

**ORANGEBURG CONSOLIDATED
SCHOOL DISTRICT FIVE
ORANGEBURG, SOUTH CAROLINA
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2019**

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2019**

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PARTNERS

C.C. McGregor, CPA
1906–1968

G.D. Skipper, CPA
L.R. Leaphart, Jr, CPA
M.J. Binnicker, CPA
D.L. Richardson, CPA
E.C. Inabinet, CPA

S.S. Luoma, CPA
T.M. McCall, CPA
H.D. Brown, Jr, CPA
L.B. Salley, CPA
D.K. Strickland, CPA

J.P. McGuire, CPA
J.R. Matthews II, CPA
C.D. Hinchee, CPA
G.P. Davis, CPA
H.O. Crider, Jr., CPA

ASSOCIATES

V.K. Laroche, CPA
G.N. Mundy, CPA
M.L. Layman, CPA
P.A. Betette, Jr, CPA

D.M. Herpel, CPA
F.C. Gillam, Jr, CPA
H.S. Mims, CPA
T. Solorzano, CPA

C.W. Bolen, CPA
D.C. Scott, CPA
G.F. Huntley, CPA

INDEPENDENT AUDITOR'S REPORT

To the Honorable Chairman and
Members of the Board of Trustees
Orangeburg Consolidated School District Five
Orangeburg, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Orangeburg Consolidated School District Five, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the District's component unit, which represents 5.07%, 3.81%, and 3.99%, respectively, of the assets, net position (deficit) and revenues of the government-wide financial statements. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the component unit, is based solely on the report of the other auditors. 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.

COLUMBIA

3830 FOREST DRIVE | PO BOX 135 | COLUMBIA, SC 29202
(803) 787-0003 | FAX (803) 787-2299

ORANGEBURG

1190 BOULEVARD STREET | ORANGEBURG, SC 29115
(803) 536-1015 | FAX (803) 536-1020

BARNWELL

340 FULDNER ROAD | PO BOX 1305 | BARNWELL, SC 29812
(803) 259-1163 | FAX (803) 259-5469

INDEPENDENT AUDITOR'S REPORT (Continued)

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Orangeburg Consolidated School District Five, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 – 10 and the pension and OPEB schedules on pages 56 – 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The other supplementary information, the supplementary South Carolina Department of Education reports 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, 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 December 2, 2019, on our consideration of Orangeburg Consolidated School District Five's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Orangeburg Consolidated School District Five's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Orangeburg Consolidated School District Five's internal control over financial reporting and compliance.

McHargor and Company, L.L.P.

Orangeburg, South Carolina
December 2, 2019

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

INTRODUCTION

This narrative overview gives an analysis of the financial activities of Orangeburg Consolidated School District Five (the District) for the fiscal year ended June 30, 2019. Our purpose is to inform our citizens of the effect of our District's operations and to present our financial position. We ask that you consider the information presented here in conjunction with additional information that we have furnished in the basic financial statements and the associated notes to enhance understanding of the District's financial position.

FINANCIAL HIGHLIGHTS

The Property Tax Reform Act 388 passed by the South Carolina Legislature in 2007 was a broad piece of legislation impacting the funding of public K-12 education. This legislation removed taxes imposed for school operations for owner-occupied property in South Carolina. It was replaced by a one cent sales tax increase and also imposed a cap on millage for school operations.

In this, the twelfth year under this legislation, the District was not impacted by the cap because adequate local funding was available for FY 2018-2019. The Board of Trustees has a budget policy setting the reserve account to an amount equal to 10% of the District's general fund operating expenses for the previous year.

The Board of Trustees and the administration adopted a budget that maintained teacher/pupil ratios and major programs without an increase in mills. General Fund expenditures and other financing uses exceeded revenues and other financing sources in fiscal year 2018-19 by \$2,614,617. This reversed a trend of an operating surplus of \$1,484,893 last fiscal year. The Board approved a budget for the General Fund that anticipated using \$4,647,639 of fund balance, yet spent only 96.4% of the General Fund budget.

The General Fund fund balance decreased \$2,614,617 because actual expenditures and other funding uses of \$68,344,077 exceeded the \$65,729,460 in revenues and other financing sources. Revenues were in line with budgeted amounts. Instructional expenditures were \$409,942 less than budgeted, and support services expenditures were \$1,918,679 less than budgeted. Together, these account for the majority of the favorable net budget variance.

The District maintained the same millage rate of 194.3 mills with the intent to use a portion of its fund balance. The District was able to maximize savings on expenditures by spending only 96.4% of budgeted funds resulting in a savings of \$2,518,752. These savings helped minimize the use of the District's fund balance, which at June 30, 2019, was \$12,904,611. The District's strong reserve position and low debt burden has provided the District with a favorable credit rating to reduce the cost to borrow funds. The District's financial position is sound, with strong general fund reserves of approximately 18.4% of the District's General Fund operating budget.

Other key financial aspects were as follows:

- The liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources at the close of the fiscal year ended June 30, 2019, yielding a negative net position of \$109,274,097. The main factor for the net deficit was the mandatory implementation of GASBS 68, *Accounting and Financial Reporting on Pensions (Employers)* in 2015 and GASBS 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* in 2017. The total net pension and OPEB liabilities reported this year for the primary government was \$171,014,242. This also resulted in an unrestricted net deficit of \$(140,189,578). The net pension and OPEB liabilities were required to be allocated proportionately among the District's governmental and business-type activities in the amounts of \$166,323,244 and \$4,690,998, respectively, at June 30, 2019.
- The District's total net position increased during the year by \$1,132,329. Changes to total assets included a decrease of \$4,818,119. This includes a \$2,642,950 decrease in cash and cash equivalents.

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

- **Revenues and Expenditures:** Revenues and other financing sources totaled \$91,738,209 and expenditures and other financing uses totaled \$94,421,087 for all governmental funds at the fund level. Accordingly, expenditures and other financing uses exceeded revenues and other financing sources by \$2,682,878. This compares to a decrease in the prior year of \$1,456,904. Local revenues increased \$1.7 million, state revenues increased \$966,000, while instructional expenditures decreased \$541,000, and support services expenditures increased \$1.2 million.
- **General Fund/Fund Balance:** Our principal operating fund, the General Fund, had \$65,729,460 in fiscal year 2019 revenues and other financing sources, which primarily consisted of state aid and property taxes, and \$68,344,077 in expenditures and other financing uses, leaving a deficit for the year of \$2,614,617. This resulted in the General Fund's fund balance decreasing from \$15,519,228 as of June 30, 2018, to \$12,904,611 as of June 30, 2019. The District experienced an increase in General Fund fund balance in the prior year of \$1,484,893.
- **Special Revenue:** Sources and uses of special revenue projects remained similar to that of the previous year.
- **Debt Service:** There were no debt issuances during the current fiscal year. The District paid \$4,737,475 in principal and \$1,021,021 in interest on its general obligation outstanding debt and capital leases. Principal and interest payments on capital leases are also reported in the Debt Service Fund.
- **Capital Projects:** At June 30, 2019, the District had four projects underway. These include Brookdale and Dover HVAC upgrades; OW, Howard and Clark roof replacements; OW renovations; and OW athletic complex. The June 30, 2019, fund balance of \$9,379,340 is available for completion of these and other capital projects.
- **Food Service:** In contrast to previous years, the District did not claim indirect costs from Food Service in fiscal year 2019 to cover shared costs such as utilities, insurance and other overhead. The Food Service Fund experienced a decrease of \$717,964. This compares to an increase of \$51,218 in the previous year. Because of the current loss and its strong General Fund fund balance, the District elected to not claim allowable indirect costs.

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements (General, Special Revenue, EIA, Debt Service, School Building, Proprietary, Fiduciary (Pupil Activity)); and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. A description of these statements and some related definitions follow:

Government-wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business. These statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities) and functions principally supported by user charges (business-type activities). The governmental activities of the District include instruction, support services, community services, and interest and other charges. The government-wide financial statements can be found on pages 11 – 12 of this report.

Statement of Net Position (Deficit): The statement of net position (deficit) presents information on all of the District's assets, deferred outflows, liabilities, and deferred inflows, except for those related to fiduciary funds, with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

Statement of Activities: 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).

Fund Financial Statements: 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. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements. The modified accrual basis of accounting is used for governmental funds.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are on pages 14 and 16, respectively.

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, Debt Service, and Capital Projects funds, all of which are considered to be major funds. The basic governmental funds financial statements can be found on pages 13 and 15 of this report.

Proprietary Funds: Services for which the District charges a fee are generally reported in the proprietary funds. Proprietary fund statements are reported on the accrual basis and can be found on pages 18 through 20 of this report.

Fiduciary Funds: Fiduciary (Pupil Activity) funds are used to account for resources held for the benefit of students and are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accrual basis of accounting is used for fiduciary funds. The basic fiduciary fund financial statement can be found on page 21 of this report.

Notes to the Basic Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 22 through 55 of this report.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

With the reporting of the District's net pension and OPEB liabilities, the District's net position was a deficit. The District's net deficit was less on June 30, 2019, than it was the year before, decreasing to \$(109,274,097). The decrease in the District's net deficit came from its governmental activities, which decreased \$1,850,243 to \$(105,310,642). The net deficit of the District's business-type activities increased by \$717,964 to \$(3,963,455).

The District's financial position is the product of several financial transactions including the net results of activities, the payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2019, and June 30, 2018. There may be slight differences due to rounding.

Net Position (Deficit) (Amounts expressed in thousands)						
	Governmental Activities		Business-Type Activities		Total	
	<u>2019</u>	<u>2018</u> (Restated)	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u> (Restated)
Current assets	\$ 38,857	\$ 42,910	\$ 279	\$ 386	\$ 39,136	\$ 43,296
Capital assets, net	<u>50,867</u>	<u>51,389</u>	<u>299</u>	<u>346</u>	<u>51,166</u>	<u>51,735</u>
Total assets	<u>89,724</u>	<u>94,299</u>	<u>578</u>	<u>732</u>	<u>90,302</u>	<u>95,031</u>
Deferred outflows of resources	<u>15,983</u>	<u>17,769</u>	<u>445</u>	<u>429</u>	<u>16,428</u>	<u>18,198</u>
Current liabilities	16,345	18,962	24	46	16,369	19,008
Long-term liabilities	<u>185,034</u>	<u>189,641</u>	<u>4,691</u>	<u>4,099</u>	<u>189,725</u>	<u>193,740</u>
Total liabilities	<u>201,379</u>	<u>208,603</u>	<u>4,715</u>	<u>4,145</u>	<u>206,094</u>	<u>212,748</u>
Deferred inflows of resources	<u>9,639</u>	<u>10,626</u>	<u>272</u>	<u>262</u>	<u>9,911</u>	<u>10,888</u>
Net Position:						
Net investment in capital assets	27,988	23,493	299	346	28,287	23,839
Restricted	2,628	2,650	-	-	2,628	2,650
Unrestricted	<u>(135,927)</u>	<u>(133,304)</u>	<u>(4,263)</u>	<u>(3,592)</u>	<u>(140,190)</u>	<u>(136,896)</u>
Total net position (deficit)	<u>\$ (105,311)</u>	<u>\$ (107,161)</u>	<u>\$ (3,964)</u>	<u>\$ (3,246)</u>	<u>\$ (109,275)</u>	<u>\$ (110,407)</u>

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

- Capital outlays of \$2,199,981.
- Depreciation expense of \$2,769,104 reflected in the government-wide financial statements.
- Net decrease in general obligation debt, capital leases, and bond premiums of \$5,193,191.
- Net change in pension and OPEB liabilities and related deferrals of \$826,468.

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

Changes in net position: The District's total revenues for the fiscal year ended June 30, 2019, were \$93,706,623. The total cost of all programs and services was \$92,574,294. The following table presents changes in net position for the fiscal years ended June 30, 2019, and June 30, 2018. There may be slight differences due to rounding.

**Comparative Analysis of
Changes in Net Position
(Amounts expressed in thousands)**

	Governmental Activities		Business-Type Activities		Total	
	<u>2019</u>	<u>2018</u> (Restated)	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u> (Restated)
Revenues:						
Program revenues:						
Charges for services	\$ 311	\$ 640	\$ 74	\$ 120	\$ 385	\$ 760
Operating grants and contributions	45,258	43,569	5,059	5,285	50,317	48,854
General revenues:						
Property taxes	30,936	27,533	-	-	30,936	27,533
Payment in lieu of taxes	-	2,839	-	-	-	2,839
Investment income	579	415	-	-	579	415
Unrestricted State aid	11,314	11,027	-	-	11,314	11,027
Miscellaneous	<u>175</u>	<u>207</u>	<u>-</u>	<u>-</u>	<u>175</u>	<u>207</u>
Total revenues	<u>88,573</u>	<u>86,230</u>	<u>5,133</u>	<u>5,405</u>	<u>93,706</u>	<u>91,635</u>
Expenses:						
Instruction	40,217	42,129	-	-	40,217	42,129
Support services	45,661	44,967	-	-	45,661	44,967
Community Services	155	152	-	-	155	152
Interest and other charges	690	769	-	-	690	769
Food Service	<u>-</u>	<u>-</u>	<u>5,851</u>	<u>5,104</u>	<u>5,851</u>	<u>5,104</u>
Total expenses	<u>86,723</u>	<u>88,017</u>	<u>5,851</u>	<u>5,104</u>	<u>92,574</u>	<u>93,121</u>
Increase (decrease) in net position before transfers	1,850	(1,787)	(718)	301	1,132	(1,486)
Transfers	<u>-</u>	<u>250</u>	<u>-</u>	<u>(250)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>\$ 1,850</u>	<u>\$ (1,537)</u>	<u>\$ (718)</u>	<u>\$ 51</u>	<u>\$ 1,132</u>	<u>\$ (1,486)</u>
Ending net position	<u>\$ (105,311)</u>	<u>\$ (107,161)</u>	<u>\$ (3,964)</u>	<u>\$ (3,246)</u>	<u>\$ (109,275)</u>	<u>\$ (110,407)</u>

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

Governmental activities: The following table presents the cost of the four major functional activities: instruction, support services, community services, and interest on long-term debt and related charges. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District's taxpayers by each of these functions. There may be slight differences due to rounding.

**Governmental Activities
(Amount expressed in thousands)**

	<u>2019</u>		<u>2018</u>	
	<u>Total Expenses</u>	<u>Net (Expense) Revenue</u>	<u>Total Expenses</u>	<u>Net (Expense) Revenue</u>
Instruction	\$ 40,217	\$ (10,355)	\$ 42,129	\$ (10,502)
Support Services	45,661	(30,021)	44,967	(32,397)
Community Services	155	(88)	152	(140)
Interest on Long-Term Debt	<u>690</u>	<u>(690)</u>	<u>769</u>	<u>(769)</u>
Total Expenses	<u>\$ 86,723</u>	<u>\$ (41,154)</u>	<u>\$ 88,017</u>	<u>\$ (43,808)</u>

- The cost of all governmental activities this year was \$86,722,985.
- Net cost of governmental activities (\$41,154,501) was financed by general revenues, which are made up of primarily property taxes (\$30,935,774) and unrestricted state aid (\$11,314,381). Investment earnings accounted for \$579,652 of funding.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As the District completed the year, its governmental funds reported a combined fund balance of \$24,468,466 a decrease of \$2,682,878. The Debt Service Fund remained consistent, with tax collections covering the majority of its debt obligations. The Capital Projects Fund decreased by \$10,554. \$359,554 was spent on related capital activities. Approximately \$12,839,451, or 52.5 percent of the fund balance, constitutes unassigned fund balance, which is available for spending at the District's discretion. The remaining fund balance is designated to indicate that it is not available for spending as follows.

- \$ 65,160 nonspendable for inventory
- \$ 2,184,515 restricted for Debt Service
- \$ 9,379,340 committed for Capital Projects

The General Fund is the principal operating fund of the District. The decrease in fund balance in the General Fund for the fiscal year was \$2,614,617.

The District's Special Revenue funds reflect a fund balance at June 30, 2019, of \$-0-.

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

The County auditor sets Debt Service millage, and the County Treasurer maintains the District's Debt Service Fund. Millage is set to generate funds to cover the District's debt obligations. The Debt Service Fund balance at June 30, 2019, of \$2,184,515 is a decrease of \$57,707 over the previous year. Revenues for fiscal year 2019 were \$627,894 more than those generated in fiscal year 2018, while Debt Service fiscal year 2019 expenditures were \$625,881 more than in fiscal year 2018. There was an increase in millage from 25 mills to 30 mills.

Proprietary Fund: Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The Food Service Fund is the only Proprietary Fund. This Fund had a decrease in net position of \$717,964 with unrestricted net position (deficit) totaling \$(4,262,614) as of June 30, 2019.

BUDGETARY HIGHLIGHTS

The District experienced a decrease in the General Fund fund balance of \$2,614,617. This negative impact was expected, as the budget was approved in anticipation of using \$4,647,639 of previous years' fund balance.

After the original budget for the General Fund was approved, the Board of Trustees approved several amendments during the year which increased the anticipated budget deficit. These additional projects included:

- School resource officer services
- Updated sound system at Brookdale
- Surveillance equipment in elementary schools and security software upgrades
- Athletic equipment repairs, athletic supplies, and repairs to weight rooms
- Student desks, tables and chairs
- Technology and audio equipment – Brookdale

The District spent only 96.4% of the budgeted expenditures resulting in a negative balance of \$(4,336,384) before transfers despite having originally budgeted a negative balance of \$(6,869,399). Despite the fact that the District's expenses for FY19 exceeded revenues and resulted in a decrease in the fund balance, which was budgeted and anticipated, District Five was still able to end with a strong fund balance and go into consolidation with a very strong financial position. From prior years' experience, the District always strived to keep good internal controls in place and to keep a strong general fund reserve for any possible future economic downturns. With the anticipation of the upcoming consolidation of the three districts, District Five anticipated that being the larger of the three, they would be the District that would need to take the lead, because of not only having had experience with the larger volume of activity with payrolls and payables/purchasing, but also the fact that a sizable fund balance would be needed and to which they could contribute.

The District continued to economize and operate as efficiently as possible without compromising the academic programs of the District. Also, adjustments were made from the original budget during the course of the year to correctly reflect the budget-to-actual expenditures for the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets: As of June 30, 2019, the District had invested \$104,880,062 in capital assets, including school buildings, athletic facilities, other improvements, buses and other vehicles, computers, and other equipment. Accumulated depreciation as of June 30, 2019, was \$53,714,350 and included depreciation expense for the year of \$2,769,104.

The following schedule presents capital asset balances, net of depreciation, for the fiscal years ended June 30, 2019, and June 30, 2018. There may be slight differences due to rounding.

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

**Capital Asset Balances
Net of Depreciation
(Amounts expressed in thousands)**

	Governmental Activities		Business-Type Activities		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Construction in progress	\$ 477	\$ 2,789	\$ -	\$ -	\$ 477	\$ 2,789
Land improvements	694	178	-	-	694	178
Buildings and improvements	47,262	46,335	-	-	47,262	46,335
Machinery and equipment	<u>2,434</u>	<u>2,087</u>	<u>299</u>	<u>346</u>	<u>2,733</u>	<u>2,433</u>
Total	<u>\$ 50,867</u>	<u>\$ 51,389</u>	<u>\$ 299</u>	<u>\$ 346</u>	<u>\$ 51,166</u>	<u>\$ 51,735</u>

Additional information on the District's capital assets can be found in Note 5 of this report.

Debt Administration: At year-end, the District had \$21,824,370 in general obligation bonds outstanding, of which \$4,005,000 is due within one year. The following table presents a summary of the District's outstanding long-term debt for the fiscal years ended June 30, 2019, and June 30, 2018. There may be slight differences due to rounding.

	Outstanding Debt (Amounts expressed in thousands)	
	<u>2019</u>	<u>2018</u>
General obligation bonds	\$ 21,824	\$ 25,669
Capital leases	<u>-</u>	<u>892</u>
Total long-term debt	<u>\$ 21,824</u>	<u>\$ 26,561</u>

The District maintains an intercept "Aa1" rating from Moody's and an intercept "AA+" from Standard & Poors for general obligation debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Effective July 1, 2019, Orangeburg Consolidated School District Five was consolidated with the two other county school districts to form the Orangeburg County School District. Therefore, all year end balances of each district will transfer to the new District and a county-wide budget has been adopted by the Orangeburg County School District Board of Trustees for the fiscal year ended June 30, 2020.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Office of Finance, Orangeburg Consolidated School District Five, 578 Ellis Avenue, Orangeburg, South Carolina 29115 (Telephone # 803-533-7954).

