

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

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

YEAR ENDED JUNE 30, 2023

DARLINGTON COUNTY SCHOOL DISTRICT
Darlington, South Carolina

JUNE 30, 2023

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DARLINGTON COUNTY SCHOOL DISTRICT
Darlington, South Carolina

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Independent Auditor's Report

To the Board of Trustees
Darlington County School District
Darlington, South Carolina

Report On the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of ***Darlington County School District*** (the School District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of Darlington County School District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Darlington County School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Darlington County School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Darlington County School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Darlington County School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The other supplementary financial information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for the 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 supplementary financial information as listed in the table of contents and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary financial information, as listed in the table of contents, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2023, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Webster Rogus LLP

Florence, South Carolina
December 1, 2023

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Management's Discussion and Analysis

Our discussion and analysis of the Darlington County School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2023.

Please read it in conjunction with the District's basic financial statements which begin on page 12.

Financial Highlights

Darlington County School District Superintendent and Board of Education have exercised a conservative approach to budgeting and expenditures. After the non-spendable, restricted, committed, and assigned fund balance, there is \$30,736,932 in unassigned general fund balance at June 30, 2023. In 2009, the Government Finance Officers Association approved a best practice that governmental entities, *at a minimum*, maintain in unrestricted (committed, assigned and unassigned) fund balance of no less than three months of regular general fund operating expenses. The District chooses to focus on unassigned fund balance which, at June 30, 2023, yields at least three months balance of operating expenditures based on monthly average expenditures of the current fiscal year. The District's net change in general fund balance decreased by \$9,470,687 as a result of Board approved transfers to capital projects.

The financial and academic strength is the culmination of several years' effort of using outcome driven methodologies and fiscally conservative approaches to managing the educational process. This method involves every facet of the organization and community, but begins in each classroom. Teachers are measured on the outcomes achieved by their students; principals are measured by the outcomes of the collective student population in their schools.

The District continues to stay focused on systems and processes that equitably grow student academic achievement. The District, schools, and teachers have implemented common platforms that are regularly evaluated for educational return on investment. Financial resources are allocated to those strategies that have been proven successful across the system.

Overview of the Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 12 and 13) provide information about the activities of the District as a whole and present a longer-term view of their finances. Fund financial statements start on page 14. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of student groups.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Reporting the District as a Whole

Government-wide Financial Statements

Our analysis of the District as a whole begins on page 6. One of the most important questions asked about the District's finances is: "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that help answer this question. These statements include all assets and liabilities using the accrual basis of accounting which is similar to the accounting used by most private-sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position and the Statement of Activities report the District's net position and changes in them. One can think of the District's net position – the difference between assets and liabilities – as one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. Other non-financial factors should be considered, however, such as changes in the District's property tax base, the support it receives from federal and state sources, and the condition of its school buildings.

In the Statement of Net Position and the Statement of Activities, the District is divided into two kinds of activities:

- Governmental activities – Most of the District's basic services are reported here, including instructional and support services, community service, debt service and building construction, improvements, and maintenance.
- Business-type activities – The District charges a fee or receives USDA reimbursement and commodities to provide food service.

Reporting the District's Most Significant Funds

Fund Financial Statements

Analysis of the District's major funds begins on page 8. The fund financial statements begin on page 14 and provide detailed information about the most significant funds – not the District as a whole. Most funds are required to be established by the South Carolina State Department of Education. Other funds are established by the District to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The District's three kinds of funds – governmental, proprietary and fiduciary – use different accounting approaches.

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

- Proprietary funds – The District reports its food service operations in a proprietary fund. Proprietary funds are reported in the same way that all activities are reported in the government-wide financial statements (e.g., the Statement of Net Position and the Statement of Activities). In fact, the District's enterprise fund statements (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The largest portion of the District's net position reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. An additional portion of the District's net position represents resources subject to external restrictions on how they may be used.

Table I
Net Position (In thousands) at June 30

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|----------------------------------|----------------------------|--------------------|-----------------------------|-----------------|-----------------------------|--------------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Current & other assets | \$ 131,607 | \$ 120,510 | \$ 2,999 | \$ 2,757 | \$ 134,606 | \$ 123,267 |
| Capital assets | 162,977 | 166,893 | 765 | 794 | 163,742 | 167,687 |
| Total assets | <u>294,584</u> | <u>287,403</u> | <u>3,764</u> | <u>3,551</u> | <u>298,348</u> | <u>290,954</u> |
| Deferred outflows | <u>58,541</u> | <u>60,198</u> | - | - | <u>58,541</u> | <u>60,198</u> |
| Current liabilities | 19,426 | 22,029 | - | 1 | 19,426 | 22,030 |
| Long term liabilities | <u>291,472</u> | <u>312,911</u> | - | - | <u>291,472</u> | <u>312,911</u> |
| Total liabilities | <u>310,898</u> | <u>334,940</u> | <u>-</u> | <u>1</u> | <u>310,898</u> | <u>334,941</u> |
| Deferred inflows | <u>46,518</u> | <u>28,596</u> | - | - | <u>46,518</u> | <u>28,596</u> |
| Net Position: | | | | | | |
| Net investment in capital assets | 120,511 | 101,851 | 765 | 794 | 121,276 | 102,645 |
| Restricted | 21,695 | 16,902 | - | - | 21,695 | 16,902 |
| Unrestricted | (146,497) | (134,688) | 2,999 | 2,757 | (143,498) | (131,931) |
| Total Net Position | <u>\$ (4,291)</u> | <u>\$ (15,935)</u> | <u>\$ 3,764</u> | <u>\$ 3,551</u> | <u>\$ (527)</u> | <u>\$ (12,384)</u> |

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

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

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|----------------------------|-------------------------|-----------------|--------------------------|-----------------|-----------------------------|-----------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Revenues | | | | | | |
| Program revenue: | | | | | | |
| Charges for services | \$ 2,241 | \$ 2,693 | \$ 160 | \$ 122 | \$ 2,401 | \$ 2,815 |
| Operating grants | 88,933 | 83,194 | 7,481 | 8,826 | 96,414 | 92,020 |
| Capital grants | 911 | 295 | - | - | 911 | 295 |
| General revenues: | | | | | | |
| Property taxes | 72,304 | 70,621 | - | - | 72,304 | 70,621 |
| Sales taxes | 8,483 | 8,040 | - | - | 8,483 | 8,040 |
| Miscellaneous | 36 | 10 | - | - | 36 | 10 |
| Other general revenue | 3,881 | 211 | 3 | - | 3,884 | 211 |
| Total Revenue | <u>176,789</u> | <u>165,064</u> | <u>7,644</u> | <u>8,948</u> | <u>184,433</u> | <u>174,012</u> |
| Program expenses: | | | | | | |
| Instruction | 89,321 | 86,691 | - | - | 89,321 | 86,691 |
| Support services | 69,026 | 64,897 | - | - | 69,026 | 64,897 |
| Community services | - | - | - | - | - | - |
| Intergovernmental | 4,728 | 3,929 | - | - | 4,728 | 3,929 |
| Interest on long term debt | 1,467 | 1,483 | - | - | 1,467 | 1,483 |
| Unallocated depreciation | 798 | 775 | - | - | 798 | 775 |
| Food service | - | - | 7,235 | 6,590 | 7,235 | 6,590 |
| Total Expenses | <u>165,340</u> | <u>157,775</u> | <u>7,235</u> | <u>6,590</u> | <u>172,575</u> | <u>164,365</u> |
| Excess before transfers | 11,449 | 7,289 | 409 | 2,358 | 11,858 | 9,647 |
| Transfers | 195 | 240 | (195) | (240) | - | - |
| Increase in net position | <u>\$ 11,644</u> | <u>\$ 7,529</u> | <u>\$ 214</u> | <u>\$ 2,118</u> | <u>\$ 11,858</u> | <u>\$ 9,647</u> |

Total revenues increased by 6% from the prior year. Program expenses increased 5% over the prior year. Total net position increased by \$11,857,248 in 2023 and by \$9,647,777 in 2022.

Governmental Activities

The net position of the District's governmental activities increased by \$11,644,104.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Business-Type Activities

The District's business-type activity is its food service operation. The United States Department of Agriculture (USDA) reimburses the District under its child nutrition and agricultural commodity sharing programs which provides a significant portion of its revenue. Very little of the revenue is generated through direct charges to users of food service. Since the federal government sets USDA reimbursements, the ability of food service to operate in the black is a function of operational efficiency. During the prior fiscal year the USDA allowed the food service programs across the State to operate under the "summer seamless waiver". Under the waiver, anyone 0-18 years of age could be served a school meal, breakfast and lunch, free of charge. Our District had three kitchens open to the public each day as school was in session. Due to the waiver, our participation numbers increased exponentially in the prior year, which in turn created a much larger revenue stream. With the rising cost of food, we also saw a significant increase in food cost, but the additional revenue exceeded the cost. The food service's total net position increased for the 2022 year by \$2,118,960. The waiver ended on June 30, 2022. During this fiscal year and the prior fiscal year equipment upgrades were put on hold, primarily due to supply chain issues, but the District plans to use the excess funds generated in 2022 to replace aged equipment and make cafeteria upgrades where needed in the upcoming school year. During the current fiscal year the food service's net position increased by \$213,144 with operations back to normal.

Financial Analysis of Governmental Funds

The District's governmental funds (as presented on the balance sheet beginning on page 14) reported a combined fund balance of \$115,409,971 which increased by \$12,849,480 compared to last year's total of \$102,560,491. The schedule below illustrates the fund balance and total change in fund balance as of June 30, 2023.

| | Fund Balance June 30, 2023 | Fund Balance June 30, 2022 | Increase (Decrease) |
|------------------|-------------------------------|-------------------------------|------------------------|
| General | \$ 30,983,001 | \$ 40,453,688 | \$ (9,470,687) |
| Special Projects | 4,339,669 | 4,567,918 | (228,249) |
| School Building | 58,392,596 | 41,025,018 | 17,367,578 |
| Debt Service | 21,694,705 | 16,513,867 | 5,180,838 |
| Total | \$ 115,409,971 | \$ 102,560,491 | \$ 12,849,480 |

The District's combined fund balance increase is due to increased revenues and to the delay and postponement of additional major capital projects. Plans are already in process for Board approved capital projects to be completed in the upcoming fiscal year.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

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

| | 2023 Amount | 2022 Amount | Percentage Change |
|---------------------|-----------------------|-----------------------|----------------------|
| Revenues | | | |
| Taxes | \$ 42,746,797 | \$ 42,113,618 | 1.50% |
| Other local sources | 1,313,047 | 127,793 | 927.48% |
| State | 60,128,441 | 58,434,517 | 2.90% |
| Federal | 1,200 | 1,300 | -7.69% |
| Intergovernmental | - | 416,404 | -100.00% |
| | <u>\$ 104,189,485</u> | <u>\$ 101,093,632</u> | 3.06% |

| | 2023 Amount | 2022 Amount | Percentage Change |
|---------------------------|-----------------------|-----------------------|----------------------|
| Expenditures by object | | | |
| Salaries | \$ 68,369,664 | \$ 62,337,204 | 9.68% |
| Fringe benefits | 28,566,588 | 26,047,455 | 9.67% |
| Purchased services | 7,168,608 | 5,728,416 | 25.14% |
| Supplies and materials | 5,161,550 | 4,988,244 | 3.47% |
| Capital outlay | 145,410 | 124,800 | 16.51% |
| Insurance & miscellaneous | 1,143,686 | 1,137,775 | 0.52% |
| Intergovernmental | 509,438 | 2,056 | 24682.93% |
| | <u>\$ 111,064,944</u> | <u>\$ 100,365,950</u> | 10.66% |

The table above shows that the largest portion (87%) of general fund expenditures is for salaries and fringe benefits. The District is a service entity and as such is labor intensive.

General fund expenditures increased by \$10,698,994 or 11% over the prior year. The State Department of Education changed their funding model in the current fiscal year, which combined some funds that were previously reported separately from the General Fund. That makes year over year comparisons difficult to analyze.

General fund revenue (including net transfers out of \$2,595,228) was less than expenditures during the fiscal year, resulting in a decrease to the general fund balance of \$9,470,687.

Other Funds

The Special Projects fund operates essentially on a quasi-break-even basis. Expenditures were greater than revenues (including net transfers out of \$2,022,583) during the fiscal year resulting in a decrease of \$228,249 to fund balance. Details are provided on pages 75-82.

The Education Improvement Act (EIA) fund demonstrates a break-even increase in revenue (i.e., revenue and expenditures increased by the same amount). As for funds within this category, unused funds in the first year can remain unearned into the next year. Details are provided on pages 85-89.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

The School Building fund balance increased by \$17,367,578. This included transfers in from the general fund of \$675,000 for capital maintenance funds, Board approved transfers of general fund balance to Capital funds of \$10,914,667, the issuance of the annual General Obligation Bond in the amount of \$9,500,000 and capital and related expenditures of \$4,098,179. Any unspent funds in this fund balance will be used to pay for expenditures related to new and ongoing capital projects in the next two to three fiscal years.

The Debt Service fund balance increased by \$5,180,838. The increase in this fund balance is the accumulation of our debt service allocations that will be used to pay off the recently issued bond and our other capital fund debts.

The School District's only Proprietary Fund (Enterprise Fund) is the Food Service Fund. This program had an increase in net position of \$213,144 during 2023, compared to an increase of \$2,118,960 in the prior year. Total revenues decreased by \$1,305,283. Total expenses were \$7,235,094 for the current year which was an increase of \$645,533 from the prior year.

Budgetary Analysis

Actual general fund revenues exceeded budgeted amounts by \$2,829,642. Actual expenditures exceeded budgeted amounts by \$2,450,728. The overage is all attributable to Board approved holiday and retention bonuses that were paid during the year but not budgeted.

The budgets for the special projects fund and the EIA fund are functions of grant applications and awards. The District State Department of Education provides guidance as to allowable expenditures.

Capital Asset and Debt Management

Capital Assets

Each year the Board of Education approves a short term General Obligation Bond for continued capital improvements and technology throughout the District. In fiscal year June 30, 2023 the Board of Education approved a General Obligation Bond in the amount of \$9,500,000 for that purpose. The bond was issued in September of 2022 and paid off in March of 2023. In April of 2019 the Board of Education authorized the issuance of a \$60,000,000 General Obligation Bond, to be paid from the one percent sales tax collections for the construction of three elementary schools.

Facility construction and renovation is a major component of capital asset additions. There were eleven open construction projects in progress at June 30, 2023 including facility upgrades, capital repairs and the continuance of the district wide video surveillance project.

Debt

As indicated above, the funds from the issuance of the \$60,000,000 GO Bond in April of 2019 were used to build three new elementary schools that were opened in the 2021 school year. That bond will be repaid from the proceeds of the one percent sales tax. The current year \$9,500,000 general obligation bond was repaid from the property tax collections in the debt service fund.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Factors Expected to Have an Effect on Future Operations

No factors, other than those noted above, are expected to have an effect on future operations.

Contacting District Officials

This financial report is designed to provide our citizens, taxpayers, students, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District Chief Financial Officer at Darlington County School District, 120 East Smith Avenue, P.O. Box 1117, Darlington, South Carolina 29540.

BASIC FINANCIAL STATEMENTS

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2023**

| | Primary Government | | |
|---|----------------------------|-----------------------------|---------------------|
| | Governmental Activities | Business-type Activities | Total |
| ASSETS | | | |
| Cash and cash equivalents | \$ 29,201,399 | \$ 578,392 | \$ 29,779,791 |
| Cash and investments with County Treasurer | 93,320,850 | - | 93,320,850 |
| Due from other governmental units | 9,199,227 | - | 9,199,227 |
| Internal balances | (2,324,091) | 2,324,091 | - |
| Taxes receivable, net of allowance | 1,484,425 | - | 1,484,425 |
| Accounts receivable | 479,984 | - | 479,984 |
| Inventories | 246,069 | 96,759 | 342,828 |
| Capital assets not being depreciated | 13,291,996 | - | 13,291,996 |
| Capital assets, net of accumulated depreciation | 149,684,508 | 764,564 | 150,449,072 |
| TOTAL ASSETS | 294,584,367 | 3,763,806 | 298,348,173 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred pension amounts | 21,960,649 | - | 21,960,649 |
| Deferred OPEB amounts | 36,579,940 | - | 36,579,940 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 58,540,589 | - | 58,540,589 |
| LIABILITIES | | | |
| Accounts payable | 2,450,518 | - | 2,450,518 |
| Accrued expenses | 11,165,451 | - | 11,165,451 |
| Unearned revenues | 1,118,799 | - | 1,118,799 |
| Due to other governmental units | 97,146 | - | 97,146 |
| Accrued interest payable | 295,125 | - | 295,125 |
| Noncurrent liabilities | | | |
| Due within one year | 4,819,112 | - | 4,819,112 |
| Due in more than one year | 42,061,143 | - | 42,061,143 |
| Net pension liability | 140,867,591 | - | 140,867,591 |
| Net OPEB liability | 108,022,935 | - | 108,022,935 |
| TOTAL LIABILITIES | 310,897,820 | - | 310,897,820 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred pension amounts | 661,897 | - | 661,897 |
| Deferred OPEB amounts | 45,855,750 | - | 45,855,750 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 46,517,647 | - | 46,517,647 |
| NET POSITION | | | |
| Net investment in capital assets | 117,890,602 | 764,564 | 118,655,166 |
| Restricted for: | | | |
| Debt service | 21,694,705 | - | 21,694,705 |
| Unrestricted | (143,875,818) | 2,999,242 | (140,876,576) |
| TOTAL NET POSITION | \$ (4,290,511) | \$ 3,763,806 | \$ (526,705) |

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

| Functions/Programs | Expenses | Program Revenues | | | Net (Expenses) Revenues and Changes in Net Position | | |
|---|-----------------------|-------------------------|--|--|--|-----------------------------|---------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | |
| | | | | | Governmental Activities | Business-type Activities | Total |
| Primary Government | | | | | | | |
| Governmental activities | | | | | | | |
| Instruction | \$ 90,184,712 | \$ 2,242,805 | \$ 69,217,054 | \$ 148,987 | \$ (18,575,866) | \$ - | \$ (18,575,866) |
| Support services | 68,181,302 | - | 19,742,200 | 761,542 | (47,677,560) | - | (47,677,560) |
| Intergovernmental | 4,737,609 | - | - | - | (4,737,609) | - | (4,737,609) |
| Interest expense, net of deferred charges and premium amortization | 1,466,742 | - | - | - | (1,466,742) | - | (1,466,742) |
| Depreciation - unallocated * | 798,223 | - | - | - | (798,223) | - | (798,223) |
| Total governmental activities | <u>165,368,588</u> | <u>2,242,805</u> | <u>88,959,254</u> | <u>910,529</u> | <u>(73,256,000)</u> | <u>-</u> | <u>(73,256,000)</u> |
| Business-type activities | | | | | | | |
| Food services | 7,235,094 | 159,696 | 7,480,904 | - | - | 405,506 | 405,506 |
| Total business-type activities | <u>7,235,094</u> | <u>159,696</u> | <u>7,480,904</u> | <u>-</u> | <u>-</u> | <u>405,506</u> | <u>405,506</u> |
| Total primary government | <u>\$ 172,603,682</u> | <u>\$ 2,402,501</u> | <u>\$ 96,440,158</u> | <u>\$ 910,529</u> | <u>(73,256,000)</u> | <u>405,506</u> | <u>(72,850,494)</u> |
| General revenues: | | | | | | | |
| Property taxes levied for: | | | | | | | |
| General purposes | | | | | 60,052,069 | - | 60,052,069 |
| Florence-Darlington Technical College | | | | | 3,548,809 | - | 3,548,809 |
| Debt service | | | | | 8,703,375 | - | 8,703,375 |
| Sales taxes | | | | | 8,482,875 | - | 8,482,875 |
| Grants and contributions not restricted to specific programs | | | | | 291,605 | - | 291,605 |
| Unrestricted revenue from use of money and property | | | | | 3,590,105 | 2,638 | 3,592,743 |
| Miscellaneous | | | | | 36,266 | - | 36,266 |
| Transfers | | | | | 195,000 | (195,000) | - |
| Total General Revenues and Transfers | | | | | <u>84,900,104</u> | <u>(192,362)</u> | <u>84,707,742</u> |
| Change in Net Position | | | | | 11,644,104 | 213,144 | 11,857,248 |
| Net Position | | | | | | | |
| July 1, 2022 | | | | | <u>(15,934,615)</u> | <u>3,550,662</u> | <u>(12,383,953)</u> |
| June 30, 2023 | | | | | <u>\$ (4,290,511)</u> | <u>\$ 3,763,806</u> | <u>\$ (526,705)</u> |

* This amount excludes the depreciation that is included in the direct expenses of the various functions.

