree Insurance (No Carryover Provision)	836,507	1,019,140	182,633
3300 Education Finance Act:			
3310 Full-Time Programs:			
3311 Kindergarten	423,185	444,382	21,197
3312 Primary	1,366,681	1,261,724	(104,957)
3313 Elementary	2,368,763	2,352,817	(15,946)
3314 High School	912,694	834,874	(77,820)
3315 Trainable Mentally Handicapped	58,971	84,723	25,752
3316 Speech Handicapped (Part-Time)	894,127	701,256	(192,871)
3317 Homebound	\$ 10,149	12,008	\$ 1,859

(Continued)

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

Schedule A-2

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
REVISED BUDGET AND ACTUAL**

YEAR ENDED JUNE 30, 2019

	REVISED BUDGET	ACTUAL	VARIANCE
3320 Part-Time Programs:			
3321 Emotionally Handicapped	\$ 14,783	7,410	\$ (7,373)
3322 Educable Mentally Handicapped	74,280	98,612	24,332
3323 Learning Disabilities	498,521	504,599	6,078
3324 Hearing Handicapped	37,146	31,460	(5,686)
3325 Visually Handicapped	30,397	43,292	12,895
3326 Orthopedically Handicapped	12,084	9,993	(2,091)
3327 Vocational	1,177,961	1,146,931	(31,030)
3330 Other EFA Programs:			
3331 Autism	99,310	116,301	16,991
3332 High Achieving Students	63,119	57,534	(5,585)
3334 Limited English Proficiency	38,397	39,276	879
3351 Academic Assistance	450,531	418,485	(32,046)
3352 Pupils in Poverty	1,183,542	1,052,667	(130,875)
3353 Dual Credit Enrollment	26,899	28,855	1,956
3392 NBC Excess EFA Formula	-	16,507	16,507
3800 State Revenue in Lieu of Taxes:			
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	1,044,133	1,548,491	504,358
3820 Homestead Exemption (Tier 2)	314,287	314,833	546
3825 Reimbursement for Property Tax Relief (Tier 3)	1,368,277	1,047,317	(320,960)
3830 Merchant's Inventory Tax	15,000	13,289	(1,711)
3840 Manufacturers Depreciation Reimbursement	75,000	41,303	(33,697)
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	100,000	132,770	32,770
3900 Other State Revenue:			
3993 PEBA On-Behalf	224,835	224,834	(1)
Total Revenue from State Sources	<u>18,343,502</u>	<u>18,228,287</u>	<u>(115,215)</u>
TOTAL REVENUE ALL SOURCES	<u>30,524,853</u>	<u>30,634,152</u>	<u>109,299</u>

EXPENDITURES

100 Instruction:			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	686,812	761,482	(74,670)
200 Employee Benefits	309,916	347,758	(37,842)
300 Purchased Services	260	-	260
400 Supplies and Materials	10,156	8,823	1,333
112 Primary Programs:			
100 Salaries	1,718,682	1,851,313	(132,631)
200 Employee Benefits	751,898	777,177	(25,279)
300 Purchased Services	19,938	13,668	6,270
400 Supplies and Materials	\$ 30,454	58,511	\$ (28,057)

(Continued)

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2019

	REVISED BUDGET	ACTUAL	VARIANCE
113 Elementary Programs:			
100 Salaries	\$ 3,994,978	3,853,289	\$ 141,689
200 Employee Benefits	1,677,887	1,490,594	187,293
300 Purchased Services	62,175	41,480	20,695
400 Supplies and Materials	52,126	47,476	4,650
114 High School Programs:			
100 Salaries	2,983,321	2,873,519	109,802
200 Employee Benefits	1,157,281	1,096,792	60,489
300 Purchased Services	57,404	33,396	24,008
400 Supplies and Materials	37,918	33,391	4,527
115 Career and Technology Education Programs:			
100 Salaries	945,217	968,329	(23,112)
200 Employee Benefits	428,847	426,828	2,019
300 Purchased Services - Other Than Tuition	123,118	13,107	110,011
400 Supplies and Materials	18,765	15,940	2,825
120 Exceptional Programs:			
121 Educable Mentally-Handicapped:			
100 Salaries	644,613	562,148	82,465
200 Employee Benefits	260,938	228,180	32,758
300 Purchased Services	93	-	93
400 Supplies and Materials	1,000	-	1,000
122 Trainable Mentally Handicapped:			
100 Salaries	299,956	208,889	91,067
200 Employee Benefits	153,788	95,922	57,866
300 Purchased Services	-	12,528	(12,528)
400 Supplies and Materials	1,588	2,200	(612)
123 Orthopedically Handicapped:			
300 Purchased Services	495	-	495
124 Visually Handicapped:			
100 Salaries	77,783	77,010	773
200 Employee Benefits	30,078	26,581	3,497
300 Purchased Services	377	-	377
400 Supplies and Materials	1,122	627	495
125 Hearing Handicapped:			
300 Purchased Services	40,000	34,879	5,121
400 Supplies and Materials	1,441	1,440	1
126 Speech Handicapped:			
100 Salaries	182,287	179,498	2,789
200 Employee Benefits	68,374	66,647	1,727
300 Purchased Services	53,172	59,442	(6,270)
400 Supplies and Materials	804	154	650
600 Other Objects	-	160	(160)
127 Learning Disabilities:			
100 Salaries	245,125	415,434	(170,309)
200 Employee Benefits	122,643	158,788	(36,145)
300 Purchased Services	1,878	1,556	322
400 Supplies and Materials	\$ 1,545	1,331	\$ 214

(Continued)