BASIC FINANCIAL STATEMENTS

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
STATEMENT OF NET POSITION (DEFICIT)
JUNE 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Charter School
ASSETS				
CURRENT ASSETS				
Cash and Investments	\$ 29,603,592	\$ -	\$ 29,603,592	\$ 307,608
Taxes Receivable, Net	2,873,495	-	2,873,495	-
Accounts Receivable	3,429,930	-	3,429,930	-
Due from County Government	3,019,820	78,471	3,098,291	-
Internal Balances	(134,238)	134,238	-	-
Due from Other Governments	-	-	-	10,453
Inventory	65,160	66,759	131,919	-
TOTAL CURRENT ASSETS	38,857,759	279,468	39,137,227	318,061
NON-CURRENT ASSETS				
Non Depreciable Capital Assets	477,137	-	477,137	555,913
Depreciable Capital Assets, Net of Accumulated Depreciation	50,389,416	299,159	50,688,575	3,945,113
TOTAL NON-CURRENT ASSETS	50,866,553	299,159	51,165,712	4,501,026
TOTAL ASSETS	89,724,312	578,627	90,302,939	4,819,087
DEFERRED OUTFLOWS OF RESOURCES				
Pension Deferrals	11,751,720	331,447	12,083,167	714,750
OPEB Deferrals	4,014,213	113,217	4,127,430	123,070
Accounting loss on refunding	217,097	-	217,097	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	15,983,030	444,664	16,427,694	837,820
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	2,340,630	-	2,340,630	-
Accrued Salaries	3,485,546	-	3,485,546	279,614
Other Accrued Liabilities	3,119,431	-	3,119,431	-
Due to South Carolina Department of Education	6,832	-	6,832	-
Unearned Revenue	2,727,784	23,901	2,751,685	-
Accrued Interest	280,767	-	280,767	-
Current Portion of Long-Term Obligations	4,384,144	-	4,384,144	206,291
TOTAL CURRENT LIABILITIES	16,345,134	23,901	16,369,035	485,905
NON-CURRENT LIABILITIES				
Noncurrent Portion of Long-Term Obligations	18,711,055	-	18,711,055	4,310,496
Noncurrent Portion of Compensated Absences Payable	-	-	-	53,048
Net Pension Liability	94,156,758	2,655,607	96,812,365	2,234,180
Net OPEB Liability	72,166,486	2,035,391	74,201,877	2,066,922
TOTAL NON-CURRENT LIABILITIES	185,034,299	4,690,998	189,725,297	8,664,646
TOTAL LIABILITIES	201,379,433	4,714,899	206,094,332	9,150,551
DEFERRED INFLOWS OF RESOURCES				
Pension Deferrals	3,226,803	91,009	3,317,812	521,402
OPEB Deferrals	6,411,748	180,838	6,592,586	318,258
TOTAL DEFERRED INFLOWS OF RESOURCES	9,638,551	271,847	9,910,398	839,660
NET POSITION (DEFICIT)				
Net Investment in Capital Assets	27,988,451	299,159	28,287,610	(15,761)
Restricted for:				
Debt Service	2,627,871	-	2,627,871	-
Unrestricted	(135,926,964)	(4,262,614)	(140,189,578)	(4,317,543)
TOTAL NET POSITION (DEFICIT)	\$ (105,310,642)	\$ (3,963,455)	\$ (109,274,097)	\$ (4,333,304)

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

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			Net (Expense) Revenue and Changes in Net Position			Component Unit
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	Primary Government			Charter School
					Governmental Activities	Business-Type Activities	Total	
Primary Government								
Governmental Activities:								
Instruction	\$ 40,216,418	\$ 310,953	\$ 29,550,372	\$ -	\$ (10,355,093)	\$ -	\$ (10,355,093)	
Support Services	45,661,369	-	15,640,444	-	(30,020,925)	-	(30,020,925)	
Community Services	154,992	-	66,715	-	(88,277)	-	(88,277)	
Interest and Other Charges	690,206	-	-	-	(690,206)	-	(690,206)	
Total Governmental Activities	86,722,985	310,953	45,257,531	-	(41,154,501)	-	(41,154,501)	
Business-Type Activities:								
Food Service	5,851,309	74,224	5,059,121	-	-	(717,964)	(717,964)	
Total Business-Type Activities	5,851,309	74,224	5,059,121	-	-	(717,964)	(717,964)	
Total Primary Government	\$ 92,574,294	\$ 385,177	\$ 50,316,652	\$ -	(41,154,501)	(717,964)	(41,872,465)	
Component Unit								
Charter School	\$ 3,842,438	\$ 54,467	\$ 3,737,539	\$ -				\$ (50,432)
General Revenues								
Property Taxes Levied For:								
General Purposes					26,380,207	-	26,380,207	-
Debt Service					4,555,567	-	4,555,567	-
Unrestricted State Revenue in Lieu of Taxes					11,314,381	-	11,314,381	-
Unrestricted Investment Earnings					579,652	-	579,652	-
Miscellaneous					174,987	-	174,987	101,261
Total General Revenues					43,004,794	-	43,004,794	101,261
Change in Net Position					1,850,293	(717,964)	1,132,329	50,829
Net Position (Deficit) - Beginning - Restated					(107,160,935)	(3,245,491)	(110,406,426)	(4,384,133)
Net Position (Deficit) - Ending					\$ (105,310,642)	\$ (3,963,455)	\$ (109,274,097)	\$ (4,333,304)

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

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

Assets	Major Funds					Total Governmental Funds
	General	Special Projects	Education Improvement Act	Debt Services	Capital Projects	
Cash and Investments	\$ 29,603,592	\$ -	\$ -	\$ -	\$ -	\$ 29,603,592
Taxes Receivable, Net	2,496,628	-	-	376,867	-	2,873,495
Accounts Receivable	23,717	3,335,407	70,806	-	-	3,429,930
Due from Other Funds	-	-	1,391,782	114,622	9,379,340	10,885,744
Due from County Government	987,217	-	-	2,032,603	-	3,019,820
Inventories	65,160	-	-	-	-	65,160
Total Assets	\$ 33,176,314	\$ 3,335,407	\$ 1,462,588	\$ 2,524,092	\$ 9,379,340	\$ 49,877,741
Liabilities						
Accounts Payable	\$ 2,340,630	\$ -	\$ -	\$ -	\$ -	\$ 2,340,630
Due to Other Funds	8,956,603	2,063,379	-	-	-	11,019,982
Accrued Salaries	3,485,546	-	-	-	-	3,485,546
Accrued Liabilities	3,119,431	-	-	-	-	3,119,431
Due to SC Department of Education	-	6,832	-	-	-	6,832
Unearned Revenue	-	1,265,196	1,462,588	-	-	2,727,784
Total Liabilities	17,902,210	3,335,407	1,462,588	-	-	22,700,205
Deferred Inflows of Resources						
Unavailable Revenue - Property Taxes	2,369,493	-	-	339,577	-	2,709,070
Total Deferred Inflows of Resources	2,369,493	-	-	339,577	-	2,709,070
Fund Balances						
Nonspendable						
Inventory	65,160	-	-	-	-	65,160
Restricted	-	-	-	2,184,515	-	2,184,515
Committed	-	-	-	-	9,379,340	9,379,340
Unassigned	12,839,451	-	-	-	-	12,839,451
Total Fund Balances	12,904,611	-	-	2,184,515	9,379,340	24,468,466
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 33,176,314	\$ 3,335,407	\$ 1,462,588	\$ 2,524,092	\$ 9,379,340	\$ 49,877,741

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

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION (DEFICIT)
JUNE 30, 2019**

Reconciliation of the governmental fund balances to the Statement of Net Position:

Total Fund Balances - Governmental Funds		\$ 24,468,466
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
Capital Assets	\$102,792,645	
Accumulated Depreciation	<u>(51,926,092)</u>	50,866,553
The difference between the acquisition price and carrying amounts of debt in a current or advanced refunding are recognized as a deferred inflow or outflow and amortized over the remaining life of the old debt or the life of the new debt in the government-wide statements		217,097
Property taxes receivable are not available to pay for current period expenditures and, therefore, are deferred in the funds.		2,709,070
Deferred outflows (inflows) resulting from the recognition of the employer's share of the state's net pension and OPEB liabilities are not current financial resources; therefore, they are not reported on the fund financial statements.		6,127,382
Accrued interest on outstanding bonds in governmental accounting is not due and payable in the current period and, therefore, has not been reported as a liability in the funds.		(280,767)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Bonds Payable	(21,824,370)	
Bond Premium, net of accumulated amortization	(1,270,829)	
Net Pension Liability	(94,156,758)	
Net OPEB Liability	<u>(72,166,486)</u>	(189,418,443)
Net Position (Deficit) of Governmental Activities		<u><u>\$ (105,310,642)</u></u>

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

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Major Funds					Total
	General	Special Projects	Education Improvement Act	Debt Services	Capital Projects	Governmental Funds
Revenues						
Local Sources	\$ 26,780,834	\$ 3,142,780	\$ -	\$ 4,533,764	\$ 349,000	\$ 34,806,378
Intergovernmental	-	166,629	-	-	-	166,629
State Sources	36,357,218	3,813,019	5,322,522	257,146	-	45,749,905
Federal Sources	680	7,511,918	-	-	-	7,512,598
Total Revenues	63,138,732	14,634,346	5,322,522	4,790,910	349,000	88,235,510
Expenditures						
Current:						
Instruction	30,694,211	5,274,749	2,727,888	-	-	38,696,848
Support Services	32,928,711	5,779,834	627,013	-	275,034	39,610,592
Community Services	127,277	21,152	-	-	-	148,429
Intergovernmental	3,176,903	1,348,687	21,302	-	-	4,546,892
Capital Outlay	548,014	1,442,624	79,881	-	84,520	2,155,039
Debt Service:						
Principal	-	-	-	4,737,475	-	4,737,475
Interest and Fiscal Charges	-	-	-	1,023,113	-	1,023,113
Total Expenditures	67,475,116	13,867,046	3,456,084	5,760,588	359,554	90,918,388
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,336,384)	767,300	1,866,438	(969,678)	(10,554)	(2,682,878)
Other Financing Sources (Uses)						
Transfers In	2,590,728	-	-	911,971	-	3,502,699
Transfers Out	(868,961)	(767,300)	(1,866,438)	-	-	(3,502,699)
Total Other Financing Sources (Uses)	1,721,767	(767,300)	(1,866,438)	911,971	-	-
Net Change in Fund Balances	(2,614,617)	-	-	(57,707)	(10,554)	(2,682,878)
Fund Balance - Beginning - Restated	15,519,228	-	-	2,242,222	9,389,894	27,151,344
Fund Balance - Ending	\$ 12,904,611	\$ -	\$ -	\$ 2,184,515	\$ 9,379,340	\$ 24,468,466

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

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

Amounts Reported for Governmental Activities in the Statement of Net Activities are Different Because:

Net Change in Fund Balances - Total Governmental Funds: \$ (2,682,878)

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statements of Net Position and allocated over the estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which depreciation expense exceeds capital outlays in the period.

Capital Outlays	2,155,039	
Depreciation Expense	(2,677,176)	(522,137)

The issuance of long-term debt (e.g. bonds, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position.

Principal payments on bonds and capital leases		4,737,475
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Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This amount represents the change in accrued interest on bonds between the years.

53,075

Bond premiums are revenues in the year they are received in governmental funds but are amortized over the lives of the bonds in the Statement of Activities.

Amortization of bond premiums		455,716
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The difference between the acquisition price and carrying amounts of debt in a current or advanced refunding are recognized as a deferred inflow or outflow and amortized over the remaining life of the old debt or the life of the new debt in the government-wide statements.

Amortization of refunding costs		(175,884)
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In the Statement of Activities, compensated absences (vacation pay) are measured by the amounts earned during the year. However, in the governmental funds expenditures, these absences are measured by the amount of financial resources used. This amount represents the change in accrued compensated absences between years. The amount is the difference in compensated absences recognized at the end of the current year and the prior year.

473,626

In the statement of activities, retirement expense is measured by the District's proportionate share (\$6,277,613) of the SCRS and PORS total pension expense. In the governmental funds, however, the expenditure for retirement is measured by the current contributions to the retirement systems (\$6,243,926). The amount presented is the difference in the accounting for these costs during the current year.

(33,687)

In the statement of activities, OPEB expense is measured by the District's proportionate share (\$3,440,596) of the PEBA's total OPEB expense. In the governmental funds, however, the expenditure for OPEB is measured by the current contributions to the PEBA system (\$2,647,815). The amount presented is the difference in the accounting for these costs during the current year.

(792,781)

Certain deferred tax revenues reported in the governmental funds are recognized as revenue in the Statement of Activities, net of a reserve for uncollected amounts. This amount is the difference in tax revenue recognized at the end of the current year (\$2,709,070) and that revenue recognized at the end of the prior year (\$2,371,302).

337,768

Change in Net Position - Governmental Activities

\$ 1,850,293

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Local Sources	\$ 26,105,000	\$ 26,981,000	\$ 26,780,834	\$ (200,166)
State Sources	36,800,580	36,359,580	36,357,218	(2,362)
Federal Sources	-	-	680	680
Total Revenues	<u>62,905,580</u>	<u>63,340,580</u>	<u>63,138,732</u>	<u>(201,848)</u>
Expenditures				
Current				
Instruction	31,117,279	31,104,153	30,694,211	409,942
Support Services	34,964,389	35,395,404	33,476,725	1,918,679
Community Services	138,380	138,380	127,277	11,103
Intergovernmental	3,554,431	3,355,431	3,176,903	178,528
Debt Service	500	500	-	500
Total Expenditures	<u>69,774,979</u>	<u>69,993,868</u>	<u>67,475,116</u>	<u>2,518,752</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(6,869,399)</u>	<u>(6,653,288)</u>	<u>(4,336,384)</u>	<u>2,316,904</u>
Other Financing Sources (Uses)				
Transfers In	3,321,649	2,886,649	2,590,728	(295,921)
Transfers Out	(11,000)	(881,000)	(868,961)	12,039
Total Other Financing Sources (Uses)	<u>3,310,649</u>	<u>2,005,649</u>	<u>1,721,767</u>	<u>(283,882)</u>
Net Change in Fund Balances	<u>\$ (3,558,750)</u>	<u>\$ (4,647,639)</u>	<u>(2,614,617)</u>	<u>\$ 2,033,022</u>
Fund Balance - Beginning			<u>15,519,228</u>	
Fund Balance - Ending			<u>\$ 12,904,611</u>	

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

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
STATEMENT OF NET POSITION (DEFICIT)
PROPRIETARY FUND
JUNE 30, 2019

	Business-Type Activity Enterprise Fund Food Services
Assets	
Current Assets:	
Due from General Fund	\$ 134,238
Due from County Treasurer	78,471
Inventory - Purchased Food and Supplies	42,858
Inventory - Commodities	23,901
Total Current Assets	279,468
Noncurrent Assets:	
Property and Equipment	2,087,417
Accumulated Depreciation	(1,788,258)
Total Noncurrent Assets	299,159
Total Assets	578,627
Deferred Outflows of Resources	
Pension Deferrals	331,447
OPEB Deferrals	113,217
Total Deferred Outflows of Resources	444,664
Liabilities	
Current Liabilities:	
Unearned Revenue	23,901
Total Current Liabilities	23,901
Noncurrent Liabilities:	
Net Pension Liability	2,655,607
Net OPEB Liability	2,035,391
Total Noncurrent Liabilities	4,690,998
Total Liabilities	4,714,899
Deferred Inflows of Resources	
Pension Deferrals	91,009
OPEB Deferrals	180,838
Total Deferred Inflows of Resources	271,847
Net Position (Deficit)	
Net Investment in Capital Assets	299,159
Unrestricted	(4,262,614)
Total Net Position (Deficit)	\$ (3,963,455)

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

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION (DEFICIT)
PROPRIETARY FUND TYPES - ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2019

	<u>Food Services</u>
Operating Revenue	
Proceeds from Sale of Meals	\$ 74,165
Other Income	<u>59</u>
Total Operating Revenue	<u>74,224</u>
Operating Expenses	
Food Costs	1,747,885
Salaries	2,040,190
Employee Benefits	1,565,527
Purchased Services	53,871
Supplies and Materials	329,659
Depreciation	91,928
Other Objects	<u>22,249</u>
Total Operating Expenses	<u>5,851,309</u>
Operating Income (Loss)	<u>(5,777,085)</u>
Nonoperating Revenue	
Other State Aid	386,970
USDA Reimbursements	4,440,436
USDA Commodities	<u>231,715</u>
Total Nonoperating Revenue	<u>5,059,121</u>
Income (Loss) Before Transfers	<u>(717,964)</u>
Change in Net Position	(717,964)
Total Net Position (Deficit) - Beginning	<u>(3,245,491)</u>
Total Net Position (Deficit) - Ending	<u><u>\$ (3,963,455)</u></u>

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

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2019

	<u>Business-Type Activities Enterprise Fund - Food Service</u>
Cash Flows from Operating Activities	
Cash Received from Patrons	\$ 74,165
Cash Received from Other Revenues	59
Cash Payments to Suppliers For Goods and Services	(1,758,274)
Cash Payments to Employees For Services	(3,019,943)
	<u>(4,703,993)</u>
Net Cash Used by Operating Activities	
Cash Flows from Noncapital Financing Activities	
Cash Received from USDA Reimbursements	4,361,965
Cash Received from Other State and Federal Aid	386,970
	<u>4,748,935</u>
Net Cash Provided by Noncapital Financing Activities	
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(44,942)
	<u>(44,942)</u>
Net Cash Used by Capital and Related Financing Activities	
Net Decrease in Cash and Cash Equivalents	-
Cash and Cash Equivalents - Beginning	<u>-</u>
Cash and Cash Equivalents - Ending	<u><u>\$ -</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities	
Operating Income (Loss)	<u>\$ (5,777,085)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities:	
Depreciation Expense	91,928
Noncash USDA Commodities Used	231,715
Pension and OPEB Expense	585,774
Change in Assets and Liabilities:	
(Increase) Decrease in Interfund Liabilities	168,594
(Increase) Decrease in Inventories	(7,340)
(Increase) Decrease in Prepaids	2,421
	<u>1,073,092</u>
Total Adjustments	
Net Cash Used by Operating Activities	<u><u>\$ (4,703,993)</u></u>
Non-Cash Transactions:	
Commodities Received from the USDA	<u><u>\$ 231,715</u></u>

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

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUND TYPE
JUNE 30, 2019

	<u>Agency Funds</u>
	<u>Pupil Activity Fund</u>
Assets	
Cash	\$ 1,428
Accounts Receivable	<u>305,127</u>
Total Assets	<u><u>\$ 306,555</u></u>
Liabilities	
Due to Schools and School Organizations	<u>\$ 306,555</u>
Total Liabilities	<u><u>\$ 306,555</u></u>

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

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Introduction

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

B. Reporting Entity

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

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

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

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

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

C. Government-Wide and Fund Financial Statements

The Statement of Net Position (Deficit) and the Statement of Activities are government-wide financial statements. They report information on all of Orangeburg Consolidated School District Five's nonfiduciary activities with most of the interfund activities removed. Governmental activities include programs supported primarily by taxes, state and federal funding, grants, and other intergovernmental revenues. The business-type activity consists of Food Service operations, which rely, to a significant extent, on fees and charges for services.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Government-Wide and Fund Financial Statements (continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues. Some governmental funds and programs are charged with an administrative overhead component. These are reflected as transfers to and from various funds, and are eliminated in the government-wide statement of activities.

Separate financial statements are provided for the governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Interfund activities between governmental funds, and between governmental funds and proprietary funds appear as due to/due from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position (Deficit) and as other financing sources and uses on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position (Deficit). All interfund loans between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the government-wide Statement of Net Position. Interfund services provided and used are not eliminated in the process of consolidation.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories – governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The District considers some governmental funds major and reports their financial conditions and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are nonoperating.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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. Typically, the District will use restricted resources, if available, to fund an appropriation.

In addition to assets, the Statement of Net Position (Deficit) and/or the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of resources that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense/expenditure) until then. The District has several items that qualify for reporting in this category. The unamortized refunding costs, reflected in the Statement of Net Position (Deficit), resulting from the difference in the carrying value of the refunded debt and its reacquisition price is deferred and amortized over the shorter of the life of the refunded or refunding debt. The Statement of Net Position (Deficit) also reflects pension and OPEB related deferrals as deferred outflows.

In addition to liabilities, the Statement of Net Position (Deficit) and/or the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of resources that applies to a future period(s), and therefore, will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. One item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

property taxes, and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. Pension and OPEB related deferrals are reflected as deferred inflows on the Statement of Net Position (Deficit).

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, deferred outflows, current liabilities, deferred inflows, and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. Property taxes are considered “measurable” when transferred to the District’s account by the County Treasurer and are recognized at that time. Revenues are considered “available” when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period (normally sixty days). The balance, “not available,” is reflected on the balance sheet as deferred inflows of resources.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as revenues received in advance until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

The Proprietary Fund Type is accounted for on a flow of economic resources measurement focus and utilizes the accrual basis of accounting. The Fiduciary Fund also utilizes the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position. The equity is segregated into investment in capital assets, restricted net position, and unrestricted net position (deficit).

E. Fund Accounting

The District reports the following major governmental funds:

- 1.) **The General Fund** – The general fund is the District’s primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.
- 2.) **The Special Projects Fund** – The special projects fund is used to account for the proceeds of specific revenue sources (other than special assessments) that are legally restricted to expenditures for specified purposes.
- 3.) **The EIA Fund** – The EIA fund is used to account for the proceeds of the additional one percent sales and use tax that are restricted to expenditures for the Education Improvement Act strategies.
- 4.) **Debt Service Funds** – Debt service funds are used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.
- 5.) **Capital Projects Fund** – The capital projects fund is used to account for the receipt and disbursement of monies used for the acquisition of capital facilities.