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2023**

| | General Fund | Special Revenue Fund | EIA Fund | School Building Fund | Debt Service Fund | Total Governmental Funds |
|---|----------------------|----------------------------|-------------------|----------------------------|-------------------------|--------------------------------|
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ 12,166,995 | \$ 1,351,920 | \$ - | \$ - | \$ 15,682,484 | \$ 29,201,399 |
| Cash and investments with County Treasurer | 30,789,907 | 57,745 | - | 57,785,868 | 4,687,330 | 93,320,850 |
| Property taxes receivables, net of allowance | 1,161,178 | 91,701 | - | - | 231,546 | 1,484,425 |
| Other receivables | 4,070 | 475,914 | - | - | - | 479,984 |
| Due from other governmental units | | | | | | |
| Federal government | - | 9,199,227 | - | - | - | 9,199,227 |
| Due from other funds | 11,116,327 | 3,905,729 | 375,328 | 1,904,608 | 1,302,069 | 18,604,061 |
| Inventories | 246,069 | - | - | - | - | 246,069 |
| TOTAL ASSETS | \$ 55,484,546 | \$ 15,082,236 | \$ 375,328 | \$ 59,690,476 | \$ 21,903,429 | \$ 152,536,015 |
| LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES | | | | | | |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 2,449,690 | \$ - | \$ 828 | \$ - | \$ - | \$ 2,450,518 |
| Accrued liabilities | 11,165,451 | - | - | - | - | 11,165,451 |
| Due to other governmental units | - | 66,843 | - | - | - | 66,843 |
| Due to SC Department of Education | - | 24,000 | 6,303 | - | - | 30,303 |
| Due to other funds | 9,811,825 | 9,818,447 | - | 1,297,880 | - | 20,928,152 |
| Unearned revenues | - | 750,602 | 368,197 | - | - | 1,118,799 |
| TOTAL LIABILITIES | 23,426,966 | 10,659,892 | 375,328 | 1,297,880 | - | 35,760,066 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable property taxes | 1,074,579 | 82,675 | - | - | 208,724 | 1,365,978 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 1,074,579 | 82,675 | - | - | 208,724 | 1,365,978 |
| FUND BALANCES | | | | | | |
| Nonspendable | 246,069 | - | - | - | - | 246,069 |
| Restricted | - | - | - | - | 21,694,705 | 21,694,705 |
| Committed | - | - | - | 58,392,596 | - | 58,392,596 |
| Assigned | - | 4,339,669 | - | - | - | 4,339,669 |
| Unassigned | 30,736,932 | - | - | - | - | 30,736,932 |
| TOTAL FUND BALANCES | 30,983,001 | 4,339,669 | - | 58,392,596 | 21,694,705 | 115,409,971 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | \$ 55,484,546 | \$ 15,082,236 | \$ 375,328 | \$ 59,690,476 | \$ 21,903,429 | \$ 152,536,015 |

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023**

| | | |
|--|--|----------------|
| TOTAL FUND BALANCES - GOVERNMENTAL FUNDS | | \$ 115,409,971 |
|--|--|----------------|

Amounts reported for governmental activities in the Statement of Net Position are different because of the following:

| | | |
|--|--|-----------|
| Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available. | | 1,365,978 |
|--|--|-----------|

| | | |
|---|--|-------------|
| Capital assets used for governmental activities are not financial resources and, therefore, are not reported in governmental funds. The cost of assets is \$335,610,319, and the accumulated depreciation is \$172,633,815. | | 162,976,504 |
|---|--|-------------|

Deferred outflows related to pension expense are not available to pay for current expenditures and are, therefore, not reported or deferred in the funds:

| | | | |
|---|------------------|--|------------|
| Contributions made subsequent to measurement date | \$ 12,192,154 | | |
| Differences between expected and actual experience | 1,224,946 | | |
| Differences between actual and projected investment earnings | 217,442 | | |
| Change in assumptions | 4,519,220 | | |
| Changes in proportion and differences between actual and proportionate share of contributions | <u>3,806,887</u> | | 21,960,649 |

Deferred outflows related to OPEB expense are not available to pay for current expenditures and are, therefore, not reported or deferred in the funds:

| | | | |
|---|------------------|--|------------|
| Contributions made subsequent to measurement date | \$ 4,684,204 | | |
| Differences between expected and actual experience | 2,318,581 | | |
| Differences between actual and projected investment earnings | 849,375 | | |
| Change in assumptions | 24,356,387 | | |
| Changes in proportion and differences between actual and proportionate share of contributions | <u>4,371,393</u> | | 36,579,940 |

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

| | | | |
|---|-----------------|--|-----------|
| Differences between expected and actual experience | \$ (615,934) | | |
| Changes in proportion and differences between actual and proportionate share of contributions | <u>(45,963)</u> | | (661,897) |

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

| | | | |
|---|--------------------|--|--------------|
| Differences between expected and actual experience | \$ (9,498,254) | | |
| Change in assumptions | (34,723,509) | | |
| Changes in proportion and differences between actual and proportionate share of contributions | <u>(1,633,987)</u> | | (45,855,750) |

Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:

| | | | |
|------------------------------|------------------|--|---------------|
| Net pension liability | \$ (140,867,591) | | |
| OPEB liability | (108,022,935) | | |
| Bonds payable | (42,465,000) | | |
| Issuance premium | (2,620,903) | | |
| Compensated absences payable | (1,794,352) | | |
| Accrued interest payable | <u>(295,125)</u> | | (296,065,906) |

| | | |
|---|--|-----------------------|
| NET POSITION OF GOVERNMENTAL ACTIVITIES | | <u>\$ (4,290,511)</u> |
|---|--|-----------------------|

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023**

| | General Fund | Special Revenue Fund | EIA Fund | School Building Fund | Debt Service Fund | Total Governmental Funds |
|--|-----------------|----------------------------|-------------|----------------------------|-------------------------|--------------------------------|
| REVENUES | | | | | | |
| Local property taxes | \$ 42,746,797 | \$ 3,428,338 | \$ - | \$ - | \$ 8,655,968 | \$ 54,831,103 |
| Sales taxes | - | - | - | - | 8,482,875 | 8,482,875 |
| Other local | 1,313,047 | 5,791,935 | - | 1,724,377 | 614,226 | 9,443,585 |
| Total local | 44,059,844 | 9,220,273 | - | 1,724,377 | 17,753,069 | 72,757,563 |
| State | 60,128,441 | 2,292,169 | 10,705,918 | - | 1,111,176 | 74,237,704 |
| Federal | 1,200 | 29,385,399 | - | - | - | 29,386,599 |
| Total Revenues | 104,189,485 | 40,897,841 | 10,705,918 | 1,724,377 | 18,864,245 | 176,381,866 |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| Instruction | 63,313,057 | 15,291,490 | 3,276,166 | 189,589 | - | 82,070,302 |
| Support services | 47,095,715 | 18,401,078 | 607,499 | 1,221,453 | - | 67,325,745 |
| Intergovernmental | 509,453 | 4,228,156 | - | - | - | 4,737,609 |
| Debt service | | | | | | |
| Principal | - | - | - | - | 3,465,000 | 3,465,000 |
| Interest | - | - | - | - | 2,066,694 | 2,066,694 |
| Capital outlay | 146,719 | 1,182,783 | 45,397 | 2,687,137 | - | 4,062,036 |
| Total Expenditures | 111,064,944 | 39,103,507 | 3,929,062 | 4,098,179 | 5,531,694 | 163,727,386 |
| Excess of Revenues Over (Under) Expenditures | (6,875,459) | 1,794,334 | 6,776,856 | (2,373,802) | 13,332,551 | 12,654,480 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 9,365,222 | 370,783 | - | 21,089,667 | 1,348,287 | 32,173,959 |
| Transfers out | (11,960,450) | (2,393,366) | (6,776,856) | (1,348,287) | (9,500,000) | (31,978,959) |
| Total Other Financing Sources (Uses) | (2,595,228) | (2,022,583) | (6,776,856) | 19,741,380 | (8,151,713) | 195,000 |
| Net Change in Fund Balance | (9,470,687) | (228,249) | - | 17,367,578 | 5,180,838 | 12,849,480 |
| FUND BALANCE | | | | | | |
| July 1, 2022 | 40,453,688 | 4,567,918 | - | 41,025,018 | 16,513,867 | 102,560,491 |
| June 30, 2023 | \$ 30,983,001 | \$ 4,339,669 | \$ - | \$ 58,392,596 | \$ 21,694,705 | \$ 115,409,971 |

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

| | | |
|--|-------------------|----------------------|
| TOTAL NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS | | \$ 12,849,480 |
| Amounts reported for governmental activities in the Statement of Activities are different because of the following: | | |
| Because some property taxes will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are deferred inflows in the governmental funds. Deferred inflows and tax revenues changed by this amount during the year. | | 435,826 |
| Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay (\$4,065,831) less than depreciation expense (\$7,982,246) in the period. | | (3,916,415) |
| Pension expense that is related to the net pension liability as recorded in the Statement of Activities is based on the School District's proportionate share of the pension expense of the retirement system as a whole, whereas pension expense recorded in the funds is based on the use of current financial resources (e.g. required contributions). The differences are as follows: | | |
| Amount recorded in the Statement of Activities | \$ (11,452,521) | |
| Amount recorded in the governmental funds | <u>12,192,154</u> | 739,633 |
| Other postemployment benefit expense that is related to the OPEB liability as recorded in the Statement of Activities is based on the School District's proportionate share of the OPEB Trust as a whole, whereas OPEB expense recorded in the funds is based on the use of current financial resources (e.g. required contributions). The differences are as follows: | | |
| Amount recorded in the Statement of Activities | \$ (7,212,569) | |
| Amount recorded in the governmental funds | <u>4,684,205</u> | (2,528,364) |
| The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The net effect of these differences in the treatment of debt and related items is as follows: | | |
| Principal repayments: | | |
| Bonds payable | 3,465,000 | |
| Amortization of bond premiums | <u>571,077</u> | 4,036,077 |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The details are as follows: | | |
| Compensated absences | | |
| Current year | \$ (1,794,352) | |
| Prior year | 1,793,344 | |
| Accrued interest | | |
| Current year | (295,125) | |
| Prior year | <u>324,000</u> | <u>27,867</u> |
| Change in Net Position of Governmental Activities | | <u>\$ 11,644,104</u> |

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
STATEMENT OF NET POSITION – PROPRIETARY FUND
JUNE 30, 2023**

| | <u>Enterprise Fund - Food Service Program</u> |
|----------------------------------|---|
| ASSETS | |
| Current assets | |
| Cash and cash equivalents | \$ 578,392 |
| Due from other funds | 2,324,091 |
| Inventories | <u>96,759</u> |
| Total current assets | <u>2,999,242</u> |
| Noncurrent assets | |
| Equipment | 4,092,339 |
| Less accumulated depreciation | <u>(3,327,775)</u> |
| Total noncurrent assets | <u>764,564</u> |
| Total assets | <u>3,763,806</u> |
| NET POSITION | |
| Net investment in capital assets | 764,564 |
| Unrestricted | <u>2,999,242</u> |
| Total net position | <u><u>\$ 3,763,806</u></u> |

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2023**

| | Enterprise Fund - Food Service Program |
|---|---|
| OPERATING REVENUES | |
| Proceeds from sale of meals | \$ 145,945 |
| Special sales and miscellaneous | 13,751 |
| Total Operating Revenues | 159,696 |
| OPERATING EXPENSES | |
| Food costs | 4,219,226 |
| Salaries and wages | 2,122,982 |
| Supplies and materials | 658,844 |
| Depreciation | 115,165 |
| Other operating costs | 118,877 |
| Total Operating Expenses | 7,235,094 |
| Operating Loss | (7,075,398) |
| NONOPERATING REVENUES (EXPENSES) | |
| Interest income | 2,638 |
| USDA Reimbursements | 7,100,222 |
| Commodities received from USDA | 377,362 |
| Other federal and state aid | 3,320 |
| Total Nonoperating Revenues (Expenses) | 7,483,542 |
| INCOME BEFORE TRANSFERS | 408,144 |
| OTHER FINANCING SOURCES (USES) | |
| Transfers Out | (195,000) |
| TOTAL OTHER FINANCING SOURCES (USES) | (195,000) |
| CHANGE IN NET POSITION | 213,144 |
| NET POSITION | |
| July 1, 2022 | 3,550,662 |
| June 30, 2023 | \$ 3,763,806 |

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
STATEMENT OF CASH FLOWS –
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2023**

| | <u>Enterprise Fund - Food Service Program</u> |
|--|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Received from patrons | \$ 159,696 |
| Payments to employees for services | (2,122,982) |
| Payments to suppliers for goods and services | (4,782,473) |
| | <u>(6,745,759)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Interest received | 2,638 |
| | <u>2,638</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| Transfers to other funds | (195,000) |
| Nonoperating grants received | 7,103,628 |
| | <u>6,908,628</u> |
| Net increase in cash and cash equivalents | 79,693 |
| Cash and cash equivalents - July 1, 2022 | 498,699 |
| | <u>578,392</u> |
| Cash and cash equivalents - June 30, 2023 | <u>\$ 578,392</u> |
| Reconciliation of operating loss to net cash used in operating activities: | |
| Operating loss | \$ (7,075,398) |
| Adjustments to reconcile operating loss to net cash provided by (used in) operating activities: | |
| Depreciation | 115,165 |
| Commodities used | 377,362 |
| Changes in assets and liabilities: | |
| Increase (decrease) in accounts payable | (570) |
| (Increase) decrease in due from other funds | (180,453) |
| (Increase) decrease in inventory | 18,135 |
| | <u>18,135</u> |
| Net cash used in operating activities | <u>\$ (6,745,759)</u> |

Noncash noncapital financing activities:

During the year, the District received \$377,362 of food commodities from the U.S. Department of Agriculture.

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Darlington County School District (the School District) operates 1 preschool, 11 elementary schools, 3 middle schools, 1 elementary/middle school, 4 high schools, 1 alternative program, 1 career center program, 1 virtual academy program, and 2 adult education program locations within the limits of Darlington County.

A. The Reporting Entity

The Board of Trustees (the Board) of the School District determines the operating policies of the School District, and such policies are implemented by the School District Superintendent. The Board, an eight-member group, is the level of government which has governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the School District. The School District receives funding from local, state, and federal government sources and must comply with the concomitant requirements of these funding source entities. However, the School District is not included in any other governmental "reporting entity" as defined in Section 2100, *Codification of Governmental Accounting and Financial Reporting Standards*, since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters. The School District is therefore reported as a primary government.

B. Basis of Presentation

Government-wide Statements:

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. The School District has a food service fund that is presented as business-type activities.

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

Fund Financial Statements:

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The School District reports the following major governmental funds:

1. General Fund – The General Fund of the School District is used to account for all financial resources except those required to be accounted for in another fund. All property taxes, intergovernmental revenue, charges for services, Education Finance Act revenue, and miscellaneous revenue are recorded in this fund except amounts which are specifically collected to service debt or for which the School District collects funds in a fiduciary capacity. Operational expenditures for general instruction, support services, general administration, and other departments of the School District are paid through the General Fund.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (continued)

2. Special Revenue Funds –

- a. Special Revenue Funds account for the operations of federal and state projects, as well as pupil activity funds, which are required by the South Carolina State Department of Education to be accounted for in separate funds.
 - b. Education Improvement Act (EIA) Fund – The Education Improvement Act Fund is used to account for the School District's expenditures as a result of receiving state funds used in a comprehensive education reform plan which are required to be accounted for in separate programs and strategies.
3. Debt Service Fund – This fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The School District's Debt Service Fund was established and is maintained in accordance with acts passed by the General Assembly of South Carolina authorizing the sale of general obligation bonds of the School District.
4. Capital Project Fund - School Building Fund – The School Building Fund is used to account for financial resources to be used for the acquisition and construction of major capital facilities, renovations, and extensive repairs which tend to extend the life of the asset.

The School District has no non-major governmental funds.

Additionally, the School District reports the following fund types:

5. Proprietary Fund –

- a. Enterprise Fund - Food Service Fund – The District accounts for its food service activities in the Food Service Fund, the District's only Proprietary Fund.

C. Measurement Focus and Basis of Accounting

The basic financial statements of the School District have been prepared in conformity with generally accepted accounting principles as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. *Basis of accounting* refers to when transactions are recorded, regardless of the measurement focus applied.

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period, except for federal and state grant revenue which is considered available if collected within six months. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include an appropriation from the County in lieu of property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been met. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Amounts reported as *program revenues* include: 1) charges to students for tuition, fees, rental, material, supplies, or services provided; 2) operating grants and contributions; and 3) capital grants and contributions. *General revenues* include all taxes, investment income, and grants and contributions not restricted to specific programs.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's principal ongoing operations. The School District's business-type activities accounted for in proprietary funds are food services. Operating expenses for proprietary funds include the cost of food, salaries, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, Liabilities and Net Position/Fund Balance

1. Deposits and Investments

The School District's cash and cash equivalents are defined as short-term, highly liquid investments with an original maturity of three months or less when purchased that are both readily convertible to known amounts of cash and so near their maturity that they present no significant risk of changes in value because of changes in interest rates. Investments are reported at fair value.

2. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. On fund financial statements, these receivables and payables, if containing a balance at the end of the fiscal year, are classified as *due from other funds* or *due to other funds* on the Balance Sheet. These amounts are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for net residual amounts due between governmental and business-type activities, which are presented as internal balances.

3. Receivables

All trade and property tax receivables are shown net of an allowance for uncollectables.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Prepaids

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

5. Inventory

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

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

6. Capital Assets

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

| Assets | Years |
|-----------------------------------|-------|
| Buildings | 20-50 |
| Improvements other than buildings | 5-50 |
| Equipment | 5-15 |
| Food service equipment | 12 |

7. Due from Other Governmental Units

For the General Fund and Special Revenue Funds, including the EIA funds, amounts due from federal agencies, the State Department of Education, and the County represent reimbursable costs which have been incurred by the School District but have not been reimbursed by the grantor agency.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. *Accrued Liabilities and Long-Term/Short-Term Obligations*

For government-wide activities, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

For governmental funds, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as another financing source as are the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

9. *Deferred Outflows/Inflows of Resources and Unearned Revenue*

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The School District may have five items that qualify for reporting in this category as follows:

1. Pension and Postemployment Benefits (OPEB) contributions made subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the subsequent year.
2. The net difference between the projected and actual earnings on pension plan and OPEB investments which is deferred and amortized over a closed five-year period.
3. The differences between expected and actual experience which is amortized into pension and OPEB expense beginning in the year the deferral occurs over a closed period equal to the average remaining service lives of all plan participants.
4. The changes in proportion and differences between employer contribution and proportionate share of contributions to pension and OPEB plans, which will be deferred and amortized over the remaining service lives of all plan participants.
5. Changes in actuarial assumptions of pension and OPEB plans, which will be deferred and amortized over the remaining service lives of all plan participants.

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School District may have the following items that qualify for reporting in this category:

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *Deferred Outflows / Inflows of Resources and Unearned Revenue* (continued)

Deferred Inflows of Resources (continued)

1. The differences between expected and actual experience, which is amortized into pension and OPEB expense beginning in the year the deferral occurs over a closed period equal to the average remaining service lives of all plan participants.
2. The changes in proportion and differences between employer contribution and proportionate share of contributions to pension and OPEB plans, which will be deferred and amortized over the remaining service lives of all plan participants.
3. Changes in actuarial assumptions of pension and OPEB plans, which will be deferred and amortized over the remaining service lives of all plan participants.

The School District recognizes deferred inflows in the fund statements for an acquisition of net position pertaining to property taxes that were billed but remain unavailable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Unearned Revenue

The School District also defers revenue recognition in connection with resources such as grants that have been billed or received but not yet earned.

10. *Compensated Absences*

The School District reports compensated absences in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*. Vacation leave may be accumulated up to a maximum of forty-five days and is fully vested when earned. Compensated absences will be paid from the fund where the employee's salary is paid, typically this would include the general, special revenue, and food service funds.

All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured; for example, unused reimbursable leave still outstanding following an employee's resignation or retirement. In the proprietary funds, compensated absences are recorded as an expense and liability of the fund as the benefits accrue to employees.

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements, which assumes that they will be liquidated with current resources. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the South Carolina Retirement System (SCRS) and the Police Officers Retirement System (PORS), and additions to/deductions from SCRS's and PORS's fiduciary net position have been determined on the same basis as they are reported by SCRS and PORS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The General Fund pays for pension expense district-wide, and therefore, pension liabilities resulting from the implementation of GASB 68, *Accounting and Financial Reporting for Pensions*, are reported in the governmental activities as permitted under the standard.

12. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the South Carolina Retiree Health Insurance Trust Fund (SCRHITF), and additions to/deductions from the SCRHITF's fiduciary net positions have been determined on the same basis as they are reported by the SCRHITF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

13. On-Behalf Payments

The School District receives on-behalf payments from the State of South Carolina to be used for SCRS, PORS, and OPEB contributions. The School District reports revenue for the on-behalf amount paid in the period during which the payment was made by the state. The expenditure is recognized in the fund statements in the period during which the amount was paid, while the expense is recognized in the government-wide statements in the subsequent year to coincide with the measurement date of the SCRS and PORS retirement plans and the SCRHITF.

14. Net Position and Fund Balance

Government-Wide Statements:

Equity is classified as net position and displayed in three components:

1. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position – Consists of net positions with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position – All other net positions that do not meet the definition of “net investment in capital assets” or “restricted.”

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

14. Net Position and Fund Balance (continued)

Net Position Flow Assumption:

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Statements:

Classifications of fund balance are hierarchical and are based primarily on the extent to which the School District is bound to honor constraints on specific purposes for which amounts in the funds may be spent. The District’s accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of nonspendable, restricted, committed, assigned, or unassigned.

Nonspendable – This classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Inventory is the portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

Restricted – Amounts that can be spent only for specific purposes because of state or federal laws or externally imposed restrictions on use by their providers, such as grantors, bond holders, and higher levels of government, millage adopted by the primary government to pay the School District’s debt, through contractual or constitutional provisions, or as outlined by enabling legislation.

Committed – Amounts constrained to specific purposes pursuant to constraints imposed by formal action (ordinance or resolutions) of the government’s highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Assigned – Amounts the School District intends to use for a specific purpose. Intent can be expressed by the Board of Education or by an official or body to which the Board of Education delegates the authority. The Board of Education has delegated the authority to assign fund balance to the Superintendent or to the Superintendent’s designee (the Finance Director).

Unassigned – All amounts not included in other spendable classifications. These amounts are available for any purpose. Positive amounts are reported only in the general fund.

Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balances). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. In the governmental funds, the School District’s policy is to first apply the expenditure toward restricted fund balance and then to other less restricted classifications – committed and then assigned fund balances before using unassigned fund balance.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

15. Accounting Estimates

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

16. Fair Value

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

17. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures are recorded to reflect the use of the applicable spending appropriations, is used by the General Fund during the year to control expenditures. Encumbrances do not constitute expenditures or liabilities. Encumbrances and unused expenditure appropriations lapse at year end.