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2019

	REVISED BUDGET	ACTUAL	VARIANCE
130 Pre-School Programs:			
137 Pre-School Handicapped-Self-Contained (3 & 4-Yr. Olds):			
100 Salaries	\$ 40,502	45,306	\$ (4,804)
200 Employee Benefits	18,527	23,161	(4,634)
139 Early Childhood Programs:			
100 Salaries	43,366	41,853	1,513
200 Employee Benefits	24,010	23,371	639
140 Special Programs:			
141 Gifted and Talented - Academic:			
100 Salaries	156,246	157,102	(856)
200 Employee Benefits	56,673	55,332	1,341
300 Purchased Services	3,647	1,689	1,958
400 Supplies and Materials	2,600	580	2,020
145 Homebound:			
100 Salaries	16,717	21,277	(4,560)
200 Employee Benefits	4,716	5,959	(1,243)
300 Purchased Services	3,400	1,241	2,159
147 CERDEP:			
100 Salaries	183,529	334,207	(150,678)
200 Employee Benefits	-	40,683	(40,683)
148 Gifted and Talented - Artistic:			
100 Salaries	8,616	38,583	(29,967)
200 Employee Benefits	2,118	10,235	(8,117)
300 Purchased Services	-	1,627	(1,627)
400 Supplies and Materials	-	3,899	(3,899)
160 Other Exceptional Programs:			
162 Limited English Proficiency:			
100 Salaries	111,336	110,475	861
200 Employee Benefits	45,984	42,449	3,535
300 Purchased Services	2,900	1,240	1,660
400 Supplies and Materials	600	302	298
170 Summer School Programs:			
172 Elementary Summer School:			
100 Salaries	1,595	2,177	(582)
200 Employee Benefits	405	-	405
400 Supplies and Materials	-	6,064	(6,064)
173 High School Summer School:			
100 Salaries	10,515	10,543	(28)
200 Employee Benefits	2,485	2,927	(442)
180 Adult/Continuing Educational Programs:			
181 Adult Basic Education Programs:			
300 Purchased Services	40,000	42,225	(2,225)
188 Parenting/Family Literacy:			
300 Purchased Services	-	507	(507)
Total Instruction	\$ 18,036,740	17,871,301	\$ 165,439

(Continued)

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2019

	REVISED BUDGET	ACTUAL	VARIANCE
200 Support Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	\$ 96,343	85,952	\$ 10,391
200 Employee Benefits	52,009	56,781	(4,772)
300 Purchased Services	38,351	52,703	(14,352)
212 Guidance Services:			
100 Salaries	848,864	754,478	94,386
200 Employee Benefits	349,893	304,472	45,421
300 Purchased Services	4,374	2,874	1,500
400 Supplies and Materials	3,384	21,412	(18,028)
213 Health Services:			
100 Salaries	314,874	380,496	(65,622)
200 Employee Benefits	143,616	180,002	(36,386)
300 Purchased Services	3,894	5,847	(1,953)
400 Supplies and Materials	7,422	8,923	(1,501)
600 Other Objects	116	116	-
214 Psychological Services:			
100 Salaries	-	964	(964)
200 Employee Benefits	-	132	(132)
300 Purchased Services	-	2,385	(2,385)
400 Supplies and Materials	-	2,414	(2,414)
220 Instructional Staff Services:			
221 Improvement of Instruction-Curriculum Development:			
100 Salaries	154,520	162,153	(7,633)
200 Employee Benefits	58,390	53,597	4,793
300 Purchased Services	1,784	3,512	(1,728)
400 Supplies and Materials	133,733	89,946	43,787
600 Other Objects	276	276	-
222 Library and Media Services:			
100 Salaries	466,318	364,474	101,844
200 Employee Benefits	192,151	155,875	36,276
300 Purchased Services	198	198	-
400 Supplies and Materials	24,151	23,712	439
600 Other Objects	65	-	65
223 Supervision of Special Programs:			
100 Salaries	-	24,336	(24,336)
200 Employee Benefits	-	8,563	(8,563)
300 Purchased Services	-	2,091	(2,091)
400 Supplies and Materials	-	827	(827)
600 Other Objects	-	176	(176)
224 Improvement of Instruction-Inservice and Staff Training:			
100 Salaries	75,628	54,074	21,554
200 Employee Benefits	23,943	21,169	2,774
400 Supplies and Materials	\$ 1,071	2,635	\$ (1,564)

(Continued)

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2019

	REVISED BUDGET	ACTUAL	VARIANCE
230 General Administrative Services:			
231 Board of Education:			
100 Salaries	\$ 80,085	136,575	\$ (56,490)
200 Employee Benefits	11,000	13,947	(2,947)
300 Purchased Services	42,224	63,142	(20,918)
318 Audit Services	40,000	31,000	9,000
400 Supplies and Materials	2,500	4,111	(1,611)
600 Other Objects	271,326	312,744	(41,418)
232 Office of Superintendent:			
100 Salaries	192,274	197,736	(5,462)
200 Employee Benefits	78,950	59,812	19,138
300 Purchased Services	19,431	23,095	(3,664)
400 Supplies and Materials	12,601	6,852	5,749
600 Other Objects	2,410	2,392	18
233 School Administration:			
100 Salaries	2,219,084	2,334,454	(115,370)
200 Employee Benefits	813,060	841,565	(28,505)
300 Purchased Services	13,759	10,977	2,782
400 Supplies and Materials	18,426	20,218	(1,792)
600 Other Objects	4,676	4,337	339
250 Finance and Operations Services:			
252 Fiscal Services:			
100 Salaries	223,276	255,352	(32,076)
200 Employee Benefits	96,668	101,732	(5,064)
300 Purchased Services	12,850	9,572	3,278
400 Supplies and Materials	42,940	39,988	2,952
600 Other Objects	357	291	66
254 Operation and Maintenance of Plant:			
100 Salaries	1,223,783	1,301,517	(77,734)
200 Employee Benefits	563,514	592,498	(28,984)
300 Purchased Services	753,852	831,582	(77,730)
321 Public Utilities (Excludes Gas, Oil, Elec. & Other Heating Fuels)	59,713	70,638	(10,925)
400 Supplies and Materials	292,994	308,724	(15,730)
470 Energy (Includes Gas, Oil, Elec. & Other Heating Fuels)	1,123,288	1,001,863	121,425
500 Capital Outlay	-	104,795	(104,795)
600 Other Objects	176	176	-
255 Student Transportation (State Mandated):			
100 Salaries	636,130	582,063	54,067
200 Employee Benefits	288,917	258,821	30,096
300 Purchased Services	15,750	20,573	(4,823)
400 Supplies and Materials	875	815	60
256 Food Service:			
100 Salaries	-	530	(530)
200 Employee Benefits	181,355	116,919	64,436
258 Security:			
300 Purchased Services	213,902	204,631	9,271
400 Supplies and Materials	\$ 4,500	-	\$ 4,500

(Continued)