Additionally, the District reports the following fund types:

Proprietary Fund: – The purpose of this fund is to account for activities of the food service operations of the School District, including collections for meals from students and teachers, USDA reimbursements, and all related expenditures.

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Fund Accounting (continued)

Fiduciary Fund:

- 1.) **Agency Funds** – These funds are used to account for funds the School District holds as an agent for others. The Pupil Activity Funds account for the various activities of the individual schools.

F. Purpose of Special Projects Fund

(a) Title I

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

(b) IDEA and Preschool Handicapped

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

(c) Occupational Education (CATE)

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

(d) Other State Restricted Grants

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

(e) Other Special Revenue Programs

The purpose of these funds varies. Guidelines are set by the grantor/donors.

(f) Education Improvement Act

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

G. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

H. Investments

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

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

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Investments (continued)

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

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

1. Obligations of the United States, its agencies, and instrumentalities;
2. Obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, the African Development Bank, and the Asian Development Bank;
3. Obligations of a corporation, state, or political subdivision denominated in United States dollars, if the obligations bear an investment grade rating of at least two nationally recognized rating services;
4. Certificates of Deposit, if the certificates are secured collaterally by securities of the types described in items (1) and (3) of this section and held by a third party as escrow agent or custodian and are of a market value not less than the amount of the certificates of deposit so secured, including interest; except that this collateral is not required to the extent the certificates of deposit are insured by an agency of the federal government;
5. Repurchase agreements, if collateralized by securities of the types described in items (1) and (3) of this section and held by a third party as escrow agent or custodian and of a market value not less than the amount of the repurchase agreement so collateralized, including interest; and
6. Guaranteed investment contracts issued by a domestic or foreign insurance company or other financial institution, whose long-term unsecured debt rating bears the two highest ratings of at least two nationally recognized rating services.

These securities are delivered to a third party financial institution for safekeeping in the name of the South Carolina State Treasurer. These procedures were implemented for the specific purpose of having the South Carolina Local Government Investment Pool classified risk category “A” of GASB #3. Separate financial statements for the South Carolina Local Government Investment Pool are issued and publicly available by writing the Office of the State Treasurer, P. O. Box 11778, Columbia, SC 29211.

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

I. Inventories

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

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

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Prepaid Items

Payments made to vendors for services benefiting future periods are recorded as prepaid items in both government-wide and fund financial statements using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and expenditures/expense is reported in the year in which services are consumed.

K. Capital Assets

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of \$2,500 or more, and an estimated useful life in excess of one year. Property and equipment are recorded at cost or estimated historical cost. Donated capital assets are reported at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

All reported capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	5 – 20
Buildings and improvements	10 – 45
Machinery and equipment	5 – 20

Proprietary Fund equipment purchases are capitalized in the Proprietary Fund at cost and depreciated on a straight-line basis over 5 – 12 years.

L. Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

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

M. Net Position (Deficit) and Fund Balance

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

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

Restricted Net Position – Restricted net position includes resources in which the District is legally or contractually obligated by external parties such as lenders, grantors or contributors or by laws or regulations to spend in accordance with the restrictions imposed.

Unrestricted Net Position – Unrestricted net position consists of all other net position not included in the above categories.

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Net Position (Deficit) and Fund Balance (continued)

The District's policy for applying expenses that can use both restricted and unrestricted resources is designated to the program administrative level. General practice is to first apply the expense to the restricted resource then to unrestricted resources.

The District has implemented GASB 54, which presents fund balance classifications that enhance the consistency between information reported in the government-wide statement and information in the governmental fund financial statements

In the governmental fund financial statements, the District's fund balances are classified as follows:

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

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

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

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

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

N. Budgets and Budgetary Accounting

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

O. Interfund Activity

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Interfund receivables and payables between funds are eliminated in the Statement of Net Position (Deficit).

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Interfund Activity (continued)

Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purpose of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated. All transfers between funds are routine in nature and consistent with the activities of the fund making the transfer.

P. Use of Estimates

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

Q. Compensated Absences

Vacation is awarded to 12-month employees at a rate of ten days per year (6 days for maintenance workers). Sick leave is awarded at a rate of 12-15 days per year contingent on the employees' contracts. Employees may not accumulate more than 93 days of sick leave. Sick leave does not vest; therefore, no liability is recorded.

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

R. Amortization of Bond Premiums and Accretion of Bond Discounts

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

S. Pensions

The Governmental Accounting Standards Board (GASB) issued Statement No. 68 entitled *Accounting and Financial Reporting for Pension Plans* in June 2012 and issued GASB Statement No. 71 (an amendment of GASBS No. 68), entitled *Pension Transition for Contributions Made Subsequent to the Measurement Date* in November, 2013. The disclosure requirements applicable to employers participating in the South Carolina Retirement System are prescribed in paragraphs 48 through 82 of GASB 68. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Carolina Retirement System and additions to/deductions from the South Carolina Retirement System's fiduciary net position have been determined on the same basis as they are reported by the South Carolina Retirement System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

T. Postemployment Benefits Other Than Pensions (OPEB)

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

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

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 2 – CASH AND INVESTMENTS

All cash and investments are stated at fair value with accrued interest shown on the statement of net position. The District is authorized to invest funds received from the County's Treasurer which are not needed for immediate disbursement by the District, in interest bearing accounts or certificates of deposit issued by banking institutions or savings and loan associations licensed to do business in this state or in securities issued by the United States Government. As of June 30, 2019, all of the District's cash was held in demand deposit accounts covered by federal depository insurance or by collateral held by the District's agent in the District's name.

At June 30, 2019, the District's cash and investments by fund were as follows:

Fund Type	
General Fund	\$ 29,603,592
Agency Fund	<u>1,428</u>
	<u>\$ 29,605,020</u>
Deposits	\$ 3,700,348
Investments	<u>25,904,672</u>
	<u>\$ 29,605,020</u>

Credit Risk: The District adheres to the State of South Carolina's investment policy, and invests in primarily Certificates of Deposit and U.S. Government-backed obligations. There are no investments in commercial paper or corporate bonds and equities. The District has \$25,904,672 invested with the South Carolina State Investment Pool and \$6,318,617 invested with various financial institutions of which \$383,160 is insured by the Federal Deposit Insurance Depository (FDIC) and \$5,935,457 is secured by collateral held by the bank's trust department and agent.

The local government investment pool is a 2a7-like pool which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but has a policy that it will operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The South Carolina State Treasurer oversees the pool. The fair value of the position in the pool is the same as the value of the pool shares. The Pool is included as an investment trust fund in the State of South Carolina Comprehensive Annual Financial Report. At June 30, 2019, the underlying security ratings of the District's investment in the Local Government Investment Pool (LGIP) is classified in risk category "A" and may be obtained from the LGIP's complete financial statements by writing to the following address:

Office of the State Treasurer
Local Government Investment Pool
Post Office Box 11778
Columbia, South Carolina 29211

The District does not have a separate policy relating to credit risk of investments.

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

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

Concentration of Credit Risk: The District's investment policy does not allow for an investment in any one issuer that is in excess of five percent (5%) of the total investments. Most investments are U.S. governmental obligations.

Foreign Currency Risk: The District has no foreign currency investments.

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

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 3 – PROPERTY TAXES

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

January 16 through February 1	– 3% of tax
February 2 through March 15	– 10% of tax
March 16 through March 3	– 15% of tax plus collection cost

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

The School District tax rate to finance general School District services for the year ended June 30, 2019, was set at 194.3 mills for general uses and purposes. Millage was set to cover the School District's scheduled debt service requirements at 30 mills.

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

The District is given an appropriation for property taxes by the County at the beginning of each fiscal year.

South Carolina Code Section 12-37-251(A) provides a property tax exemption for property classified pursuant to Section 12-43-220(C) (homestead exemption) from property taxes levied for other than bonded indebtedness and payments pursuant to lease purchase agreements for capital construction.

The exemption applies against millage imposed for school operations and the amount of fair market value of the homestead that is exempt from such millage must be set by the Department of Revenue and Taxation based on the amount available in the State Property Tax Relief Fund.

Act No. 388, which was adopted by the South Carolina General Assembly on June 1, 2006, limits future increases in the rate of millage levied for operational purposes by school districts. As of July 1, 2007, the annual millage rate for operations may increase only at a rate equal to the sum of (a) the increase in the consumer price index, plus (b) the rate of population growth of the school district. Act 388 created a new homestead exemption equal to 100% of the fair market value of owner-occupied residential property, for ad valorem taxes imposed for school operating purposes.

Act 388 imposed an additional state-wide one percent sales tax, beginning June 1, 2007, the collections of which are deposited in the Homestead Exemption Fund. Proceeds of the sales tax deposited in the Homestead Exemption Fund are distributed to the school districts of the State in substitution for the ad valorem property taxes not collected as a consequence of the New Homestead Exemption.

The School District reported taxes receivable at June 30, 2019, in the following funds:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Taxes Receivable	\$ 4,993,256	\$ 753,734	\$ 5,746,990
Less: Estimated uncollectible taxes	<u>(2,496,628)</u>	<u>(376,867)</u>	<u>(2,873,495)</u>
	<u>\$ 2,496,628</u>	<u>\$ 376,867</u>	<u>\$ 2,873,495</u>

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 4 – INVENTORIES

Inventories at June 30, 2019, consist of the following:

General Fund	
Maintenance and school supplies	\$ <u>65,160</u>
Enterprise Fund (Food Service)	
Purchased food and supplies	\$ 42,858
USDA Commodities	<u>23,901</u>
	<u>\$ 66,759</u>

NOTE 5 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2019, was as follows:

	<u>Balance</u> <u>July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Reclass-</u> <u>ifications</u>	<u>Balance</u> <u>June 30, 2019</u>
Governmental Activities:					
Capital assets, not being depreciated:					
Construction-in-progress	\$ <u>2,789,085</u>	\$ <u>596,451</u>	\$ -	\$ (2,908,399)	\$ <u>477,137</u>
Total capital assets, not being depreciated	<u>2,789,085</u>	<u>596,451</u>	<u>-</u>	<u>(2,908,399)</u>	<u>477,137</u>
Capital assets, being depreciated:					
Land improvements	2,329,963	545,374	-	-	2,875,337
Buildings and improvements	86,290,037	117,053	-	2,908,399	89,315,489
Machinery and equipment	<u>9,228,521</u>	<u>896,162</u>	<u>-</u>	<u>-</u>	<u>10,124,683</u>
Total capital assets, being depreciated	<u>97,848,521</u>	<u>1,558,589</u>	<u>-</u>	<u>2,908,399</u>	<u>102,315,509</u>
Less accumulated depreciation for:					
Land improvements	2,152,216	29,607	-	-	2,181,823
Buildings and improvements	39,954,954	2,098,449	-	-	42,053,403
Machinery and equipment	<u>7,141,746</u>	<u>549,121</u>	<u>-</u>	<u>-</u>	<u>7,690,867</u>
Total accumulated depreciation	<u>49,248,916</u>	<u>2,677,177</u>	<u>-</u>	<u>-</u>	<u>51,926,093</u>
Total capital assets, being depreciated, net	<u>48,599,605</u>	<u>(1,118,588)</u>	<u>-</u>	<u>2,908,399</u>	<u>50,389,416</u>
Governmental Activities					
Capital Assets, Net	<u>\$ 51,388,690</u>	<u>\$ (522,137)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,866,553</u>
Business-Type Activities:					
Equipment	\$ <u>2,042,476</u>	\$ <u>44,941</u>	\$ -	\$ -	\$ <u>2,087,417</u>
Less: Accumulated depreciation	<u>1,696,331</u>	<u>91,927</u>	<u>-</u>	<u>-</u>	<u>1,788,258</u>
Business-Type Activities					
Capital Assets, Net	<u>\$ 346,145</u>	<u>\$ (46,986)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 299,159</u>

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 5 – CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 1,325,111
Support Services	1,346,984
Community Services	<u>5,081</u>
	<u>\$ 2,677,176</u>

Depreciation charged to business-type activities totaled \$91,927.

NOTE 6 – LONG TERM DEBT

The following is a summary of long-term debt transactions of the School District for the year ended June 30, 2019:

Bonds Payable	
General Obligation Bonds payable at July 1, 2018	\$ 25,669,370
General Obligation Bonds issued	-
General Obligation Bonds retired/decreased	<u>(3,845,000)</u>
General Obligation Bonds payable at June 30, 2019	<u>\$ 21,824,370</u>

General Obligation Bonds payable at June 30, 2019, are comprised of the following individual issues:

	<u>Original Issue</u>	<u>Outstanding Balance</u>
Issued 2006 with 0 percent interest, due 2022	\$ 4,204,370	\$ 4,204,370
Issued 2010 with interest of 2.0 to 5.0 percent, due 2021	9,695,000	3,480,000
Issued 2011 with interest of 2.0 to 5.0 percent, due 2022	7,730,000	3,845,000
Issued 2016 with interest of 4.0 to 5.0 percent, due 2025	<u>14,715,000</u>	<u>10,295,000</u>
	<u>\$ 36,344,370</u>	<u>\$ 21,824,370</u>

Each original bond issuance was for the purpose of District capital improvements.

The annual requirement for debt service on bonds outstanding at June 30, 2019, are summarized as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 4,005,000	\$ 842,300	\$ 4,847,300
2021	4,195,000	674,050	4,869,050
2022	2,200,000	469,200	2,669,200
2023	6,514,370	361,000	6,875,370
2024	<u>4,910,000</u>	<u>310,500</u>	<u>5,220,500</u>
	<u>\$ 21,824,370</u>	<u>\$ 2,657,050</u>	<u>\$ 24,481,420</u>

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

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 6 – LONG TERM DEBT (Continued)

Summary of Changes in Long-Term Debt

During the year ended June 30, 2019, the following changes occurred in long-term liabilities reported in the Statement of Net Position (Deficit):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 25,669,370	\$ -	\$ 3,845,000	\$ 21,824,370	\$ 4,005,000
Capital Leases	892,475	-	892,475	-	-
Unamortized Bond Premiums	1,726,545	-	455,716	1,270,829	379,144
Pension Liability	96,363,485	-	2,239,321	94,124,164	-
OPEB Liability	69,755,746	2,410,740	-	72,166,486	-
	194,407,621	2,410,740	7,432,512	189,385,849	4,384,144
Compensated Absences	473,626	-	473,626	-	-
	<u>\$ 194,881,247</u>	<u>\$ 2,410,740</u>	<u>\$ 7,906,138</u>	<u>\$ 189,385,849</u>	<u>\$ 4,384,144</u>
Business-type Activities:					
Pension Liability	\$ 2,377,427	\$ 278,180	\$ -	\$ 2,655,607	\$ -
OPEB Liability	1,721,479	313,912	-	2,035,391	-
	<u>\$ 4,098,906</u>	<u>\$ 592,092</u>	<u>\$ -</u>	<u>\$ 4,690,998</u>	<u>\$ -</u>

NOTE 7 – UNEARNED REVENUE

Unearned revenues (those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met) consist of the following:

	<u>Special Projects Fund</u>	<u>EIA Fund</u>	<u>Food Services</u>
Unexpended carryover amounts	<u>\$ 1,265,196</u>	<u>\$ 1,462,588</u>	<u>\$ 23,901</u>

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ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 8 – RETIREMENT PLAN

Description of the Entity

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

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

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

Plan Descriptions

- The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.
- The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired employees of state agencies, institutions of higher education, public school districts and individuals first elected to the General Assembly at or after the general election in November 2012. State ORP participants direct the investment of their funds into an account administered by one of four third party record keepers.
- The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 8 – RETIREMENT PLAN (Continued)

Membership

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

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

Benefits

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

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

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

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 – RETIREMENT PLAN (Continued)

Benefits (continued)

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

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

Contributions

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

After June 30, 2027, if the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than eighty-five percent, then the board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than eighty-five percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than eighty-five percent, then effective on the following July first, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than eighty-five percent.

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

Required employee contribution rates¹ are as follows:

	<u>7/1/18 to 6/30/19¹</u>	<u>7/1/17 to 6/30/18¹</u>
<u>SCRS</u>		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
<u>State ORP</u>		
Employee	9.00%	9.00%
<u>PORS</u>		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 8 – RETIREMENT PLAN (Continued)

Contributions (continued)

Required employer contribution rates¹ are as follows:

	<u>7/1/18 to 6/30/19¹</u>	<u>7/1/17 to 6/30/18¹</u>
<u>SCRS</u>		
Employer Class Two	14.41%	13.41%
Employer Class Three	14.41%	13.41%
Employer Incidental Death Benefit	0.15%	0.15%
<u>State ORP</u>		
Employer Contribution ²	14.41%	13.41%
Employer Incidental Death Benefit	0.15%	0.15%
<u>PORS</u>		
Employer Class Two	16.84%	15.84%
Employer Class Three	16.84%	15.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

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

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

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

<u>SCRS</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Employee Contributions	\$ 3,890,449	\$ 3,964,113	\$ 3,806,112
Employer Contributions	6,337,572	6,003,906	5,049,806
Employer Group Life Contributions	<u>66,571</u>	<u>67,701</u>	<u>66,744</u>
Total	<u>\$ 10,294,592</u>	<u>\$ 10,035,720</u>	<u>\$ 8,922,662</u>
 <u>PORS</u>	 <u>2019</u>	 <u>2018</u>	 <u>2017</u>
Employee Contributions	\$ 7,629	\$ 1,352	\$ -
Employer Contributions	15,519	2,197	-
Employer Group Life Contributions	<u>369</u>	<u>55</u>	<u>-</u>
Total	<u>\$ 23,517</u>	<u>\$ 3,604</u>	<u>\$ -</u>

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

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 8 – RETIREMENT PLAN (Continued)

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

At June 30, 2019, the District reported a liability of \$96,727,507 for its proportionate share of the net pension liability for SCRS and a liability of \$84,858 for its proportionate share of the net pension liability for PORS. The net pension liability of the defined benefit plan was determined based on the most recent actuarial valuation as of July 1, 2017, using membership as of that date projected forward to the end of the retirement plan's fiscal year, and financial information of the pension trust funds as of June 30, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental units, actuarially determined.

At the retirement plan's year end of June 30, 2018, the District's proportion was 0.431688% and .002995% for SCRS and PORS, respectively.

For the year ended June 30, 2019, the District recognized pension expense of \$6,757,056, including \$6,757,056 for SCRS and \$-0- for PORS, respectively. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>SCRS</u>		
Differences between expected and actual experience	\$ 174,605	\$ 569,215
Assumption changes	3,837,606	-
Net difference between projected and actual earnings on pension plan investments	1,536,518	-
Deferred amounts from changes in proportionate share and differences between District contributions and proportionate share of contributions	59,804	2,748,597
District contributions subsequent to the measurement date	<u>6,404,143</u>	<u>-</u>
Totals	<u><u>\$ 12,012,676</u></u>	<u><u>\$ 3,317,812</u></u>

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>PORS</u>		
Differences between expected and actual experience	\$ 2,615	\$ -
Assumption changes	5,595	-
Net difference between projected and actual earnings on pension plan investments	1,697	-
Deferred amounts from changes in proportionate share and differences between District contributions and proportionate share of contributions	44,696	-
District contributions subsequent to the measurement date	<u>15,888</u>	<u>-</u>
Totals	<u><u>\$ 70,491</u></u>	<u><u>\$ -</u></u>

The amount of \$6,404,143 for SCRS and \$15,888 for PORS reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 8 – RETIREMENT PLAN (Continued)

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

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

Difference between expected and actual experience¹		
	<u>SCRS</u>	<u>PORS</u>
	June 30, 2018	June 30, 2018
Initial Balance	\$ 2,258,017	\$ 5,709
Amortized ² period ending June 30,		
2014	\$ (651,402)	\$ (397)
2015	(605,128)	(439)
2016	(654,121)	(513)
2017	(711,974)	(547)
2018	(30,002)	(1,198)
2019	83,089	(850)
2020	118,810	(791)
2021	178,123	(727)
2022	14,588	(247)
Thereafter	-	-
Assumption Changes		
	<u>SCRS</u>	<u>PORS</u>
	June 30, 2018	June 30, 2018
Initial Balance	\$ 7,540,074	\$ 9,979
Amortized ² period ending June 30,		
2017	\$(1,851,234)	\$ (2,192)
2018	(1,851,234)	(2,192)
2019	(1,851,234)	(2,192)
2020	(1,851,234)	(2,192)
2021	(135,138)	(1,211)
Thereafter	-	-

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 8 – RETIREMENT PLAN (Continued)

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

	Difference between projected and actual investment earnings³	
	SCRS	PORS
	June 30, 2018	June 30, 2018
Initial Balance	\$ 2,241,902	\$ 2,699
Amortized ² period ending June 30,		
2014	\$ 1,566,478	\$ 1,659
2015	254,618	236
2016	(1,484,138)	(1,680)
2017	(593,962)	(677)
2018	(448,380)	(540)
2019	(2,014,860)	(2,198)
2020	(702,998)	(776)
2021	1,035,758	1,140
2022	145,582	137
Thereafter	-	-

¹ In accordance with GASB 68, the difference between each year's expected and actual experience is required to be amortized over the average remaining service lives of all employees provided with pensions through the plan at June 30. The service periods used for amortization periods are 4.233(SCRS) and 4.856(PORS) years for 6/30/14; 4.164(SCRS) and 4.79 (PORS) years for 6/30/15; 4.116(SCRS) and 4.665(PORS) years for 6/30/16; 4.073(SCRS) and 4.553(PORS) years for 6/30/17; and 4.080 (SCRS) and 4.348 (PORS) years for 6/30/18.