II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

Deposits

Custodial Credit Risk – Deposits – In the case of deposits, this is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. Deposits of the School District are subject to South Carolina state statutes for custodial credit risk. The statutes provide that banks accepting deposits of funds from local government units must furnish an indemnity bond or pledge as collateral obligations of the United States, South Carolina, political subdivisions of South Carolina, the Federal National Mortgage Association, the Federal Home Loan Bank, the Federal Farm Credit Bank, or the Federal Home Loan Mortgage Corporation. In accordance with the aforementioned statute, the School District's policy requires deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. Deposited funds may be invested in demand or time deposits, continuously and fully secured with direct obligations of or obligations guaranteed by the United States of America having a market value not less than the amount of such monies. At June 30, 2023, the carrying amount of the School District's deposits was \$14,097,291, and the bank balance was \$14,581,630. All of these deposits were fully collateralized with securities held by the pledging financial institution's trust department in the School District's name or insured by the Federal Deposit Insurance Corporation. Information was not available regarding the custodial risk of funds held by the Darlington County Treasurer in the amount of \$93,320,850.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

A. Deposits and Investments (continued)

Investments

Custodial Credit Risk – Investments – For an investment, this is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District does not have a formal investment policy regarding custodial credit risk of investments.

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

1. Obligations of the United States and agencies thereof;
2. General obligations of the State of South Carolina or any of its political units;
3. Savings and loan association deposits to the extent insured by the Federal Deposit Insurance Corporation;
4. Certificates of deposit and repurchase agreements collateralized by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a market value not less than the amount of certificates of deposit and repurchase agreements so secured, including interest; and
5. No-load open and closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company, savings and loan association, or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit.

In addition, South Carolina state statutes authorize the District to invest in the South Carolina Local Government Investment Pool (SCLGIP). The SCLGIP is an investment trust fund, created by state legislation, in which public monies under the custody of any political subdivision in excess of current needs may be deposited. The SCLGIP is permitted to purchase obligations of the United States, its agencies and instrumentalities, and any corporation within the United States if such obligations bear any of the three highest ratings of at least two nationally recognized rating services. The SCLGIP is not registered with the SEC. It is similar to a money market fund in that it is offered at a stable price and is guided by risk control principles such as significant overnight Repurchase Agreements for liquidity; attention to credit quality, portfolio diversification, and maintenance of a short average maturity of fixed and floating rate investments.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and as amended by GASB Statement No. 72, *Fair Value Measurement and Application*, investments in the SCLGIP are carried at fair value. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. Fair value for all investments of the SCGLIP is determined on a recurring basis based upon quoted market prices. The total fair value of the SCLGIP is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the School District's investment in a single issuer. The School District places no limit on the amount that may be invested in any one issuer. See below for the distribution of the School District's investments.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

A. Deposits and Investments (continued)

Investments (continued)

Concentration of Credit Risk (continued)

| Investment Type | % of Portfolio | Fair Value |
|--|----------------|-----------------------|
| Mutual Fund-Government Portfolio for liquidity Cash and Investments | 14.39% | \$ 15,682,484 |
| held by County Treasurer | 85.61% | <u>93,320,850</u> |
| Total | 100.00% | <u>\$ 109,003,334</u> |

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

Credit Risk – Credit risk is the risk that an issuer to an investment will not fulfill its obligations. The School District follows state statutes concerning allowable investments but has not adopted a formal investment policy.

As of June 30, 2023, the School District had the following investments:

| Investment Type | Fair Value Level | Credit Rating ^ | Fair Value | < One Year |
|--|------------------------|--------------------|-----------------------|-----------------------|
| Mutual Fund | 1 | AAAm | \$ 15,682,484 | \$ 15,682,484 |
| Cash and Investments held by County Treasurer | N/A | NR | <u>93,320,850</u> | <u>93,320,850</u> |
| Total | | | <u>\$ 109,003,334</u> | <u>\$ 109,003,334</u> |

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

NR - Not rated

N/A - Not applicable

See Note I. D. 16 for details of the School District's fair value hierarchy

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

B. Property Taxes

Property taxes for school operations are levied and collected by the County. The County appropriates an amount for general operations and to maintain the local level of effort as required by the State Department of Education. This appropriation is funded by and reported as ad valorem taxes and state revenues in lieu of taxes. Excess collections above the approved appropriation are retained by the County in escrow for subsequent periods and is reflected in these financial statements as Cash with the County Treasurer. The principal source of local revenue in the debt service fund are property taxes and 1% sales tax revenue.

Taxes on real estate and personal property, other than vehicles licensed by the South Carolina Department of Highways and Public Transportation, are billed in September on property owned on the preceding December 31. They are due by January 18 and become delinquent on March 15. Taxes on vehicles licensed by the South Carolina Department of Highways and Public Transportation are assessed on a cyclical basis and are due within 30 days of assessment.

The general operations millage is 191.0 mills (\$19.10 per \$100 assessed valuation), and debt service fund millage is 30.30 mills (\$3.03 per \$100 assessed valuation).

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

C. Receivables

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

| | General | Special Projects | Debt Service |
|--|-----------------------------|-----------------------------|-----------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| Receivables | | | |
| Property taxes | \$ 3,747,957 | \$ 269,817 | \$ 619,390 |
| Intergovernmental | - | 9,199,227 | - |
| Other | 4,070 | 475,914 | - |
| Gross receivables | <u>3,752,027</u> | <u>9,944,958</u> | <u>619,390</u> |
| Less allowance for uncollectible property tax | <u>(2,586,779)</u> | <u>(178,116)</u> | <u>(387,844)</u> |
| Net receivables | <u><u>\$ 1,165,248</u></u> | <u><u>\$ 9,766,842</u></u> | <u><u>\$ 231,546</u></u> |

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

D. Capital Assets

Capital assets activity for the year ended June 30, 2023, was as follows:

| | Balance 6/30/2022 | Additions | Deletions | Transfers | Balance 6/30/2023 |
|---|-----------------------|-----------------------|-------------|-------------|-----------------------|
| Governmental Activities | | | | | |
| Capital assets, not being depreciated | | | | | |
| Land | \$ 8,444,842 | \$ 412,706 | \$ - | \$ - | \$ 8,857,548 |
| Construction in progress | 3,802,282 | 632,166 | - | - | 4,434,448 |
| Total capital assets, not being depreciated | <u>12,247,124</u> | <u>1,044,872</u> | <u>-</u> | <u>-</u> | <u>13,291,996</u> |
| Capital assets, being depreciated | | | | | |
| Building and improvements | 271,574,243 | 223,377 | - | - | 271,797,620 |
| Land improvements | 25,548,832 | 664,866 | - | - | 26,213,698 |
| Equipment | 22,174,289 | 2,132,716 | - | - | 24,307,005 |
| Total capital assets, being depreciated | <u>319,297,364</u> | <u>3,020,959</u> | <u>-</u> | <u>-</u> | <u>322,318,323</u> |
| Totals | <u>331,544,488</u> | <u>4,065,831</u> | <u>-</u> | <u>-</u> | <u>335,610,319</u> |
| Less accumulated depreciation for | | | | | |
| Building and improvements | (140,512,588) | (5,492,109) | - | - | (146,004,697) |
| Land improvements | (10,081,486) | (1,215,346) | - | - | (11,296,832) |
| Equipment | (14,057,495) | (1,274,791) | - | - | (15,332,286) |
| Total accumulated depreciation | <u>(164,651,569)</u> | <u>(7,982,246)</u> | <u>-</u> | <u>-</u> | <u>(172,633,815)</u> |
| Total capital assets, being depreciated, net | <u>154,645,795</u> | <u>(4,961,287)</u> | <u>-</u> | <u>-</u> | <u>149,684,508</u> |
| Governmental activities capital assets, net | <u>\$ 166,892,919</u> | <u>\$ (3,916,415)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 162,976,504</u> |
| | | | | | |
| | Balance 6/30/2022 | Additions | Deletions | Transfers | Balance 6/30/2023 |
| Business-type Activities | | | | | |
| Capital assets, being depreciated | | | | | |
| Food service equipment | \$ 4,006,525 | \$ 85,812 | \$ - | \$ - | \$ 4,092,337 |
| Total capital assets, being depreciated | <u>4,006,525</u> | <u>85,812</u> | <u>-</u> | <u>-</u> | <u>4,092,337</u> |
| Less accumulated depreciation for | | | | | |
| Food service equipment | (3,212,608) | (115,165) | - | - | (3,327,773) |
| Total accumulated depreciation | <u>(3,212,608)</u> | <u>(115,165)</u> | <u>-</u> | <u>-</u> | <u>(3,327,773)</u> |
| Total capital assets, being depreciated, net | <u>793,917</u> | <u>(29,353)</u> | <u>-</u> | <u>-</u> | <u>764,564</u> |
| Business-type activities capital assets, net | <u>\$ 793,917</u> | <u>\$ (29,353)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 764,564</u> |

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

D. Capital Assets (continued)

Depreciation expense was charged to functions of the School District as follows:

| Governmental activities | |
|--------------------------------|--------------|
| Instruction | \$ 6,864,731 |
| Support Services | 319,290 |
| Unallocated | 798,225 |
| Total governmental activities | \$ 7,982,246 |
| | |
| Business-type activities | |
| Food Service | \$ 115,165 |
| Total business-type activities | \$ 115,165 |

E. Transfers In (Out) From Other Funds

Transfers in (out) from other funds for the year ended June 30, 2023, consisted of the following:

| | Transfers In | Transfers Out |
|--------------------------------|---------------|---------------|
| General Fund | \$ 9,365,222 | \$ 11,960,450 |
| Special Projects Fund | 370,783 | 2,393,366 |
| Education Improvement Act Fund | - | 6,776,856 |
| School Building Fund | 21,089,667 | 1,348,287 |
| Debt Service Fund | 1,348,287 | 9,500,000 |
| Total governmental funds | 32,173,959 | 31,978,959 |
| | | |
| Food Service Fund | - | 195,000 |
| Total proprietary fund | - | 195,000 |
| Total transfers | \$ 32,173,959 | \$ 32,173,959 |

Transfers are used (1) to move revenues from the fund that a statute or budget requires to collect them to the fund that a statute or budget requires to expend them, and (2) to use unrestricted revenues collected in the general fund to finance various programs accounted for the other funds in accordance with budgetary authorizations.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

F. Interfund Receivables and Payables

Interfund balances at June 30, 2023, consisted of the following individual fund receivables and payables:

| | Receivable | Payable |
|--------------------------------|---------------|---------------|
| General Fund | \$ 11,116,327 | \$ 9,811,825 |
| Special Projects Fund | 3,905,729 | 9,818,447 |
| Education Improvement Act Fund | 375,328 | - |
| School Building Fund | 1,904,608 | 1,297,880 |
| Debt Service Fund | 1,302,069 | - |
| | 18,604,061 | 20,928,152 |
| Total governmental funds | | |
| Food Service Fund | 2,324,091 | - |
| | 2,324,091 | - |
| Total proprietary fund | | |
| Total balances | \$ 20,928,152 | \$ 20,928,152 |

Interfund balances largely result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

G. Long-Term Debt and Short-Term Debt

Changes in Long-Term Liabilities

During the year ended June 30, 2023, the following changes took place in the long-term liabilities:

| | Balance 6/30/2022 | Additions | Reductions | Balance 6/30/2023 | Due Within One Year |
|--------------------------------|----------------------|------------|--------------|----------------------|------------------------|
| General obligation bonds | \$ 45,930,000 | \$ - | \$ 3,465,000 | \$ 42,465,000 | \$ 3,640,000 |
| Plus deferred amount: | | | | | |
| For issuance premium | 3,191,980 | - | 571,077 | 2,620,903 | 520,182 |
| Total general obligation bonds | 49,121,980 | - | 4,036,077 | 45,085,903 | 4,160,182 |
| Compensated absences | 1,793,344 | 650,493 | 649,485 | 1,794,352 | 658,930 |
| Total long-term liabilities | \$ 50,915,324 | \$ 650,493 | \$ 4,685,562 | \$ 46,880,255 | \$ 4,819,112 |

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

G. Long-Term Debt and Short-Term Debt (continued)

General Obligation Bonds

The School District issues general obligation bonds to provide funds for the acquisition, construction, and major improvement of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 5-year to 25-year serial bonds with principal maturing each year.

General obligation bonds payable at June 30, 2023, are comprised of the following individual issues:

| | Interest Rates | Balance |
|-----------------|----------------|---------------|
| 2018 GOB Series | 2.68% | \$ 42,465,000 |

The annual requirements for debt service on General Obligation Bonds outstanding at June 30, 2023, are summarized as follows:

| Year ending June 30, | Principal | Interest | Total |
|------------------------|---------------|--------------|---------------|
| 2024 | \$ 3,640,000 | \$ 1,770,750 | \$ 5,410,750 |
| 2025 | 3,825,000 | 1,588,750 | 5,413,750 |
| 2026 | 4,025,000 | 1,397,500 | 5,422,500 |
| 2027 | 4,230,000 | 1,196,250 | 5,426,250 |
| 2028 | 4,445,000 | 984,750 | 5,429,750 |
| 2029-2033 | 22,300,000 | 1,983,800 | 24,283,800 |
| Subtotal | 42,465,000 | 8,921,800 | 51,386,800 |
| Plus deferred amounts: | | | |
| Bond premiums | 2,620,903 | - | 2,620,903 |
| Total | \$ 45,085,903 | \$ 8,921,800 | \$ 54,007,703 |

In April 2018, the School District issued General Obligation Bonds, Series 2018, in the amount of \$60,000,000, plus issuance premium of \$5,831,785. The proceeds, net of issuance costs in the amount of \$423,641, were used to refund the 2017 BAN; the remainder to be used for capital improvements. The bonds bear interest at rates ranging from 3.0% to 5.0%. Principal is paid semiannually with payments ranging from \$2,580,000 to \$5,165,000. The bonds mature in 2033 and will be paid by a 1% sales tax levied in Darlington County for the purpose of capital improvements.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

G. Long-Term Debt and Short-Term Debt (continued)

Changes in Short-Term Liabilities

During the year ended June 30, 2023, the following changes took place in the long-term liabilities:

| | Balance 6/30/2022 | Additions | Reductions | Balance 6/30/2023 | Due Within One Year |
|-----------------------------|----------------------|--------------------|---------------------|----------------------|------------------------|
| Short Term Notes Payable | \$ - | \$9,500,000 | \$ 9,500,000 | \$ - | \$ - |
| Total long-term liabilities | <u>\$ -</u> | <u>\$9,500,000</u> | <u>\$ 9,500,000</u> | <u>\$ -</u> | <u>\$ -</u> |

In September 2022, the School District issued a General Obligation Bond, Series 2022, in the amount of \$9,500,000, including interest at a rate of 2.870%. The net proceeds were used for capital improvements. The bond matured in March 2023, and was paid by sales tax revenues collected and recorded in the debt service fund.

H. Food Service

Federal Guidelines

The School District's Food Service Fund administers the lunch programs in accordance with the United States Department of Agriculture (USDA) guidelines. Revenues are provided from USDA reimbursements and cash collections. The meals served to pupils are classified as regular, reduced, or free lunches by the Food Service Program. The type of meal served determines the amount of reimbursement from the USDA. Reimbursements may be in the form of cash or commodities.

Administrative Costs

The General Fund performs certain administrative functions and pays for certain costs of the Food Service Fund. The School District's accounting policies for food service operations reflect these expenditures in the General Fund.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (Continued)

I. Fund Balances

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

| | General Fund | Special Revenue Fund | School Building Fund | Debt Service Fund |
|-------------------------------|----------------------|-------------------------|-------------------------|----------------------|
| Fund balances: | | | | |
| Nonspendable | | | | |
| Inventories and prepaid items | \$ 246,069 | \$ - | \$ - | \$ - |
| Nonspendable total | <u>246,069</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Restricted: | | | | |
| Debt service | - | - | - | 21,694,705 |
| Restricted total | <u>-</u> | <u>-</u> | <u>-</u> | <u>21,694,705</u> |
| Committed: | | | | |
| Capital projects | - | - | 58,392,596 | - |
| Committed total | <u>-</u> | <u>-</u> | <u>58,392,596</u> | <u>-</u> |
| Assigned: | | | | |
| Pupil activities | - | 4,339,669 | - | - |
| Assigned total | <u>-</u> | <u>4,339,669</u> | <u>-</u> | <u>-</u> |
| Unassigned | 30,736,932 | - | - | - |
| | <u>\$ 30,983,001</u> | <u>\$ 4,339,669</u> | <u>\$ 58,392,596</u> | <u>\$ 21,694,705</u> |

III. OTHER INFORMATION

A. Defined Benefit Pension Plans

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the State of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans (Systems). PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee, and co-fiduciary of the Systems and the assets of the retirement trust funds.

Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

III. OTHER INFORMATION

A. Defined Benefit Pension Plans (continued)

For purposes of measuring the net pension liability, deferred outflows 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 an Annual comprehensive Financial Report (“ACFR”) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR is publicly available through 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 a division of the primary government of the State of South Carolina, and therefore, retirement trust fund financial information is also included in the ACFR for the State.

Plan Description

- 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 and participating charter schools, public higher education institutions, other participating local subdivisions of government and first-term individuals elected to the South Carolina General Assembly.
- The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to newly hired state, public higher education institution and public school district employees, as well as first-term individuals elected to the South Carolina General Assembly. State ORP participants direct the investment of their funds into an account administered by one of four third party service providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party service providers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes.
- The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges, and magistrates.

Membership

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

SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

III. OTHER INFORMATION (Continued)

A. Defined Benefit Pension Plans (continued)

Plan Description (continued)

Membership (continued)

- State ORP - As an alternative to membership in SCRS, certain newly hired state, public school, and higher education employees and individuals first elected to the S.C. General Assembly at or after the November 2012 general election have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member's account with the ORP service provider for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.
- PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by 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. 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.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

III. OTHER INFORMATION (Continued)

A. Defined Benefit Pension Plans (continued)

Plan Description (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

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. The Retirement Funding and Administration Act of 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. The General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. In accordance with the legislative funding schedule, employer contribution rates will continue to increase by 1 percentage point each year until reaching 18.56 percent for SCRS and 21.24 percent for PORS but may be increased further, if the scheduled contributions are not sufficient to meet the funding periods set for the applicable year. The Board shall increase the employer contribution rates as necessary to meet the amortization period set in statute.

Additionally, Pension reform legislation modified the statute such that the employer contribution rates for SCRS and PORS to be further increased, not to exceed one-half of one percent in any one year, if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS and PORS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85 percent funded.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

III. OTHER INFORMATION (Continued)

A. Defined Benefit Pension Plans (continued)

Plan Description (continued)

Contributions (continued)

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

| | <u>Fiscal year ended June 30, 2022</u> | <u>Fiscal year ended June 30, 2023</u> |
|-----------------------------------|--|--|
| SCRS | | |
| Employee Class Two | 9.00% of earnable compensation | 9.00% of earnable compensation |
| Employee Class Three | 9.00% of earnable compensation | 9.00% of earnable compensation |
| | <u>Fiscal year ended June 30, 2022</u> | <u>Fiscal year ended June 30, 2023</u> |
| Employer Class Two | 16.41% of earnable compensation | 17.41% of earnable compensation |
| Employer Class Three | 16.41% of earnable compensation | 17.41% of earnable compensation |
| Employer Incidental Death Benefit | 0.15% of earnable compensation | 0.15% of earnable compensation |
| | <u>Fiscal year ended June 30, 2022</u> | <u>Fiscal year ended June 30, 2023</u> |
| PORS | | |
| Employee Class Two | 9.75% of earnable compensation | 9.75% of earnable compensation |
| Employee Class Three | 9.75% of earnable compensation | 9.75% of earnable compensation |
| | <u>Fiscal year ended June 30, 2022</u> | <u>Fiscal year ended June 30, 2023</u> |
| Employer Class Two | 18.84% of earnable compensation | 19.84% of earnable compensation |
| Employer Class Three | 18.84% of earnable compensation | 19.84% of earnable compensation |
| Employer Incidental Death Benefit | 0.20% of earnable compensation | 0.20% of earnable compensation |
| Employer Accidental Death Program | 0.20% of earnable compensation | 0.20% of earnable compensation |

Non-employer Contributions

Employer's proportionate shares were calculated on the basis of employer contributions remitted to the plan by employers and non-employer contributions appropriated in the State's budget. In an effort to offset a portion of the burden of the increased contribution requirement for employers, the General Assembly funded 1 percent of the SCRS and PORS contribution increases for fiscal year 2023. The State budget appropriated these funds directly to PEBA, and a credit was issued for each employer to use when submitting their quarterly remittances to PEBA. For the fiscal year ended June 30, 2023, PEBA provided non-employer contributions to the District in the amount of \$580,806 which is shown as revenue in the general fund.

The School District's actual contributions to SCRS and PORS, net of the state credit, for the year ended June 30, 2023, were \$12,182,820 and \$9,334, respectively, which equaled the required contributions.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

III. OTHER INFORMATION (Continued)

A. Defined Benefit Pension Plans (continued)

Actuarial Assumptions and Methods

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019.

The June 30, 2022, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in PEBA's report were determined by their consulting actuary, Gabriel, Roeder, Smith, and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2021. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2022, using generally accepted actuarial principles.