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2019

	REVISED BUDGET	ACTUAL	VARIANCE
260 Central Support Services:			
262 Planning, Research, Development and Evaluation:			
600 Other Objects	\$ -	9,000	\$ (9,000)
264 Staff Services:			
100 Salaries	198,099	223,735	(25,636)
200 Employee Benefits	95,699	98,739	(3,040)
300 Purchased Services	10,336	17,377	(7,041)
400 Supplies and Materials	26,523	27,171	(648)
600 Other Objects	628	628	-
266 Technology and Data Processing Services:			
100 Salaries	358,895	334,452	24,443
200 Employee Benefits	155,620	143,116	12,504
300 Purchased Services	41,500	69,768	(28,268)
400 Supplies and Materials	171,156	174,246	(3,090)
600 Other Objects	176	176	-
270 Support Services Pupil Activity:			
271 Pupil Services Activities:			
100 Salaries (Optional)	251,188	157,614	93,574
200 Employee Benefits (Optional)	70,861	43,952	26,909
300 Purchased Services (Optional)	174,543	217,482	(42,939)
400 Supplies and Materials (Optional)	63,161	58,873	4,288
600 Other Objects (Optional)	1,605	1,605	-
Total Support Services	14,172,004	14,271,536	(99,532)
500 Debt Service:			
610 Redemption of Principal	-	441,000	(441,000)
620 Interest	11,471	24,948	(13,477)
Total Debt Service	11,471	465,948	(454,477)
TOTAL EXPENDITURES	32,220,215	32,608,785	(388,570)
OTHER FINANCING SOURCES (USES)			
Interfund Transfers, From (To) Other Funds:			
5230 Transfer from Special Revenue EIA Fund	918,470	1,055,934	137,464
5240 Transfer from Debt Service Fund	-	591,959	591,959
5280 Transfer from Other Funds Indirect Costs	255,000	104,051	(150,949)
TOTAL OTHER FINANCING SOURCES (USES)	1,173,470	1,751,944	578,474
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(521,892)	(222,689)	299,203
FUND BALANCES, Beginning of Year	2,497,303	2,497,303	-
FUND BALANCE, End of Year	\$ 1,975,411	2,274,614	\$ 299,203

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**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

SPECIAL REVENUE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2019

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)
REVENUES		
1000 Revenue from Local Sources:		
1900 Other Revenue from Local Sources:		
1930 Special Needs Transportation - Medicaid	\$ -	-
1999 Revenue from Other Local Sources	-	-
Total Revenue from Local Sources	-	-
2000 Intergovernmental Revenue:		
2100 Payments from Other Governmental Units	-	-
2300 Payments from Non-Profit Entities (for First Steps)	-	-
Total Intergovernmental Revenue	-	-
3000 Revenue from State Sources:		
3100 Restricted State Funding:		
3110 Occupational Education:		
3118 EEDA Career Specialists	-	-
3120 General Education:		
3127 Student Health and Fitness - PE Teachers	-	-
3130 Special Programs:		
3135 Reading Coaches	-	-
3136 Student Health and Fitness - Nurses	-	-
3190 Miscellaneous Restricted State Grants:		
3193 Education License Plates	-	-
3199 Other Restricted State Grants	-	-
3600 Education Lottery Act Revenue:		
3655 Classroom Libraries	-	-
3670 School Safety - Facility and Infrastructure Safety Upgrades	-	-
Total Revenue from State Sources	-	-
4000 Revenue from Federal Sources:		
4200 Occupational Education:		
4210 Perkins Aid, Title I - Vocational Education - Basic Grants to States	-	-
4300 Elementary and Secondary Education Act of 1965 (ESEA):		
4310 Title I, Basic State Grant Programs (Carryover Provision)	1,187,954	-
4312 Rural and Low-Income School Program, Title VI	-	-
4351 Improving Teacher Quality (Carryover Provision)	-	-
4500 Programs for Children with Disabilities:		
4510 Individuals with Disabilities Education Act (IDEA)	-	1,091,628
4520 Preschool Grants for Children with Disabilities (IDEA)	\$ -	-

Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207/208)	Adult Education* (EA Projects)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Totals
-	-	-	-	378,741	\$ 378,741
-	-	-	-	203,630	203,630
-	-	-	-	582,371	582,371
-	-	-	-	52,105	52,105
-	-	-	-	42,940	42,940
-	-	-	-	95,045	95,045
-	-	-	169,043	-	169,043
-	-	-	26,083	-	26,083
-	-	-	244,208	-	244,208
-	-	-	116,387	-	116,387
-	-	-	731	-	731
-	-	-	-	17,895	17,895
-	-	-	7,704	-	7,704
-	-	-	60,547	-	60,547
-	-	-	624,703	17,895	642,598
-	86,839	-	-	-	86,839
-	-	-	-	98,436	1,286,390
-	-	-	-	90,872	90,872
-	-	-	-	132,917	132,917
-	-	-	-	-	1,091,628
57,626	-	-	-	-	\$ 57,626

(Continued)

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

SPECIAL REVENUE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2019

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)
4900 Other Federal Sources:		
4997 Title IV - SSAE	\$ -	-
4999 Revenue from Other Federal Sources	-	-
Total Revenue from Federal Sources	<u>1,187,954</u>	<u>1,091,628</u>
TOTAL REVENUE ALL SOURCES	<u>1,187,954</u>	<u>1,091,628</u>
EXPENDITURES		
100 Instruction:		
110 General Instruction:		
112 Primary Programs:		
100 Salaries	208,341	-
200 Employee Benefits	86,336	-
300 Purchased Services	4,891	-
400 Supplies and Materials	81,187	-
113 Elementary Programs:		
100 Salaries	297,943	-
200 Employee Benefits	111,305	-
300 Purchased Services	57	-
400 Supplies and Materials	40,184	-
114 High School Programs:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
115 Career and Technology Education Programs:		
100 Salaries	-	-
300 Purchased Services - Other Than Tuition	-	-
400 Supplies and Materials	-	-
120 Exceptional Programs:		
121 Educable Mentally Handicapped:		
100 Salaries	-	58,248
200 Employee Benefits	-	23,709
400 Supplies and Materials	-	564
122 Trainable Mentally Handicapped:		
100 Salaries	-	19,363
200 Employee Benefits	-	8,956
400 Supplies and Materials	-	6,974
124 Visually Handicapped:		
300 Purchased Services	-	25
400 Supplies and Materials	\$ -	620

Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207/208)	Adult Education* (EA Projects)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Totals
-	-	-	-	113,776	\$ 113,776
-	-	-	-	68,436	68,436
<u>57,626</u>	<u>86,839</u>	<u>-</u>	<u>-</u>	<u>504,437</u>	<u>2,928,484</u>
57,626	86,839	-	624,703	1,199,748	4,248,498
-	-	-	19,000	-	227,341
-	-	-	7,083	9	93,428
-	-	-	-	-	4,891
-	-	-	-	4,257	85,444
-	-	-	-	72,326	370,269
-	-	-	-	29,856	141,161
-	-	-	-	1,271	1,328
-	-	-	-	6,155	46,339
-	-	-	-	80,268	80,268
-	-	-	-	27,806	27,806
-	-	-	-	467	467
-	-	-	-	20,327	20,327
-	-	-	-	17,013	17,013
-	42,975	-	-	44,543	87,518
-	12,711	-	-	-	12,711
-	-	-	-	-	58,248
-	-	-	-	-	23,709
-	-	-	-	-	564
-	-	-	-	-	19,363
-	-	-	-	-	8,956
-	-	-	-	-	6,974
-	-	-	-	-	25
-	-	-	-	-	\$ 620