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

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

Actuarial Assumptions and Methods

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

The June 30, 2018, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2017. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2018, using generally accepted actuarial principles.

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 8 – RETIREMENT PLAN (Continued)

Actuarial Assumptions and Methods (continued)

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

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

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

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

<u>Former Job Class</u>	<u>Males</u>	<u>Females</u>
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%

Net Pension Liability

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

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

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

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 8 – RETIREMENT PLAN (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 following table. 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 Return	100.0%		5.03%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.28%

Discount Rate

The discount rate used to measure the TPL was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 8 – RETIREMENT PLAN (Continued)

Sensitivity Analysis

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

System	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Decrease (6.25%)
SCRS	\$ 123,599,816	\$ 96,727,507	\$77,516,413
PORS	114,408	84,858	60,666

Additional Financial and Actuarial Information

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

Payables to the Pension Plan

As of June 30, 2019, the District had \$1,356,686 in payables outstanding to the pension plans for its legally required contributions.

On Behalf Payments

The State of South Carolina made payments of \$434,757 to PEBA on behalf of the District for the year ended June 30, 2019.

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS

Plan Descriptions

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

In accordance with Act 195, the OPEB Trusts are administered by the PEBA-Insurance Benefits, and the State Treasurer is the custodian of the funds held in trust. The Board of Directors of PEBA has been designated as the Trustee.

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 post-employment health and dental and long-term disability benefits to retired State and school district employees and their covered dependents.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Plan Descriptions (continued)

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

Benefits Provided

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

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

Contributions and Funding Policies

Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires the postemployment and long-term disability benefits to be funded through annual appropriations by the General Assembly for active employees to the PEBA, Insurance Benefits and participating retirees to the PEBA, except for the portion funded through the pension surcharge and provided from the other applicable sources of the PEBA, Insurance Benefits. For active employees who are not funded by State General Fund appropriations, participating employers are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office.

The District's contractually required contribution rate for the year ended June 30, 2019, was 6.05 percent of covered employee payroll, actuarially determined as an amount that is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District were \$32,838 for the year ended June 30, 2019. Employees are not required to contribute to the OPEB plan.

BLTD benefits are funded through a person's premium charged to State agencies, public school districts, and other participating local governments. The monthly premium per active employee was \$3.22 for the fiscal year ended June 30, 2019. It is also funded through investment income.

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

At June 30, 2019, the District reported a liability of \$74,201,877 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2018, the District's proportion was 0.523534 percent of SCRHITF and 0.458875 percent of SCLTDITF.

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (Continued)

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

For the year ended June 30, 2019, the District recognized OPEB expense of \$3,798,655. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SCRHTE</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,111,367	\$ 25,849
Changes in assumptions	-	6,041,127
Net difference between projected and actual investment experience	284,465	-
Changes in proportionate share and differences between District contributions and proportionate share of total plan employer contributions	-	522,840
District contributions subsequent to the measurement date	<u>2,690,600</u>	<u>-</u>
	<u>\$ 4,086,432</u>	<u>\$ 6,589,816</u>

	<u>SCLTDITF</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 859
Changes in assumptions	-	915
Net difference between projected and actual investment experience	8,160	-
Changes in proportionate share and differences between District contributions and proportionate share of total plan employer contributions	-	996
District contributions subsequent to the measurement date	<u>32,838</u>	<u>-</u>
	<u>\$ 40,998</u>	<u>\$ 2,770</u>

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (Continued)

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

\$2,690,600 (SCRHITF) and \$32,838 (SCLTDITF) reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as reductions of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Difference between expected and actual experience

	<u>SCRHITF</u> <u>June 30, 2018</u>	<u>SCLTDITF</u> <u>June 30, 2018</u>
Initial Balance (Inflow)/Outflow	\$ 1,259,757	\$ (950)
Amortized period ended June 30,		
2018	\$ (174,239)	\$ 91
2019	(174,239)	91
2020	(174,239)	91
2021	(174,239)	91
2022	(174,239)	91
2023	(174,239)	91
Thereafter	(214,323)	404

Assumption changes

	<u>SCRHITF</u> <u>June 30, 2018</u>	<u>SCLTDITF</u> <u>June 30, 2018</u>
Initial Balance (Inflow)/Outflow	\$ (7,179,846)	\$ (1,025)
Amortized period ended June 30,		
2018	\$ 1,138,719	\$ 110
2019	1,138,718	110
2020	1,138,718	110
2021	1,138,718	110
2022	1,138,718	110
2023	1,138,718	110
Thereafter	347,537	365

Difference between projected and actual investment earnings

	<u>SCRHITF</u> <u>June 30, 2019</u>	<u>SCLTDITF</u> <u>June 30, 2019</u>
Initial Balance (Inflow)/Outflow	\$ 363,197	\$10,451
Amortized period ended June 30,		
2018	\$ (78,732)	\$(2,291)
2019	(78,732)	(2,291)
2020	(78,732)	(2,291)
2021	(78,732)	(2,291)
2022	(48,269)	(1,287)

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and Methods

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

Additional information as of the latest actuarial valuation for SCRHITF:

Valuation Date:	June 30, 2017
Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Investment Rate of Return:	4.00%, net of OPEB Plan investment expense; including inflation.
Single Discount Rate:	3.62% as of June 30, 2018.
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2015.
Mortality:	For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. Multipliers are applied to the base tables based on gender and employment type.
Health Care Trend Rate:	Initial trend starting at 6.75% and gradually decreasing to an ultimate trend of 4.15% over a period of 14 years.
Retiree Participation:	79% for retirees who are eligible for funded premiums. 59% participation for retirees who are eligible for Partial Funded Premiums. 20% participation for retirees who are eligible for Non-Funded Premiums.
Notes:	There were no benefit changes during the year; the discount rate changed from 3.56% as of June 30, 2017, to 3.62% as of June 30, 2018.

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and Methods (continued)

Additional information as of the latest actuarial valuation for SCLTDITF:

Valuation Date:	June 30, 2017
Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Investment Rate of Return:	4.00%, net of Plan investment expense; including inflation.
Single Discount Rate:	3.91% as of June 30, 2018.
Salary, Termination, and Retirement Rates:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2015.
Disability Incidence:	The rates used in the valuation are based on the rates developed for the South Carolina Retirement Systems pension plans.
Disability Recovery:	For participants in payment, 1987 CGDT Group Disability; for active employees, 60% were assumed to recover after the first year and 92% were assumed to recover after the first two years.
Offsets:	40% are assumed to be eligible for Social Security benefits; assumed percentage who will be eligible for a pension plan offset varies based on employee group.
Expenses:	Third party administrative expenses were included in the benefit projections.
Notes:	The discount rate changed from 3.87% as of June 30, 2017, to 3.91% as of June 30, 2018.

Roll Forward Disclosure

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

Net OPEB Liability

The Net OPEB Liability (NOL) is calculated separately for each OPEB Trust Fund and represents that particular Trusts' Total OPEB Liability (TOL) determined in accordance with GASB No. 74 less that Trust's fiduciary net position. The allocation of each employer's proportionate share of the collective Net OPEB Liability and collective OPEB Expense was determined using the employer's payroll-related contributions over the measurement period. This method is expected to be reflective of the employer's long-term contribution effort as well as be transparent to individual employers and their external auditors.

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

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

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Net OPEB Liability (continued)

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

Single Discount Rate

The Single Discount Rate of 3.62% was used to measure the total OPEB liability for the SCRHITF. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the plan's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

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

Long-Term Expected Rate of Return

The long-term expected rate of return represents assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2017 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation. This information is summarized in the following table:

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

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Sensitivity Analysis

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

	<u>1% Decrease</u> <u>2.62%</u>	<u>Current</u> <u>Discount Rate</u> <u>3.62%</u>	<u>1% Increase</u> <u>4.62%</u>
SCRHITF Net OPEB Liability	\$ 87,400,391	\$ 74,187,830	\$ 63,537,460

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

	<u>1% Decrease</u>	<u>Current Healthcare</u> <u>Cost Trend Rate</u>	<u>1% Increase</u>
SCRHITF Net OPEB Liability	\$ 61,044,607	\$ 74,187,830	\$ 91,179,584

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

	<u>1% Decrease</u> <u>2.91%</u>	<u>Current</u> <u>Discount Rate</u> <u>3.91%</u>	<u>1% Increase</u> <u>4.91%</u>
SCLTDITF Net OPEB Liability	\$ 20,993	\$ 14,047	\$ 7,268

Additional Financial and Actuarial Information

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

Payables to the OPEB Plan

As of June 30, 2019, the District had \$-0- in payable outstanding to the OPEB Plans for its legally required contributions.

On-Behalf Payments

The State of South Carolina made a payment of \$540,174 to PEBA on behalf of the District for the year ended June 30, 2019.

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 10 – TRANSFERS BETWEEN FUNDS

Transfers during the year ended June 30, 2019, consisted of the following:

<u>General Fund</u>			
<u>Transfers from</u>	<u>Amount</u>	<u>Transfers to</u>	<u>Amount</u>
Special Revenue-Special Projects	\$ 767,300		\$ -
Special Revenue-EIA	1,823,428		-
Debt Service	<u>-</u>		<u>868,961</u>
	<u>\$ 2,590,728</u>		<u>\$ 868,961</u>

<u>Special Revenue Fund</u>			
<u>Transfers from</u>	<u>Amount</u>	<u>Transfers to</u>	<u>Amount</u>
		General Fund	<u>\$ 767,300</u>

<u>EIA Fund</u>			
<u>Transfers from</u>	<u>Amount</u>	<u>Transfers to</u>	<u>Amount</u>
		General Fund	\$ 1,823,428
		Debt Service Fund	<u>43,010</u>
			<u>\$ 1,866,438</u>

<u>Debt Service Fund</u>			
<u>Transfers from</u>	<u>Amount</u>	<u>Transfers to</u>	<u>Amount</u>
General Fund	\$ 868,961		
EIA Fund	<u>43,010</u>		
	<u>\$ 911,971</u>		
Total	<u><u>\$ 3,502,699</u></u>		<u><u>\$ 3,502,699</u></u>

Transfers are primarily used to move funds from:

1. Special Revenue MAPPS to cover related expenditures paid from General Fund.
2. The Special Revenue Fund to the General Fund for allowable indirect costs.
3. The EIA Fund to the General Fund for allowable transfers of EIA specified revenues.
4. Capital lease payments were transferred to Debt Service from the fund from which payment was made.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 11 – INTERFUND PAYABLES AND RECEIVABLES

A summary of Interfund payables and receivables at June 30, 2019, is as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ -	\$ 8,956,603
Special Revenue – Special Projects	-	2,063,379
EIA	1,391,782	-
Debt Service	114,622	-
Capital Projects	9,379,340	-
Food Service	<u>134,238</u>	<u>-</u>
Total for Primary Government	<u>\$ 11,019,982</u>	<u>\$ 11,019,982</u>

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

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

NOTE 12 – NET POSITION/FUND BALANCES

Net Position: The government-wide statement of net position (deficit) reports \$2,627,871 of restricted net position, none of which is restricted by enabling legislation.

The District uses the following governmental fund balance accounts:

Nonspendable for inventory – An account used to segregate a portion of fund balance to indicate inventory is “not in spendable form” even though it is a component of current assets.

Restricted for Debt Service: This represents the Debt Service Fund balance that is not available for appropriation because it represents the year-end fund balance that is legally restricted for future debt service on general obligation bonds and is not an expendable, available resource.

Committed for Capital Projects Fund: This amount represents the Capital Projects Fund balance that has been committed for contractual obligations for approved building projects and is not an expendable, available resource.

Unassigned: This represents and includes all spendable amounts of the general fund not contained in the other classifications.

District policy is to maintain a minimum fund balance of 10% of the General Fund budget which amounts to \$7,087,487 as of June 30, 2019. The unassigned balance at June 30, 2019, totaled \$12,839,451.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS**

NOTE 13 – RISK MANAGEMENT

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

NOTE 14 – COMMITMENTS AND CONTINGENCIES

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

The District is involved in litigation which is not expected to materially affect the District's financial operations.

NOTE 15 – TAX ABATEMENTS

The State of South Carolina has enacted Fee-in-Lieu of Tax Acts and Special Source Revenue Credit Acts as part of Title 12 of the South Carolina Code of Laws in support of economic development. The legislation allows the County to enter into negotiated fee-in-lieu of tax ("FILOT") arrangements with entities in exchange for making investments in facilities and jobs in the County. The FILOT's typically include millage caps and reduced assessment ratios for entities who commit to certain investment and employment targets. Some FILOT's also include Special Source Revenue Credits which further reduce the negotiated fee by a percentage for some time period.

As of June 30, 2019, the County of Orangeburg has active FILOT agreements with 19 entities within the District's geographic area which resulted in net tax abatements of \$7,618,324.

NOTE 16 – OPERATING LEASE

The District is obligated under an operating lease for a Hasler IH700 mailing system in the amount of \$2,020 per year for five years beginning September 9, 2016.

NOTE 17 – DISTRICT MERGER

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

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 18 – CONSTRUCTION COMMITMENTS

The District was obligated under the following construction commitments at June 30, 2019:

	<u>Total Contract</u>	<u>Completed</u>	<u>Balance</u>
Architect Fees – multiple projects	\$ 1,243,318	\$ 477,137	\$ 766,181

NOTE 19 – PRIOR PERIOD ADJUSTMENT

Beginning fund balance has been corrected for the Debt Service Fund. Orangeburg County Treasurer's office maintains the District's Debt Service funds and posts activity. Subsequent to last year's audit, the County made adjustments to the District's June 30, 2018, Debt Service Fund, decreasing the balance of cash on hand by \$89,994. The majority of this was to records the District's share of FILOT refunds. Following is a reconciliation of the prior period adjustment:

	<u>Governmental Activities</u>	<u>Debt Service Funds</u>
Fund Balance, June 30, 2018, as previously reported	\$ (107,070,941)	\$ 2,332,216
To correct for adjustment made by County	<u>(89,994)</u>	<u>(89,994)</u>
Fund Balance, June 30, 2018, as restated	<u><u>\$ (107,160,935)</u></u>	<u><u>\$ 2,242,222</u></u>

NOTE 20 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through December 2, 2019, the date the financial statements were available for issuance.

**REQUIRED SUPPLEMENTARY
INFORMATION**

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - SCRS AND PORS
LAST TEN FISCAL YEARS

South Carolina Retirement System	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the net pension liability (asset)	\$ 96,727,507	\$ 98,705,298	\$ 93,513,647	\$ 88,822,180	\$ 84,566,806	\$ 88,102,143	N/A*	N/A*	N/A*	N/A*
District's proportionate share of the net pension liability (asset)	0.431688%	0.438464%	0.437801%	0.468336%	0.491191%	0.491191%	N/A*	N/A*	N/A*	N/A*
District's covered-employee payroll	\$ 44,380,568	\$ 44,495,620	\$ 42,670,908	\$ 44,230,993	\$ 45,009,156	\$ 43,799,908	N/A*	N/A*	N/A*	N/A*
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	217.95%	221.83%	219.15%	200.81%	187.89%	201.15%	N/A*	N/A*	N/A*	N/A*
Plan fiduciary net position as a percentage of the total pension liability	54.10%	53.30%	52.90%	57.00%	59.90%	56.40%	N/A*	N/A*	N/A*	N/A*
Police Officers Retirement System	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the net pension liability (asset)	\$ 84,858	\$ 35,614	\$ -	\$ -	\$ -	\$ -	N/A*	N/A*	N/A*	N/A*
District's proportionate share of the net pension liability (asset)	0.002995%	0.00130%	0.00000%	0.00000%	0.00000%	0.00000%	N/A*	N/A*	N/A*	N/A*
District's covered-employee payroll	\$ 92,156	\$ 13,867	\$ -	\$ -	\$ -	\$ -	N/A*	N/A*	N/A*	N/A*
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	92.08%	256.83%	0.00000%	0.00000%	0.00000%	0.00000%	N/A*	N/A*	N/A*	N/A*
Plan fiduciary net position as a percentage of the total pension liability	61.70%	60.90%	60.40%	64.60%	67.75%	63.00%	N/A*	N/A*	N/A*	N/A*

N/A* - Not Available

Note:

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

Source: Audit report of employer allocations of the South Carolina Retirement System (SCRS) and Police Officers Retirement System (PORS), as administered by the SC Public Employee Benefit Authority for the year ended June 30, 2018.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
SCHEDULE OF DISTRICT CONTRIBUTIONS - SCRS AND PORS
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
SCRS										
Contractually required contribution	\$ 6,404,143	\$ 6,071,607	\$ 5,114,089	\$ 4,688,909	\$ 4,786,429	\$ 4,726,935	N/A*	N/A*	N/A*	N/A*
Contributions in relation to the contractually required contribution	\$ (6,404,143)	\$ (6,071,607)	\$ (5,114,089)	\$ (4,688,909)	\$ (4,786,429)	\$ (4,726,935)	N/A*	N/A*	N/A*	N/A*
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A*	N/A*	N/A*	N/A*
District's covered-employee payroll	\$ 44,380,568	\$ 45,134,178	\$ 44,495,620	\$ 42,670,908	\$ 44,230,993	\$ 45,009,156	N/A*	N/A*	N/A*	N/A*
Contributions as a percentage of covered-employee payroll	14.43%	13.45%	11.49%	10.99%	10.82%	10.50%	N/A*	N/A*	N/A*	N/A*
PORS										
Contractually required contribution	\$ 15,888	\$ 2,252	\$ 2,493	\$ -	\$ -	\$ -	N/A*	N/A*	N/A*	N/A*
Contributions in relation to the contractually required contribution	\$ (15,888)	\$ (2,252)	\$ (2,493)	\$ -	\$ -	\$ -	N/A*	N/A*	N/A*	N/A*
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A*	N/A*	N/A*	N/A*
District's covered-employee payroll	\$ 92,156	\$ 13,867	\$ -	\$ -	\$ -	\$ -	N/A*	N/A*	N/A*	N/A*
Contributions as a percentage of covered-employee payroll	17.24%	16.24%	100.00%	0.00%	0.00%	0.00%	N/A*	N/A*	N/A*	N/A*

N/A* - Not Available

Note:

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

Source: District quarterly retirement contribution reports.

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - SCRHITE AND SCLTDITF
LAST TEN FISCAL YEARS

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
SCRHITE										
District's Proportion of Net OPEB Liability	\$ 74,187,830	\$ 71,468,922	\$ 76,343,297	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*
District's Proportionate Share of Net OPEB Liability	0.523534%	0.527647%	0.527647%	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*
District's Covered-Employee Payroll	\$ 45,134,178	\$ 44,495,620	\$ 42,670,908	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*
District's Proportionate Share of Net OPEB Liability as a Percentage of Its Covered-Employee Payroll	164.37%	160.62%	178.91%	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	7.91%	7.60%	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*
	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
SCLTDITF										
District's Proportion of Net OPEB Liability	\$ 14,047	\$ 8,303	\$ 3,179	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*
District's Proportionate Share of Net OPEB Liability	0.458875%	0.45796%	0.45796%	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*
District's Covered-Employee Payroll	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
District's Proportionate Share of Net OPEB Liability as a Percentage of Its Covered-Employee Payroll	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	92.20%	95.29%	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*

N/A* - Not Available

(1) - Employer contributions are based on a set monthly amount per employee of \$3.22.

Note:

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

Source:

Audit report on the Schedules of Employer and Non-Employer Entity Allocations and Other Post-Employment Benefit (OPEB) Amounts by Employer for the South Carolina Retiree Health Insurance and Long-Term Disability Insurance Trust Funds, as administered by the SC Public Employee Benefit Authority for the year ended June 30, 2018.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
SCHEDULE OF DISTRICT CONTRIBUTIONS - SCRHITEF AND SCLTDITF
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
SCRHITEF										
Contractually Required Contribution	\$ 2,690,600	\$ 2,483,142	\$ 2,371,617	\$ 2,274,359	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*
Contributions in Relation to the Contractually Required Contribution	(2,690,600)	(2,483,142)	(2,371,617)	(2,274,359)	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*
District's Covered-Employee Payroll	\$ 44,472,724	\$ 45,134,178	\$ 44,495,620	\$ 42,670,908	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*
Contributiouns as a Percentage of Covered-Employee Payroll	6.05%	5.50%	5.33%	5.33%	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*
SCLTDITF										
Contractually Required Contribution	\$ 32,838	\$ 33,356	\$ 33,150	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*
Contributions in Relation to the Contractually Required Contribution	(32,838)	(33,356)	(33,150)	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*
District's Covered-Employee Payroll	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Contributiouns as a Percentage of Covered-Employee Payroll	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)

N/A* - Not Available

(1) - Employer contributions are based on a set monthly amount per employee of \$3.22.