The following provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2022:

| | SCRS | PORS |
|---|--------------------------------|--------------------------------|
| Actuarial cost method | Entry age normal | Entry age normal |
| Actuarial assumptions: | | |
| Investment rate of return | 7.00% | 7.00% |
| Projected salary increases | 3.0% to 11.0%* | 3.5% to 10.5%* |
| Benefit adjustments | lesser of 1% or \$500 annually | lesser of 1% or \$500 annually |
| * Varies by service and includes inflation at 2.25% | | |

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Assumptions used in the determination of the June 30, 2022, TPL are as follows:

| Former Job Class | Males | Females |
|---|------------------------------------|--------------------------------------|
| Educators | 2020 PRSC Males multiplied by 95% | 2020 PRSC Females multiplied by 94% |
| General Employees and Members of the General Assembly | 2020 PRSC Males multiplied by 97% | 2020 PRSC Females multiplied by 107% |
| Public Safety and Firefighters | 2020 PRSC Males multiplied by 127% | 2020 PRSC Females multiplied by 107% |

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

III. OTHER INFORMATION (Continued)

A. Defined Benefit Pension Plans (continued)

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67 less that System's fiduciary net position. The School District's proportional share of the NPL amounts for SCRS and PORS are presented below:

| <u>Measurement Period Ended June 30,</u> | <u>Fiscal Year Ended June 30,</u> | <u>SCRS</u> | <u>PORS</u> | <u>Total</u> |
|--|---------------------------------------|----------------|-------------|----------------|
| 2021 | 2022 | \$ 122,295,060 | \$ 123,576 | \$ 122,418,636 |
| 2022 | 2023 | \$ 140,735,335 | \$ 132,256 | \$ 140,867,591 |

The total pension liability is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The School District's proportionate share of the net pension liability was calculated on the basis of historical employer contributions. Although GASB 68 encourages the use of the employer's projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is considered acceptable. For the measurement period ended June 30, 2022 and 2021, the School District's percentage of the SCRS and PORS net pension liability were 0.580540% and 0.565101% and 0.004410% and 0.004803%, respectively.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

The following table presents the collective net pension liability of the School District calculated using the discount rate of 7.00%, as well as what the School District's net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.00%) or 1.00% higher (8.00%) than the current rate.

| Sensitivity of the District's Proportional Share of Net Pension Liability to Changes in the Discount Rate | | | |
|--|-------------------------------|--|-------------------------------|
| <u>System</u> | <u>1.00% Decrease (6.00%)</u> | <u>Current Discount Rate (7.00%)</u> | <u>1.00% Increase (8.00%)</u> |
| SCRS | \$ 180,440,140 | \$ 140,735,335 | \$ 107,726,055 |
| PORS | 184,422 | 132,256 | 89,552 |
| | <u>\$ 180,624,562</u> | <u>\$ 140,867,591</u> | <u>\$ 107,815,607</u> |

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

III. OTHER INFORMATION (Continued)

A. Defined Benefit Pension Plans (continued)

Net Pension Liability (continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon the 20-year capital markets assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2022 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentages and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.00% assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75% real rate of return and a 2.25% inflation component.

| <u>Asset Class</u> | <u>Target Asset Allocation</u> | <u>Expected Arithmetic Real Rate of Return</u> | <u>Long Term Expected Portfolio Real Rate of Return</u> |
|----------------------------|--------------------------------|--|---|
| Public Equity | 46.00% | 6.79% | 3.12% |
| Bonds | 26.00% | (0.35)% | (0.09)% |
| Private Equity | 9.00% | 8.75% | 0.79% |
| Private Debt | 7.00% | 6.00% | 0.42% |
| Real Assets | 12.00% | | |
| Real Estate | 9.00% | 4.12% | 0.37% |
| Infrastructure | 3.00% | 5.88% | 0.18% |
| Total Expected Real Return | <u>100.00%</u> | | 4.79% |
| Inflation for Actuarial | | | <u>2.25%</u> |
| Total Expected Nominal | | | <u>7.04%</u> |

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in PEBA's separately issued financial report.

Pension Expense and Deferred Outflows (Inflows) of Resources

For the year ended June 30, 2023, the School District recognized pension expense of \$11,452,521 in the Statement of Activities.

At June 30, 2023, the School District reported deferred outflows (inflows) of resources related to pensions in governmental activities from the following sources:

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

III. OTHER INFORMATION (Continued)

A. Defined Benefit Pension Plans (continued)

Pension Expense and Deferred Outflows (Inflows) of Resources (continued)

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| SCRS | | |
| Pension contributions made subsequent to measurement date | \$ 12,182,820 | \$ - |
| Differences in actual and expected experience | 1,222,727 | 613,320 |
| Assumption changes | 4,513,713 | - |
| Changes in proportion and differences between District's contributions and proportionate share of contributions | 3,796,733 | 31,955 |
| Net differences between projected and actual earnings on plan investments | 217,042 | - |
| | \$ 21,933,035 | \$ 645,275 |
| PORS | | |
| Pension contributions made subsequent to measurement date | \$ 9,334 | \$ - |
| Differences in actual and expected experience | 2,219 | 2,614 |
| Assumption changes | 5,507 | - |
| Changes in proportion and differences between District's contributions and proportionate share of contributions | 10,154 | 14,008 |
| Net differences between projected and actual earnings on plan investments | 400 | - |
| | \$ 27,614 | \$ 16,622 |

The School District reported \$12,192,154 deferred outflows of resources related to contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows (inflows) of resources will be recognized in pension expense in future years. The following schedule reflects the amortization of the School District's proportional share of the net balance of remaining deferred outflows (inflows) of resources at June 30, 2023. Average remaining service lives of all employees provided with pensions through the pension plans at June 30, 2022, measurement date was 3.767 years for SCRS and 3.846 years for PORS.

| Measurement Period Ending June 30, | Fiscal Year Ending June 30, | SCRS | PORS |
|---|--------------------------------|----------------|------------|
| 2023 | 2024 | \$ (4,763,314) | \$ (5,714) |
| 2024 | 2025 | (3,313,568) | 1,776 |
| 2025 | 2026 | 2,420,466 | 7,877 |
| 2026 | 2027 | (3,448,524) | (5,597) |
| Net Balance of Deferred Outflows / (Inflows) of Resources | | \$ (9,104,940) | \$ (1,658) |

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

III. OTHER INFORMATION (Continued)

A. Defined Benefit Pension Plans (continued)

Payables to the Pension Plans

At June 30, 2023, the School District reported a payable of \$3,065,040 and \$2,346 for the outstanding amount of contributions due to SCRS and PORS. The liability will be paid in the normal course of paying year-end obligations.

B. Defined Contribution Pension Plan

The School District contributes to the State Optional Retirement Program (“State ORP”), a defined contribution pension plan that is offered as an alternative to the SCRS defined benefit plan. Participation in the State ORP is available to certain newly hired state, public school, and higher education employees, and individuals newly elected to the SC General Assembly beginning with the November 2012 general election. Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers. For this reason, State ORP programs are not considered part of the retirement systems for financial statement purposes. Employee and Employer contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employers to the member's account with investment providers for the employee contribution (9%) and a portion of the employer contribution (5%). A direct remittance is also required to SCRS for the remaining portion of the employer contribution (12.41%) and an incidental death benefit contribution (.15%), if applicable, which is retained by SCRS.

For the year ended June 30, 2023, employee contributions totaled \$199,352, and the School District recognized pension expense of \$274,885.

Employees are immediately vested in both their own and the employer contributions and earnings on those contributions.

The South Carolina Public Employee Benefit Authority (PEBA), which is described in Note III.A, is the state agency responsible for the administration and management of the state's employee insurance programs and other post-employment benefits trusts. By law, the State Fiscal Accountability Authority (SFAA) also reviews certain PEBA Board decisions in administering the State Health Plan and other post-employment benefits (OPEB).

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

C. Postemployment Benefits Other Than Pensions

Plan Description

The Other Post-Employment Benefits Trust Fund (OPEB Trust), which refers to the South Carolina Retiree Health Insurance Trust Fund (SCRHITF), was established by the State of South Carolina as Act 195, which became effective on May 2008. The SCRHITF was created to fund and account for the employer costs of the State's retiree health and dental plans.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

III. OTHER INFORMATION (Continued)

C. Postemployment Benefits Other Than Pensions (continued)

Plan Description (continued)

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

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

Benefits

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

Contributions and Funding Policies

Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires the postemployment and long-term disability benefits to be funded through non-employer and employer contributions for active employees and retirees to the PEBA – Insurance Benefits.

The SCRHITF is funded through participating employers that are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The covered payroll surcharge for the year ended June 30, 2022, was 6.25 percent. The South Carolina Retirement System collects the monthly covered payroll surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF also include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Non-employer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits reserves. However, due to the COVID-19 pandemic and the impact it has had on the PEBA – Insurance Benefits reserves, the General Assembly has indefinitely suspended the statutorily required transfer until further notice. The SCRHITF is also funded through investment income.

The School District's required and actual employer contributions are as follows:

| Year ended June 30, 2023 | SCRHITF |
|---------------------------------|----------------|
| Required contributions | \$ 4,684,205 |
| Actual contributions | \$ 4,684,205 |

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

III. OTHER INFORMATION (Continued)

C. Postemployment Benefits Other Than Pensions (continued)

Actuarial Assumptions and Methods

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plans (as understood by the employer and plan participants) and include the types of benefits provided at the time the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

Additional information as of the latest actuarial valuation for SCRHITF:

| | |
|----------------------------|--|
| Valuation Date: | June 30, 2021 |
| Actuarial Cost Method: | Entry Age Normal |
| Inflation: | 2.25% |
| Investment Rate of Return: | 2.75%, net of OPEB Plan investment expense; including inflation |
| Single Discount Rate: | 3.69% as of June 30, 2022 |
| Demographic Assumptions: | Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ended June 30, 2019 |
| Mortality: | For healthy retirees, the 2020 Public Retirees of South Carolina Retirees 2020 Mortality Tables are used with multipliers based on plan experience; the rates are projected on a fully generational basis using 80% of the ultimate rates of Scale MP-2019 to account for future mortality |
| Health Care Trend Rate: | Initial trend starting at 6.00% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 15 years |
| Aging Factors: | Based on plan specific experience |
| Retiree Participation: | 79% for retirees who are eligible for funded premiums 59% for retirees that are eligible for Partially Funded Premiums 20% for retirees that are eligible for Non-Funded Premiums |
| Notes: | The discount rate changed from 1.92% as of June 30, 2021, to 3.69% as of June 30, 2022. |

Roll Forward Disclosure

The actuarial valuation was performed as of June 30, 2021. Update procedures were used to roll forward the total OPEB liability to June 30, 2022.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

III. OTHER INFORMATION (Continued)

C. Postemployment Benefits Other Than Pensions (continued)

Net OPEB Liability

The Net OPEB Liability (NOL) represents the Trust's Total OPEB Liability (TOL) determined in accordance with GASB No. 74 less the Trust's fiduciary net position. The School District's proportionate share of the Net OPEB liability was calculated using its payroll-related contributions over the measurement period. This method is expected to be reflective of the employer's long-term contribution effort as well as be transparent to individual employers and their external auditors. For the measurement periods ended June 30, 2022 and 2021, the School District's percentage of the SCRHITF net OPEB liability was 0.710124% and 0.692797%, respectively.

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

| Measurement Period Ended June 30, | Fiscal Year Ended June 30, | SCRHITF |
|-----------------------------------|----------------------------|----------------|
| 2021 | 2022 | \$ 144,262,373 |
| 2022 | 2023 | \$ 108,022,935 |

Single Discount Rate

The Single Discount Rate of 3.69% was used to measure the total OPEB liability for the SCRHITF. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the plan's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

Long-term Expected Rate of Return

The long-term expected rate of returns 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 2018 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation. This information is summarized in the table below.

| <u>Asset Class</u> | <u>Target Asset Allocation</u> | <u>Expected Arithmetic Real Rate of Return</u> | <u>Allocation- Weighted Long-Term Expected Real Rate of Return</u> |
|-------------------------------------|------------------------------------|--|--|
| U.S. Domestic Fixed Income | 80.00% | 0.95% | 0.76% |
| Cash equivalents | 20.00% | 0.35% | 0.07% |
| Total | 100.00% | | 0.83% |
| Expected Inflation | | | 2.25% |
| Total Return | | | 3.08% |
| Investment Return Assumption | | | 2.75% |

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

III. OTHER INFORMATION (Continued)

C. Postemployment Benefits Other Than Pensions (continued)

Net OPEB Liability (continued)

Sensitivity Analysis

The following table presents the School District's proportionate share of the SCRHITF's net OPEB liability calculated using a Single Discount Rate of 3.69% as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

| | Sensitivity of the District's Proportional Share of SCRHITF OPEB Liability to Changes in the Discount Rate | | |
|---|---|------------------------------|-----------------------|
| | 1.00% Decrease | Current Discount Rate | 1.00% Increase |
| | 2.69% | 3.69% | 4.69% |
| Proportionate Share of SCRHITF Net OPEB | \$ 127,712,323 | \$ 108,022,935 | \$ 92,199,833 |

Regarding the sensitivity of the School District's proportionate share of the SCRHITF's net OPEB liability to changes in the healthcare cost trend rates, the following table presents the School District's proportionate share of the net OPEB liability, calculated using the assumed trend rates as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using a trend rate that is 1% lower or 1% higher:

| | Sensitivity of the District's Proportional Share of SCRHITF OPEB Liability to Changes in the Health Care Cost Trend Rate | | |
|--|---|--------------------------------|-----------------------|
| | 1.00% Decrease | Current Cost Trend Rate | 1.00% Increase |
| | Proportionate Share of SCRHITF Net OPEB | \$ 88,838,305 | \$ 108,022,935 |

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in PEBA's separately issued financial report.

OPEB Expense and Deferred Outflows (Inflows) of Resources

For the year ended June 30, 2023, the School District recognized OPEB expense of \$7,212,569.

At June 30, 2023, the School District reported deferred outflows (inflows) of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---------------------------------------|--------------------------------------|
| Contributions made subsequent to measurement date | \$ 4,684,204 | \$ - |
| Differences in actual and expected experience | 2,318,581 | 9,498,254 |
| Assumption changes | 24,356,387 | 34,723,509 |
| Changes in proportion and differences between District's contributions and proportionate share of contributions | 4,371,393 | 1,633,987 |
| Net differences between projected and actual earnings on plan investments | 849,375 | - |
| | <u>\$ 36,579,940</u> | <u>\$ 45,855,750</u> |

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

III. OTHER INFORMATION (Continued)

C. Postemployment Benefits Other Than Pensions (continued)

OPEB Expense and Deferred Outflows (Inflows) of Resources (continued)

The School District reported \$4,684,205 as deferred outflows of resources related to contributions subsequent to the measurement date which is recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. The difference between projected and actual earnings on OPEB plan investments are reported as deferred outflows (inflows) of resources and will be amortized over a closed five-year period and recognized in pension expense in future years. The difference between expected and actual experience, changes in assumptions, and changes in proportionate share are reported as deferred outflows (inflows) of resources and will be amortized over the average of the expected remaining service lives of all employees that are provided OPEB through the OPEB plan (active and inactive members) determined as of the beginning of the measurement period.

Average remaining service lives of all employees that are provided OPEB through the OPEB plan at the June 30, 2022, measurement date was 6.915 years for SCRHITF. The following schedule reflects the amortization of the School District's proportional share of the net balance of remaining deferred inflows at June 30, 2023.

| <u>Measurement Period Ending June 30,</u> | <u>Fiscal year Ending June 30,</u> | <u>SCRHITF</u> |
|---|------------------------------------|------------------------|
| 2022 | 2023 | \$ (2,122,925) |
| 2023 | 2024 | (986,964) |
| 2024 | 2025 | (701,450) |
| 2025 | 2026 | (885,860) |
| 2026 | 2027 | (3,570,176) |
| Thereafter | Thereafter | (5,692,639) |
| Net Balance of Deferred Outflows / (Inflows) of Resources | | <u>\$ (13,960,014)</u> |

Payables to the OPEB plans

At June 30, 2023, the School District reported a payable of \$1,126,285 for the outstanding amount of contributions to the SCRHITF. The liability will be paid in the normal course of paying year-end obligations.

D. On-Behalf Payments

For the year ended June 30, 2023, the State of South Carolina paid payments to the SCRS and the SCRHITF on behalf of the participants in those plans. The District's proportionate share of those payments is as follows:

| <u>Plan</u> | <u>Amount</u> |
|-------------|---------------|
| SCRS | \$ 580,806 |
| SCRHITF | \$ 13,423 |

These contributions are recorded in the General Fund and the Special Revenue Fund, respectively, as revenue and expenditures. The School District is not legally responsible for these contributions.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

III. OTHER INFORMATION (Continued)

E. Commitments and Contingent Liabilities

Litigation

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

Grants

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

Construction Commitments

The School District has entered into contracts for various construction projects. Outstanding obligations at June 30, 2023, are as follows:

| Project | Contract Amounts | Expended to Date | Remaining Commitment |
|--|---------------------|---------------------|-------------------------|
| Windows/Roll Doors Projects | \$ 20,000 | \$ 17,550 | \$ 2,450 |
| CES Mobile Replacement Project | 72,000 | 65,320 | 6,680 |
| NHE Mobile Upgrades | 29,250 | 26,325 | 2,925 |
| BDE New Water Line | 13,050 | 9,788 | 3,262 |
| District Wide Video Surveillance Project | 3,650,000 | 3,555,613 | 94,387 |
| MHS Additional Bathroom Renovations | 805,996 | 24,741 | 781,255 |
| LHS Bathroom Renovations | 21,858 | 18,579 | 3,279 |
| HMS Auditorium | 686,925 | 320,334 | 366,591 |
| | <u>\$ 5,299,079</u> | <u>\$ 4,038,250</u> | <u>\$ 1,260,829</u> |

F. Risk Management

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

During 2023, the School District was a participant in the South Carolina Insurance Reserve Fund (the Reserve Fund), a public entity risk pool operating as a common risk management and insurance program for local governments. The School District pays annual premiums to the Reserve Fund for certain general insurance coverage. The Reserve Fund is self-sustaining through member premiums and reinsures through commercial companies for certain claims. The vehicle insurance under the Reserve Fund is retrospectively rated based on the average number of vehicles covered for the participant during the year.

In addition, the School District insures the risk of job-related injury or illness to its employees through participation in the South Carolina School Boards Insurance Trust, a public entity risk pool operating for the benefit of the School Districts. The School District pays an annual premium to the South Carolina School Boards Insurance Trust. Additional premium assessments may be required for workers' compensation claims based on the School District's claims experience.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

III. OTHER INFORMATION (Continued)

F. Risk Management (continued)

For the above risk management programs, the School District has not significantly reduced insurance coverages from the previous year, and settled claims in excess of insurance coverage for the last three years were immaterial. For each of the public entity risk pools in which it participates, the School District has effectively transferred all risk with no liability for unfunded claims.

G. Tax Abatements

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

The District is subjected to tax abatements granted by Darlington County since Darlington County provides funding to the District based on millage. For the fiscal year ended June 30, 2023, Darlington County abated property taxes totaling \$7,314,604 of which \$4,886,243 would have been paid to the District without abatements. The County does not provide any reimbursement to the District to offset abatements.

H. GASB Statements Implemented in Current Year

GASB Statement No. 92, *Omnibus 2022*, intended to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following which have been determined to be relevant to the School District:

- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.

These provisions are effective for fiscal years beginning after June 15, 2022. The District evaluated the impact of these pronouncements at July 1, 2022, and June 30, 2023, and determined they did not have any significant SBITAs, leases or contracts as defined in the pronouncements and, therefore, they have no impact on the financial statements.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

I. Pending GASB Statements

The GASB has issued the following statements:

GASB Statement No. 101, *Compensated Absences* requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The statement establishes guidance for the amount and timing of the liability and simplifies the required disclosures.

Effective date is for fiscal years beginning after December 15, 2023. Earlier application is encouraged.

Management has not yet determined the impact implementation of these standards will have on the School District's financial statements, if any.

J. Subsequent Events

The School District issued a general obligation bond in the amount of \$9.5 million, with interest at 4.73%, due in full by March 1, 2024.

Subsequent events have been evaluated through December 1, 2023, which is the date the financial statements were available to be issued.

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

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
BUDGETARY COMPARISON SCHEDULE – BUDGETED MAJOR GOVERNMENTAL FUND -
GENERAL FUND
YEAR ENDED JUNE 30, 2023**

| | Budgeted Amounts | | Actual | Final Budget Variance with Actual |
|---|--------------------|--------------------|----------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Local | \$ 40,230,116 | \$ 40,230,116 | \$ 44,059,844 | \$ 3,829,728 |
| State | 59,634,544 | 66,639,011 | 60,128,441 | (6,510,570) |
| Federal | - | - | 1,200 | 1,200 |
| Intergovernmental | 150,000 | 150,000 | - | (150,000) |
| Total Revenue | 100,014,660 | 107,019,127 | 104,189,485 | (2,829,642) |
| EXPENDITURES | | | | |
| Current | | | | |
| Instruction | 59,694,147 | 59,163,671 | 63,313,057 | (4,149,386) |
| Support services | 48,932,119 | 49,190,498 | 47,242,434 | 1,948,064 |
| Intergovernmental | - | 260,047 | 509,453 | (249,406) |
| Total Expenditures | 108,626,266 | 108,614,216 | 111,064,944 | (2,450,728) |
| Excess of Revenues Over (Under) Expenditures | (8,611,606) | (1,595,089) | (6,875,459) | (5,280,370) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 9,645,339 | 2,640,872 | 9,365,222 | 6,724,350 |
| Transfers out | (1,033,733) | (1,045,783) | (11,960,450) | (10,914,667) |
| Total Other Financing Sources | 8,611,606 | 1,595,089 | (2,595,228) | (4,190,317) |
| Net Change in Fund Balance | \$ - | \$ - | (9,470,687) | \$ (9,470,687) |
| FUND BALANCE | | | | |
| July 1, 2022 | | | 40,453,688 | |
| June 30, 2023 | | | <u>\$ 30,983,001</u> | |

The accompanying Notes to Budgetary Comparison Schedule are an integral part of this schedule.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN
MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)
NOTES TO BUDGETARY COMPARISON SCHEDULE – BUDGETED MAJOR GOVERNMENTAL FUND -
GENERAL FUND
YEAR ENDED JUNE 30, 2023**

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

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

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

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

Budget appropriations and encumbrances and unused expenditures lapse at year-end.

The final budget amendments presented are necessary based on the operating activities of the District. The budget was amended to move funds from Support services to Instruction to fund increases in fringe benefits and allow purchases of technology and related supplies rather than purchases for administration. These amendments are allowed as the policy allows for funds to be transferred between functions.