(Continued)

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

SPECIAL REVENUE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2019

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)
125 Hearing Handicapped:		
400 Supplies and Materials	\$ -	151
126 Speech Handicapped:		
100 Salaries	-	72,075
200 Employee Benefits	-	29,014
300 Purchased Services	-	116,618
400 Supplies and Materials	-	2,207
600 Other Objects	-	-
127 Learning Disabilities:		
100 Salaries	-	36,965
200 Employee Benefits	-	20,184
300 Purchased Services	-	3,436
400 Supplies and Materials	-	30,761
130 Pre-School Programs:		
137 Pre-School Handicapped Self-Contained (3 & 4-Yr. Olds):		
100 Salaries	-	60,015
200 Employee Benefits	-	23,959
400 Supplies and Materials	-	75
170 Summer School Programs:		
171 Primary Summer School:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
172 Elementary Summer School:		
100 Salaries	-	-
200 Employee Benefits	-	-
400 Supplies and Materials	-	-
173 High School Summer School:		
300 Purchased Services	-	-
175 Instructional Programs Beyond Regular School Day:		
100 Salaries	7,346	-
200 Employee Benefits	1,953	-
400 Supplies and Materials	235	-
180 Adult/Continuing Educational Programs:		
188 Parenting/Family Literacy:		
100 Salaries	51,297	-
200 Employee Benefits	19,282	-
300 Purchased Services	1,515	-
400 Supplies and Materials	11,369	-
Total Instruction	<u>\$ 923,241</u>	<u>513,919</u>

Schedule B-1

Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207/208)	Adult Education* (EA Projects)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Totals
-	-	-	-	-	\$ 151
-	-	-	-	63,906	135,981
-	-	-	-	16,702	45,716
-	-	-	-	3,470	120,088
-	-	-	-	-	2,207
-	-	-	-	1,451	1,451
-	-	-	-	-	36,965
-	-	-	-	-	20,184
-	-	-	-	1,755	5,191
-	-	-	-	-	30,761
40,766	-	-	-	-	100,781
16,860	-	-	-	-	40,819
-	-	-	-	-	75
-	-	-	-	14,699	14,699
-	-	-	-	5,183	5,183
-	-	-	-	1,332	1,332
-	-	-	-	1,263	1,263
-	-	-	-	12,396	12,396
-	-	-	-	3,735	3,735
-	-	-	-	95	95
-	-	-	-	3,725	3,725
-	-	-	-	3,654	11,000
-	-	-	-	865	2,818
-	-	-	-	100	335
-	-	-	-	-	51,297
-	-	-	-	-	19,282
-	-	-	-	1,899	3,414
-	-	-	-	1,230	12,599
57,626	55,686	-	26,083	441,758	\$ 2,018,313

(Continued)

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

SPECIAL REVENUE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2019

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)
200 Support Services:		
210 Pupil Services:		
211 Attendance and Social Work Services:		
400 Supplies and Materials	\$ 50,680	-
212 Guidance Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
400 Supplies and Materials	1,060	-
213 Health Services:		
100 Salaries	-	130,228
200 Employee Benefits	-	52,607
300 Purchased Services	-	-
400 Supplies and Materials	-	-
600 Other Objects	-	-
214 Psychological Services:		
300 Purchased Services	-	125,000
220 Instructional Staff Services:		
221 Improvement of Instruction - Curriculum Development:		
100 Salaries	1,650	-
200 Employee Benefits	404	-
300 Purchased Services	20,893	-
400 Supplies and Materials	-	-
600 Other Objects	-	1,495
222 Library and Media:		
400 Supplies and Materials	-	-
223 Supervision of Special Programs:		
100 Salaries	95,844	147,692
200 Employee Benefits	30,695	55,348
300 Purchased Services	8,347	8,000
400 Supplies and Materials	942	7,310
600 Other Objects	-	176
224 Improvement of Instruction - Inservice and Staff Training:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
230 General Administration Services:		
233 School Administration:		
300 Purchased Services	-	-
250 Finance and Operations Services:		
254 Operation and Maintenance of Plant:		
400 Supplies and Materials	\$ -	-

Schedule B-1

Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207/208)	Adult Education* (EA Projects)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Totals
-	-	-	-	-	\$ 50,680
-	-	-	132,653	-	132,653
-	-	-	36,390	-	36,390
-	-	-	-	-	1,060
-	-	-	86,273	2,250	218,751
-	-	-	30,113	631	83,351
-	-	-	-	1,080	1,080
-	-	-	-	14,816	14,816
-	-	-	-	170	170
-	-	-	-	-	125,000
-	-	-	171,651	-	173,301
-	-	-	72,557	-	72,961
-	27,299	-	-	89,239	137,431
-	-	-	-	17,221	17,221
-	-	-	-	-	1,495
-	-	-	7,704	73,164	80,868
-	-	-	-	113,551	357,087
-	-	-	-	53,724	139,767
-	-	-	-	7,244	23,591
-	-	-	-	3,375	11,627
-	-	-	-	-	176
-	-	-	-	23,000	23,000
-	-	-	-	5,054	5,054
-	-	-	-	22,567	22,567
-	-	-	-	1,000	1,000
-	3,854	-	-	45	3,899
-	-	-	-	11,714	\$ 11,714

(Continued)

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

SPECIAL REVENUE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2019

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)
258 Security:		
300 Purchased Services	\$ -	-
400 Supplies and Materials	-	-
500 Capital Outlay	-	-
260 Central Support Services:		
264 Staff Services:		
300 Purchased Services	-	-
400 Supplies and Materials	-	-
266 Technology and Data Processing Services:		
400 Supplies and Materials	-	-
Total Support Services	<u>210,515</u>	<u>527,856</u>
410 Intergovernmental Expenditures:		
414 Medicaid Payments to SDE		
720 Transits	-	-
Total Intergovernmental Expenditures	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,133,756</u>	<u>1,041,775</u>
OTHER FINANCING SOURCES (USES)		
431-791 Special Revenue Fund Indirect Costs		
(Use Only for Transfer of Indirect Costs to General Fund)	(54,198)	(49,853)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(54,198)</u>	<u>(49,853)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-
FUND BALANCE, Beginning of Year	-	-
FUND BALANCE, End of Year	<u>\$ -</u>	<u>-</u>

Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207/208)	Adult Education* (EA Projects)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Totals
-	-	-	3,570	-	\$ 3,570
-	-	-	15,788	-	15,788
-	-	-	41,189	-	41,189
-	-	-	-	173,329	173,329
-	-	-	-	100	100
-	-	-	732	-	732
-	31,153	-	598,620	613,274	1,981,418
-	-	-	-	81,589	81,589
-	-	-	-	81,589	81,589
57,626	86,839	-	624,703	1,136,621	4,081,320
-	-	-	-	-	(104,051)
-	-	-	-	-	(104,051)
-	-	-	-	63,127	63,127
-	-	-	-	408,886	408,886
-	-	-	-	472,013	\$ 472,013

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

Schedule B-2

SPECIAL REVENUE FUND

SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES

YEAR ENDED JUNE 30, 2019

OTHER DESIGNATED RESTRICTED STATE GRANTS

919	Education License Plates
928	EEDA Career Specialists
935	Reading Coaches
936	Student Health and Fitness - Nurses
937	Student Health and Fitness - PE Teachers
968	Classroom Libraries
970	School Safety - Facility and Infrastructure Safety Upgrades

OTHER SPECIAL REVENUE PROGRAMS

210	Title IV - SSAE
238	Title I Support Grant
240	Title I - DSS
251	Title VI Rural and Low Income Program
256	E-Rate Discount
264	12 Month Ag
266	Title II - Improving Teacher Quality Mini Grant
267	Title II - Improving Teacher Quality
287	Medicaid Reimbursement
801	Special Needs Transportation
814	Air Force JROTC
816	PACE
824	Dick Horne Foundation Grant
825	National Writing Project
830	Rural Recruiting Initiative
832	Save the Children
847	SCSBIT Grant
848	Prevent Teen Pregnancy
854	Special Athletic Donation

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA

Schedule B-3

SPECIAL REVENUE FUND

SUMMARY SCHEDULE FOR OTHER DESIGNATED RESTRICTED STATE GRANTS

YEAR ENDED JUNE 30, 2019

Subfund	Revenue	Programs	Revenues	Expenditures	Special Revenue		Special Revenue Fund Unearned Revenue
					Interfund Transfers In (Out)	Other Fund Transfers In (Out)	
919	3193	Education License Plates	\$ 731	731	-	-	\$ -
928	3118	EEDA Career Specialists	169,043	169,043	-	-	-
935	3135	Reading Coaches	244,208	244,208	-	-	-
936	3136	Student Health and Fitness - Nurses	116,387	116,387	-	-	-
937	3127	Student Health and Fitness - PE Teachers	26,083	26,083	-	-	-
968	3655	Classroom Libraries	7,704	7,704	-	-	-
970	3670	School Safety - Facility and Infrastructure Safety Upgrades	60,547	60,547	-	-	9,453
Totals			\$ 624,703	624,703	-	-	\$ 9,453

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

Schedule B-4

EDUCATION IMPROVEMENT ACT

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
ALL PROGRAMS**

YEAR ENDED JUNE 30, 2019

	ACTUAL
REVENUES	
3000 Revenue from State Sources:	
3500 Education Improvement Act:	
3502 ADEPT	\$ 1,921
3507 Aid to District Technology	71,881
3511 Professional Development	16,155
3518 Adoption List of Formative Assessment	33,150
3519 Grade 10 Assessments	5,022
3526 Refurbishment of Science Kits	36,640
3528 Industry Certifications/Credentials	84,594
3529 Career and Technology Education	43,960
3532 National Board Salary Supplement (No Carryover Provision)	91,385
3533 Teacher of the Year Awards (No Carryover Provision)	1,077
3538 Student at Risk of School Failure	522,061
3541 Child Early Reading Development and Education Program (CERDEP) - Full Day 4K	445,321
3550 Teacher Salary Increase (No Carryover Provision)	876,192
3555 Teacher Salary Fringe (No Carryover Provision)	179,742
3557 Summer Reading Program	105,875
3558 Reading (Carryover)	9,901
3571 CSI and Priority Schools	151,894
3577 Teacher Supplies (No Carryover Provision)	72,875
3589 Maintenance of State Financial Support (MES) Tier II	342,679
3595 EEDA - Supplies and Materials	10,067
3597 Aid to Districts	116,359
Total Revenue from State Sources	3,218,751
TOTAL REVENUE ALL SOURCES	3,218,751
EXPENDITURES	
100 Instruction:	
110 General Instruction:	
112 Primary Programs:	
100 Salaries	14,670
200 Employee Benefits	4,192
400 Supplies and Materials	28,863
113 Elementary Programs:	
100 Salaries	81,655
200 Employee Benefits	16,030
300 Purchased Services	18,391
400 Supplies and Materials	\$ 76,917

(Continued)

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

Schedule B-4

EDUCATION IMPROVEMENT ACT

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
ALL PROGRAMS**

YEAR ENDED JUNE 30, 2019

	ACTUAL
114 High School Programs:	
100 Salaries	\$ 269,827
200 Employee Benefits	104,889
300 Purchased Services	8,266
400 Supplies and Materials	55,904
115 Career and Technology Education Programs:	
300 Purchased Services - Other Than Tuition	7,750
400 Supplies and Materials	67,434
500 Capital Outlay	66,990
120 Exceptional Programs:	
126 Speech Handicapped:	
300 Purchased Services	377
127 Learning Disabilities:	
100 Salaries	93,503
200 Employee Benefits	36,101
300 Purchased Services	18,626
400 Supplies and Materials	187,734
140 Special Programs:	
147 CERDEP:	
100 Salaries	220,207
200 Employee Benefits	213,952
300 Purchased Services	9,067
400 Supplies and Materials	2,095
170 Summer School Programs:	
171 Primary Summer School:	
300 Purchased Services	88
172 Elementary Summer School:	
100 Salaries	64,188
200 Employee Benefits	16,635
300 Purchased Services	3,337
400 Supplies and Materials	35,282
Total Instruction	<u>1,722,970</u>
200 Support Services:	
210 Pupil Services:	
211 Attendance and Social Work Services:	
100 Salaries	6,993
200 Employee Benefits	\$ 3,152

(Continued)