Note:

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

Sources:

District Quarterly Retirement Contribution Reports and Health Insurance Reports.

OTHER SUPPLEMENTARY INFORMATION

GENERAL FUND

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

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

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GENERAL FUND - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
1000 Revenue from Local Sources:			
1100 Taxes:			
1110 Ad Valorem Taxes - Including Delinquent	\$ 22,876,000	\$ 22,107,414	\$ (768,586)
1200 Revenue From Local Governmental Units Other Than LEA's:			
1210 Ad Valorem Taxes	3,100,000	3,426,814	326,814
1211 County BD Debt Service 5 Mill	500,000	530,015	30,015
1280 Revenue in Lieu of Taxes	50,000	-	(50,000)
1300 Tuition:			
1310 From Patrons for Regular Day School	35,000	4,800	(30,200)
1320 From Other LEAs for Regular Day School	135,000	300,648	165,648
1350 Summer School From Patrons	5,000	5,505	505
1500 Earnings on Investments:			
1510 Interest on Investments	100,000	230,652	130,652
1900 Miscellaneous Local Revenue:			
1910 Rentals	5,000	2,715	(2,285)
1999 Revenue from Other Local Sources	175,000	172,271	(2,729)
Total Local Sources	26,981,000	26,780,834	(200,166)
3000 Revenue from State Sources:			
3100 Restricted State Funding:			
3130 Special Programs:			
3131 Handicapped Transportation	-	1,924	1,924
3160 School Bus Drivers' Salary	609,000	665,268	56,268
3161 EAA Bus Driver	-	1,819	1,819
3162 Transportation Workers' Compensation	38,133	38,087	(46)
3180 Fringe Benefits Employer Contributions	6,831,321	6,732,161	(99,160)
3181 Retiree Insurance	1,945,803	1,945,718	(85)
3199 Other Restricted State Grants	-	110	110
3300 Education Finance Act:			
3310 Full-Time Programs:			
3311 Kindergarten	858,166	712,793	(145,373)
3312 Primary	2,558,723	2,441,558	(117,165)
3313 Elementary	3,747,830	3,769,905	22,075
3314 High School	1,132,670	1,289,312	156,642
3315 Trainable Mentally Handicapped	62,627	52,499	(10,128)
3316 Speech Handicapped (Part-Time Program)	1,043,849	949,948	(93,901)
3317 Homebound	20,131	20,162	31
3320 Part-Time Programs:			
3321 Emotionally Handicapped	60,031	53,488	(6,543)
3322 Educable Mentally Handicapped	160,233	187,892	27,659
3323 Learning Disabilities	820,917	759,825	(61,092)
3324 Hearing Handicapped	93,577	78,632	(14,945)
3325 Visually Handicapped	37,322	29,532	(7,790)
3326 Orthopedically Handicapped	17,808	20,287	2,479
3327 Vocational	2,133,189	1,881,580	(251,609)
3330 Other EFA Programs:			
3331 Autism	311,772	356,882	45,110
3332 High Achieving Students	70,414	102,480	32,066
3334 Limited English Proficiency	58,742	50,521	(8,221)
3350 Residential Treatment Facility			
3351 Academic Assistance	722,638	727,847	5,209
3352 Pupils in Poverty	1,935,434	1,935,020	(414)
3353 Dual Credit Enrollment	37,612	32,392	(5,220)
3392 NBC Excess EFA Formula	-	27,584	27,584

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GENERAL FUND - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues (Continued)			
3000 Revenue from State Sources (Continued):			
3800 State Revenue in Lieu of Taxes:			
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	\$ 3,764,122	\$ 3,763,465	\$ (657)
3820 Homestead Exemption (Tier 2)	1,200,000	1,150,657	(49,343)
3825 Reimbursement for Property Tax Relief (Tier 3)	4,075,000	4,454,480	379,480
3830 Merchant's Inventory Tax	377,516	377,516	-
3840 Manufacturer's Depreciation Reimbursement	975,000	975,023	23
3890 Other State Property Tax Revenues	225,000	336,094	111,094
3900 Other State Revenue:			
3993 PEBA On Behalf	435,000	434,757	(243)
Total State Sources	36,359,580	36,357,218	(2,362)
Revenue from Federal Sources			
4999 Revenue from Other Federal Sources	-	680	680
Total Revenue - All Sources	63,340,580	63,138,732	(201,848)
Expenditures			
100 Instruction:			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	1,587,137	1,553,110	34,027
140 Terminal Leave	-	2,732	(2,732)
200 Employee Benefits	692,690	687,116	5,574
300 Purchased Services	2,038	1,350	688
400 Supplies and Materials	5,503	5,464	39
500 Capital Outlay	651	649	2
600 Other Objects	121	121	-
112 Primary Programs:			
100 Salaries	4,156,570	4,138,937	17,633
140 Terminal Leave	-	2,550	(2,550)
200 Employee Benefits	1,605,885	1,597,498	8,387
300 Purchased Services	5,999	5,585	414
400 Supplies and Materials	11,078	5,802	5,276
500 Capital Outlay	584	583	1
600 Other Objects	253	253	-
113 Elementary Programs:			
100 Salaries	5,433,492	5,412,735	20,757
140 Terminal Leave	-	6,877	(6,877)
200 Employee Benefits	2,168,808	2,161,938	6,870
300 Purchased Services	101,314	99,756	1,558
400 Supplies and Materials	47,299	42,029	5,270
500 Capital Outlay	4,188	3,746	442
600 Other Objects	11,385	7,280	4,105
114 High School Programs:			
100 Salaries	3,581,829	3,554,303	27,526
140 Terminal Leave	-	17,275	(17,275)
200 Employee Benefits	1,328,998	1,323,977	5,021
300 Purchased Services	181,030	117,675	63,355
400 Supplies and Materials	56,055	51,241	4,814
500 Capital Outlay	98,548	37,589	60,959
600 Other Objects	1,059	59	1,000

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GENERAL FUND - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Expenditures (Continued):			
100 Instruction (Continued):			
110 General Instruction (Continued):			
115 Vocational Programs:			
100 Salaries	\$ 832,440	\$ 815,657	\$ 16,783
200 Employee Benefits	361,289	350,340	10,949
300 Purchased Services	7,139	687	6,452
400 Supplies and Materials	34,980	32,931	2,049
500 Capital Outlay	7,555	7,468	87
600 Other Objects	657	657	-
120 Exceptional Programs:			
121 Educable Mentally Handicapped:			
100 Salaries	988,974	980,745	8,229
140 Terminal Leave	-	1,960	(1,960)
200 Employee Benefits	427,424	425,593	1,831
300 Purchased Services	24,000	22,502	1,498
122 Trainable Mentally Handicapped:			
100 Salaries	187,893	182,876	5,017
200 Employee Benefits	73,634	71,185	2,449
124 Visually Handicapped:			
100 Salaries	9,145	-	9,145
200 Employee Benefits	3,562	(395)	3,957
125 Hearing Handicapped:			
100 Salaries	31,781	29,937	1,844
200 Employee Benefits	19,617	19,101	516
126 Speech Handicapped:			
100 Salaries	327,850	321,436	6,414
200 Employee Benefits	138,780	134,113	4,667
300 Purchased Services	217,200	216,427	773
127 Learning Disabilities:			
100 Salaries	1,459,863	1,456,295	3,568
200 Employee Benefits	460,578	458,755	1,823
300 Purchased Services	34,440	32,272	2,168
128 Emotionally Handicapped:			
100 Salaries	180,644	178,053	2,591
200 Employee Benefits	78,634	77,831	803
130 Pre-School Programs:			
135 Pre-School Handicapped Speech (3 & 4 Year Olds)			
100 Salaries	58,976	58,557	419
200 Employee Benefits	22,188	21,959	229
130 Pre-School Programs (Continued):			
137 Pre-School Handicapped - Self-Contained (3 & 4 yr. olds):			
100 Salaries	120,080	118,500	1,580
200 Employee Benefits	41,374	40,868	506

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GENERAL FUND - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Expenditures (Continued):			
100 Instruction (Continued):			
140 Special Programs:			
141 Gifted and Talented - Academic:			
100 Salaries	\$ 532,492	\$ 520,115	\$ 12,377
140 Terminal Leave	-	3,220	(3,220)
200 Employee Benefits	220,841	217,524	3,317
300 Purchased Services	16,075	9,113	6,962
400 Supplies and Materials	23,750	18,681	5,069
500 Capital Outlay	3,200	2,737	463
600 Other Objects	1,500	906	594
145 Homebound:			
100 Salaries	130,236	129,721	515
200 Employee Benefits	49,246	48,820	426
300 Purchased Services	52,000	51,465	535
147 CDEPP:			
100 Salaries	394,903	393,864	1,039
200 Employee Benefits	173,228	172,107	1,121
149 Other Special Programs:			
100 Salaries	1,637,872	1,636,365	1,507
200 Employee Benefits	156,189	157,008	(819)
300 Purchased Services	39,000	35,704	3,296
400 Supplies and Materials	8,467	1,048	7,419
500 Capital Outlay	900	-	900
600 Other Objects	200	176	24
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	170,151	162,868	7,283
200 Employee Benefits	65,583	63,248	2,335
170 Summer School Program:			
173 High School Summer School:			
100 Salaries	4,000	-	4,000
200 Employee Benefits	896	-	896
175 Instructional Programs Beyond Regular School Day:			
100 Salaries	2,500	-	2,500
200 Employee Benefits	500	(155)	655
180 Adult/Continuing Educational Programs:			
181 Adult Basic Education Programs:			
300 Purchased Services	175,000	164,928	10,072
188 Parenting/Family Literacy:			
100 Salaries	2,337	1,354	983
140 Terminal Leave	6,900	6,862	38
200 Employee Benefits	2,976	1,992	984
Total Instruction	31,104,153	30,694,211	409,942

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GENERAL FUND - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Expenditures (Continued):			
200 Support Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	\$ 41,070	\$ 40,374	\$ 696
140 Terminal Leave	9,000	8,908	92
200 Employee Benefits	22,630	22,378	252
300 Purchased Services	79,500	79,220	280
212 Guidance Services:			
100 Salaries	1,387,832	1,285,476	102,356
140 Terminal Leave	-	1,078	(1,078)
200 Employee Benefits	567,349	505,576	61,773
300 Purchased Services	9,387	5,436	3,951
400 Supplies and Materials	28,853	24,730	4,123
500 Capital Outlay	1,529	827	702
600 Other Objects	2,024	1,505	519
213 Health Services:			
100 Salaries	584,035	467,403	116,632
200 Employee Benefits	276,550	226,298	50,252
300 Purchased Services	6,880	1,534	5,346
400 Supplies and Materials	19,628	16,599	3,029
600 Other Objects	1,392	1,392	-
214 Psychological Services:			
100 Salaries	173,507	173,485	22
140 Terminal Leave	16,000	15,482	518
200 Employee Benefits	69,578	69,196	382
300 Purchased Services	1,000	-	1,000
215 Exceptional Program Services:			
100 Salaries	85,979	81,075	4,904
200 Employee Benefits	36,596	36,963	(367)
217 Career Specialist Services:			
200 Employee Benefits	-	(1,968)	1,968
220 Instructional Staff Services:			
221 Improvement of Instruction - Curriculum Development:			
100 Salaries	1,584,059	1,503,727	80,332
140 Terminal Leave	7,000	81,230	(74,230)
200 Employee Benefits	609,604	610,273	(669)
300 Purchased Services	292,126	286,103	6,023
400 Supplies and Materials	95,907	90,074	5,833
500 Capital Outlay	111,855	99,911	11,944
600 Other Objects	25,622	21,291	4,331
222 Library and Media Services:			
100 Salaries	816,578	813,780	2,798
140 Terminal Leave	-	2,285	(2,285)
200 Employee Benefits	358,095	357,030	1,065
300 Purchased Services	850	803	47
400 Supplies and Materials	26,160	26,072	88
500 Capital Outlay	315	307	8
600 Other Objects	670	659	11

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GENERAL FUND - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Expenditures (Continued):			
200 Support Services (Continued):\:			
220 Instructional Staff Services (Continued):			
223 Supervision of Special Programs:			
100 Salaries	\$ 114,999	\$ 112,978	\$ 2,021
140 Terminal Leave	18,900	18,204	696
200 Employee Benefits	56,480	55,247	1,233
300 Purchased Services	587,611	586,993	618
400 Supplies and Materials	75,591	65,563	10,028
500 Capital Outlay	19,821	18,551	1,270
600 Other Objects	19,226	18,418	808
224 Improvement of Instruction - Inservice and Staff Training:			
100 Salaries	98,698	66,379	32,319
200 Employee Benefits	29,361	21,634	7,727
300 Purchased Services	48,328	32,714	15,614
400 Supplies and Materials	17,464	11,487	5,977
500 Capital Outlay	4,135	4,133	2
600 Other Objects	1,485	1,113	372
230 General Administrative Services:			
231 Board of Education:			
100 Salaries	67,346	64,475	2,871
200 Employee Benefits	17,405	17,144	261
300 Purchased Services	223,993	217,314	6,679
318 Audit Services	31,960	31,875	85
400 Supplies and Materials	12,179	11,911	268
500 Capital Outlay	950	950	-
600 Other Objects	31,241	29,460	1,781
232 Office of the Superintendent:			
100 Salaries	279,167	278,649	518
140 Terminal Leave	10,500	10,313	187
200 Employee Benefits	97,684	97,302	382
300 Purchased Services	89,975	71,077	18,898
400 Supplies and Materials	76,527	74,152	2,375
500 Capital Outlay	8,593	-	8,593
600 Other Objects	34,315	29,963	4,352
233 School Administration:			
100 Salaries	4,144,962	3,901,518	243,444
140 Terminal Leave	-	208,614	(208,614)
200 Employee Benefits	1,625,636	1,617,062	8,574
300 Purchased Services	101,856	95,434	6,422
400 Supplies and Materials	89,227	81,807	7,420
500 Capital Outlay	20,059	19,171	888
600 Other Objects	15,120	15,117	3
250 Finance and Operations Services:			
251 Student Transportation (Federal/District Mandated):			
100 Salaries	6,100	5,967	133
200 Employee Benefits	900	873	27

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GENERAL FUND - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Expenditures (Continued):			
200 Support Services (Continued):			
250 Finance and Operations Services (Continued):			
252 Fiscal Services:			
100 Salaries	\$ 571,819	\$ 565,189	\$ 6,630
140 Terminal Leave	35,000	34,838	162
200 Employee Benefits	254,390	252,932	1,458
300 Purchased Services	38,987	32,792	6,195
400 Supplies and Materials	20,724	17,819	2,905
500 Capital Outlay	6,168	1,236	4,932
600 Other Objects	4,218	2,791	1,427
254 Operation and Maintenance of Plant:			
100 Salaries	3,110,289	2,843,008	267,281
140 Terminal Leave	-	104,453	(104,453)
200 Employee Benefits	1,369,855	1,294,901	74,954
300 Purchased Services	760,637	700,419	60,218
321 Public Utilities	192,953	159,121	33,832
400 Supplies and Materials	561,479	481,844	79,635
470 Energy	1,988,188	1,745,697	242,491
500 Capital Outlay	483,049	251,213	231,836
600 Other Objects	21,640	276	21,364
255 Student Transportation:			
100 Salaries	2,388,471	2,378,314	10,157
140 Terminal Leave	-	9,056	(9,056)
200 Employee Benefits	748,072	747,405	667
300 Purchased Services	64,584	39,114	25,470
400 Supplies and Materials	11,505	4,326	7,179
500 Capital Outlay	14,183	14,182	1
600 Other Objects	400	400	-
257 Internal Services:			
100 Salaries	26,879	26,503	376
200 Employee Benefits	13,121	13,047	74
300 Purchased Services	347,808	156,527	191,281
258 Security:			
100 Salaries	265,809	263,416	2,393
140 Terminal Leave	10,000	9,825	175
200 Employee Benefits	92,441	92,375	66
300 Purchased Services	118,562	85,376	33,186
400 Supplies and Materials	61,768	35,066	26,702
500 Capital Outlay	159,468	73,094	86,374
600 Other Objects	500	500	-
260 Central Support Services:			
263 Information Services:			
100 Salaries	197,012	196,623	389
140 Terminal Leave	16,200	16,000	200
200 Employee Benefits	96,693	96,436	257
300 Purchased Services	44,700	43,754	946
400 Supplies and Materials	13,525	7,324	6,201
500 Capital Outlay	7,104	7,046	58
600 Other Objects	1,200	636	564

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GENERAL FUND - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Expenditures (Continued):			
200 Support Services (Continued):			
260 Central Support Services (Continued):			
264 Staff Services:			
100 Salaries	\$ 548,266	\$ 510,762	\$ 37,504
140 Terminal Leave	-	36,886	(36,886)
200 Employee Benefits	208,651	208,544	107
300 Purchased Services	193,229	186,097	7,132
400 Supplies and Materials	22,310	19,155	3,155
500 Capital Outlay	5,400	-	5,400
600 Other Objects	1,200	585	615
266 Technology and Data Processing Services:			
100 Salaries	1,017,119	983,122	33,997
140 Terminal Leave	-	32,692	(32,692)
200 Employee Benefits	405,053	404,687	366
300 Purchased Services	1,426,823	1,425,662	1,161
400 Supplies and Materials	224,381	222,374	2,007
500 Capital Outlay	526,505	526,487	18
600 Other Objects	1,571	1,571	-
270 Supporting Services Pupil Activity:			
271 Pupil Services Activities:			
100 Salaries	626,872	625,284	1,588
200 Employee Benefits	183,817	183,627	190
300 Purchased Services	32,962	30,825	2,137
660 Pupil Activity	424,890	423,417	1,473
Total Support Services	35,395,404	33,476,725	1,918,679
300 Community Services:			
390 Other Community Services:			
100 Salaries	67,500	67,155	345
200 Employee Benefits	28,865	28,773	92
300 Purchased Services	23,940	19,377	4,563
400 Supplies and Materials	18,075	11,972	6,103
Total Community Services	138,380	127,277	11,103
400 Other Charges:			
410 Intergovernmental Expenditures:			
411 Payment to the State Department of Education:			
720 Transits	5,000	-	5,000
412 Payment to Other Governmental Units:			
720 Transits	3,350,431	3,176,903	173,528
Total Intergovernmental Expenditures	3,355,431	3,176,903	178,528
500 Debt Service:			
620 Interest	500	-	500
Total Debt Service	500	-	500
Total Expenditures	69,993,868	67,475,116	2,518,752

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GENERAL FUND - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Other Financing Sources (Uses)			
Interfund Transfers from (to) Other Funds:			
5220 Transfer from Special Revenue Fund	\$ 375,000	\$ 242,360	\$ (132,640)
5230 Transfer from Special Revenue EIA Fund	1,846,649	1,823,428	(23,221)
5280 Transfer from Other Funds Indirect Cost	665,000	524,940	(140,060)
421-710 Transfer to Special Revenue Fund	(11,000)	-	11,000
423-710 Transfer to Debt Service Fund	(870,000)	(868,961)	1,039
	<u>2,005,649</u>	<u>1,721,767</u>	<u>(283,882)</u>
Total Other Financing Sources (Uses)			
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ (4,647,639)</u>	<u>(2,614,617)</u>	<u>\$ 2,033,022</u>
Fund Balance, July 1, 2018		<u>15,519,228</u>	
Fund Balance, June 30, 2019		<u>\$ 12,904,611</u>	

SPECIAL REVENUE FUNDS

To account for funds that are restricted, legally, or by the funding source. Operations of federal and state projects are required to be accounted for in separate subfunds.

The following schedules for the Special Revenue Funds have been prepared in the format required by the South Carolina Department of Education. The account numbers shown on the schedules are also required by the South Carolina Department of Education.