The presentation of the statement of revenue and expenses differs from that of the budgetary comparison schedule by presenting \$203,771 as capital outlay rather than support services.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY -
SOUTH CAROLINA RETIREMENT SYSTEM
LAST NINE FISCAL YEARS**

| Measurement Year Ended June 30 | Fiscal Year Ended June 30 | School District's proportion of the net pension liability | School District's proportionate share of the net pension liability (asset) | School District's covered employee payroll | School District's share of the net pension liability (asset) as a percentage of its covered employee payroll | Plan fiduciary net position as a percentage of the total pension liability |
|--------------------------------------|------------------------------------|--|--|---|---|--|
| 2022 | 2023 | 0.580540% | \$ 140,735,335 | \$ 67,677,413 | 208% | 57.10% |
| 2021 | 2022 | 0.565101% | \$ 122,295,060 | \$ 62,556,296 | 195% | 60.70% |
| 2020 | 2021 | 0.556771% | \$ 142,264,874 | \$ 60,819,061 | 234% | 50.70% |
| 2019 | 2020 | 0.552806% | \$ 126,228,562 | \$ 56,949,559 | 222% | 54.40% |
| 2018 | 2019 | 0.576048% | \$ 129,074,010 | \$ 58,450,403 | 221% | 54.10% |
| 2017 | 2018 | 0.575309% | \$ 129,511,308 | \$ 56,939,255 | 227% | 53.30% |
| 2016 | 2017 | 0.578946% | \$ 123,662,011 | \$ 54,957,042 | 225% | 52.90% |
| 2015 | 2016 | 0.574162% | \$ 108,892,592 | \$ 52,746,766 | 206% | 57.00% |
| 2014 | 2015 | 0.577055% | \$ 99,349,740 | \$ 51,397,206 | 193% | 59.92% |

Note: Each year the School District will add an additional year of data until a total of ten years is presented.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY -
POLICE OFFICERS RETIREMENT SYSTEM
LAST NINE FISCAL YEARS**

| Measurement Year Ended June 30 | Fiscal Year Ended June 30 | School District's proportion of the net pension liability | School District's proportionate share of the net pension liability (asset) | School District's covered payroll | School District's share of the net pension liability (asset) as a percentage of its covered payroll | Plan fiduciary net position as a percentage of the total pension liability |
|--------------------------------------|------------------------------------|--|--|--------------------------------------|--|--|
| 2022 | 2021 | 0.00441% | \$ 132,254 | \$ 69,794 | 189% | 66.40% |
| 2021 | 2022 | 0.00480% | \$ 123,576 | \$ 72,222 | 171% | 70.40% |
| 2020 | 2021 | 0.00514% | \$ 170,448 | \$ 77,646 | 220% | 58.80% |
| 2019 | 2020 | 0.00379% | \$ 108,719 | \$ 55,022 | 198% | 62.70% |
| 2018 | 2019 | 0.00424% | \$ 120,247 | \$ 59,859 | 201% | 61.70% |
| 2017 | 2018 | 0.00091% | \$ 24,985 | \$ 12,285 | 203% | 60.90% |
| 2016 | 2017 | 0.00013% | \$ 3,272 | - | 0.0% | 60.40% |
| 2015 | 2016 | 0.00000% | - | - | 0.0% | 64.60% |
| 2014 | 2015 | 0.00019% | \$ 3,561 | \$ 2,270 | 157% | 67.55% |

Note: Each year the School District will add an additional year of data until a total of ten years is presented.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS -
SOUTH CAROLINA RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

| Year Ended June 30 | Contractual required contribution | Contributions relative to contractual required contributions | Contribution deficiency (excess) | School District's covered payroll | Contributions as a percentage of covered payroll |
|-----------------------|---|--|--|--------------------------------------|---|
| 2023 | \$ 12,182,820 | \$ 12,182,820 | \$ - | \$ 72,686,059 | 16.76% |
| 2022 | \$ 10,628,778 | \$ 10,628,778 | \$ - | \$ 67,677,413 | 15.71% |
| 2021 | \$ 9,152,474 | \$ 9,152,474 | \$ - | \$ 62,556,296 | 14.63% |
| 2020 | \$ 8,881,053 | \$ 8,881,053 | \$ - | \$ 60,819,061 | 14.60% |
| 2019 | \$ 7,710,800 | \$ 7,710,800 | \$ - | \$ 56,949,559 | 13.54% |
| 2018 | \$ 7,344,368 | \$ 7,344,368 | \$ - | \$ 58,450,403 | 12.57% |
| 2017 | \$ 6,582,178 | \$ 6,582,178 | \$ - | \$ 56,939,255 | 11.56% |
| 2016 | \$ 6,078,249 | \$ 6,078,249 | \$ - | \$ 54,957,042 | 11.06% |
| 2015 | \$ 5,749,399 | \$ 5,749,399 | \$ - | \$ 52,746,766 | 10.90% |
| 2014 | \$ 5,553,238 | \$ 5,553,238 | \$ - | \$ 51,397,206 | 10.80% |

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS -
POLICE OFFICERS RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

| Year Ended June 30 | Contractual required contribution | Contributions relative to contractual required contributions | Contribution deficiency (excess) | School District's covered payroll | Contributions as a percentage of covered payroll |
|-----------------------|---|--|--|---|---|
| 2023 | \$ 9,334 | \$ 9,334 | \$ - | \$ 46,199 | 20.20% |
| 2022 | \$ 13,415 | \$ 13,415 | \$ - | \$ 69,794 | 19.22% |
| 2021 | \$ 13,155 | \$ 13,155 | \$ - | \$ 72,222 | 18.21% |
| 2020 | \$ 11,671 | \$ 11,671 | \$ - | \$ 77,646 | 15.03% |
| 2019 | \$ 9,469 | \$ 9,469 | \$ - | \$ 55,022 | 17.21% |
| 2018 | \$ 9,905 | \$ 9,905 | \$ - | \$ 59,859 | 16.55% |
| 2017 | \$ 1,749 | \$ 1,749 | \$ - | \$ 12,285 | 14.24% |
| 2016 | \$ - | \$ - | \$ - | \$ - | 0.00% |
| 2015 | \$ - | \$ - | \$ - | \$ - | 0.00% |
| 2014 | \$ 287 | \$ 287 | \$ - | \$ 2,270 | 12.64% |

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -
SOUTH CAROLINA RETIREMENT SYSTEM AND POLICE OFFICERS RETIREMENT SYSTEM
JUNE 30, 2023**

A. Summary of Actuarial Methods and Significant Assumptions

The following table provides a summary of the actuarial assumptions and methods used to calculate the total pension liability as of June 30, 2022, the most recent measurement date.

| | SCRS | PORS |
|----------------------------|--------------------------------------|--------------------------------------|
| Valuation date | 7/1/2021 | 7/1/2021 |
| Actuarial cost method | Entry age normal | Entry age normal |
| Amortization method | Level percent of pay | Level percent of pay |
| Amortization period | 27 years maximum, closed period* | 27 years maximum, closed period* |
| Asset valuation method | 5-year smoothed | 5-year smoothed |
| Actuarial assumptions | | |
| Inflation rate | 2.25% | 2.25% |
| Projected salary increases | 3.0% to 11.0% (varies by service) | 3.5% to 10.5% (varies by service) |
| Investment rate of return | 7.00% | 7.00% |
| Benefit adjustments | lesser of 1% or \$500 annually | lesser of 1% or \$500 annually |

* Pension reform legislation enacted effective July 1, 2017 schedules the amortization period to be reduced one year for the next 10 years, to 20 years.

B. Contribution Rates

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. The Retirement Funding and Administration Act of 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. The General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. In accordance with the legislative funding schedule, employer contribution rates will continue to increase by 1 percentage point each year until reaching 18.56 percent for SCRS and 21.24 percent for PORS but may be increased further, if the scheduled contributions are not sufficient to meet the funding periods set for the applicable year. The Board shall increase the employer contribution rates as necessary to meet the amortization period set in statute.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -
SOUTH CAROLINA RETIREMENT SYSTEM AND POLICE OFFICERS RETIREMENT SYSTEM
JUNE 30, 2023**

B. Contribution Rates (Continued)

Additionally, Pension reform legislation modified the statute such that the employer contribution rates for SCRS and PORS to be further increased, not to exceed one-half of one percent in any one year, if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS and PORS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85 percent funded.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY –
SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND
LAST SEVEN FISCAL YEARS**

| Measurement Year Ended June 30 | Fiscal Year Ended June 30 | School District's proportion of the net OPEB liability | School District's proportionate share of the net OPEB liability (asset) | School District's covered payroll | School District's share of the net OPEB liability (asset) as a percentage of its covered payroll | Plan fiduciary net position as a percentage of the total OPEB liability |
|--------------------------------------|------------------------------------|--|---|---|---|---|
| 2022 | 2023 | 0.710124% | \$ 108,022,935 | \$ 69,797,924 | 155% | 9.64% |
| 2021 | 2022 | 0.692797% | \$ 144,262,373 | \$ 64,608,822 | 223% | 7.48% |
| 2020 | 2021 | 0.681442% | \$ 123,010,138 | \$ 62,814,244 | 196% | 8.39% |
| 2019 | 2020 | 0.676646% | \$ 102,319,191 | \$ 59,178,297 | 173% | 8.44% |
| 2018 | 2019 | 0.701331% | \$ 99,382,705 | \$ 60,480,786 | 164% | 7.91% |
| 2017 | 2018 | 0.698481% | \$ 94,608,107 | \$ 58,901,776 | 161% | 7.60% |
| 2016 | 2017 | 0.698481% | \$ 101,060,638 | \$ 56,892,374 | 178% | N/A* |

Note: Each year the School District will add an additional year of data until a total of ten years is presented.

* Not available

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS – OPEB -
SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND
LAST SEVEN FISCAL YEARS**

| Year Ended June 30 | Contractual required contribution | Contributions relative to contractual required contributions | Contribution deficiency (excess) | School District's covered payroll | Contributions as a percentage of covered payroll |
|-----------------------|---|--|--|--------------------------------------|--|
| 2023 | \$ 4,684,205 | \$ 4,684,205 | \$ - | \$ 74,947,285 | 6.25% |
| 2022 | \$ 4,362,370 | \$ 4,362,370 | \$ - | \$ 69,797,924 | 6.25% |
| 2021 | \$ 4,038,049 | \$ 4,038,049 | \$ - | \$ 64,608,822 | 6.25% |
| 2020 | \$ 3,925,890 | \$ 3,925,890 | \$ - | \$ 62,814,244 | 6.25% |
| 2019 | \$ 3,580,287 | \$ 3,580,287 | \$ - | \$ 59,178,297 | 6.05% |
| 2018 | \$ 3,326,443 | \$ 3,326,443 | \$ - | \$ 60,480,786 | 5.50% |
| 2017 | \$ 3,139,465 | \$ 3,139,465 | \$ - | \$ 58,901,776 | 5.30% |

Note: Each year the School District will add an additional year of data until a total of ten years is presented.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OPEB -
SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND**

A. Summary of Actuarial Methods and Significant Assumptions

The following table provides a summary of the actuarial assumptions and methods used to calculate the total OPEB liability as of June 30, 2022, the most recent measurement date.

| | |
|----------------------------|--|
| Valuation Date: | June 30, 2021 |
| Actuarial Cost Method: | Entry Age Normal |
| Inflation: | 2.25% |
| Investment Rate of Return: | 2.75%, net of OPEB Plan investment expense; including inflation |
| Single Discount Rate: | 3.69% as of June 30, 2022 |
| Demographic Assumptions: | Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ended June 30, 2019 |
| Mortality: | For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with multipliers based on plan experience; the rates are projected on a fully generational basis using 80% of the ultimate rates of Scale MP-2019 to account for future mortality |
| Health Care Trend Rate: | Initial trend starting at 6.00% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 15 years |
| Aging Factors: | Based on plan specific experience |
| Retiree Participation: | 79% for retirees who are eligible for Funded Premiums 59% for retirees that are eligible for Partially Funded Premiums 20% for retirees that are eligible for Non-Funded Premiums |
| Notes: | The discount rate changed from 1.92% as of June 30, 2021, to 3.69% as of June 30, 2022 |

Roll Forward Disclosure

The actuarial valuation was performed as of June 30, 2021. Update procedures were used to roll forward the total OPEB liability to June 30, 2022.

OTHER SUPPLEMENTARY INFORMATION

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2023**

| | Budgeted Amounts | | Actual | Variance - Favorable (Unfavorable) |
|---|-------------------|-------------------|-------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| 1000 Revenue from Local Sources | | | | |
| 1100 Taxes Levied/Assessed by the LEA | | | | |
| 1110 Ad Valorem Taxes - Including Delinquent (Independent) | \$ 37,255,116 | \$ 37,240,116 | \$ 40,335,620 | \$ 3,095,504 |
| 1140 Penalties & Interest on Taxes (Independent) | 90,000 | 90,000 | 122,171 | 32,171 |
| 1200 Revenue from Local Governmental Units Other Than LEAS | | | | |
| 1280 Revenue in Lieu of Taxes (Independent and Dependent) | 2,800,000 | 2,800,000 | 2,289,006 | (510,994) |
| 1500 Earnings on Investments | | | | |
| 1510 Interest on Investments | 50,000 | 50,000 | 1,242,833 | 1,192,833 |
| 1990 Miscellaneous Local Revenue: | | | | |
| 1993 Insurance Proceeds | - | - | 13,384 | 13,384 |
| 1999 Revenue from Other Local Sources | 35,000 | 50,000 | 56,830 | 6,830 |
| Total Local Sources | <u>40,230,116</u> | <u>40,230,116</u> | <u>44,059,844</u> | <u>3,829,728</u> |
| 2000 Intergovernmental Revenue | | | | |
| 2100 Payments from Other Governmental Units | 150,000 | 150,000 | - | (150,000) |
| Total Intergovernmental Sources | <u>150,000</u> | <u>150,000</u> | <u>-</u> | <u>(150,000)</u> |
| 3000 Revenue from State Sources | | | | |
| 3100 Restricted State Funding | | | | |
| 3130 Special Programs | | | | |
| 3103 State Aid to Classrooms | 40,490,496 | 47,494,963 | 39,157,954 | (8,337,009) |
| 3131 Handicapped Transportation | - | - | 1,351 | 1,351 |
| 3160 School Bus Driver Salary | - | - | 1,177,926 | 1,177,926 |
| 3161 EAA Bus Driver Salary and Fringe | - | - | 3,375 | 3,375 |
| 3162 Transportation Workers' Compensation | - | - | 55,561 | 55,561 |
| 3181 Retiree Insurance | 3,428,942 | 3,428,942 | 3,518,426 | 89,484 |

(Continued)

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2023**

| | Budgeted Amounts | | Actual | Variance - Over (Under) |
|---|------------------|-------------|-------------|-------------------------------|
| | Original | Final | | |
| REVENUES (CONTINUED) | | | | |
| 3320 Part-Time Programs (Continued) | | | | |
| 3392 NBC Excess EFA Formula | \$ - | \$ - | \$ 146,659 | \$ 146,659 |
| 3800 State Revenue in Lieu of Taxes | | | | |
| 3810 Reimbursement for Local Residential | | | | |
| Property Tax Relief (Tier 1) | 3,748,257 | 3,748,257 | 3,748,257 | - |
| 3820 Homestead Exemption (Tier 2) | 1,372,909 | 1,372,909 | 1,372,910 | 1 |
| 3825 Reimbursement for Property Tax Relief (Tier 3) | 8,241,140 | 8,241,140 | 6,755,384 | (1,485,756) |
| 3830 Merchant's Inventory Tax | 272,000 | 272,000 | 271,981 | (19) |
| 3840 Manufacturer's Depreciation Reimbursement | 1,000,000 | 1,000,000 | 2,712,053 | 1,712,053 |
| 3890 Other State Property Tax Revenues | 500,000 | 500,000 | 625,798 | 125,798 |
| 3900 Other State Revenue | | | | |
| 3993 PEBA on-Behalf | 580,800 | 580,800 | 580,806 | 6 |
| Total State Sources | 59,634,544 | 66,639,011 | 60,128,441 | (6,510,570) |
| 4000 Revenue from Federal Sources | | | | |
| 4900 Other Federal Sources | | | | |
| 4999 Revenue from Other Federal Sources | - | - | 1,200 | 1,200 |
| Total Federal Sources | - | - | 1,200 | 1,200 |
| TOTAL REVENUES | 100,014,660 | 107,019,127 | 104,189,485 | (2,829,642) |
| EXPENDITURES | | | | |
| 100 Instruction | | | | |
| 110 General Instruction | | | | |
| 111 Kindergarten Programs | | | | |
| 100 Salaries | 2,557,026 | 2,417,374 | 2,389,148 | 28,226 |
| 200 Employee Benefits | 1,187,130 | 1,087,157 | 1,062,590 | 24,567 |
| 400 Supplies and Materials | 27,810 | 27,826 | 23,539 | 4,287 |
| 112 Primary Programs | | | | |
| 100 Salaries | 6,798,433 | 6,779,720 | 6,778,798 | 922 |
| 200 Employee Benefits | 2,905,127 | 2,863,637 | 2,804,963 | 58,674 |
| 400 Supplies and Materials | 74,746 | 71,770 | 65,033 | 6,737 |
| 113 Elementary Programs | | | | |
| 100 Salaries | 12,366,328 | 11,730,714 | 11,900,637 | (169,923) |
| 200 Employee Benefits | 4,809,134 | 4,724,235 | 4,648,086 | 76,149 |
| 300 Purchased Services | 67,700 | 24,410 | 17,622 | 6,788 |
| 400 Supplies and Materials | 354,469 | 351,699 | 281,383 | 70,316 |

(Continued)

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2023**

| | Budgeted Amounts | | Actual | Variance - Over (Under) |
|--|------------------|---------------|---------------|-------------------------------|
| | Original | Final | | |
| EXPENDITURES (CONTINUED) | | | | |
| 100 Instruction (Continued) | | | | |
| 110 General Instruction (Continued) | | | | |
| 114 High School Programs | | | | |
| 100 Salaries | \$ 10,304,410 | \$ 10,303,212 | \$ 14,621,796 | \$ (4,318,584) |
| 200 Employee Benefits | 4,235,869 | 4,363,346 | 4,601,825 | (238,479) |
| 300 Purchased Services | 910,350 | 629,820 | 627,752 | 2,068 |
| 400 Supplies and Materials | 281,117 | 260,663 | 232,685 | 27,978 |
| 115 Career & Technology Education Programs | | | | |
| 100 Salaries | 1,239,756 | 1,261,837 | 1,241,903 | 19,934 |
| 200 Employee Benefits | 528,272 | 555,156 | 532,966 | 22,190 |
| 300 Purchased Services-Other than Tuition | - | 1,191 | 1,191 | - |
| 400 Supplies and Materials | 72,900 | 82,950 | 77,752 | 5,198 |
| 118 Montessori Programs | | | | |
| 100 Salaries | 158,576 | 157,537 | 157,381 | 156 |
| 200 Employee Benefits | 74,594 | 74,936 | 71,601 | 3,335 |
| 400 Supplies and Materials | 5,000 | 5,300 | 5,256 | 44 |
| 120 Exceptional Programs | | | | |
| 121 Educable Mentally Handicapped | | | | |
| 100 Salaries | 1,229,363 | 1,175,177 | 1,151,390 | 23,787 |
| 200 Employee Benefits | 523,497 | 539,919 | 521,678 | 18,241 |
| 300 Purchased Services | - | 52,893 | 52,893 | - |
| 400 Supplies and Materials | 5,140 | 4,911 | 4,415 | 496 |
| 122 Trainable Mentally Handicapped | | | | |
| 100 Salaries | 548,328 | 585,902 | 551,903 | 33,999 |
| 200 Employee Benefits | 265,198 | 291,998 | 231,901 | 60,097 |
| 300 Purchased Services | 14,092 | 82,401 | 70,424 | 11,977 |
| 400 Supplies and Materials | 5,575 | 4,999 | 2,603 | 2,396 |
| 123 Orthopedically Handicapped | | | | |
| 100 Salaries | - | 875 | 875 | - |
| 124 Visually Handicapped | | | | |
| 200 Employee Benefits | - | 2,414 | - | 2,414 |
| 125 Hearing Handicapped | | | | |
| 100 Salaries | 477,420 | 475,617 | 468,670 | 6,947 |
| 200 Employee Benefits | 274,112 | 249,662 | 237,258 | 12,404 |
| 300 Purchased Services | 44,500 | 50,290 | 45,515 | 4,775 |
| 400 Supplies and Materials | 12,200 | 12,224 | 1,632 | 10,592 |
| 126 Speech Handicapped | | | | |
| 100 Salaries | 587,199 | 605,720 | 609,535 | (3,815) |
| 200 Employee Benefits | 308,144 | 303,533 | 290,146 | 13,387 |
| 300 Purchased Services | 13,400 | 6,101 | 1,500 | 4,601 |
| 400 Supplies and Materials | 1,100 | 1,100 | 107 | 993 |
| 127 Learning Disabilities | | | | |
| 100 Salaries | 2,636,605 | 2,716,506 | 2,706,729 | 9,777 |
| 200 Employee Benefits | 1,119,385 | 1,115,453 | 1,047,812 | 67,641 |
| 300 Purchased Services | 36,258 | 109,001 | 104,297 | 4,704 |
| 400 Supplies and Materials | 16,080 | 14,716 | 11,537 | 3,179 |
| 128 Emotionally Handicapped | | | | |
| 100 Salaries | 229,580 | 225,604 | 243,168 | (17,564) |
| 200 Employee Benefits | 100,354 | 105,060 | 102,921 | 2,139 |
| 400 Supplies and Materials | 1,500 | 1,509 | 1,505 | 4 |

(Continued)