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

Schedule B-4

EDUCATION IMPROVEMENT ACT

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
ALL PROGRAMS**

YEAR ENDED JUNE 30, 2019

	ACTUAL
212 Guidance Services:	
100 Salaries	\$ 41,622
200 Employee Benefits	16,547
300 Purchased Services	585
400 Supplies and Materials	11,369
220 Instructional Staff Services:	
221 Improvement of Instruction-Curriculum Development:	
300 Purchased Services	98,652
400 Supplies and Materials	47,712
222 Library and Media:	
400 Supplies and Materials	251
223 Supervision of Special Programs:	
100 Salaries	48,300
200 Employee Benefits	17,964
300 Purchased Services	5,435
224 Improvement of Instruction - Inservice and Staff Training:	
100 Salaries	1,500
200 Employee Benefits	421
300 Purchased Services	750
230 General Administration Services:	
233 School Administration:	
100 Salaries	32,904
200 Employee Benefits	29,643
300 Purchased Services	2,858
400 Supplies and Materials	1,256
260 Central Support Services:	
266 Technology and Data Processing Services:	
400 Supplies and Materials	71,881
270 Support Services - Pupil Activity:	
271 Pupil Services Activities:	
300 Purchased Services (Optional)	52
Total Support Services	<u>439,847</u>
TOTAL EXPENDITURES	<u>\$ 2,162,817</u>

(Continued)

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

Schedule B-4

EDUCATION IMPROVEMENT ACT

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
ALL PROGRAMS**

YEAR ENDED JUNE 30, 2019

	<u>ACTUAL</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
420-710 Transfer to General Fund (Exclude Indirect Costs)	\$ (1,055,934)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,055,934)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-
FUND BALANCES, Beginning of Year	<u>-</u>
FUND BALANCES, End of Year	<u><u>\$ -</u></u>

EDUCATION IMPROVEMENT ACT

SUMMARY SCHEDULE BY PROGRAM

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	\$ 1,921	1,921	-	-	\$ 2,223
3507 Aid to District Technology	71,881	71,881	-	-	-
3511 Professional Development	16,155	16,155	-	-	-
3518 Adoption List of Formative Assessment	33,150	33,150	-	-	15,000
3519 Grade 10 Assessments	5,022	5,022	-	-	16,616
3526 Refurbishment of Science Kits	36,640	36,640	-	-	3,931
3528 Industry Certifications/Credentials	84,594	84,594	-	-	-
3529 Career and Technology Education	43,960	43,960	-	-	56,643
3532 National Board Salary Supplement*	91,385	91,385	-	-	-
3533 Teacher of the Year Awards*	1,077	1,077	-	-	-
3538 Students At Risk of School Failure	522,061	522,061	-	-	-
3541 Child Early Reading Development and Education Program (CERDEP) - Full Day 4K	445,321	445,321	-	-	-
3550 Teacher Salary Increase*	876,192	-	-	(876,192)	-
3555 Teacher Salary Fringe*	179,742	-	-	(179,742)	-
3557 Summer Reading Program	105,875	105,875	-	-	-
3558 Reading (Carryover)	9,901	9,901	-	-	-
3571 CSI and Priority Schools	151,894	151,894	-	-	-
3577 Teacher Supplies*	72,875	72,875	-	-	-
3589 Maintenance of State Financial Support (MES) Tier II	342,679	342,679	-	-	-
3595 EEDA - Supplies and Materials	10,067	10,067	-	-	2,331
3597 Aid to Districts	116,359	116,359	-	-	-
Totals	\$ 3,218,751	2,162,817	-	(1,055,934)	\$ 96,744

*No carryover provision for Fiscal Year 2019.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

Schedule B-6

DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT

YEAR ENDED JUNE 30, 2019

Program	Project/Grant Number	Revenue & Subfund Code	Description	Amount Due to State Department of Education or Federal Government	Status of Amount Due to Grantors
IDEA	19 IDEA	4510/203	Unexpended Funds	\$ 11,142.06	Will be paid after year-end
ADEPT	EIA	3502/302	Unexpended Funds	2,546.44	
CSI and Priority Schools	EIA	3571/371	Unexpended Funds	6,152.82	
				<u>\$ 19,841.32</u>	

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

Schedule B-7

FOOD SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2019

	<u>ACTUAL</u>
REVENUES	
1600 Food Service:	
1610 Lunch Sales to Pupils	\$ -
1630 Special Sales to Pupils	52,921
1640 Lunch Sales to Adults	27,278
1650 Breakfast Sales to Adults	1,174
1660 Special Sales to Adults	18,693
1900 Other Revenue from Local Sources:	
1999 Revenue from Other Local Sources	20,772
Total Revenue from Local Sources	<u>120,838</u>
4000 Revenue from Federal Sources:	
4800 USDA Reimbursement:	
4810 School Lunch and After School Snacks Program, and Special Milk Program (Carryover Provision)	1,429,247
4830 School Breakfast Program	734,948
4900 Other Federal Sources:	
4991 USDA Commodities (Food Distribution Program) (Carryover Provision)	172,119
Total Revenue from Federal Sources	<u>2,336,314</u>
TOTAL REVENUE ALL SOURCES	<u>2,457,152</u>
EXPENDITURES	
256 Food Service:	
100 Salaries	696,047
200 Employee Benefits	219,813
300 Purchased Services (Exclude Gas, Oil, Electricity, Other Heating Fuels, and Direct Purchased Services)	72,308
400 Supplies and Materials (Include Gas, Oil, Electricity and Other Heating Fuels)	1,408,134
500 Capital Outlay	37,166
600 Other Objects	2,016
Total Food Service Expenditures	<u>2,435,484</u>
TOTAL EXPENDITURES	<u>2,435,484</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	21,668
FUND BALANCE, Beginning of Year	<u>40,880</u>
FUND BALANCE, End of Year	<u>\$ 62,548</u>

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

Schedule C-1

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2019

	ACTUAL
REVENUES	
1000 Revenue from Local Sources:	
1100 Taxes:	
1110 Ad Valorem Taxes-Including Delinquent (Fiscally Independent LEA)	\$ 3,091,173
1140 Penalties & Interest on Taxes (Independent)	30,936
1200 Revenue from Local Governmental Units Other than LEAs:	
1210 Ad Valorem Taxes-Including Delinquent (Fiscally Dependent LEA)	692,005
1280 Revenue in Lieu of Taxes (Dependent and Independent)	74,535
1500 Earnings on Investments:	
1510 Interest on Investments	11,454
Total Revenue from Local Sources	<u>3,900,103</u>
3000 Revenue from State Sources:	
3800 State Revenue in Lieu of Taxes:	
3820 Homestead Exemption	151,039
3830 Merchant's Inventory Tax	1,772
3840 Manufacturers Depreciation Reimbursement	12,148
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	32,345
Total Revenue from State Sources	<u>197,304</u>
TOTAL REVENUE ALL SOURCES	<u>4,097,407</u>
EXPENDITURES	
500 Debt Service:	
610 Redemption of Principal	2,942,000
620 Interest	641,607
690 Other Objects (Includes Fees for Servicing Bonds)	1,800
Total Debt Service	<u>3,585,407</u>
TOTAL EXPENDITURES	<u>3,585,407</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
420-710 Transfer to General Fund (Excludes Indirect Costs)	(591,959)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(591,959)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(79,959)
FUND BALANCES, Beginning of Year	<u>1,879,376</u>
FUND BALANCE, End of Year	<u>\$ 1,799,417</u>