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2019

	Title I (BA Projects) 201	IDEA (CA Projects) 203	Preschool Handicapped (CG Projects) 205	CATE (VA Projects) 207	Other Restricted State Grants	Other Special Revenue Programs	Total
Revenues							
1000 Revenue - Local Sources:							
1900 Other Revenue from Local Sources:							
1930 Medicaid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 294,086	\$ 294,086
1990 Miscellaneous Local Sources	-	-	-	-	-	1,400,999	1,400,999
1999 Revenue from Other Local Sources	-	-	-	-	-	1,447,695	1,447,695
Total Revenues - Local Sources	-	-	-	-	-	3,142,780	3,142,780
2000 Revenue - Intergovernmental:							
2100 Revenue from Local Governmental Units Other than LEAs:	-	-	-	-	-	166,629	166,629
Total Revenues - Intergovernmental	-	-	-	-	-	166,629	166,629
3000 Revenue - State Sources:							
3100 Restricted Grants:							
3110 Vocational:							
3118 EEDA Career Specialist	-	-	-	-	433,554	-	433,554
3120 General Education:							
3127 Student Health and Fitness	-	-	-	-	51,504	-	51,504
3130 Special Programs:							
3134 Child Early Reading Development and Education Program	-	-	-	-	34,061	-	34,061
3135 Reading Coaches	-	-	-	-	488,416	-	488,416
3136 Student Health and Fitness - Nurses	-	-	-	-	203,677	-	203,677
3183 Teacher Recruiting and Retention	-	-	-	-	32,862	-	32,862
3190 Other Restricted Grants:							
3193 Education License Plates	-	-	-	-	4,664	-	4,664
3300 Education Finance Act:							
3393 Capital Improvement Plan - Additional	-	-	-	-	1,163,101	-	1,163,101
3600 Education Lottery Act Revenue:							
3655 Classroom Libraries	-	-	-	-	9,774	-	9,774
3670 School Safety - Facility and Infrastructure Safety Upgrades	-	-	-	-	312,470	-	312,470
3990 Other State Revenue:							
3994 PEBA Nonemployer Contributions	-	-	-	-	540,174	-	540,174
3999 Revenue from Other State Sources	-	-	-	-	-	538,762	538,762
Total Revenue - State Sources	-	-	-	-	3,274,257	538,762	3,813,019

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2019

	Title I (BA Projects) 201	IDEA (CA Projects) 203	Preschool Handicapped (CG Projects) 205	CATE (VA Projects) 207	Other Restricted State Grants	Other Special Revenue Programs	Total
Revenues (Continued)							
4000 Revenue - Federal Sources:							
4200 Occupational Education:							
4210 Vocational Aid	\$ -	\$ -	\$ -	\$ 152,116	\$ -	\$ -	\$ 152,116
4300 Elementary and Secondary Education Act of 1965:							
4310 Title I	3,580,496	-	-	-	-	408,818	3,989,314
4312 Rural and Low Income Program, Title VI (Carryover Provision)	-	-	-	-	-	191,257	191,257
4341 Language Instruction, Title III	-	-	-	-	-	10,896	10,896
4351 Improving Teacher Quality	-	-	-	-	-	369,105	369,105
4500 Program for Children with Disabilities:							
4510 IDEA	-	1,745,246	-	-	-	32,361	1,777,607
4520 Pre-School	-	-	93,145	-	-	-	93,145
4560 IDEA - SSIP	-	-	-	-	-	224,765	224,765
4900 Other Federal Sources:							
4924 21st Century Community Learning Centers Grants, Title IV	-	-	-	-	-	404,855	404,855
4997 Title IV - SSAE	-	-	-	-	-	120,252	120,252
4999 Revenue from Other Federal Sources	-	-	-	-	-	178,606	178,606
Total Revenue - Federal Sources	3,580,496	1,745,246	93,145	152,116	-	1,940,915	7,511,918
Total Revenue - All Sources	3,580,496	1,745,246	93,145	152,116	3,274,257	5,789,086	14,634,346
Expenditures							
100 Instruction:							
110 General Instruction:							
111 Kindergarten Programs:							
300 Purchased Services	3,733	-	-	-	-	-	3,733
400 Supplies and Materials	124,439	-	-	-	-	56,963	181,402
500 Capital Outlay	82	-	-	-	-	0	82
112 Primary Programs:							
100 Salaries	278,476	-	-	-	-	165,822	444,298
140 Terminal Leave	-	-	-	-	-	-	-
200 Employee Benefits	110,472	-	-	-	-	67,408	177,880
300 Purchased Services	41,556	-	-	-	-	24,990	66,546
400 Supplies and Materials	274,291	-	-	-	7,679	127,494	409,464
500 Capital Outlay	82	-	-	-	-	2,362	2,444

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2019

	Title I (BA Projects) 201	IDEA (CA Projects) 203	Preschool Handicapped (CG Projects) 205	CATE (VA Projects) 207	Other Restricted State Grants	Other Special Revenue Programs	Total
Expenditures (Continued):							
100 Instruction (Continued):							
110 General Instruction (Continued):							
113 Elementary Programs:							
100 Salaries	\$ 99,890	\$ -	\$ -	\$ -	\$ 31,488	\$ -	\$ 131,378
200 Employee Benefits	32,694	-	-	-	12,337	-	45,031
300 Purchased Services	265,800	-	-	-	-	-	265,800
400 Supplies and Materials	258,566	-	-	-	2,109	249,078	509,753
500 Capital Outlay	34,735	-	-	-	2,555	220	37,510
600 Other Objects	7,798	-	-	-	-	-	7,798
114 High School Programs:							
100 Salaries	-	-	-	-	-	85,637	85,637
200 Employee Benefits	-	-	-	-	-	28,133	28,133
300 Purchased Services	72,671	-	-	-	-	165	72,836
400 Supplies and Materials	231,723	-	-	-	-	58,087	289,810
500 Capital Outlay	6,291	-	-	-	-	1,205	7,496
600 Other Objects	11,697	-	-	-	-	-	11,697
115 Vocational Programs:							
100 Salaries	-	-	-	-	-	4,100	4,100
200 Employee Benefits	-	-	-	-	-	1,189	1,189
400 Supplies and Materials	-	-	-	22,544	-	5,564	28,108
600 Other Objects	-	-	-	3,750	-	-	3,750
120 Exceptional Programs:							
121 Educable Mentally Handicapped:							
100 Salaries	-	150,611	-	-	-	-	150,611
200 Employee Benefits	-	71,749	-	-	-	-	71,749
300 Purchased Services	-	545	-	-	-	-	545
400 Supplies and Materials	-	6,810	-	-	-	-	6,810
122 Trainable Mentally Handicapped:							
100 Salaries	-	18,819	-	-	-	-	18,819
200 Employee Benefits	-	11,227	-	-	-	-	11,227
124 Visually Handicapped:							
300 Purchased Services	-	34,120	-	-	-	-	34,120
600 Other Objects	-	253	-	-	-	-	253

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2019

	Title I (BA Projects) 201	IDEA (CA Projects) 203	Preschool Handicapped (CG Projects) 205	CATE (VA Projects) 207	Other Restricted State Grants	Other Special Revenue Programs	Total
Expenditures (Continued)							
100 Instruction (Continued):							
120 Exceptional Programs (Continued):							
125 Hearing Handicapped:							
100 Salaries	\$ -	\$ 24,917	\$ -	\$ -	\$ -	\$ -	\$ 24,917
200 Employee Benefits	-	12,492	-	-	-	-	12,492
300 Purchased Services	-	32,920	-	-	-	-	32,920
400 Supplies and Materials	-	-	2,885	-	-	-	2,885
126 Speech Handicapped:							
100 Salaries	-	19,999	-	-	-	1,212	21,211
200 Employee Benefits	-	7,762	-	-	-	190	7,952
300 Purchased Services	-	10,265	5,385	-	-	-	15,650
400 Supplies and Materials	-	-	7,192	-	-	-	7,192
600 Other Objects	-	714	-	-	-	-	714
127 Learning Disabilities:							
100 Salaries	-	61,894	-	-	-	14,894	76,788
200 Employee Benefits	-	29,109	-	-	-	4,169	33,278
300 Purchased Services	-	56,638	-	-	-	-	56,638
400 Supplies and Materials	-	17,011	-	-	-	1,095	18,106
128 Emotionally Handicapped:							
100 Salaries	-	78,494	-	-	-	-	78,494
200 Employee Benefits	-	36,609	-	-	-	-	36,609
130 Preschool Handicapped Programs:							
135 Preschool Handicapped Speech (3&4 Yr Olds):							
400 Supplies and Materials	-	-	4,096	-	-	-	4,096
137 Preschool Handicapped Self-Contained (3 and 4 Year Olds):							
100 Salaries	-	2,747	18,286	-	-	-	21,033
200 Employee Benefits	-	902	6,009	-	-	-	6,911
400 Supplies and Materials	-	-	8,826	-	-	-	8,826

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2019

	Title I (BA Projects) 201	IDEA (CA Projects) 203	Preschool Handicapped (CG Projects) 205	CATE (VA Projects) 207	Other Restricted State Grants	Other Special Revenue Programs	Total
Expenditures (Continued)							
100 Instruction (Continued):							
140 Special Programs:							
149 Other Special Programs:							
100 Salaries	\$ -	\$ 35,555	\$ -	\$ -	\$ -	\$ 62,750	\$ 98,305
200 Employee Benefits	-	13,760	-	-	-	27,270	41,030
300 Purchased Services	-	4,199	-	-	-	-	4,199
400 Supplies and Materials	-	13,397	-	-	-	987	14,384
600 Other Objects		759					759
160 Other Exceptional Programs:							
161 Autism:							
100 Salaries	-	100,202	-	-	-	-	100,202
200 Employee Benefits	-	49,984	-	-	-	-	49,984
170 Summer School Programs:							
171 Primary Summer School:							
100 Salaries	32,112	-	-	-	11,149	-	43,261
200 Employee Benefits	9,631	-	-	-	3,394	-	13,025
300 Purchased Services	-	-	-	-	670	-	670
400 Supplies and Materials	5,540	-	-	-	2,804	-	8,344
170 Summer School Programs (continued):							
172 Elementary Summer School:							
100 Salaries	4,908	-	-	-	-	311,436	316,344
200 Employee Benefits	1,495	-	-	-	-	81,915	83,410
300 Purchased Services	-	-	-	-	-	35,672	35,672
400 Supplies and Materials	0	-	-	-	-	76,143	76,143
500 Capital Outlay	-	-	-	-	-	2,839	2,839
173 High School Summer School:							
100 Salaries	3,550	-	-	-	-	-	3,550
200 Employee Benefits	1,076	-	-	-	-	-	1,076
175 Instructional Programs Beyond Regular School Day:							
100 Salaries	35,767	-	-	-	-	198,904	234,671
200 Employee Benefits	9,043	-	-	-	-	48,150	57,193
300 Purchased Services	12,572	-	-	-	-	129,761	142,333
400 Supplies and Materials	5,273	-	-	-	-	14,184	19,457

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2019

	Title I (BA Projects) 201	IDEA (CA Projects) 203	Preschool Handicapped (CG Projects) 205	CATE (VA Projects) 207	Other Restricted State Grants	Other Special Revenue Programs	Total
Expenditures (Continued)							
100 Instruction (Continued):							
180 Adult/Continuing Educational Programs:							
183 Adult English Literacy:							
300 Purchased Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,374	\$ 6,374
400 Supplies and Materials	-	-	-	-	-	4,267	4,267
180 Adult/Continuing Educational Programs (Continued):							
188 Parenting/Family Literacy:							
100 Salaries	82,340	-	-	-	-	90,516	172,856
200 Employee Benefits	30,212	-	-	-	-	41,398	71,610
300 Purchased Services	28,488	-	-	-	-	3,929	32,417
400 Supplies and Materials	36,267	-	-	-	-	36,076	72,343
Total Instruction	2,153,270	904,463	52,679	26,294	74,185	2,072,548	5,283,439
200 Support Services:							
210 Pupil Services:							
211 Attendance and Social Work Services:							
100 Salaries	23,423	-	-	-	-	131,298	154,721
200 Employee Benefits	11,710	-	-	-	-	43,430	55,140
300 Purchased Services	1,535	-	-	-	-	10,277	11,812
400 Supplies and Materials	8,933	-	-	-	-	5,976	14,909
600 Other Objects	-	-	-	-	-	425	425
212 Guidance Services:							
100 Salaries	-	-	-	-	-	269,960	269,960
200 Employee Benefits	-	-	-	-	-	129,020	129,020
300 Purchased Services	-	-	-	-	-	15,007	15,007
400 Supplies and Materials	48	-	-	-	-	27,690	27,738
600 Other Objects	-	-	-	-	-	235	235
213 Health:							
100 Salaries	-	-	-	-	140,776	28,198	168,974
200 Employee Benefits	-	-	-	-	62,901	14,569	77,470
300 Purchased Services	-	-	-	-	-	8,300	8,300
400 Supplies and Materials	-	-	-	-	-	8,700	8,700

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2019

	Title I (BA Projects) 201	IDEA (CA Projects) 203	Preschool Handicapped (CG Projects) 205	CATE (VA Projects) 207	Other Restricted State Grants	Other Special Revenue Programs	Total
Expenditures (Continued)							
200 Support Services:							
210 Pupil Services:							
214 Psychological:							
100 Salaries	\$ -	\$ 78,491	\$ 18,954	\$ -	\$ -	\$ -	\$ 97,445
200 Employee Benefits	-	28,461	7,000	-	-	-	35,461
300 Purchased Services	-	5,896	1,500	-	-	-	7,396
400 Supplies and Materials	-	2,622	-	-	-	-	2,622
500 Capital Outlay	-	3,600	-	-	-	-	3,600
600 Other Objects	-	445	-	-	-	-	445
215 Exceptional Program Services:							
100 Salaries	-	130,936	-	-	-	-	130,936
200 Employee Benefits	-	61,651	-	-	-	-	61,651
300 Purchased Services	-	11,235	539	-	-	25,000	36,774
400 Supplies and Materials	-	3,408	-	-	-	-	3,408
500 Capital Outlay	-	6,000	5,448	-	-	4,627	16,075
217 Career Specialist Services:							
100 Salaries	-	-	-	-	310,023	-	310,023
200 Employee Benefits	-	-	-	-	123,531	-	123,531
220 Instructional Staff Services:							
221 Improvement of Instruction - Curriculum:							
100 Salaries	316,148	77,370	-	-	352,167	64,125	809,810
200 Employee Benefits	124,013	27,811	-	-	136,249	20,752	308,825
300 Purchased Services	-	4,117	-	15,703	-	55,378	75,198
400 Supplies and Materials	-	3,609	-	-	-	85,170	88,779
500 Capital Outlay	-	8,400	-	-	-	68,629	77,029
600 Other Objects	-	548	-	-	-	-	548
222 Library and Media:							
400 Supplies and Materials	-	-	-	-	-	88,731	88,731
223 Supervision of Special Programs:							
100 Salaries	307,678	91,863	-	-	-	240,638	640,179
200 Employee Benefits	131,328	33,703	-	-	-	81,215	246,246
300 Purchased Services	41,631	21,353	-	-	-	26,726	89,710
400 Supplies and Materials	33,809	13,146	-	-	-	16,268	63,223
500 Capital Outlay	-	19,002	-	-	-	-	19,002
600 Other Objects	1,045	1,042	-	-	-	-	2,087

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2019

	Title I (BA Projects) 201	IDEA (CA Projects) 203	Preschool Handicapped (CG Projects) 205	CATE (VA Projects) 207	Other Restricted State Grants	Other Special Revenue Programs	Total
Expenditures (Continued)							
200 Support Services (continued):							
220 Instructional Staff Services (Continued):							
224 Improvement of Instruction - In-Service:							
100 Salaries	\$ -	\$ -	\$ -	\$ 15,000	\$ -	\$ 106,738	\$ 121,738
200 Employee Benefits	-	-	-	4,275	-	33,786	38,061
300 Purchased Services	116,585	-	-	32,683	8,308	241,930	399,506
400 Supplies and Materials	-	-	-	-	13,225	14,760	27,985
230 General Administration Services:							
231 Board of Education:							
100 Salaries	-	-	-	-	-	53,950	53,950
200 Employee Benefits	-	-	-	-	-	14,797	14,797
300 Purchased Services	-	-	-	-	-	64,364	64,364
600 Other Objects	-	-	-	-	-	1,322	1,322
232 Office of the Superintendent:							
100 Salaries	-	-	-	-	-	70,000	70,000
200 Employee Benefits	-	-	-	-	-	20,444	20,444
300 Purchased Services	-	-	-	-	-	9,498	9,498
250 Finance and Operations Services:							
251 Student Transportation:							
100 Salaries	-	54,976	-	-	-	15,224	70,200
200 Employee Benefits	-	17,476	-	-	-	4,450	21,926
300 Purchased Services	12,593	1,964	-	-	-	11,325	25,882
600 Other Objects	3,554	-	-	-	-	-	3,554
252 Fiscal Services:							
300 Purchased Services	-	-	-	-	-	11,811	11,811
500 Capital Outlay	-	-	-	-	-	164,567	164,567
253 Facilities Acquisition and Construction:							
500 Capital Outlay							
520 Construction Services					617,727		617,727
530 Improvements Other Than Buildings					545,374		545,374
254 Operation and Maintenance of Plant:							
400 Supplies and Materials	-	-	-	-	-	5,007	5,007
500 Capital Outlay	-	-	-	-	-	36,258	36,258

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2019

	Title I (BA Projects) 201	IDEA (CA Projects) 203	Preschool Handicapped (CG Projects) 205	CATE (VA Projects) 207	Other Restricted State Grants	Other Special Revenue Programs	Total
Expenditures (Continued)							
200 Support Services (continued):							
250 Finance and Operations Services (Continued):							
255 Student Transportation:							
100 Salaries	\$ -	\$ -	\$ -	\$ -	\$ 3,325	\$ 21,640	\$ 24,965
200 Employee Benefits	-	-	-	-	961	6,785	7,746
300 Purchased Services	-	-	-	-	-	10,696	10,696
258 Security:							
300 Purchased Services	-	-	-	-	29,575	-	29,575
500 Capital Outlay	-	-	-	-	282,895	-	282,895
260 Central Support Services:							
263 Information Services							
500 Capital Outlay	-	-	-	-	-	12,419	12,419
264 Staff Services:							
100 Salaries	-	-	-	-	11,105	39,500	50,605
200 Employee Benefits	-	-	-	-	3,449	11,438	14,887
300 Purchased Services	-	-	-	-	15,716	-	15,716
400 Supplies and Materials	-	-	-	-	2,591	1,027	3,618
266 Technology and Data Processing Services:							
100 Salaries	-	-	-	-	-	8,649	8,649
200 Employee Benefits	-	-	-	-	-	2,523	2,523
300 Purchased Services	-	-	-	-	-	4,182	4,182
270 Support Services - Pupil Activities:							
271 Pupil Service Activities:							
300 Purchased Services	-	-	-	-	-	4,825	4,825
400 Supplies and Materials	-	-	-	-	-	2,786	2,786
600 Other Objects	17,728	-	-	-	-	-	17,728
660 Pupil Activity	-	0	-	50,576	-	64,261	114,837
Total Supporting Services	1,151,761	709,125	33,441	118,237	2,659,898	2,541,306	7,213,768

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2019

	Title I (BA Projects) 201	IDEA (CA Projects) 203	Preschool Handicapped (CG Projects) 205	CATE (VA Projects) 207	Other Restricted State Grants	Other Special Revenue Programs	Total
Expenditures (Continued)							
300 Community Services:							
360 Welfare:							
300 Purchased Services	\$ 370	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 370
400 Supplies and Materials	8,005	-	-	-	-	-	8,005
390 Other Community Services:							
300 Purchased Services	-	-	-	-	-	12,777	12,777
Total Community Services	<u>8,375</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,777</u>	<u>21,152</u>
410 Intergovernmental Expenditures:							
412-720 Payments to Other Governmental Units						808,513	808,513
419-720 Payments from Nonemployer Contributions	-	-	-	-	540,174	-	540,174
Total - Intergovernmental Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>540,174</u>	<u>808,513</u>	<u>1,348,687</u>
Total Expenditures	<u>3,313,406</u>	<u>1,613,588</u>	<u>86,120</u>	<u>144,531</u>	<u>3,274,257</u>	<u>5,435,144</u>	<u>13,867,046</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>267,090</u>	<u>131,658</u>	<u>7,025</u>	<u>7,585</u>	<u>-</u>	<u>353,942</u>	<u>767,300</u>
Other Financing Sources							
Transfers from (to) Other Funds:							
420-710 Transfer to General Fund (excludes Indirect Costs)	-	-	-	-	-	(242,360)	(242,360)
431-791 Special Revenue - Indirect Costs	(267,090)	(131,658)	(7,025)	(7,585)	-	(111,582)	(524,940)
Total Other Financing Sources (Uses)	<u>(267,090)</u>	<u>(131,658)</u>	<u>(7,025)</u>	<u>(7,585)</u>	<u>-</u>	<u>(353,942)</u>	<u>(767,300)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, July 1, 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2019

Other Designated Restrictd State Grants

Teacher Recruiting and Retention	903
Education License Plates	919
Child Early Reading Development and Education Program	924
EEDA Career Specialists	928
Reading Coaches	935
Student Health and Fitness - Nurses	936
Student Health and Fitness - PE Teachers	937
Capital Improvement Plan - Additional	939
Classroom Libraries	968
School Safety - Facility and Infrastructure Safety Upgrades	970
PEBA Nonemployer Contributions	994

Other Special Revenue Programs

IDEA - SSIP	209
Title IV - SSAE	210
IDEA - Extended Year	212
21st Century Grant	224
Title I Support	238
Title VI	251
English Language Acquisition	264
Improving Teacher Quality	267
Race to the Top	285
Save the Children	801
21st Century STEM	803
Back to School Bash	805
Dick Horne Grants	806
Library Project M.E.L.T.	808
Lowes Toolbox for Education	809
BCO Math/Science Hub	812
Special Revenue - Bowman Elementary	813
Charter School Deferrals	814
After School Program	815
Winthrop College	818
Century 21 Award	819
Safety Grant	821
Ipad Repair	828
Special Revenue - OW	829
Special Revenue - Mellichamp	835
Special Revenue - Clark	837
Special Ed - Student Records	844
Mohawk Mania Extended Year Camps	845
County Attendance	851
Tourism Video Production	852
Dr. Irene Myers Foundation Grants	853
Toyota	854
Orangeburg County Board	866
ROTC	870
Medicaid Regular	880
Medicaid MAPPs	882
Foundation Grants - Myers	890
Special Revenue - Technology Center	896
Special Revenue - Dollar General	899
First Steps	990