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2023**

| | Budgeted Amounts | | Actual | Variance - Over (Under) |
|---|------------------|------------|------------|-------------------------------|
| | Original | Final | | |
| EXPENDITURES (CONTINUED) | | | | |
| 100 Instruction (Continued) | | | | |
| 130 Preschool Programs | | | | |
| 131 Pre-school Handicapped-Speech (5 yr. olds) | | | | |
| 100 Salaries | \$ 262,267 | \$ 190,610 | \$ 190,610 | \$ - |
| 200 Employee Benefits | 103,382 | 80,817 | 80,467 | 350 |
| 300 Purchased Services | - | 49,528 | 49,528 | - |
| 400 Supplies and Materials | 90 | 90 | - | 90 |
| 133 Pre-school Handicapped-Self-contained (5 yr. olds) | | | | |
| 100 Salaries | 132,804 | 137,080 | 135,477 | 1,603 |
| 200 Employee Benefits | 71,019 | 76,295 | 67,383 | 8,912 |
| 400 Supplies and Materials | 250 | 250 | 248 | 2 |
| 137 Preschool Handicapped - Self- Contained (3 & 4 yr. olds) | | | | |
| 100 Salaries | 179,534 | 173,151 | 168,769 | 4,382 |
| 200 Employee Benefits | 79,193 | 89,321 | 67,032 | 22,289 |
| 400 Supplies and Materials | 1,008 | 1,008 | 423 | 585 |
| 140 Special Programs | | | | |
| 141 Gifted and Talented - Academic | | | | |
| 300 Purchased Services | 6,700 | 6,700 | 7,449 | (749) |
| 600 Other Objects | 200 | 200 | - | 200 |
| 142 Disadvantaged | | | | |
| 400 Supplies and Materials | - | 1,110 | 1,110 | - |
| 145 Homebound | | | | |
| 100 Salaries | 138,287 | 105,555 | 104,555 | 1,000 |
| 200 Employee Benefits | 41,412 | 42,138 | 35,915 | 6,223 |
| 300 Purchased Services | 65,000 | 65,000 | 51,431 | 13,569 |
| 147 CERDEP | | | | |
| 100 Salaries | - | 136,680 | 257,518 | (120,838) |
| 200 Employee Benefits | - | 55,346 | 92,410 | (37,064) |
| 400 Supplies and Materials | - | 12,112 | 6,278 | 5,834 |
| 148 Gifted and Talented - Artistic | | | | |
| 100 Salaries | 1,000 | - | - | - |
| 200 Employee Benefits | 566 | 566 | 163 | 403 |
| 300 Purchased Services | 1,000 | 1,000 | 518 | 482 |
| 400 Supplies and Materials | 3,000 | 3,000 | 1,548 | 1,452 |
| 149 Other Special Programs | | | | |
| 100 Salaries | - | - | 1,525 | (1,525) |
| 200 Employee Benefits | - | 1,358 | 694 | 664 |
| 300 Purchased Services | 8,000 | 8,000 | 250 | 7,750 |
| 160 Other Exceptional Programs | | | | |
| 161 Autism | | | | |
| 100 Salaries | 299,894 | 504,860 | 486,530 | 18,330 |
| 200 Employee Benefits | 141,936 | 210,837 | 185,456 | 25,381 |
| 400 Supplies and Materials | 150 | 150 | 150 | - |
| 170 Summer School Programs | | | | |
| 171 Primary Summer School | | | | |
| 400 Supplies and Materials | 2,500 | 2,500 | - | 2,500 |
| 172 Elementary Summer School | | | | |
| 100 Salaries | 31,000 | - | 150 | (150) |
| 200 Employee Benefits | 940 | - | 50 | (50) |
| 400 Supplies and Materials | 1,000 | 500 | - | 500 |

(Continued)

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2023**

| | Budgeted Amounts | | Actual | Variance - Over (Under) |
|---|-------------------|-------------------|-------------------|-------------------------------|
| | Original | Final | | |
| EXPENDITURES (CONTINUED) | | | | |
| 100 Instruction (Continued) | | | | |
| 170 Summer School Programs (Continued) | | | | |
| 173 High School Summer School | | | | |
| 100 Salaries | \$ 13,500 | \$ - | \$ - | \$ - |
| 200 Employee Benefits | 1,280 | - | - | - |
| 400 Supplies and Materials | 1,500 | 1,250 | 478 | 772 |
| 174 Gifted and Talented Summer School | | | | |
| 100 Salaries | 15,417 | 15,417 | 17,492 | (2,075) |
| 200 Employee Benefits | 4,559 | 4,559 | 5,674 | (1,115) |
| 300 Purchased Services | 8,200 | 8,200 | 4,406 | 3,794 |
| 400 Supplies and Materials | 1,737 | 1,737 | 1,697 | 40 |
| 175 Instructional Programs Beyond Regular School Day | | | | |
| 300 Purchased Services | 6,717 | 4,137 | - | 4,137 |
| 400 Supplies and Materials | 3,350 | 5,376 | 5,376 | - |
| 180 Adult/Continuing Educational Programs | | | | |
| 181 Adult Basic Education Programs | | | | |
| 100 Salaries | 254,482 | 254,482 | 285,113 | (30,631) |
| 200 Employee Benefits | 116,654 | 122,804 | 125,429 | (2,625) |
| 300 Purchased Services | 4,000 | 4,000 | - | 4,000 |
| 182 Adult Secondary Education Programs | | | | |
| 100 Salaries | - | - | 7,844 | (7,844) |
| 200 Employee Benefits | - | - | 343 | (343) |
| 300 Purchased Services | - | - | 916 | (916) |
| 400 Supplies and Materials | 4,295 | 4,295 | - | 4,295 |
| 188 Parenting/Family Literacy | | | | |
| 100 Salaries | - | - | 503 | (503) |
| 200 Employee Benefits | - | - | 104 | (104) |
| 190 Instructional Pupil Activity | | | | |
| 100 Salaries | 204,499 | 198,261 | 191,437 | 6,824 |
| 200 Employee Benefits | 74,048 | 75,316 | 68,287 | 7,029 |
| Total Instruction | 59,694,147 | 59,163,671 | 63,313,057 | (4,149,386) |
| 200 Support Services | | | | |
| 210 Pupil Services | | | | |
| 211 Attendance and Social Work Services | | | | |
| 100 Salaries | 631,660 | 658,985 | 649,189 | 9,796 |
| 200 Employee Benefits | 278,633 | 310,918 | 289,086 | 21,832 |
| 300 Purchased Services | 41,998 | 40,369 | 25,389 | 14,980 |
| 400 Supplies and Materials | 14,600 | 16,350 | 9,395 | 6,955 |
| 600 Other Objects | 527 | 600 | 600 | - |

(Continued)

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2023**

| | Budgeted Amounts | | Actual | Variance - Over (Under) |
|--|------------------|--------------|--------------|-------------------------------|
| | Original | Final | | |
| EXPENDITURES (CONTINUED) | | | | |
| 200 Support Services (Continued) | | | | |
| 210 Pupil Services (Continued) | | | | |
| 212 Guidance Services | | | | |
| 100 Salaries | \$ 2,282,116 | \$ 2,284,571 | \$ 2,344,196 | \$ (59,625) |
| 200 Employee Benefits | 996,061 | 1,026,135 | 1,023,377 | 2,758 |
| 300 Purchased Services | 5,400 | 4,734 | 2,041 | 2,693 |
| 400 Supplies and Materials | 9,965 | 6,940 | 699 | 6,241 |
| 213 Health Services | | | | |
| 100 Salaries | 574,906 | 928,674 | 925,182 | 3,492 |
| 200 Employee Benefits | 265,840 | 457,029 | 420,211 | 36,818 |
| 300 Purchased Services | 50,600 | 36,923 | 22,674 | 14,249 |
| 400 Supplies and Materials | 16,128 | 17,228 | 12,418 | 4,810 |
| 214 Psychological Services | | | | |
| 100 Salaries | 282,506 | 361,735 | 346,617 | 15,118 |
| 200 Employee Benefits | 124,078 | 161,438 | 136,407 | 25,031 |
| 400 Supplies and Materials | 2,800 | 2,800 | 1,443 | 1,357 |
| 217 Instructional Staff Services | | | | |
| 100 Salaries | - | 209 | 209 | |
| 200 Employee Benefits | - | 2,635 | - | 2,635 |
| 221 Improvement of Instruction - Curriculum Development | | | | |
| 100 Salaries | 370,952 | 369,234 | 371,315 | (2,081) |
| 200 Employee Benefits | 160,644 | 155,359 | 153,303 | 2,056 |
| 300 Purchased Services | 32,043 | 36,517 | 62,443 | (25,926) |
| 400 Supplies and Materials | 129,060 | 110,148 | 86,123 | 24,025 |
| 600 Other Objects | 1,053 | 1,053 | 1,200 | (147) |
| 222 Library and Media Services | | | | |
| 100 Salaries | 1,329,606 | 1,364,311 | 1,357,114 | 7,197 |
| 200 Employee Benefits | 630,083 | 661,647 | 634,818 | 26,829 |
| 300 Purchased Services | 25,262 | 26,407 | 25,756 | 651 |
| 400 Supplies and Materials | 53,235 | 52,685 | 50,419 | 2,266 |
| 223 Supervision of Special Programs | | | | |
| 100 Salaries | 562,837 | 594,414 | 594,731 | (317) |
| 200 Employee Benefits | 225,857 | 247,129 | 243,093 | 4,036 |
| 300 Purchased Services | 32,568 | 33,173 | 32,693 | 480 |
| 400 Supplies and Materials | 14,700 | 14,700 | 2,229 | 12,471 |
| 600 Other Objects | 4,800 | 800 | 200 | 600 |
| 224 Improvement of Instruction - Inservice and Staff Training | | | | |
| 100 Salaries | - | 8,200 | 8,200 | - |
| 200 Employee Benefits | - | 2,583 | 2,568 | 15 |
| 300 Purchased Services | 162,825 | 221,428 | 192,050 | 29,378 |
| 400 Supplies and Materials | 20,620 | 24,402 | 22,236 | 2,166 |

(Continued)

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2023**

| | Budgeted Amounts | | Actual | Variance - Over (Under) |
|--|------------------|-----------|-----------|-------------------------------|
| | Original | Final | | |
| EXPENDITURES (CONTINUED) | | | | |
| 200 Support Services (Continued) | | | | |
| 230 General Administration Services | | | | |
| 231 Board of Education | | | | |
| 100 Salaries | \$ 60,200 | \$ 60,395 | \$ 59,458 | \$ 937 |
| 200 Employee Benefits | 48,808 | 28,315 | 13,315 | 15,000 |
| 300 Purchased Services | 113,600 | 79,101 | 59,023 | 20,078 |
| 318 Audit Services | 50,000 | 52,000 | 52,000 | - |
| 400 Supplies and Materials | 6,000 | 7,112 | 7,112 | - |
| 600 Other Objects | 125,321 | 62,465 | 62,465 | - |
| 232 Office of the Superintendent | | | | |
| 100 Salaries | 511,478 | 603,744 | 603,884 | (140) |
| 200 Employee Benefits | 206,900 | 243,503 | 241,278 | 2,225 |
| 300 Purchased Services | 112,800 | 134,345 | 90,919 | 43,426 |
| 400 Supplies and Materials | 104,500 | 95,217 | 67,984 | 27,233 |
| 600 Other Objects | 6,700 | 6,700 | 6,447 | 253 |
| 233 School Administration | | | | |
| 100 Salaries | 5,361,759 | 5,537,154 | 5,516,965 | 20,189 |
| 200 Employee Benefits | 2,376,260 | 2,563,634 | 2,478,604 | 85,030 |
| 300 Purchased Services | 151,620 | 141,853 | 124,525 | 17,328 |
| 400 Supplies and Materials | 94,256 | 111,856 | 101,986 | 9,870 |
| 600 Other Objects | 47,200 | 59,379 | 55,579 | 3,800 |
| 250 Finance and Operations Services | | | | |
| 252 Fiscal Services | | | | |
| 100 Salaries | 766,412 | 766,412 | 765,445 | 967 |
| 200 Employee Benefits | 316,386 | 329,331 | 321,681 | 7,650 |
| 300 Purchased Services | 32,075 | 32,075 | 22,763 | 9,312 |
| 400 Supplies and Materials | 48,500 | 48,500 | 37,499 | 11,001 |
| 600 Other Objects | 1,401,000 | 1,000 | 840 | 160 |
| 253 Facilities Acquisitions and Construction | | | | |
| 300 Purchased Services | 153,394 | 129,749 | 44,172 | 85,577 |
| 400 Supplies and Materials | 45,000 | 45,000 | 14,304 | 30,696 |
| 500 Capital Outlay | 16,400 | 24,000 | 13,635 | 10,365 |
| 530 Construction Services | 100,000 | 100,000 | 74,608 | 25,392 |
| 254 Operation and Maintenance of Plant | | | | |
| 100 Salaries | 4,609,390 | 4,651,012 | 4,495,326 | 155,686 |
| 200 Employee Benefits | 2,179,565 | 2,290,640 | 2,184,995 | 105,645 |
| 300 Purchased Services | 1,874,290 | 1,867,090 | 1,669,306 | 197,784 |
| 321 Public Utility Services | 250,690 | 276,707 | 270,356 | 6,351 |
| 400 Supplies and Materials | 631,110 | 623,891 | 526,635 | 97,256 |
| 470 Energy | 3,881,950 | 3,772,771 | 3,176,795 | 595,976 |
| 500 Capital Outlay | - | - | - | - |
| 530 Construction Services | 7,200 | - | - | - |
| 540 Improvements other | 100,000 | 109,925 | 57,167 | 52,758 |
| 600 Other Objects | 981,126 | 975,151 | 924,504 | 50,647 |

(Continued)

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2023**

| | Budgeted Amounts | | Actual | Variance - Over (Under) |
|---|------------------|--------------|--------------|-------------------------------|
| | Original | Final | | |
| EXPENDITURES (CONTINUED) | | | | |
| 200 Support Services (Continued) | | | | |
| 250 Finance and Operations Services (Continued) | | | | |
| 255 Student Transportation | | | | |
| 100 Salaries | \$ 2,038,414 | \$ 2,094,889 | \$ 2,356,027 | \$ (261,138) |
| 200 Employee Benefits | 996,662 | 1,102,245 | 1,061,762 | 40,483 |
| 300 Purchased Services | 74,300 | 59,800 | 33,168 | 26,632 |
| 400 Supplies and Materials | 28,000 | 42,500 | 33,317 | 9,183 |
| 600 Other Objects | 900 | 900 | 25 | 875 |
| 256 Food Service | | | | |
| 100 Salaries | - | - | 5,200 | (5,200) |
| 200 Employee Benefits | 1,125,578 | 1,227,038 | 1,130,783 | 96,255 |
| 257 Internal Services | | | | |
| 100 Salaries | 86,155 | 86,310 | 86,310 | - |
| 200 Employee Benefits | 43,070 | 45,726 | 44,230 | 1,496 |
| 300 Purchased Services | 314,284 | 341,261 | 293,788 | 47,473 |
| 400 Supplies and Materials | 7,800 | 5,400 | 1,669 | 3,731 |
| 258 Security | | | | |
| 100 Salaries | 176,535 | 199,011 | 199,330 | (319) |
| 200 Employee Benefits | 83,197 | 98,280 | 93,979 | 4,301 |
| 300 Purchased Services | 955,090 | 984,717 | 907,137 | 77,580 |
| 400 Supplies and Materials | 9,936 | 9,936 | 1,011 | 8,925 |
| 260 Central Support Services | | | | |
| 262 Planning | | | | |
| 300 Purchased Services | 4,650 | 4,650 | 4,270 | 380 |
| 400 Supplies and Materials | 19,700 | 19,700 | 191 | 19,509 |
| 263 Information Services | | | | |
| 100 Salaries | 283,867 | 211,639 | 211,289 | 350 |
| 200 Employee Benefits | 119,895 | 96,814 | 93,628 | 3,186 |
| 300 Purchased Services | 37,950 | 41,542 | 26,150 | 15,392 |
| 400 Supplies and Materials | 20,250 | 22,387 | 17,944 | 4,443 |
| 600 Other Objects | 5,500 | 5,912 | 5,696 | 216 |
| 264 Staff Services | | | | |
| 100 Salaries | 607,537 | 604,769 | 604,769 | - |
| 200 Employee Benefits | 249,565 | 252,170 | 251,558 | 612 |
| 300 Purchased Services | 48,500 | 86,090 | 84,442 | 1,648 |
| 400 Supplies and Materials | 23,500 | 17,644 | 15,713 | 1,931 |
| 500 Capital Outlay | 1,500 | - | - | - |
| 600 Other Objects | 6,027 | 5,113 | 2,417 | 2,696 |
| 266 Technology and Data Processing Services | | | | |
| 100 Salaries | 1,407,991 | 1,408,018 | 1,408,018 | - |
| 200 Employee Benefits | 613,240 | 628,355 | 626,948 | 1,407 |
| 300 Purchased Services | 2,001,561 | 1,813,091 | 2,054,523 | (241,432) |
| 400 Supplies and Materials | 219,460 | 267,328 | 212,533 | 54,795 |
| 600 Other Objects | 351 | 600 | 600 | - |

(Continued)

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2023**

| | Budgeted Amounts | | Actual | Variance - Over (Under) |
|--|--------------------|--------------------|----------------------|-------------------------------|
| | Original | Final | | |
| EXPENDITURES (CONTINUED) | | | | |
| 270 Support Services Pupil Activity | | | | |
| 271 Pupil Services Activities | | | | |
| 100 Salaries | \$ 749,284 | \$ 840,427 | \$ 791,426 | \$ 49,001 |
| 200 Employee Benefits | 244,227 | 270,039 | 237,891 | 32,148 |
| 300 Purchased Services | 53,300 | 56,300 | 33,250 | 23,050 |
| 400 Supplies and Materials | 35,570 | 41,192 | 37,126 | 4,066 |
| 600 Other Objects | 132,920 | 126,215 | 83,117 | 43,098 |
| Total Support Services | <u>48,932,119</u> | <u>49,190,498</u> | <u>47,242,434</u> | <u>1,948,064</u> |
| 400 Other Charges | | | | |
| 410 Intergovernmental Expenditures | | | | |
| 411 Payment to State Department of Ed | | | | |
| 720 Transits | - | - | 3,491 | (3,491) |
| 412 Payments to Other Governmental Units | | | | |
| 720 Transits | - | 260,047 | 505,962 | (245,915) |
| Total Intergovernmental Expenditures | <u>-</u> | <u>260,047</u> | <u>509,453</u> | <u>(249,406)</u> |
| TOTAL EXPENDITURES | <u>108,626,266</u> | <u>108,614,216</u> | <u>111,064,944</u> | <u>(2,450,728)</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(8,611,606)</u> | <u>(1,595,089)</u> | <u>(6,875,459)</u> | <u>(5,280,370)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers from (to) Other Funds | | | | |
| 5230 Transfer from Special Revenue EIA Fund | 7,004,467 | - | 6,776,856 | 6,776,856 |
| 5280 Transfer from Other Funds Indirect Costs | 2,640,872 | 2,640,872 | 2,588,366 | (52,506) |
| 424-710 Transfer to Capital Projects Fund | (675,000) | (675,000) | (11,589,667) | (10,914,667) |
| 421.710 Transfer to Special Revenue Fund | (358,733) | (370,783) | (370,783) | - |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>8,611,606</u> | <u>1,595,089</u> | <u>(2,595,228)</u> | <u>(4,190,317)</u> |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES | <u>\$ -</u> | <u>\$ -</u> | <u>(9,470,687)</u> | <u>\$ (9,470,687)</u> |
| FUND BALANCE | | | | |
| July 1, 2022 | | | <u>40,453,688</u> | |
| June 30, 2023 | | | <u>\$ 30,983,001</u> | |

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2023**

| | Title I (BA Projects) (201/202) | IDEA (CA Projects) (203/204) | Preschool Handicapped (CG Projects) (205/206) | CATE (VA Projects) (207/208) | Adult Education (243) | Other Designated Restricted State Grants (900's) | Other Special Revenue Programs (200's/800's) | Student Activity Funds (700's) | Total |
|---|--|------------------------------------|--|------------------------------------|-----------------------------|---|--|---|--------------|
| REVENUES | | | | | | | | | |
| 1000 Revenues from Local Sources | | | | | | | | | |
| 1100 Taxes Levied/Assessed by the LEA | | | | | | | | | |
| 1110 Ad Valorem Taxes - Including Delinquent (Independent) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,271,963 | \$ - | \$ 3,271,963 |
| 1140 Penalties & Interest on Taxes (Independent) | - | - | - | - | - | - | 12,563 | - | 12,563 |
| 1200 Revenue from Local Governmental Units Other Than LEAs | | | | | | | | | |
| 1280 Revenue in Lieu of Taxes (Independent and Dependent) | - | - | - | - | - | - | 143,812 | - | 143,812 |
| 1500 Earnings On Investments | | | | | | | | | |
| 1510 Interest on Investments | - | - | - | - | - | - | 30,584 | - | 30,584 |
| 1700 Pupil Activities: | | | | | | | | | |
| 1790 Other Pupil Activity Income | - | - | - | - | - | - | (370,783) | 2,555,705 | 2,184,922 |
| 1900 Other Revenue From Local Sources | | | | | | | | | |
| 1910 Rentals | - | - | - | - | - | - | 1,053 | - | 1,053 |
| 1920 Contributions and Donations from Private Sources | - | - | - | - | - | - | 967 | - | 967 |
| 1930 Special Needs Transportation - Medicaid | - | - | - | - | - | - | 587,493 | - | 587,493 |
| 1990 Miscellaneous Local Revenue | | | | | | | | | |
| 1999 Revenue from Other Local Sources | - | - | - | - | - | - | 2,986,916 | - | 2,986,916 |
| Total Local Sources | - | - | - | - | - | - | 6,664,568 | 2,555,705 | 9,220,273 |
| 3000 Revenues from State Sources | | | | | | | | | |
| 3100 Restricted State Funding | | | | | | | | | |
| 3110 Occupational Education | | | | | | | | | |
| 3118 EEDA Career Specialists | - | - | - | - | - | 412,926 | - | - | 412,926 |
| 3120 General Education | | | | | | | | | |
| 3127 Student Health and Fitness - PE Teachers | - | - | - | - | - | 61,700 | - | - | 61,700 |
| 3130 Special Programs | | | | | | | | | |
| 3134 Education Program (CERDEP) - Full Day 4K | - | - | - | - | - | 15,298 | - | - | 15,298 |
| 3135 Reading Coaches | - | - | - | - | - | 901,327 | - | - | 901,327 |
| 3136 Student Health and Fitness - Nurses | - | - | - | - | - | 441,648 | - | - | 441,648 |
| 3143 GEER CERDEP Summer | - | - | - | - | - | (9,154) | - | - | (9,154) |
| 3156 Adult Education | - | - | - | - | - | 11,835 | - | - | 11,835 |
| 3187 Teacher Supplies (No Carryover Provision) | - | - | - | - | - | 900 | - | - | 900 |
| 3190 Miscellaneous Restricted State Grants | | | | | | | | | |
| 3199 Other Restricted State Grants | - | - | - | - | - | - | 2,501 | - | 2,501 |

(continued)