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

Schedule D-1

CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2019

	ACTUAL
EXPENDITURES	
250 Finance and Operations:	
253 Facilities Acquisition & Construction:	
300 Purchased Services	\$ 4,173
400 Supplies and Materials	40,372
500 Capital Outlay:	
520 Construction Services	935,366
540 Equipment	141,399
254 Operations and Maintenance of Plant:	
300 Purchased Services	130,844
500 Capital Outlay	125,251
260 Central Support Services:	
266 Technology and Data Processing Services	
300 Purchased Services	4,253
400 Supplies and Materials	143,331
500 Capital Outlay	6,554
270 Support Services - Pupil Activity;	
271 Pupil Service Activities	
300 Purchased Services	1,200
400 Supplies and Materials	33,782
Total Support Services	<u>1,566,525</u>
TOTAL EXPENDITURES	<u>1,566,525</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,566,525)
FUND BALANCE, Beginning of Year	<u>2,690,463</u>
FUND BALANCE, End of Year	<u>\$ 1,123,938</u>

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

Schedule E-1

PUPIL ACTIVITY FUND

SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN DUE TO STUDENT ORGANIZATIONS

YEAR ENDED JUNE 30, 2019

	ACTUAL
RECEIPTS	
1000 Receipts from Local Sources:	
1700 Pupil Activities:	
1740 Student Fees	\$ 39,477
1790 Other	870,647
Total Receipts from Local Sources	<u>910,124</u>
TOTAL RECEIPTS ALL SOURCES	<u>910,124</u>
DISBURSEMENTS	
270 Support Services Pupil Activity:	
271 Pupil Service Activities:	
660 Pupil Activity	907,771
Total Pupil Activity Expenditures	<u>907,771</u>
TOTAL DISBURSEMENTS	<u>907,771</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	2,353
DUE TO STUDENT ORGANIZATIONS, Beginning of Year	<u>559,381</u>
DUE TO STUDENT ORGANIZATIONS, End of Year	<u>\$ 561,734</u>

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

LOCATION RECONCILIATION SCHEDULE

YEAR ENDED JUNE 30, 2019

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
07	Star Center	Other Schools	School	\$ 755,784
00,10	District Office	Non-Schools	Central	11,700,954
15	Edisto Primary School	Elementary Schools	School	5,731,991
20	Carver Edisto Middle School	Middle Schools	School	4,942,186
25	Edisto High School	High Schools	School	6,109,550
30	Cope Area Vocational Center	Other Schools	School	1,339,844
35	Edisto Elementary School	Elementary Schools	School	4,936,947
49	Branchville High School	High Schools	School	3,710,798
51	Lockett Elementary School	Elementary Schools	School	2,523,433
54	Hunter-Kinard-Tyler High School	High Schools	School	3,420,081
55	Hunter-Kinard-Tyler Elementary School	Elementary Schools	School	2,176,541
				\$ 47,348,109

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

General Fund (subfunds 100, 120, 130, and 150)	\$ 32,608,785
Special Revenue Fund (subfunds 200's, 800's and 900's)	4,081,320
Special Revenue - EIA Fund (subfund 300's)	2,162,817
Special Revenue - Food Service Fund (subfund 600's)	2,435,484
Debt Service Fund (subfund 400)	3,585,407
Capital Projects Fund (subfunds 500's)	1,566,525
Agency Fund (Pupil Activity) (subfunds 700's)	907,771
Total Expenditures/Disbursements For All Funds	\$ 47,348,109

COMPLIANCE SECTION

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2019

LEA Subfund Code	Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Share Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Passed-through S.C. Department of Education:				
Child Nutrition Cluster:				
600	National School Breakfast Program	10.553	N/A	\$ 734,948
600	National School Lunch Program	10.555	N/A	1,429,247
600	National School Lunch Program - Non-cash Assistance	10.555	N/A	172,119
Total Child Nutrition Cluster				<u>2,336,314</u>
TOTAL US DEPARTMENT OF AGRICULTURE				<u>2,336,314</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Passed-through S.C. Department of Education:				
Title I:				
201	Title I, Part A - Grants to LEA's	84.010	19 Title I	1,088,318
202	Title I, Part A - Grants to LEA's	84.010	18 Title I	99,636
238	Title I, Part A - Grants to LEA's	84.010	19 Title I Support	57,319
240	Title I - Direct Student Services	84.010	19 Title I DSS	41,117
Total Title I				<u>1,286,390</u>
IDEA Cluster:				
203	Individuals with Disabilities Education Act ("IDEA")	84.027A	19 IDEA	1,044,242
204	Individuals with Disabilities Education Act ("IDEA")	84.027A	18 IDEA	47,386
205	Preschool Handicapped	84.173	19 IDEA Preschool	57,626
Total IDEA Cluster				<u>1,149,254</u>
251	Rural & Low Income Schools	84.358	19 School Climate	90,872
Improving Teacher Quality:				
266	Improving Teacher Quality Mini Grant	84.367	19 Title II Mini Grant	11,957
267	Improving Teacher Quality	84.367	19 Title II	120,960
Total Improving Teacher Quality				<u>132,917</u>
210	Title IV SSAE	84.424	19 Title IV	\$ 113,776

(Continued)

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2019

LEA Subfund Code	Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Share Expenditures
<u>U.S. DEPARTMENT OF EDUCATION (CONTINUED)</u>				
Passed-through S.C. Department of Education: (Continued)				
Occupational Education Cluster:				
208	Subprogram 06	84.048	18 CATE Federal	\$ 7,765
208	Subprogram 04	84.048	18 CATE Federal	240
207	Subprogram 04	84.048	19 CATE Federal	27,059
207	Subprogram 05	84.048	19 CATE Federal	2,666
207	Subprogram 06	84.048	19 CATE Federal	4,946
207	Subprogram 10	84.048	19 CATE Federal	40,309
207	Subprogram 15	84.048	19 CATE Federal	3,854
Total Occupational Education				<u>86,839</u>
Total U.S. Department of Education Passed-through S.C. Department of Education				<u>2,773,209</u>
TOTAL US DEPARTMENT OF EDUCATION				<u><u>2,860,048</u></u>
<u>US DEPARTMENT OF DEFENSE</u>				
Direct Programs:				
814	U.S. Department of Defense - ROTC	12.000	N/A	68,436
TOTAL US DEPARTMENT OF DEFENSE				<u><u>68,436</u></u>
TOTAL FEDERAL EXPENDITURES				<u><u>\$ 5,264,798</u></u>

Note: There were no federal awards disbursed to subrecipients in the year ended June 30, 2019.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2019

A – General

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) presents the activity of all federal award programs of Orangeburg Consolidated School District Four, South Carolina (the “School District”) for the year ended June 30, 2019. All federal awards received directly from the federal agencies, as well as those passed through other government agencies, are included on the Schedule.