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
SUMMARY SCHEDULE FOR DESIGNATED RESTRICTED STATE GRANTS
SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2019**

Subfund	Revenue Code	Programs	Revenues	Expenditures	Special Revenue		Special Revenue Fund Deferred
					Interfund Transfers In (Out)	Other Fund Transfers In (Out)	
903	3183	Teacher Recruiting and Retention	\$ 32,862	\$ 32,862	\$ -	\$ -	\$ -
919	3193	Education License Plates	4,664	4,664	-	-	-
924	3134	CDEP Full Day	34,061	34,061	-	-	15,036
928	3118	EEDA - Career Specialist	433,554	433,554	-	-	15,191
935	3135	Reading Coaches	488,416	488,416	-	-	-
936	3136	Student Health and Fitness - Nurses	203,677	203,677	-	-	-
937	3127	Student and Health Fitness - PE Teachers	51,504	51,504	-	-	-
939	3993	Capital Improvement Plan - Additional	1,163,101	1,163,101	-	-	-
968	3655	Classroom Libraries	9,774	9,774	-	-	-
970	3670	School Safety - Facility and Infrastructure Safety Upgrades	312,470	312,470			
994	3994	PEBA Nonemployer Contributions	540,174	540,174			
Totals - Other Restricted State Grants			<u>\$ 3,274,257</u>	<u>\$ 3,274,257</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,227</u>

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
ALL PROGRAMS - EDUCATION IMPROVEMENT ACT
YEAR ENDED JUNE 30, 2019

	<u>Actual</u>
Revenues	
3000 Revenue from State Sources:	
3500 Education Improvement Act:	
3502 ADEPT	\$ 8,735
3507 Aid to District Technology	178,913
3511 Professional Development	41,992
3518 Formative Assessment	37,519
3519 Grade 10 Assessments	28,828
3526 Refurbishment of Science Kits	1,311
3528 Industry Certifications/Credentials	22,988
3529 Career and Technology Education	173,509
3532 National Board Certification	160,325
3533 Teacher of the Year Awards	1,077
3538 Students at Risk of School Failure	994,061
3541 Child Development Education Pilot Program	958,729
3550 Teacher Salary Increase	1,513,043
3555 School Employer Contributions	310,385
3557 Summer Reading Camps	209,608
3558 Reading	30,838
3571 Palmetto Priority Technical Assistance	151,595
3577 Teacher Supplies	121,000
3589 Maintenance of State Financial Support (MES) - Tier II	153,324
3595 EEDA Supplies and Materials	16,087
3597 Aide to Districts	208,655
	<hr/>
Total State Sources	5,322,522
	<hr/>
Total Revenues - All Sources	5,322,522
	<hr/>
Expenditures	
100 Instruction:	
110 General Instruction:	
112 Primary Programs:	
100 Salaries	222,421
200 Employee Benefits	92,812
300 Purchased Services	53,343
400 Supplies and Materials	69,683
113 Elementary Programs:	
100 Salaries	302,155
200 Employee Benefits	130,097
300 Purchased Services	9,800
400 Supplies and Materials	46,220
500 Capital Outlay	59,000
600 Other Objects	2,925

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
ALL PROGRAMS - EDUCATION IMPROVEMENT ACT
YEAR ENDED JUNE 30, 2019

	<u>Actual</u>
Expenditures (continued)	
100 Instruction (continued):	
110 General Instruction (continued):	
114 High School Programs:	
100 Salaries	\$ 55,653
200 Employee Benefits	16,052
400 Supplies and Materials	29,975
115 Career and Technology Education Programs:	
100 Salaries	20,945
200 Employee Benefits	8,776
300 Purchased Services	10,481
400 Supplies and Materials	41,624
500 Capital Outlay	53,402
120 Exceptional Programs:	
121 Educable Mentally Handicapped:	
400 Supplies and Materials	550
124 Visually Handicapped:	
100 Salaries	85,574
200 Employee Benefits	25,393
126 Speech Handicapped:	
400 Supplies and Materials	400
127 Learning Disabilities:	
100 Salaries	73,099
200 Employee Benefits	24,590
300 Purchased Services	51,163
400 Supplies and Materials	31,198
140 Special Programs:	
147 CDEP:	
100 Salaries	651,370
200 Employee Benefits	307,359
149 Other Special Programs:	
100 Salaries	109,205
200 Employee Benefits	20,320
400 Supplies and Materials	825

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
ALL PROGRAMS - EDUCATION IMPROVEMENT ACT
YEAR ENDED JUNE 30, 2019

	<u>Actual</u>
Expenditures (continued)	
100 Instruction (continued):	
170 Summer School Program:	
172 Elementary Summer School:	
100 Salaries	\$ 76,353
200 Employee Benefits	22,382
300 Purchased Services	22,466
400 Supplies and Materials	71,300
175 Instructional Programs Beyond Regular School Day:	
300 Purchased Services	4,878
180 Adult/Continuing Educational Programs:	
188 Parenting/Family Literacy:	
400 Supplies and Materials	3,980
Total Instruction	<u>2,807,769</u>
200 Support Services:	
210 Pupil Services:	
211 Attendance and Social Work Services:	
100 Salaries	20,339
200 Employee Benefits	14,701
212 Guidance:	
100 Salaries	18,330
200 Employee Benefits	6,159
300 Purchased Services	38,862
400 Supplies and Materials	6,052
214 Psychological Services:	
400 Supplies and Materials	1,980
600 Other Objects	200
215 Exceptional Program Services:	
300 Purchased Services	7,817
220 Instructional Staff Services:	
221 Improvement of Instruction - Curriculum Development:	
100 Salaries	9,107
200 Employee Benefits	2,205
300 Purchased Services	88,073
400 Supplies and Materials	26,773

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
ALL PROGRAMS - EDUCATION IMPROVEMENT ACT
YEAR ENDED JUNE 30, 2019**

	<u>Actual</u>
Expenditures (continued)	
200 Support Services (continued):	
220 Instructional Staff Services (continued):	
223 Supervision of Special Programs:	
300 Purchased Services	\$ 6,176
224 Improvement of Instruction - Inservice Training:	
100 Salaries	2,553
200 Employee Benefits	725
300 Purchased Services	106,957
400 Supplies and Materials	56,728
250 Finance and Operations Services:	
251 Student Transportation (Federal/District Mandated):	
300 Purchased Services	1,288
255 Student Transportation (State Mandate):	
100 Salaries	5,700
200 Employee Benefits	1,232
260 Central Support Services:	
266 Technology and Data Processing Services:	
500 Capital Outlay	178,913
270 Support Services - Pupil Activity:	
271 Pupil Service Activities:	
300 Purchased Services	4,200
660 Pupil Activity	21,943
Total Support Services	<u>627,013</u>
410 Intergovernmental Expenditures:	
416 Payments to Public Charter Schools:	
720 Transits	21,302
Total Intergovernmental Expenditures	<u>21,302</u>
Total Expenditures	<u>3,456,084</u>
Excess of Revenues Over Expenditures	<u>1,866,438</u>

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
ALL PROGRAMS - EDUCATION IMPROVEMENT ACT
YEAR ENDED JUNE 30, 2019**

	<u>Actual</u>
Other Financing Sources (Uses)	
Interfund Transfers, From (To) Other Funds:	
420-710 Transfer to General Fund	\$ (1,823,428)
423-710 Transfer to Debt Service Fund	<u>(43,010)</u>
Total Other Financing Sources (Uses)	<u>(1,866,438)</u>
Excess of Revenues Over Expenditures and Other Financing Sources (Uses)	-
Fund Balance, July 1, 2018	<u>-</u>
Fund Balance, June 30, 2019	<u><u>\$ -</u></u>

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT FUND
SUMMARY SCHEDULE BY PROGRAM
YEAR ENDED JUNE 30, 2019

Program	Revenues	Expenditures	Other Fund Transfers In (Out)	EIA Fund Deferred Revenue
3500 Education Improvement Act:				
3502 ADEPT	\$ 8,735	\$ 8,735	\$ -	\$ 10,589
3507 Aid to District Technology	178,913	178,913	-	52,415
3511 Professional Development	41,992	41,992	-	-
3518 Formative Assessment	37,519	37,519	-	-
3519 Grade 10 Assessments	28,828	28,828	-	18,067
3526 Refurbishment of Science Kits	1,311	1,311	-	28,410
3528 Industry Certificates	22,988	22,988	-	14,595
3529 Career and Technology Education	173,509	130,499	(43,010)	61,610
3532 National Board Certification	160,325	160,325	-	-
3533 Teacher of the Year Awards	1,077	1,077	-	-
3538 Students at Risk of School Failure	994,061	994,061	-	507,447
3541 Child Development Education Pilot Program	958,729	958,729	-	400,000
3550 Teacher Salary Increase	1,513,043	-	(1,513,043)	-
3555 School Employer Contributions	310,385	-	(310,385)	-
3557 Summer Reading Camps	209,608	209,608	-	25,396
3558 Reading	30,838	30,838	-	-
3571 Palmetto Priority Technical Assistance	151,595	151,595	-	340,000
3577 Teacher Supplies	121,000	121,000	-	-
3589 Maintenance of State Financial Support (MES) Tier II	153,324	153,324	-	-
3595 EEDA Supplies and Materials	16,087	16,087	-	4,059
3597 Aide to Districts	208,655	208,655	-	-
Total	\$ 5,322,522	\$ 3,456,084	\$ (1,866,438)	\$ 1,462,588

DEBT SERVICE FUND

To accumulate monies for payment of interest and principal on long-term debt.

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

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2019

	<u>Actual</u>
Revenues	
1000 Revenue from Local Sources:	
1100 Taxes:	
1110 Ad Valorem Taxes	\$ 4,098,457
1140 Penalties & Interest/Delinquent Taxes	52,894
1200 Revenue from Local Governmental Units Other Than LEA's:	
1280 Revenue in Lieu of Taxes	<u>382,413</u>
Total Revenue - Local Sources	<u>4,533,764</u>
3000 Revenue from State Sources:	
3800 State Revenue in Lieu of Taxes:	
3830 Merchant's Inventory Tax	63,454
3840 Manufacturer's Depreciation Reimbursement	150,448
3890 Other State Property Tax Revenues	<u>43,244</u>
Total Revenue - State Sources	<u>257,146</u>
Total Revenue - All Sources	<u>4,790,910</u>
Expenditures	
500 Debt Service:	
610 Redemption on Principal	4,737,475
620 Interest	1,021,021
690 Other Objects (Includes Fees for Servicing Bonds)	<u>2,092</u>
Total Expenditures	<u>5,760,588</u>
Excess (Deficiency) of Revenues Over Expenditures	(969,678)
Other Financing Sources (Uses)	
Interfund Transfers From (To) Other Funds	
5210 Transfer from General Fund	868,961
5230 Transfer from Special Revenue EIA Fund	<u>43,010</u>
Total Other Financing Sources (Uses)	<u>911,971</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	(57,707)
Fund Balance, as restated, July 1, 2018	<u>2,242,222</u>
Fund Balance, June 30, 2019	<u><u>\$ 2,184,515</u></u>

CAPITAL PROJECTS FUND

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

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

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2019

	<u>Actual</u>
Revenues	
1000 Revenue - Local Sources	
1510 Interest on Investments	\$ 349,000
Total Revenue - Local Sources	<u>349,000</u>
Total Revenue - All Sources	<u>349,000</u>
Expenditures	
200 Support Services:	
220 Instructional Staff Services	
222 Library and Media Services:	
500 Capital Outlay	4,867
250 Finance and Operations Services:	
253 Facilities Acquisition and Construction Services:	
300 Purchased Services	190,940
520 Construction Services	84,520
258 Security:	
300 Purchased Services	<u>79,227</u>
Total Support Services	<u>359,554</u>
Total Expenditures	<u>359,554</u>
Excess (Deficiency) of Revenue Over Expenditures	(10,554)
Fund Balance, July 1, 2018	<u>9,389,894</u>
Fund Balance, June 30, 2019	<u><u>\$ 9,379,340</u></u>

PROPRIETARY FUND

To account for the food service activities of the School District. All activities necessary to provide such services are accounted for in these funds.

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

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (DEFICIT)
PROPRIETARY FUND TYPES - FOOD SERVICE FUND
YEAR ENDED JUNE 30, 2019

	<u>Actual</u>
Revenues	
1000 Revenue - Local Sources:	
1600 Food Services:	
1630 Special Sales to Pupils	\$ 2,429
1640 Lunch Sales to Adults	56,055
1650 Breakfast Sales to Adults	3,306
1660 Special Sales to Adults	12,375
1900 Other Revenue from Local Sources:	
1999 Revenue from Other Local Sources	59
Total Revenue - Local Sources	<u>74,224</u>
3000 Revenue - State Sources:	
3100 Restricted State Funding:	
3180 Fringe Benefits Employer Contributions	386,970
Total Revenue - State Sources	<u>386,970</u>
4000 Revenue - Federal Sources:	
4800 USDA Reimbursement:	
4810 School Lunch Program	3,195,860
4830 School Breakfast Program	1,132,576
4860 Fresh Fruits & Vegetables Program	112,000
4900 Other Federal Sources:	
4991 USDA Commodities	231,715
Total Revenue - Federal Sources	<u>4,672,151</u>
Total Revenue - All Sources	<u>5,133,345</u>
Expenses	
256 Food Services:	
100 Salaries	2,040,190
200 Employee Benefits	979,753
221 Pension and OPEB Expense	585,774
300 Purchased Services	53,871
400 Supplies and Materials	329,659
460 Food Costs	1,747,885
500 Capital Outlay	13,600
570 Depreciation	91,928
600 Other Objects	8,649
Total Expenses	<u>5,851,309</u>
Changes in Net Position	(717,964)
Net Position (Deficit) - July 1, 2018	<u>(3,245,491)</u>
Net Position (Deficit) - June 30, 2019	<u><u>\$ (3,963,455)</u></u>

FIDUCIARY FUND

Agency Fund – to account for the collection and payment of pupil activity receipts and disbursements from and on behalf of the School District’s students.

The following individual fund schedules have been prepared in the format required by the South Carolina Department of Education. The account numbers shown are also required by the South Carolina Department of Education.

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN AMOUNTS DUE TO SCHOOLS
FIDUCIARY FUND - AGENCY FUND
YEAR ENDED JUNE 30, 2019

	<u>Actual</u>
Receipts	
1000 Receipts from Local Sources:	
1700 Pupil Activities:	
1710 Admissions	\$ 136,824
1730 Pupil Organization Membership Dues and Fees	57,752
1740 Student Fees	62,535
1790 Other	525,633
1900 Other Revenue from Local Sources:	
1920 Contributions and Donations Private Sources	11,115
1999 Miscellaneous	271,183
Total Receipts - Local Sources	<u>1,065,042</u>
Disbursements	
100 Instruction:	
190 Instructional Pupil Activity:	
660 Pupil Activity	<u>4,659</u>
Total Instruction	<u>4,659</u>
200 Support Services:	
270 Support Services Pupil Activity:	
271 Pupil Service Activities:	
100 Salaries	13,837
200 Employee Benefits	4,036
660 Pupil Activity	556,290
272 Enterprise Activities:	
660 Pupil Activity	86,284
273 Trust and Agency Activities:	
100 Salaries	2,270
200 Employee Benefits	754
660 Pupil Activity	384,503
Total Support Services	<u>1,047,974</u>
Total Disbursements	<u>1,052,633</u>
Excess Receipts Over (Under) Disbursements	12,409
Due to Schools and School Organizations, July 1, 2018	<u>294,146</u>
Due to Schools and School Organizations, June 30, 2019	<u><u>\$ 306,555</u></u>

COMPONENT UNIT:

**ORANGEBURG CONSOLIDATED
SCHOOL DISTRICT FIVE
HIGH SCHOOL FOR HEALTH
PROFESSIONS**

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
CHARTER SCHOOL
ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
HIGH SCHOOL FOR HEALTH PROFESSIONS
STATEMENT OF NET POSITION (DEFICIT)
JUNE 30, 2019**

	<u>Primary Government Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 307,608
Due from Other Governmental Units	10,453
Total Current Assets	<u>318,061</u>
Non Current Assets	
Land	555,913
Capital Assets, Net of Depreciation	3,945,113
Total Non Current Assets	<u>4,501,026</u>
Deferred Outflows of Resources	
Pension Asset	224,294
Deferred Outflows Related to Pensions and OPEB	613,526
Total Deferred Outflows of Resources	<u>837,820</u>
Total Assets and Deferred Outflows of Resources	<u>5,656,907</u>
LIABILITIES	
Current Liabilities	
Accounts Payable and Other Current Liabilities	279,614
Total Current Liabilities	<u>279,614</u>
Long Term Liabilities	
Accrued compensated Absences	53,048
Due within One Year	
Notes, Capital Leases, and Contracts	206,291
Due in More Than One Year	
Notes, Capital Leases, and Contracts	4,310,496
Pension Obligation	2,234,180
OPEB Obligation	2,066,922
Total Long Term Liabilities	<u>8,870,937</u>
Deferred Inflows of Resources	
Deferred Inflows Related to Pensions and OPEB	839,660
Total Deferred Inflows of Resources	<u>839,660</u>
Total Liabilities and Deferred Inflows of Resources	<u>9,990,211</u>
NET POSITION (DEFICIT)	
Net Investment in Capital Assets	(15,761)
Unrestricted	<u>(4,317,543)</u>
TOTAL NET POSITION (DEFICIT)	<u><u>\$ (4,333,304)</u></u>

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
CHARTER SCHOOL
ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE HIGH SCHOOL FOR HEALTH PROFESSIONS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes In Net Position
		Charges for Services	Operating Grants and Contributions	Total
Governmental Activities:				
Instruction	\$ 2,772,488	\$ 54,467	\$ -	\$ (2,718,021)
Support Services	842,701	-	-	(842,701)
Intergovernmental	-	-	3,737,539	3,737,539
Interest and Other Charges	227,249	-	-	(227,249)
Total Governmental Activities	3,842,438	54,467	3,737,539	(50,432)
Total Primary Government	\$ 3,842,438	\$ 54,467	\$ 3,737,539	(50,432)
General Revenues:				
Miscellaneous				101,261
Total General Revenues				101,261
Change in Net Position				50,829
Net Position (Deficit) - July 1, 2018				(4,384,133)
Net Position (Deficit) - June 30, 2019				\$ (4,333,304)

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
CHARTER SCHOOL
ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
HIGH SCHOOL FOR HEALTH PROFESSIONS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

		Special Revenue Funds		
	General	Special Revenue	Education Improvement Act	Total Governmental Funds
Assets				
Cash	\$ 307,608	\$ -	\$ -	\$ 307,608
Due from Governmental Units	-	10,453	-	10,453
Due from Other Funds	10,453	-	-	10,453
Total Assets	\$ 318,061	\$ 10,453	\$ -	\$ 328,514
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 279,614	\$ -	\$ -	\$ 279,614
Due to Other Funds	-	10,453	-	10,453
Total Liabilities	279,614	10,453	-	290,067
Fund Balances:				
Assigned				
Debt Service	206,291	-	-	206,291
Unassigned	(167,844)	-	-	(167,844)
Total Fund Balances	38,447	-	-	38,447
Total Liabilities and Fund Balances	\$ 318,061	\$ 10,453	\$ -	\$ 328,514

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
CHARTER SCHOOL
ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
HIGH SCHOOL FOR HEALTH PROFESSIONS
RECONCILIATION OF THE BALANCE SHEET OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION (DEFICIT)
JUNE 30, 2019**

Total Fund Balances - Governmental Funds		\$ 38,447
Amounts reported for governmental activities in the statement on net position are different because:		
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds.		
Cost of the assets	4,752,954	
Less: accumulated depreciation	<u>(251,928)</u>	4,501,026
Deferred outflows of resources related to pensions and OPEB are applicable to the future periods and therefore are not reported in the funds.		837,820
Deferred inflows of resources related to pensions and OPEB are applicable to the future periods and therefore are not reported in the funds.		(839,660)
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds.		
Compensated absences		(53,048)
Notes, Capital Leases and Contracts		(4,516,787)
Pension Obligation		(2,234,180)
OPEB Obligation		<u>(2,066,922)</u>
Total Net Position (Deficit) - Governmental Activities		<u><u>\$ (4,333,304)</u></u>

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
CHARTER SCHOOL
ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
HIGH SCHOOL FOR HEALTH PROFESSIONS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	General	Special Revenue Funds		Total Governmental Funds
		Special Revenue	Education Improvement Act	
Revenues				
Local Revenue	\$ 155,728	\$ -	\$ -	\$ 155,728
Intergovernmental Revenue	3,551,376	88,412	97,751	3,737,539
Total Revenues	<u>3,707,104</u>	<u>88,412</u>	<u>97,751</u>	<u>3,893,267</u>
Expenditures				
Current				
Instruction	2,363,751	51,093	75,808	2,490,652
Support Services	619,611	37,319	21,943	678,873
Debt Service				
Principal	390,430	-	-	390,430
Interest	227,249	-	-	227,249
Capital Outlay	67,740	-	-	67,740
Total Expenditures	<u>3,668,781</u>	<u>88,412</u>	<u>97,751</u>	<u>3,854,944</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>38,323</u>	<u>-</u>	<u>-</u>	<u>38,323</u>
Other Financing Sources (Uses)				
Capital Lease	67,740	-	-	67,740
Other Financing Sources	73,831	-	-	73,831
Total Other Financing Sources (Uses)	<u>141,571</u>	<u>-</u>	<u>-</u>	<u>141,571</u>
Net Change in Fund Balances	179,894	-	-	179,894
Fund Balances - July 1, 2018	<u>(141,447)</u>	<u>-</u>	<u>-</u>	<u>(141,447)</u>
Fund Balances - June 30, 2019	<u>\$ 38,447</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,447</u>

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
CHARTER SCHOOL
ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
HIGH SCHOOL FOR HEALTH PROFESSIONS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

Net Change in Fund Balances - Governmental Funds	\$	179,894
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

Capitalized capital outlays in the current period	67,740	
Depreciation expense in the current period	<u>(178,509)</u>	(110,769)

Governmental funds report long-term debt financing as an other financing source (income).