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

| | Title I (BA Projects) (201/202) | IDEA (CA Projects) (203/204) | Preschool Handicapped (CG Projects) (205/206) | CATE (VA Projects) (207/208) | Adult Education (243) | Other Designated Restricted State Grants (900's) | Other Special Revenue Programs (200's/800's) | Student Activity Funds (700's) | Total |
|---|--|------------------------------------|--|------------------------------------|-----------------------------|---|--|---|-------------------|
| REVENUES (CONTINUED) | | | | | | | | | |
| 3000 Revenues from State Sources (Continued) | | | | | | | | | |
| 3800 State Revenue in Lieu of Taxes | | | | | | | | | |
| 3820 Homestead Exemption (Tier 2) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 129,353 | \$ - | \$ 129,353 |
| 3830 Merchant's Inventory Tax | - | - | - | - | - | - | 16,439 | - | 16,439 |
| 3840 Manufacturer's Depreciation Reimbursement | - | - | - | - | - | - | 263,005 | - | 263,005 |
| 3890 Other State Property Tax Revenues | - | - | - | - | - | - | 30,968 | - | 30,968 |
| 3900 Other State Revenue | | | | | | | | | |
| 3994 PEBA Nonemployer Contributions | - | - | - | - | - | 13,423 | - | - | 13,423 |
| Total State Sources | - | - | - | - | - | 1,849,903 | 442,266 | - | 2,292,169 |
| 4000 Revenue from Federal Sources | | | | | | | | | |
| 4200 Occupational Education | | | | | | | | | |
| 4210 Perkins Aid, Title I - Career and Technology Education - Basic Grants to States | - | - | - | 171,604 | - | - | - | - | 171,604 |
| 4300 Elementary and Secondary Education Act of 1965 (ESEA) | | | | | | | | | |
| 4310 Title I Basic State Grant Provisions (Carryover Provision) | 5,833,382 | - | - | - | - | - | 216,127 | - | 6,049,509 |
| 4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III | - | - | - | - | - | - | 16,551 | - | 16,551 |
| 4343 McKinney-Vento Homeless | - | - | - | - | - | - | 5,123 | - | 5,123 |
| 4351 Supporting Effective Instruction | - | - | - | - | - | - | 640,761 | - | 640,761 |
| 4400 Adult Education | | | | | | | | | |
| 4410 Basic Adult Education | - | - | - | - | 206,774 | - | - | - | 206,774 |
| 4500 Programs for Children with Disabilities | | | | | | | | | |
| 4510 Individuals with Disabilities Education Act (IDEA) | - | 2,474,101 | - | - | - | - | 12,680 | - | 2,486,781 |
| 4520 Pre-school Grants for Children with Disabilities (IDEA) | - | - | 86,963 | - | - | - | - | - | 86,963 |
| 4900 Other Federal Sources | | | | | | | | | |
| 4924 21st Century Community Learning Center Program (Title IV, 21st Century Schools) | - | - | - | - | - | - | 35,659 | - | 35,659 |
| 4931 ARP-IDEA | - | - | - | - | - | - | 292,339 | - | 292,339 |
| 4937 ARP Homeless | - | - | - | - | - | - | 39,902 | - | 39,902 |
| 4974 ESSER III | - | - | - | - | - | - | 11,606,221 | - | 11,606,221 |
| 4977 ESSER II | - | - | - | - | - | - | 7,013,676 | - | 7,013,676 |
| 4990 Other Federal Revenue | | | | | | | | | |
| 4997 Title IV - SSAE | - | - | - | - | - | - | 443,131 | - | 443,131 |
| 4999 Revenue from Other Federal Sources | - | - | - | - | - | - | 290,405 | - | 290,405 |
| Total Federal Sources | 5,833,382 | 2,474,101 | 86,963 | 171,604 | 206,774 | - | 20,612,575 | - | 29,385,399 |
| TOTAL REVENUES | 5,833,382 | 2,474,101 | 86,963 | 171,604 | 206,774 | 1,849,903 | 27,719,409 | 2,555,705 | 40,897,841 |

(continued)

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

| | Title I (BA Projects) (201/202) | IDEA (CA Projects) (203/204) | Preschool Handicapped (CG Projects) (205/206) | CATE (VA Projects) (207/208) | Adult Education (243) | Other Designated Restricted State Grants (900's) | Other Special Revenue Programs (200's/800's) | Student Activity Funds (700's) | Total |
|--|--|------------------------------------|--|------------------------------------|-----------------------------|---|--|---|------------|
| EXPENDITURES | | | | | | | | | |
| 100 Instruction | | | | | | | | | |
| 110 General Instruction | | | | | | | | | |
| 111 Kindergarten Programs | | | | | | | | | |
| 100 Salaries | \$ 109,046 | \$ - | \$ - | \$ - | \$ - | \$ 41,112 | \$ 206,242 | \$ - | \$ 356,400 |
| 200 Employee Benefits | 43,655 | - | - | - | - | 24,800 | 81,141 | - | 149,596 |
| 400 Supplies and Materials | 58,063 | - | - | - | - | - | 168 | - | 58,231 |
| 112 Primary Programs | | | | | | | | | |
| 100 Salaries | 249,903 | - | - | - | - | 401,010 | 2,094,961 | - | 2,745,874 |
| 200 Employee Benefits | 145,248 | - | - | - | - | 177,060 | 796,066 | - | 1,118,374 |
| 300 Purchased Services | - | - | - | - | - | - | 1,300 | - | 1,300 |
| 400 Supplies and Materials | 415,987 | - | - | - | - | - | 65,572 | - | 481,559 |
| 113 Elementary Programs | | | | | | | | | |
| 100 Salaries | 583,871 | - | - | - | - | 224,652 | 1,864,836 | - | 2,673,359 |
| 200 Employee Benefits | 279,107 | - | - | - | - | 94,393 | 636,629 | - | 1,010,129 |
| 300 Purchased Services | 5,015 | - | - | - | - | - | 600 | - | 5,615 |
| 400 Supplies and Materials | 530,401 | - | - | - | - | - | 120,465 | - | 650,866 |
| 114 High School Programs | | | | | | | | | |
| 100 Salaries | - | - | - | - | - | - | 998,168 | - | 998,168 |
| 200 Employee Benefits | - | - | - | - | - | - | 272,846 | - | 272,846 |
| 300 Purchased Services | - | - | - | - | - | - | 88,665 | - | 88,665 |
| 400 Supplies and Materials | - | - | - | - | - | 900 | 32,059 | - | 32,959 |
| 115 Career and Technology Education Programs | | | | | | | | | |
| 100 Salaries | - | - | - | - | - | - | 52,747 | - | 52,747 |
| 200 Employee Benefits | - | - | - | - | - | - | 14,747 | - | 14,747 |
| 300 Purchased Services | - | - | - | 23,156 | - | - | 3,993 | - | 27,149 |
| 400 Supplies and Materials | - | - | - | 22,833 | - | - | - | - | 22,833 |
| 120 Exceptional Programs | | | | | | | | | |
| 121 Educable Mentally Handicapped | | | | | | | | | |
| 100 Salaries | - | 212,523 | - | - | - | - | 43,119 | - | 255,642 |
| 200 Employee Benefits | - | 106,944 | - | - | - | - | 19,007 | - | 125,951 |
| 300 Purchased Services | - | - | - | - | - | - | 41,493 | - | 41,493 |
| 400 Supplies and Materials | - | 716 | - | - | - | - | - | - | 716 |
| 122 Trainable Mentally Handicapped | | | | | | | | | |
| 100 Salaries | - | 92,008 | - | - | - | - | - | - | 92,008 |
| 200 Employee Benefits | - | 60,045 | - | - | - | - | - | - | 60,045 |
| 300 Purchased Services | - | - | - | - | - | - | 46,883 | - | 46,883 |
| 400 Supplies and Materials | - | 250 | - | - | - | - | - | - | 250 |
| 123 Orthopedically Handicapped | | | | | | | | | |
| 400 Supplies and Materials | - | - | - | - | - | - | 3,792 | - | 3,792 |
| 124 Visually Handicapped | | | | | | | | | |
| 100 Salaries | - | - | - | - | - | - | 191,834 | - | 191,834 |
| 200 Employee Benefits | - | - | - | - | - | - | 85,094 | - | 85,094 |
| 125 Hearing Handicapped | | | | | | | | | |
| 100 Salaries | - | - | - | - | - | - | 124,992 | - | 124,992 |
| 200 Employee Benefits | - | - | - | - | - | - | 57,262 | - | 57,262 |
| 300 Purchased Services | - | 2,289 | - | - | - | - | 13,480 | - | 15,769 |
| 400 Supplies and Materials | - | 1,996 | - | - | - | - | - | - | 1,996 |

(continued)

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

| | Title I (BA Projects) (201/202) | IDEA (CA Projects) (203/204) | Preschool Handicapped (CG Projects) (205/206) | CATE (VA Projects) (207/208) | Adult Education (243) | Other Designated Restricted State Grants (900's) | Other Special Revenue Programs (200's/800's) | Student Activity Funds (700's) | Total |
|--|--|------------------------------------|--|------------------------------------|-----------------------------|---|--|---|-----------|
| EXPENDITURES (CONTINUED) | | | | | | | | | |
| 100 Instruction (Continued) | | | | | | | | | |
| 120 Exceptional Programs | | | | | | | | | |
| 126 Speech Handicapped | | | | | | | | | |
| 100 Salaries | \$ - | \$ 69,405 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 69,405 |
| 200 Employee Benefits | - | 35,025 | - | - | - | - | - | - | 35,025 |
| 300 Purchased Services | - | 936 | - | - | - | - | - | - | 936 |
| 127 Learning Disabilities | | | | | | | | | |
| 100 Salaries | - | 205,015 | - | - | - | - | 226,068 | - | 431,083 |
| 200 Employee Benefits | - | 86,277 | - | - | - | - | 80,428 | - | 166,705 |
| 300 Purchased Services | - | 2,157 | - | - | - | - | 68,117 | - | 70,274 |
| 400 Supplies and Materials | - | 24,310 | - | - | - | - | 31,100 | - | 55,410 |
| 128 Emotionally Handicapped | | | | | | | | | |
| 100 Salaries | - | 20,627 | - | - | - | - | - | - | 20,627 |
| 200 Employee Benefits | - | 11,755 | - | - | - | - | - | - | 11,755 |
| 400 Supplies and Materials | - | - | - | - | - | - | - | - | - |
| 137 Preschool Handicapped Self-Contained (3 & 4 yr. olds) | | | | | | | | | |
| 100 Salaries | - | - | 48,676 | - | - | - | - | - | 48,676 |
| 200 Employee Benefits | - | - | 28,296 | - | - | - | - | - | 28,296 |
| 400 Supplies and Materials | - | - | - | - | - | - | - | - | - |
| 410 Supplies | - | - | - | - | - | - | 12,680 | - | 12,680 |
| 140 Special Programs | | | | | | | | | |
| 142 Disadvantaged | | | | | | | | | |
| 100 Salaries | - | - | - | - | - | - | 3,789 | - | 3,789 |
| 200 Employee Benefits | - | - | - | - | - | - | 1,230 | - | 1,230 |
| 300 Purchased Services | - | - | - | - | - | - | 34,799 | - | 34,799 |
| 400 Supplies and Materials | 8,464 | - | - | - | - | - | 5,207 | - | 13,671 |
| 147 CERDEP | | | | | | | | | |
| 100 Salaries | - | - | - | - | - | 4,650 | - | - | 4,650 |
| 200 Employee Benefits | - | - | - | - | - | 1,494 | - | - | 1,494 |
| 149 Other Special Programs | | | | | | | | | |
| 100 Salaries | - | 22,091 | - | - | - | - | - | - | 22,091 |
| 200 Employee Benefits | - | 4,679 | - | - | - | - | - | - | 4,679 |
| 300 Purchased Services | - | - | - | - | - | - | - | - | - |
| 400 Supplies and Materials | - | 2,962 | - | - | - | - | - | - | 2,962 |
| 160 Other Exceptional Programs | | | | | | | | | |
| 161 Autism | | | | | | | | | |
| 100 Salaries | - | 178,895 | - | - | - | - | - | - | 178,895 |
| 200 Employee Benefits | - | 92,543 | - | - | - | - | - | - | 92,543 |
| 400 Supplies and Materials | - | - | - | - | - | - | 5,600 | - | 5,600 |

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

| | Title I (BA Projects) (201/202) | IDEA (CA Projects) (203/204) | Preschool Handicapped (CG Projects) (205/206) | CATE (VA Projects) (207/208) | Adult Education (243) | Other Designated Restricted State Grants (900's) | Other Special Revenue Programs (200's/800's) | Student Activity Funds (700's) | Total |
|--|--|------------------------------------|--|------------------------------------|-----------------------------|---|--|---|------------|
| EXPENDITURES (CONTINUED) | | | | | | | | | |
| 100 Instruction (Continued) | | | | | | | | | |
| 170 Summer School Programs | | | | | | | | | |
| 171 Primary Summer School | | | | | | | | | |
| 100 Salaries | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 359,301 | \$ - | \$ 359,301 |
| 200 Employee Benefits | - | - | - | - | - | - | 109,793 | - | 109,793 |
| 400 Supplies and Materials | - | - | - | - | - | - | 967 | - | 967 |
| 172 Elementary Summer School | | | | | | | | | |
| 100 Salaries | 9,250 | - | - | - | - | - | 104,500 | - | 113,750 |
| 200 Employee Benefits | 2,304 | - | - | - | - | - | 28,952 | - | 31,256 |
| 400 Supplies and Materials | 289 | - | - | - | - | - | - | - | 289 |
| 173 High School Summer School | | | | | | | | | |
| 100 Salaries | - | - | - | - | - | - | 81,918 | - | 81,918 |
| 200 Employee Benefits | - | - | - | - | - | - | 24,692 | - | 24,692 |
| 400 Supplies and Materials | - | - | - | - | - | - | 443 | - | 443 |
| 175 Instructional Programs Beyond Regular School Day | | | | | | | | | |
| 100 Salaries | - | - | - | - | - | - | 335,619 | - | 335,619 |
| 200 Employee Benefits | - | - | - | - | - | - | 93,825 | - | 93,825 |
| 400 Supplies and Materials | - | - | - | - | - | - | 22,438 | - | 22,438 |
| 180 Adult/Continuing Educational Programs | | | | | | | | | |
| 181 Adult Basic Education Programs | | | | | | | | | |
| 100 Salaries | - | - | - | - | 90,350 | - | - | - | 90,350 |
| 200 Employee Benefits | - | - | - | - | 27,536 | - | - | - | 27,536 |
| 400 Supplies and Materials | - | - | - | - | 5,017 | - | - | - | 5,017 |
| 182 Adult Secondary Education Programs | | | | | | | | | |
| 100 Salaries | - | - | - | - | 34,086 | - | - | - | 34,086 |
| 200 Employee Benefits | - | - | - | - | 10,819 | - | - | - | 10,819 |
| 300 Purchased Services | - | - | - | - | 9,000 | - | - | - | 9,000 |
| 400 Supplies and Materials | - | - | - | - | 12,878 | 11,835 | - | - | 24,713 |
| 183 Adult English Literacy (ESL) | | | | | | | | | |
| 100 Salaries | - | - | - | - | 8,547 | - | - | - | 8,547 |
| 200 Employee Benefits | - | - | - | - | 3,073 | - | - | - | 3,073 |
| 188 Parenting/Family Literacy | | | | | | | | | |
| 100 Salaries | 221,413 | - | - | - | - | - | 2,635 | - | 224,048 |
| 200 Employee Benefits | 106,897 | - | - | - | - | - | 865 | - | 107,762 |
| 300 Purchased Services | 54,599 | - | - | - | - | - | 135 | - | 54,734 |
| 400 Supplies and Materials | 329,823 | - | - | - | - | - | 5,272 | - | 335,095 |
| Total Instruction | 3,153,335 | 1,233,448 | 76,972 | 45,989 | 201,306 | 981,906 | 9,598,534 | - | 15,291,490 |

(continued)

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

| | Title I (BA Projects) (201/202) | IDEA (CA Projects) (203/204) | Preschool Handicapped (CG Projects) (205/206) | CATE (VA Projects) (207/208) | Adult Education (243) | Other Designated Restricted State Grants (900's) | Other Special Revenue Programs (200's/800's) | Student Activity Funds (700's) | Total |
|--|--|------------------------------------|--|------------------------------------|-----------------------------|---|--|---|-----------|
| EXPENDITURES (CONTINUED) | | | | | | | | | |
| 200 Support Services | | | | | | | | | |
| 210 Pupil Services | | | | | | | | | |
| 211 Attendance and Social Work Services | | | | | | | | | |
| 100 Salaries | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 42,372 | \$ - | \$ 42,372 |
| 200 Employee Benefits | - | - | - | - | - | - | 16,618 | - | 16,618 |
| 212 Guidance Services | | | | | | | | | |
| 100 Salaries | - | - | - | 58,378 | - | - | 60,784 | - | 119,162 |
| 200 Employee Benefits | - | - | - | 25,247 | - | - | 27,530 | - | 52,777 |
| 213 Health Services | | | | | | | | | |
| 100 Salaries | - | - | - | - | - | 307,144 | 345,647 | - | 652,791 |
| 200 Employee Benefits | - | - | - | - | - | 134,504 | 136,925 | - | 271,429 |
| 300 Purchased Services | - | - | - | - | - | - | 21,650 | - | 21,650 |
| 214 Psychological Services | | | | | | | | | |
| 100 Salaries | - | 302,499 | - | - | - | - | - | - | 302,499 |
| 200 Employee Benefits | - | 127,839 | - | - | - | - | - | - | 127,839 |
| 300 Purchased Services | - | 3,048 | - | - | - | - | 4,038 | - | 7,086 |
| 400 Supplies and Materials | - | - | - | - | - | - | 7,446 | - | 7,446 |
| 217 Career Specialist Services | | | | | | | | | |
| 100 Salaries | - | - | - | - | - | 276,369 | 237,400 | - | 513,769 |
| 200 Employee Benefits | - | - | - | - | - | 136,557 | 111,744 | - | 248,301 |
| 220 Instructional Staff Services | | | | | | | | | |
| 221 Improvement of Instruction - Curriculum Development | | | | | | | | | |
| 100 Salaries | 1,025,405 | - | - | - | - | - | 201,178 | - | 1,226,583 |
| 200 Employee Benefits | 436,043 | - | - | - | - | - | 92,357 | - | 528,400 |
| 300 Purchased Services | 133,606 | - | - | 31,679 | - | - | 137,463 | - | 302,748 |
| 400 Supplies and Materials | 189,230 | - | - | - | - | - | 66,996 | - | 256,226 |
| 222 Library and Media Services | | | | | | | | | |
| 100 Salaries | - | - | - | - | - | - | 65,095 | - | 65,095 |
| 200 Employee Benefits | - | - | - | - | - | - | 27,992 | - | 27,992 |
| 300 Purchased Services | - | - | - | - | - | - | - | - | - |
| 400 Supplies and Materials | - | - | - | - | - | - | 1,982 | - | 1,982 |
| 223 Supervision of Special Programs | | | | | | | | | |
| 100 Salaries | 173,615 | 399,686 | 2,663 | 6,688 | - | - | 181,165 | - | 763,817 |
| 200 Employee Benefits | 77,647 | 179,042 | - | 3,623 | - | - | 94,217 | - | 354,529 |
| 300 Purchased Services | 581 | 11,574 | - | - | 1,638 | - | 39,078 | - | 52,871 |
| 400 Supplies and Materials | 10,935 | 4,060 | - | - | 1,082 | - | 12,193 | - | 28,270 |
| 224 Improvement of Instruction - Inservice and Staff Training | | | | | | | | | |
| 100 Salaries | - | - | - | - | - | - | 29,300 | - | 29,300 |
| 200 Employee Benefits | - | - | - | - | - | - | 9,521 | - | 9,521 |
| 300 Purchased Services | 160,630 | - | - | - | - | - | 140,594 | - | 301,224 |
| 332 Purchased Services | - | - | - | - | - | - | - | - | - |
| 400 Supplies and Materials | - | - | - | - | - | - | 9,300 | - | 9,300 |
| 230 General Administration Services | | | | | | | | | |
| 232 Office of Superintendent | | | | | | | | | |
| 100 Salaries | - | - | - | - | - | - | 82,968 | - | 82,968 |
| 200 Employee Benefits | - | - | - | - | - | - | 31,757 | - | 31,757 |
| 300 Purchased Services | - | - | - | - | - | - | 22,000 | - | 22,000 |
| 400 Supplies and Materials | - | - | - | - | - | - | 82,133 | - | 82,133 |