B – Basis of Accounting

The accompanying Schedule is presented using the modified accrual basis of accounting, which is described in the notes to the School District’s financial statements.

C – Relationship to Financial Statements

Federal award expenditures are reported in the School District’s financial statements as expenditures in the General Fund and Special Revenue funds.

D – Relationship to Federal Financial Reports

Amounts reported in the accompanying Schedule agree with the amounts reported in the related federal financial reports except for timing differences relating to expenditures made subsequent to the filing of the federal financial reports.

E – Indirect Costs

The School District elected not to use the *de minimis* indirect cost rate of 10%.



Greene Finney, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Orangeburg Consolidated School District Four
Cope, 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, each major fund, and the aggregate remaining fund information of Orangeburg Consolidated School District Four, South Carolina (the "School District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated November 15, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) 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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2019-001.

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School District's Response to the Finding

The School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The School 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.

Greene Finney, LLP

Greene Finney, LLP
Mauldin, South Carolina
November 15, 2019



Greene Finney, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Orangeburg Consolidated School District Four
Cope, South Carolina

Report on Compliance for Each Major Federal Program

We have audited Orangeburg Consolidated School District Four, South Carolina's (the "School District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2019. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

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

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

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

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



Greene Finney, LLP
Mauldin, South Carolina
November 15, 2019

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2019

2018-001: COMPLIANCE WITH ACT NO. 23 OF 2017

Condition: Act No. 23 of 2017 requires all School District's in the State of South Carolina to maintain unrestricted fund balance in the General Fund of at least one month of General Fund operating expenditures of the previous two completed fiscal years, or approximately 8.3%. The School District's unrestricted fund balance in the General Fund as of June 30, 2018 was approximately \$2,497,000, which was approximately 7.8% of General Fund operating expenditures for the year ended June 30, 2018, not including capital outlay or debt service expenditures, and approximately 7.9% of the average General Fund operating expenditures for the years ended June 30, 2018 and 2017. As a result, the School District is not in compliance with State law and will likely be placed in the "fiscal watch" category outlined by the SC Department of Education.

In addition, the School District's total General Fund expenditures for the year ended June 30, 2018 of approximately \$32,051,000 exceeded the total expenditures approved by the Board of Trustees of approximately \$31,872,000 by approximately \$179,000. This is an improvement over the prior fiscal year; however, actual expenditures exceeded approved expenditures.

Criteria: Act No. 23 of 2017 requires all School Districts in the State of South Carolina to maintain unrestricted fund balance in the General Fund of at least one month of General Fund operating expenditures of the previous two completed fiscal years, or approximately 8.3%. Board approval should generally be obtained for expenditures in excess of the amount originally approved by the Board.

Status: The School District's total General Fund expenditures for the year ended June 30, 2019 of approximately \$32,609,000 exceeded the total expenditures approved by the Board of Trustees of approximately \$32,220,000 by approximately \$389,000. The School District's unrestricted fund balance in the General Fund as of June 30, 2019 does not meet the minimum requirement established by Act No. 23 of 2017. As a result, we have reported a similar finding as item 2019-001 in the schedule of findings and questioned costs.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified that are not
considered to be material weaknesses?

_____ Yes X None Reported

Noncompliance material to financial statements noted?

 X Yes _____ No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified that are not
considered to be material weaknesses?

_____ Yes X None Reported

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

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

_____ Yes X No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

10.553, 10.555

Child Nutrition Cluster

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

\$ 750,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2019

Section II – Current Year Financial Statement Findings

2019-001: COMPLIANCE WITH ACT NO. 23 OF 2017

Condition: Act No. 23 of 2017 requires all School District's in the State of South Carolina to maintain unrestricted fund balance in the General Fund of at least one month of General Fund operating expenditures of the previous two completed fiscal years, or approximately 8.3%. The School District's unrestricted fund balance in the General Fund as of June 30, 2019 was approximately \$2,275,000, which was approximately 7.1% of General Fund operating expenditures for the year ended June 30, 2019, not including capital outlay or debt service expenditures, and approximately 7.1% of the average General Fund operating expenditures for the years ended June 30, 2019 and 2018. As a result, the School District is not in compliance with State law.

In addition, the School District's total General Fund expenditures for the year ended June 30, 2019 of approximately \$32,609,000 exceeded the total expenditures approved by the Board of Trustees of approximately \$32,220,000 by approximately \$389,000.

Criteria: Act No. 23 of 2017 requires all School Districts in the State of South Carolina to maintain unrestricted fund balance in the General Fund of at least one month of General Fund operating expenditures of the previous two completed fiscal years, or approximately 8.3%. Board approval should generally be obtained for expenditures in excess of the amount originally approved by the Board.

Cause: The School District has approved uses of fund balance in the annual General Fund budgets for each of the previous three fiscal years and actual performance has been slightly worse than budgeted.

Context: The School District's unrestricted fund balance is approximately 7.1% of General Fund operating expenditures for the year ended June 30, 2019 compared to the minimum of 8.3% required by State law.

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

Recommendation: The School District is close to the 8.3% minimum unrestricted fund balance required by State law; thus, we recommend that the School District consider cost saving measures in order to increase fund balance and exceed the minimum unrestricted fund balance required by State law.

Response: We agree with the above recommendation. The School District has since consolidated with two other area districts effective July 1, 2019.

Section III – Findings and Questioned Costs – Major Federal Awards Programs Audit

No matters to report.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FOUR
COPE, SOUTH CAROLINA**

CORRECTIVE ACTION PLAN

YEAR ENDED JUNE 30, 2019

Section II – Current Year Financial Statement Findings

Finding: 2019-001

Contact Person: Rebecca Grubbs, Director of Finance, rebecca.grubbs@ocsdsc.org

Corrective Action: We agree with the above recommendation. The School District has since consolidated with two other area districts effective July 1, 2019.

**Proposed Completion
Date:** July 1, 2019