However, in the statement of net position, the amounts borrowed are recorded as liabilities.		(141,571)
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Governmental funds report debt service payments as an expenditure. However, in the statement of net position the payments reduce previously recorded liabilities.

390,430

Governmental funds report district pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. This is the amount by which the costs of benefits earned \$418,372 exceeds employee contributions \$140,112.

(278,260)

Governmental funds report district pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. This is the amount by which the costs of benefits earned \$105,556 exceeds employee contributions \$84,182 and nonemployer contributing entities of \$15,600.

(5,774)

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 governmental funds. These activities consist of:

Compensated Absences		<u>16,879</u>
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Change in Net Position - Governmental Activities	\$	<u>50,829</u>
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**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
CHARTER SCHOOL
ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
HIGH SCHOOL FOR HEALTH PROFESSIONS
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Local	\$ -	\$ 233,716	\$ 155,728
Intergovernmental Revenue	3,551,376	3,551,376	3,551,376
Total Revenues	3,551,376	3,785,092	3,707,104
Expenditures			
Current:			
Instruction	3,122,436	2,831,042	2,363,751
Support Services	428,940	485,059	619,611
Debt Service	-	464,824	617,679
Capital Outlay	-	4,167	67,740
Total Expenditures	3,551,376	3,785,092	3,668,781
Excess (Deficiency) of Revenues Over Expenditures	-	-	38,323
Other Financing Sources (Uses)			
Capital Lease	-	-	67,740
Other Financing Sources	-	-	73,831
Total Other Financing Sources	-	-	141,571
Net Change in Fund Balance	-	-	179,894
Fund Balances - July 1, 2018	(141,447)	(141,447)	(141,447)
Fund Balances - June 30, 2019	\$ (141,447)	\$ (141,447)	\$ 38,447

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
HIGH SCHOOL FOR HEALTH PROFESSIONS
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
NOTES TO BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED JUNE 30, 2019**

A. Budgetary Basis

The General Fund budget is adopted on a basis consistent with generally accepted accounting principles. The budget for the General Fund is prepared by function and activity and includes current year estimates for the next fiscal year. Fund expenditures may not exceed amounts within the total budget without the approval of the Board. Line item transfers within functions are approved by the Board. Budget amounts reflected in the accompanying schedule represent the adopted budget and any revisions during the fiscal year.

Budgets for the Special Revenue Fund and EIA Fund are approved by the appropriate granting agencies and are not presented in the Budgetary Comparison Schedule.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
CHARTER SCHOOL
ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
HIGH SCHOOL FOR HEALTH PROFESSIONS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
1000 Revenue from Local Sources			
1500 Earnings on Investments			
1510 Interest on Investments	\$ -	\$ 6	\$ 6
1700 Pupil Activities			
1740 Student Fees	124,549	54,467	(70,082)
1790 Other Pupil Activity Income	109,167	101,255	(7,912)
Total Local Sources	<u>233,716</u>	<u>155,728</u>	<u>(77,988)</u>
2000 Intergovernmental Revenue			
2100 Payments from Other Governmental Units	3,551,376	3,551,376	-
Total Intergovernmental Revenue	<u>3,551,376</u>	<u>3,551,376</u>	<u>-</u>
Total Revenue All Sources	<u>3,785,092</u>	<u>3,707,104</u>	<u>(77,988)</u>
Expenditures			
100 Instruction			
110 General Instruction			
114 High School Programs			
100 Salaries	1,420,434	1,420,434	-
200 Employee Benefits	447,955	447,955	-
300 Purchased Services	603,926	254,075	349,851
400 Supplies and Materials	121,926	40,806	81,120
500 Capital Outlay	4,167	67,740	(63,573)
600 Other Objects	3,085	3,085	-
190 Pupil Activity			
300 Purchased Services	201,583	165,263	36,320
400 Supplies and Materials	32,133	32,133	-
Total Instruction	<u>2,835,209</u>	<u>2,431,491</u>	<u>403,718</u>
200 Support Services			
213 Health Services			
100 Salaries	1,150	1,150	-
200 Employee Benefits	325	325	-
300 Purchased Services	25,000	25,000	-
230 General Administration Services			
231 Board of Education			
300 Purchased Services	-	47,593	(47,593)
318 Audit Fees	-	16,631	(16,631)

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
CHARTER SCHOOL
ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
HIGH SCHOOL FOR HEALTH PROFESSIONS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
200 Support Services (continued)			
230 General Administration Services (continued)			
233 School Administration			
100 Salaries	\$ 137,155	\$ 137,155	\$ -
200 Employee Benefits	60,434	60,434	-
300 Purchased Services	-	22,073	(22,073)
250 Finance and Operations Services			
252 Fiscal Services			
100 Salaries	72,780	72,780	-
200 Employee Benefits	4,918	4,918	-
254 Operation and Maintenance of Plant			
100 Salaries	77,733	87,483	(9,750)
300 Purchased Services	56,624	102,067	(45,443)
321 Public Utility Services	30,740	33,196	(2,456)
400 Supplies and Materials	-	3,539	(3,539)
255 Student Transportation			
300 Purchased Services	18,200	-	18,200
260 Central Support Services			
266 Technology and Data Processing Services			
300 Purchased Services	-	5,267	(5,267)
Total Support Services	<u>485,059</u>	<u>619,611</u>	<u>(134,552)</u>
500 Debt Service			
610 Redemption of Principal	269,233	390,430	(121,197)
620 Interest	195,591	227,249	(31,658)
Total Debt Service	<u>464,824</u>	<u>617,679</u>	<u>(152,855)</u>
Total Expenditures	<u>3,785,092</u>	<u>3,668,781</u>	<u>116,311</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>-</u>	<u>38,323</u>	<u>38,323</u>

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
CHARTER SCHOOL
ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
HIGH SCHOOL FOR HEALTH PROFESSIONS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Other Financing Sources (Uses)			
5500 Capital Lease	\$ -	\$ 67,740	\$ 67,740
5900 Other Financing Sources	<u>-</u>	<u>73,831</u>	<u>73,831</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>141,571</u>	<u>141,571</u>
Net Change in Fund Balance	<u><u>\$ -</u></u>	<u>179,894</u>	<u><u>\$ 179,894</u></u>
Fund Balances - July 1, 2018		<u>(141,447)</u>	
Fund Balances - June 30, 2019		<u><u>\$ 38,447</u></u>	

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
CHARTER SCHOOL
ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
HIGH SCHOOL FOR HEALTH PROFESSIONS
SPECIAL REVENUE FUND - SPECIAL REVENUE PROGRAMS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2019

	Other Special Revenue Programs	Total
Revenues		
4000 Revenue from Federal Sources		
4900 Other Federal Sources		
4924 21st Century Community Learning Centers Program (Title IV, 21st Century Schools)	\$ 88,412	\$ 88,412
Total Federal Sources	88,412	88,412
Total Revenue All Sources	88,412	88,412
Expenditures		
100 Instruction		
170 Summer School Programs		
175 Instructional Programs Beyond Regular School Day		
100 Salaries	33,878	33,878
200 Employee Benefits	2,469	2,469
300 Purchased Services	11,920	11,920
400 Supplies and Materials	2,826	2,826
Total Instruction	51,093	51,093
200 Support Services		
220 Support Services - Instructional Staff		
223 Supervision of Special Programs		
100 Salaries	34,899	34,899
200 Employee Benefits	2,420	2,420
Total Support Services	37,319	37,319
Total Expenditures	88,412	88,412
Excess/(Deficiency) of Revenues over Expenditures	-	-
Fund Balances - July 1, 2018	-	-
Fund Balances - June 30, 2019	\$ -	\$ -

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
CHARTER SCHOOL
ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
HIGH SCHOOL FOR HEALTH PROFESSIONS
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - ALL PROGRAMS
YEAR ENDED JUNE 30, 2019**

	<u>Actual</u>
Revenues	
3000 Revenue from State Sources	
3500 Education Improvement Act:	
3538 Students At Risk of School Failure	\$ 36,370
3550 Teacher Salary Increase	50,450
3555 Teacher Salary Fringe	4,056
3577 Teacher Supplies	<u>6,875</u>
Total State Sources	<u>97,751</u>
Total Revenue All Sources	<u>97,751</u>
Expenditures	
100 Instruction	
110 General Instruction	
114 High School Programs	
100 Salaries	64,877
200 Employee Benefits	4,056
400 Supplies and Materials	<u>6,875</u>
Total Instruction	<u>75,808</u>
200 Support Services	
220 Support Services	
223 Supervision of Special Programs	
600 Pupil Activity	<u>21,943</u>
Total Support Services	<u>21,943</u>
Total Expenditures	<u>97,751</u>
Excess (Deficiency) of Revenues over Expenditures	-
Fund Balances - July 1, 2018	<u>-</u>
Fund Balances - June 30, 2019	<u><u>\$ -</u></u>

ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
CHARTER SCHOOL
ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
HIGH SCHOOL FOR HEALTH PROFESSIONS
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT FUND
SUMMARY SCHEDULE BY PROGRAM
YEAR ENDED JUNE 30, 2019

Program	<u>Revenue</u>	<u>Expenditures</u>	<u>Unearned Revenue</u>
3500 Education Improvement Act:			
3538 Students At Risk of School Failure	\$ 36,370	\$ 36,370	\$ -
3550 Teacher Salary Increase	50,450	50,450	-
3555 Teacher Salary Fringe	4,056	4,056	-
3577 Teacher Supplies	6,875	6,875	-
	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 97,751</u>	<u>\$ 97,751</u>	<u>\$ -</u>

SUPPLEMENTARY SOUTH CAROLINA STATE DEPARTMENT OF EDUCATION REPORTS

These schedules are required by the South Carolina Department of Education.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
DETAILED SCHEDULE OF DUE TO STATE
DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT
YEAR ENDED JUNE 30, 2019**

Program	Project/Grant Number	Revenue/ Subfund Code	Description	Total Due June 30, 2017	Status of Amount Due to Grantors
Title 1 School Improvement Mini Grant	H63010100118	4310/238	Refund of		
			expenditure claimed		
			113-445	\$ 4,508.25	
			Overclaimed 113-445	2,323.76	
				<u>\$ 6,832.01</u>	Paid - Check # 326570

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
LOCATION RECONCILIATION SCHEDULE
YEAR ENDED JUNE 30, 2019**

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
000	Office of Superintendent	Non-Schools	Central	\$ 17,753,923
001	Deputy Superintendent	Non-Schools	Central	34,810
002	Finance and Operations	Non-Schools	Central	1,226,052
003	Human Resources Office	Non-Schools	Central	1,093,418
005	Instructional Technology	Non-Schools	Central	4,024,535
006	Instructional Services	Non-Schools	Central	1,591,598
007	Warehouse	Non-Schools	Central	2,209,565
008	Boland/Food Service	Non-Schools	Central	321,627
009	Alternative School	Alternative Schools	School	448,242
010	Bethune-Bowman High School	High Schools	School	3,840,904
012	Bethune-Bowman Elementary School	Elementary Schools	School	3,263,116
013	North Road Building	Non-Schools	Central	1,147
015	Adult Education	Non-Schools	Central	164,928
020	Security	Non-Schools	Central	353,426
025	Transportation Department	Non-Schools	Central	951,926
026	Howard Middle School	Middle Schools	School	3,924,267
027	Brookdale Elementary School	Elementary Schools	School	3,203,502
028	O-W High School	High Schools	School	11,673,706
034	Marshall Elementary School	Elementary Schools	School	5,797,735
035	Mellichamp Elementary School	Elementary Schools	School	3,151,682
036	Nix Education Center	Non-Schools	Central	76,226
037	Clark Middle School	Middle Schools	School	5,913,235
038	Rivelon Elementary School	Elementary Schools	School	3,392,519
039	Sheridan Elementary School	Elementary Schools	School	4,196,257
040	Whittaker Elementary School	Elementary Schools	School	3,812,612
042	North High School	High Schools	School	3,580,333
044	Dover Elementary School	Elementary Schools	School	3,059,870
053	Bus Shop	Non-Schools	Central	9,694
099	First Steps	Other Schools	School	220,061
106	Special Education Program	Non-Schools	Central	2,077,101
107	Instructional Services Program	Non-Schools	Central	2,351,065
108	Programs and Services	Non-Schools	Central	1,190,910
138	Rivelon Leadership Academy	Elementary Schools	School	330,018
405	North Maintenance	Non-Schools	Central	3,971
601	High School For Health Professionals	High Schools	School	161,844
996	Technology Center	High Schools	School	2,416,505
				<u><u>\$ 97,822,330</u></u>

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

General Fund (Subfunds 100's)	\$ 67,475,116
Special Revenue Fund (Subfunds 200's, 800's, 900's)	13,867,046
Special Revenue EIA Fund (Subfunds 300's)	3,456,084
Debt Service Fund (Subfunds 400's)	5,760,588
Capital Project Fund (School Building) (Subfunds 500's)	359,554
Proprietary Fund (Food Service) (Subfunds 600's)	5,851,309
Trust and Agency Fund (Pupil Activity) (Subfunds 700's)	1,052,633
	<u><u>\$ 97,822,330</u></u>

SINGLE AUDIT SECTION

PARTNERS

C.C. McGregor, CPA
1906–1968

G.D. Skipper, CPA
L.R. Leaphart, Jr, CPA
M.J. Binnicker, CPA
D.L. Richardson, CPA
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D.K. Strickland, CPA

J.P. McGuire, CPA
J.R. Matthews II, CPA
C.D. Hinchee, CPA
G.P. Davis, CPA
H.O. Crider, Jr., CPA

ASSOCIATES

V.K. Laroche, CPA
G.N. Mundy, CPA
M.L. Layman, CPA
P.A. Betette, Jr, CPA

D.M. Herpel, CPA
F.C. Gillam, Jr, CPA
H.S. Mims, CPA
T. Solorzano, CPA

C.W. Bolen, CPA
D.C. Scott, CPA
G.F. Huntley, CPA

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

To the Honorable Chairman and Members of the Board of Trustees
Orangeburg Consolidated School District Five
Orangeburg, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Orangeburg Consolidated School District Five, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Orangeburg Consolidated School District Five's basic financial statements, and have issued our report thereon dated December 2, 2019. Our report includes a reference to other auditors who audited the financial statements of the District's component unit, as described in our report on Orangeburg Consolidated School District Five's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

COLUMBIA

3830 FOREST DRIVE | PO BOX 135 | COLUMBIA, SC 29202
(803) 787-0003 | FAX (803) 787-2299

ORANGEBURG

1190 BOULEVARD STREET | ORANGEBURG, SC 29115
(803) 536-1015 | FAX (803) 536-1020

BARNWELL

340 FULDNER ROAD | PO BOX 1305 | BARNWELL, SC 29812
(803) 259-1163 | FAX (803) 259-5469

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

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Orangeburg Consolidated School District Five'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

McGregor and Company, L.L.P.

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

To the Honorable Chairman and Members of the Board of Trustees
Orangeburg Consolidated School District Five
Orangeburg, South Carolina

Report on Compliance for Each Major Federal Program

We have audited Orangeburg Consolidated School District Five's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Orangeburg Consolidated School District Five's major federal programs for the year ended June 30, 2019. Orangeburg Consolidated School District Five's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Our audit, described below, did not include the operations of the component unit school because the component unit school engaged other auditors to perform its audit.

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

Opinion on Each Major Federal Program

In our opinion, Orangeburg Consolidated School District Five 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.

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

Report on Internal Control Over Compliance

Management of Orangeburg Consolidated School District Five 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 Orangeburg Consolidated School District Five'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 Orangeburg Consolidated School District Five'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.

McGregor and Company, L.L.P.

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE		FEDERAL CFDA NUMBER	PASS THROUGH GRANTOR'S NUMBER	EXPENDITURES	
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
Non-Cash Assistance:					
Commodities		10.555	N/A	\$ 231,715	
Passed through S. C. Department of Education					
Cash Assistance:					
600	School breakfast program	10.553	H63010103218	204,134	
600	School breakfast program	10.553	H63010103219	928,442	
600,680	School lunch program	10.555	H63010103218	561,632	
600,680	School lunch program	10.555	H63010103219	2,634,228	
Total Child Nutrition Cluster					\$ 4,560,151
600	Fresh Fruits and Vegetables	10.582	H63010002118	21,896	
600	Fresh Fruits and Vegetables	10.582	H63010002119	90,104	112,000
Total U. S. Department of Agriculture					4,672,151
<u>U. S. DEPARTMENT OF EDUCATION</u>					
Passed through S. C. Department of Education					
201	Title I	84.010	H63010100119	2,585,209	
202	Title I	84.010	H63010100118	995,287	
238	Title I School Improvement Mini Grant	84.010	H63010100118	408,818	
Total Title I					3,989,314
203	Individuals with Disabilities Education Act	84.027	H63010100919	1,444,663	
204	Individuals with Disabilities Education Act	84.027	H63010100918	189,733	
204	Individuals with Disabilities Education Act	84.027	H63010100917	110,850	
212	IDEA	84.027	ESY	32,361	
205	Special Education - Preschool Grants	84.173	H63010100819	56,332	
206	Special Education - Preschool Grants	84.173	H63010100817	638	
206	Special Education - Preschool Grants	84.173	H63010100818	36,175	
Passed through S. C. State Treasurer's Office					
209	IDEA - SSIP	84.027	N/A	224,765	
Total IDEA Cluster					2,095,517
Passed through S. C. Department of Education					
207	Vocational Education-subprogram 04	84.048	H63010107118	15,703	
207	Vocational Education-subprogram 04	84.048	H63010107119	32,684	
207	Vocational Education-subprogram 06	84.048	H63010107118	869	
207	Vocational Education-subprogram 06	84.048	H63010107119	19,632	
207	Vocational Education-subprogram 10	84.048	H63010107118	12,645	
207	Vocational Education-subprogram 10	84.048	H63010107119	37,931	
207	Vocational Education-subprogram 14	84.048	H63010107118	920	
207	Vocational Education-subprogram 14	84.048	H63010107119	24,147	
207	Vocational Education-subprogram 15	84.048	H63010107119	7,585	152,116
224	21st Century	84.287	H63010006918	32,190	
224	21st Century	84.287	H63010006919	372,665	404,855
251	Title VI	84.358	H63010007018	68,283	
251	Title VI	84.358	H63010007019	122,974	191,257
264	Title II - English Language Acquisition	84.365A	H63010006718		10,896
267	Title II Part A Improving Teacher Quality	84.367	H63010006818	217,782	
267	Title II Part A Improving Teacher Quality	84.367	H63010006819	151,323	369,105
210	Title IV - Student Support and Academic Enrichment	84.424	H63010100318		120,252

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE		FEDERAL CFDA NUMBER	PASS THROUGH GRANTOR'S NUMBER	EXPENDITURES
<u>U. S. DEPARTMENT OF EDUCATION (continued):</u>				
Passed through Clarendon County School District 2 as Fiscal Agent:				
285	Race to the Top	84.416A	B416A140225	\$ 178,606
Total U. S. Department of Education				<u>7,511,918</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Passed through the SC Department of Education				
100	Youth Risk Behavior Survey	93.079	N/A	<u>680</u>
Total U. S. Department of Health and Human Services				<u>680</u>
TOTAL EXPENDITURE OF FEDERAL AWARDS				<u><u>\$ 12,184,749</u></u>

**ORANGEBURG CONSOLIDATED SCHOOL DISTRICT FIVE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Orangeburg Consolidated School District Five and is presented on the accrual basis. The information in this schedule is presented in accordance with the 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. DE MINIMUS INDIRECT COST RATE

The District has not elected to use the ten percent de minimus indirect cost rate.

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

SECTION A.

Financial Statements

Summary of Auditor's Results

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

Federal Awards

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

CFDA NumberName of Federal Program

10.553, 10.555	Child Nutrition Cluster
84.367	Title II, Part A Improving Teacher Quality

- | | |
|--|------------|
| 5.) Dollar Threshold used to distinguish between Type A and Type B programs? | \$ 750,000 |
| 6.) Auditee qualified as a low-risk auditee under the Uniform Guidance? | Yes |

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

SECTION B. FINDINGS-FINANCIAL STATEMENTS AUDIT

None.

SECTION C. FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAMS AUDIT

None