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

| EXPENDITURES (CONTINUED) | Title I (BA Projects) (201/202) | IDEA (CA Projects) (203/204) | Preschool Handicapped (CG Projects) (205/206) | CATE (VA Projects) (207/208) | Adult Education (243) | Other Designated Restricted State Grants (900's) | Other Special Revenue Programs (200's/800's) | Student Activity Funds (700's) | Total |
|---|--|------------------------------------|--|------------------------------------|-----------------------------|---|--|---|------------|
| 200 Support Services (Continued) | | | | | | | | | |
| 233 School Administration | | | | | | | | | |
| 100 Salaries | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 332,932 | \$ - | \$ 332,932 |
| 200 Employee Benefits | - | - | - | - | - | - | 134,873 | - | 134,873 |
| 400 Supplies & Materials | - | - | - | - | - | - | 18,423 | - | 18,423 |
| 250 Finance and Operations Services | | | | | | | | | |
| 251 Student Transportation (Federal/District Mandated): | | | | | | | | | |
| 100 Salaries | - | - | - | - | - | - | 136,582 | - | 136,582 |
| 200 Employee Benefits | - | - | - | - | - | - | 40,339 | - | 40,339 |
| 300 Purchased Services | - | - | - | - | - | - | 131,747 | - | 131,747 |
| 252 Fiscal Services | | | | | | | | | |
| 100 Salaries | - | - | - | - | - | - | 120,026 | - | 120,026 |
| 200 Employee Benefits | - | - | - | - | - | - | 48,045 | - | 48,045 |
| 300 Purchased Services | - | - | - | - | - | - | 60,192 | - | 60,192 |
| 253 Facilities Acquisition and Construction | | | | | | | | | |
| 520 Construction Services | - | - | - | - | - | - | 1,043,432 | - | 1,043,432 |
| 254 Operation and Maintenance of Plant | | | | | | | | | |
| 100 Salaries | - | - | - | - | - | - | 13,814 | - | 13,814 |
| 200 Employee Benefits | - | - | - | - | - | - | 542 | - | 542 |
| 300 Purchased Services | - | - | - | - | - | - | 82,023 | - | 82,023 |
| 400 Supplies and Materials | - | - | - | - | - | - | 941,891 | - | 941,891 |
| 255 Pupil Transportation (State Mandated) | | | | | | | | | |
| 100 Salaries | - | - | - | - | - | - | 100,958 | - | 100,958 |
| 200 Employee Benefits | - | - | - | - | - | - | 39,255 | - | 39,255 |
| 300 Purchased Services | - | - | - | - | - | - | 480 | - | 480 |
| 256 Food Services | | | | | | | | | |
| 100 Salaries | - | - | - | - | - | - | 83,476 | - | 83,476 |
| 200 Employee Benefits | - | - | - | - | - | - | 26,764 | - | 26,764 |
| 400 Supplies and Materials | - | - | - | - | - | - | 11,771 | - | 11,771 |
| 258 Security: | | | | | | | | | |
| 300 Purchased Services | - | - | - | - | 2,748 | - | 33,784 | - | 36,532 |
| 400 Supplies and Materials | - | - | - | - | - | - | 39,326 | - | 39,326 |
| 500 Capital Outlay | - | - | - | - | - | - | 139,351 | - | 139,351 |
| 260 Central Support Services | | | | | | | | | |
| 264 Staff Services | | | | | | | | | |
| 100 Salaries | - | - | - | - | - | - | 17,280 | - | 17,280 |
| 200 Employee Benefits | - | - | - | - | - | - | 5,556 | - | 5,556 |
| 400 Supplies and Materials | - | - | - | - | - | - | 31,023 | - | 31,023 |
| 266 Technology and Data Processing Services | | | | | | | | | |
| 300 Purchased Services | - | - | - | - | - | - | 547,371 | - | 547,371 |
| 400 Supplies and Materials | - | - | - | - | - | - | 6,164,660 | - | 6,164,660 |

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

| | Title I (BA Projects) (201/202) | IDEA (CA Projects) (203/204) | Preschool Handicapped (CG Projects) (205/206) | CATE (VA Projects) (207/208) | Adult Education (243) | Other Designated Restricted State Grants (900's) | Other Special Revenue Programs (200's/800's) | Student Activity Funds (700's) | Total |
|---|--|------------------------------------|--|------------------------------------|-----------------------------|---|--|---|--------------|
| EXPENDITURES (CONTINUED) | | | | | | | | | |
| 200 Support Services (Continued) | | | | | | | | | |
| 270 Support Services - Pupil Activity | | | | | | | | | |
| 271 Pupil Service Activities | | | | | | | | | |
| 100 Salaries | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 9,417 | \$ - | \$ 9,417 |
| 200 Employee Benefits | - | - | - | - | - | - | 2,372 | - | 2,372 |
| 600 Other Objects | - | - | - | - | - | - | 4,331 | - | 4,331 |
| 660 Pupil Activity | - | - | - | - | - | - | - | 1,196,869 | 1,196,869 |
| 272 Enterprise Activities | | | | | | | | | |
| 600 Other Objects | - | - | - | - | - | - | - | - | - |
| 660 Pupil Activity | - | - | - | - | - | - | - | 1,086,562 | 1,086,562 |
| 273 Trust and Agency Activities | | | | | | | | | |
| 600 Other Objects | - | - | - | - | - | - | - | - | - |
| 660 Pupil Activity | - | - | - | - | - | - | - | 375,191 | 375,191 |
| Total Support Services | 2,207,692 | 1,027,748 | 2,663 | 125,615 | 5,468 | 854,574 | 12,701,479 | 2,658,622 | 19,583,861 |
| 410 Intergovernmental | | | | | | | | | |
| 411 Payments to State Department of Education | | | | | | | | | |
| 720 Transits | - | - | - | - | - | - | 109,943 | - | 109,943 |
| 412 Payments to Other Governmental Units | | | | | | | | | |
| 720 Transits | - | - | - | - | - | - | 4,104,790 | - | 4,104,790 |
| 419 Payments to PEBA Nonemployer Contributions | | | | | | | | | |
| 700 Transits | - | - | - | - | - | 13,423 | - | - | 13,423 |
| 426 Athletics Funds Transfers | | | | | | | | | |
| Total Intergovernmental Expenditures | - | - | - | - | - | 13,423 | 4,214,733 | - | 4,228,156 |
| TOTAL EXPENDITURES | 5,361,027 | 2,261,196 | 79,635 | 171,604 | 206,774 | 1,849,903 | 26,514,746 | 2,658,622 | 39,103,507 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 472,355 | 212,905 | 7,328 | - | - | - | 1,204,663 | (102,917) | 1,794,334 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| 5210 Transfer from general fund | | | | | | | | | |
| | - | - | - | - | - | - | 370,783 | - | 370,783 |
| 431.791 Special Revenue Fund Indirect Costs | | | | | | | | | |
| | (472,355) | (212,905) | (7,328) | - | - | - | (1,700,778) | - | (2,393,366) |
| TOTAL OTHER FINANCING SOURCES (USES) | (472,355) | (212,905) | (7,328) | - | - | - | (1,329,995) | - | (2,022,583) |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES | - | - | - | - | - | - | (125,332) | (102,917) | (228,249) |
| FUND BALANCE | | | | | | | | | |
| July 1, 2022 | | | | | | | | | |
| | - | - | - | - | - | - | 3,113,095 | 1,454,823 | 4,567,918 |
| June 30, 2023 | | | | | | | | | |
| | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,987,763 | \$ 1,351,906 | \$ 4,339,669 |

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
NOTES TO COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2023**

The following subfunds were included in this schedule for Adult Education (EA) Projects:

243 Federal Adult Education

The following subfunds were included in this schedule for Designated Restricted State Grants:

| | | | |
|-----|---|-----|--|
| 917 | Teacher Supplies (No Carryover Provision) | 936 | Student Health and Fitness - Nurses |
| 919 | Education License Plates | 937 | Student Health and Fitness - PE Teachers |
| 924 | Child Early Reading Development and Education | 956 | Adult Education |
| 928 | EEDA Career Specialists | 969 | Other State Lottery Programs |
| 935 | Reading Coaches | 994 | PEBA Nonemployer Contributions |

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

| | | | |
|-----|---|-----|---|
| 210 | Title IV - SSAE | 816 | Lamar-Spaulling Elementary Grants |
| 218 | ESSER III | 817 | DCEF/Sonoco Grants WHE Grants |
| 221 | Title I Neglected & Delinquent | 818 | Southside Early Childhood Center Grants |
| 224 | Nota M. Lowery 21st Century Community Learning Centers | 820 | Summer Reading |
| 225 | ESSER II | 821 | CES Grants |
| 230 | IDEA/ARP | 822 | Art Summer |
| 232 | Mckinney-Vento Homeless ED Pilot program | 823 | Darlington Middle School Grants |
| 233 | School Administration | 824 | REMS Grants |
| 237 | Title I Targeted Support & Improvement | 827 | OSRF |
| 239 | Title I Comprehensive Support and Improvement | 828 | DCVA Grants |
| 243 | Federal Adult Education 243 | 829 | OSRF |
| 263 | Administrative Claiming | 830 | OSRF |
| 264 | Language Instruction for Limited English Proficient and | 834 | Administrative Claiming |
| 267 | Supporting Effective Instruction | 836 | COPS Grant |
| 269 | ROTC | 837 | District Office Grants |
| 284 | Jobs for SC Grads | 838 | HHS Grants |
| 801 | Spaulding Middle School Grants | 855 | Florence Darlington Technical College |
| 802 | Local Fund | 859 | Transportation Special Needs |
| 804 | DHS Grants | 866 | Project Share |
| 805 | United Way for Spec Ed | 868 | Adult Banquet |
| 807 | MHS Grants | 870 | District Buses Extra Curricular |
| 808 | North Hartsville Elementary Grants | 879 | Erate Funding |
| 809 | CERRA Grant | 890 | Medicaid Federal |
| 810 | BDE Grants | 895 | Breakfast After the Bell |
| 811 | School Pay-Clearing Acct | 896 | Thornwell Grants Arts Grant |
| 814 | Hartsville Middle School Grants | 898 | Coker Foundation |
| 815 | 12-Month Ag Clemson Univ Grant | 899 | Prof Mental Disable |

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
SUMMARY SCHEDULE FOR DESIGNATED RESTRICTED STATE GRANTS
YEAR ENDED JUNE 30, 2023**

| <u>Subfund</u> | <u>Revenue</u> | <u>Programs</u> | <u>Revenues</u> | <u>Expenditures</u> | <u>Transfers In/(Out)</u> | <u>Unearned</u> |
|----------------|----------------|---|---------------------|---------------------|-------------------------------|-------------------|
| 917 | 3187 | Teacher Supplies (No Carryover Provision) | \$ 900 | \$ 900 | \$ - | \$ - |
| 919 | 3193 | Education License Plates | - | - | - | 1,404 |
| 924 | 3134 | Child Early Reading Development and Education Program (CERDEP) - Full Day 4K | - | - | - | 1 |
| | | | 15,298 | 15,298 | - | - |
| 924 | 3143 | GEER CDEP Summer Reading Program | (9,154) | (9,154) | - | - |
| 928 | 3118 | EEDA Career Specialists | 412,926 | 412,926 | - | 239,138 |
| 935 | 3135 | Reading Coaches | 901,327 | 901,327 | - | 88,433 |
| 936 | 3136 | Student Health and Fitness - Nurses | 441,648 | 441,648 | - | 6,718 |
| 937 | 3127 | Student Health and Fitness - PE Teachers | 61,700 | 61,700 | - | 2,172 |
| 956 | 3156 | Adult Education | 11,835 | 11,835 | - | 2,588 |
| 969 | 3699 | Other State Lottery Programs | - | - | - | 432 |
| 994 | 3994 | PEBA Nonemployer Contributions | 13,423 | 13,423 | - | - |
| | | | <u>\$ 1,849,903</u> | <u>\$ 1,849,903</u> | <u>\$ -</u> | <u>\$ 340,886</u> |

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
EDUCATION IMPROVEMENT ACT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – ALL PROGRAMS
YEAR ENDED JUNE 30, 2023**

REVENUES

3000 Revenue from State Sources

3500 Education Improvement Act

| | | |
|--|----|-----------|
| 3502 ADEPT | \$ | 27,424 |
| 3503 State Aid to Classrooms | | 6,776,856 |
| 3509 Arts in Education | | 11,520 |
| 3519 Grade 10 Assessments | | 38,042 |
| 3526 Refurbishment of Science Kits | | 221,200 |
| 3528 Industry Certifications/Credentials | | 80,464 |
| 3529 Career and Technology Education | | 290,522 |
| 3532 National Board Salary Supplement (No Carryover Provision) | | 227,039 |
| 3533 Teacher of the Year Awards (No Carryover Provision) | | 1,077 |
| 3538 Students At Risk of School Failure | | 283,610 |
| 3541 Child Early Reading Development and Education Program (CERDEP) - Full Day 4K | | 1,390,650 |
| 3556 Adult Education | | 344,571 |
| 3557 Summer Reading Program | | 213,112 |
| 3571 CSI and Priority Schools | | 140,139 |
| 3577 Teacher Supplies (No Carryover Provision) | | 230,700 |
| 3595 EEDA - Supplies and Materials | | 15,283 |
| 3597 Aid to Districts | | 412,209 |
| 3599 Other EIA | | 1,500 |

Total State Sources

10,705,918

(Continued)

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
EDUCATION IMPROVEMENT ACT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – ALL PROGRAMS
(CONTINUED)
YEAR ENDED JUNE 30, 2023**

EXPENDITURES

| | | |
|---|----|---------|
| 100 Instruction | | |
| 110 General Instruction | | |
| 111 Kindergarten Programs | | |
| 100 Salaries | \$ | 15,546 |
| 200 Employee Benefits | | 4,747 |
| 400 Supplies and Materials | | 20,634 |
| 112 Primary Programs | | |
| 100 Salaries | | 15,000 |
| 200 Employee Benefits | | 4,855 |
| 300 Purchased Services | | 2,878 |
| 400 Supplies and Materials | | 95,402 |
| 113 Elementary Programs | | |
| 100 Salaries | | 59,094 |
| 200 Employee Benefits | | 19,675 |
| 400 Supplies and Materials | | 160,984 |
| 114 High School Programs | | |
| 100 Salaries | | 210,569 |
| 200 Employee Benefits | | 68,567 |
| 300 Purchased Services | | 36,155 |
| 400 Supplies and Materials | | 462,274 |
| 115 Career and Technical Education Programs | | |
| 300 Purchased Services | | 33,538 |
| 400 Supplies and Materials | | 292,051 |
| 540 Capital Outlay | | 45,397 |
| 118 Montessori Programs | | |
| 400 Supplies and Materials | | 16,482 |
| 120 Exceptional Programs | | |
| 124 Visually Handicapped | | |
| 100 Salaries | | 7,500 |
| 200 Employee Benefits | | 2,431 |
| 140 Special Programs | | |
| 147 CERDEP | | |
| 100 Salaries | | 958,084 |
| 200 Employee Benefits | | 496,833 |
| 300 Purchased Services | | 7,640 |
| 400 Supplies and Materials | | 1,285 |
| 170 Summer School Program | | |
| 171 Primary Summer School | | |
| 100 Salaries | | 80,825 |
| 200 Employee Benefits | | 21,105 |
| 300 Purchased Services | | 28,484 |
| 400 Supplies and Materials | | 82,301 |

(Continued)

DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
EDUCATION IMPROVEMENT ACT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – ALL PROGRAMS
(CONTINUED)
YEAR ENDED JUNE 30, 2023

| | |
|---|------------------|
| EXPENDITURES (CONTINUED) | |
| 100 Instruction (Continued) | |
| 180 Adult/Continuing Educational Programs | |
| 181 Adult Basic Education Programs | |
| 100 Salaries | \$ 27,531 |
| 200 Employee Benefits | 9,037 |
| 182 Adult Secondary Education Programs | |
| 100 Salaries | 19,818 |
| 200 Employee Benefits | 5,392 |
| 300 Purchased Services | 6,000 |
| 400 Supplies and Materials | 971 |
| 183 Adult English Literacy (ESL) | |
| 100 Salaries | 2,179 |
| 200 Employee Benefits | <u>299</u> |
| Total Instruction | <u>3,321,563</u> |
| 200 Support Services | |
| 210 Pupil Services | |
| 211 Attendance and Social Work Services | |
| 200 Employee Benefits | 764 |
| 212 Guidance Services | |
| 300 Purchased Services | 6,251 |
| 400 Supplies and Materials | 9,032 |
| 213 Nursing Services | |
| 400 Supplies and Materials | 7,323 |
| 220 Instructional Staff Services | |
| 221 Improvement of Instruction Curriculum Development | |
| 100 Salaries | 8,000 |
| 200 Employee Benefits | 4,700 |
| 300 Purchased Services | 51,961 |
| 400 Supplies and Materials | 256 |
| 600 Other Objects | - |
| 222 Library and Media Services | |
| 300 Purchased Services | 725 |
| 223 Supervision of Special Programs | |
| 100 Salaries | 194,190 |
| 200 Employee Benefits | 78,894 |
| 300 Purchased Services | 884 |
| 224 Improvement of Instruction Inservice and Staff Training | |
| 100 Salaries | 2,400 |
| 200 Employee Benefits | 655 |
| 300 Purchased Services | 136,287 |
| 400 Supplies and Materials | 16,256 |

(Continued)

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
EDUCATION IMPROVEMENT ACT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – ALL PROGRAMS
(CONTINUED)
YEAR ENDED JUNE 30, 2023**

| | |
|--|-------------|
| EXPENDITURES (CONTINUED) | |
| 200 Support Services (Continued) | |
| 250 Finance and Operations Services | |
| 251 Student Transportation | |
| 100 Salaries | \$ 107 |
| 200 Employee Benefits | 34 |
| 257 Internal Services | |
| 200 Operational Services | 19,330 |
| 260 Central Support Services | |
| 266 Technology and Data Processing Services | |
| 300 Purchased Services | 1,500 |
| 400 Supplies and Materials | 67,530 |
| 270 Central Support Services | |
| 271 Extra Curricular Activities | |
| 400 Supplies and Materials | 420 |
| Total Support Services | 607,499 |
| TOTAL EXPENDITURES | 3,929,062 |
| EXCESS OF REVENUES OVER EXPENDITURES | 6,776,856 |
| OTHER FINANCING USES | |
| Transfers from (to) Other Funds | |
| 420.710 Transfer to General Fund (Excludes Indirect Costs) | (6,776,856) |
| TOTAL OTHER FINANCING USES | (6,776,856) |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES | - |
| FUND BALANCE | |
| July 1, 2022 | - |
| June 30, 2023 | \$ - |

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
EDUCATION IMPROVEMENT ACT FUND
SUMMARY SCHEDULE BY PROGRAM
YEAR ENDED JUNE 30, 2023**

| PROGRAM | Revenues | Expenditures | EIA Interfund Transfers In/(Out) | Other Fund Transfers In/(Out) | EIA Fund Unearned |
|--|----------------------|---------------------|--|-------------------------------------|----------------------|
| 3500 Education Improvement Act | | | | | |
| 3502 ADEPT | \$ 27,424 | \$ 27,424 | \$ - | \$ - | \$ - |
| 3503 State Aid to Classrooms | 6,776,856 | - | - | (6,776,856) | - |
| 3509 Arts in Education | 11,520 | 11,520 | - | - | - |
| 3518 Adoption List of Formative Assessment | - | - | - | - | 42,239 |
| 3519 Grade 10 Assessments | 38,042 | 38,042 | - | - | 19,822 |
| 3526 Refurbishment of Science Kits | 221,200 | 221,200 | - | - | 16,281 |
| 3528 Industry Certifications/Credentials | 80,464 | 80,464 | - | - | 29,459 |
| 3529 Career and Technical Education | 290,522 | 290,522 | - | - | 50,971 |
| 3532 National Board Salary Supplement (No Carryover Provision) | 227,039 | 227,039 | - | - | - |
| 3533 Teacher of the Year Awards (No Carryover Provision) | 1,077 | 1,077 | - | - | - |
| 3538 Students At Risk of School Failure | 283,610 | 283,610 | - | - | - |
| 3541 Child Early Reading Development and Education Program (CERDEP) - Full Day 4K | 1,390,650 | 1,390,650 | - | - | - |
| 3556 Adult Education | 344,571 | 344,571 | - | - | 65,707 |
| 3557 Summer Reading Program | 213,112 | 213,112 | - | - | 69,892 |
| 3571 CSI and Priority Schools | 140,139 | 140,139 | - | - | 54,861 |
| 3577 Teacher Supplies (No Carryover Provision) | 230,700 | 230,700 | - | - | - |
| 3595 EEDA - Supplies and Materials | 15,283 | 15,283 | - | - | 18,965 |
| 3597 Aid to Districts | 412,209 | 412,209 | - | - | - |
| 3599 Other EIA | 1,500 | 1,500 | - | - | - |
| TOTALS | \$ 10,705,918 | \$ 3,929,062 | \$ - | \$ (6,776,856) | \$ 368,197 |

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SCHOOL BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2023**

REVENUES

| | |
|---------------------------------------|------------------|
| 1000 Revenue from Local Sources | |
| 1500 Earnings on Investments | |
| 1510 Interest on Investments | \$ 1,702,462 |
| 1900 Other Revenue from Local Sources | |
| 1990 Miscellaneous Local Revenue | |
| 1993 Receipt of Insurance Proceeds | 21,915 |
| Total Local Sources | <u>21,915</u> |
| TOTAL REVENUES | <u>1,724,377</u> |

EXPENDITURES

| | |
|--|------------------|
| 100 Instruction | |
| 115 Career and Technical Education Programs | |
| 545 Technology Equipment | 189,589 |
| Total Instruction | <u>189,589</u> |
| 200 Support Services | |
| 250 Finance and Operations Services | |
| 253 Facilities Acquisition & Construction | |
| 500 Capital Outlay | |
| 520 Construction Services | 908,734 |
| 530 Improvements Other Than Buildings | 552,177 |
| 550 Vehicles | 236,655 |
| 600 Administrative | - |
| 690 Administrative | 62,250 |
| 254 Operation and Maintenance of Plant | |
| 300 Purchased Services | 247,574 |
| 400 Supplies and Materials | 610,051 |
| 500 Capital Outlay | |
| 530 Improvements Other Than Buildings | 186,375 |
| 540 Equipment | 33,330 |
| 258 Security | |
| 500 Capital Outlay | |
| 530 Improvements Other Than Buildings | 284,900 |
| 540 Equipment | 261,067 |
| 260 Central Support Services | |
| 266 Technology and Data Processings Services | |
| 400 Supplies and Materials | 346,064 |
| 500 Capital Outlay | |
| 545 Technology Equipment | 2,659 |
| 270 Pupil Service Activities | |
| 271 Pupil Services Activities | |
| 300 Purchased Services | - |
| 400 Supplies and Materials | 145,102 |
| 500 Capital Outlay | |
| 540 Equipment | 31,652 |
| Total Support Services | <u>3,908,590</u> |
| TOTAL EXPENDITURES | <u>4,098,179</u> |

EXCESS OF REVENUES OVER (UNDER) EXPENDITURES (2,373,802)

OTHER FINANCING SOURCES (USES)

| | |
|--|-------------|
| 423-710 Transfers to Debt Service Fund | (1,348,287) |
| 5210 Transfers from General Fund (Excludes Indirect Costs) | 11,589,667 |
| 5240 Transfers from Debt Service Fund | 9,500,000 |

19,741,380

EXCESS OF REVENUES AND OTHER FINANCING SOURCES
OVER (UNDER) EXPENDITURES 17,367,578

FUND BALANCE

| | |
|---------------|----------------------|
| July 1, 2022 | <u>41,025,018</u> |
| June 30, 2023 | <u>\$ 58,392,596</u> |

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2023**

REVENUES

1000 Revenues from Local Sources

1100 Taxes

1110 Ad Valorem Taxes - Including Delinquent \$ 8,261,221

1140 Penalties and Interest on Taxes (Independent) 31,622

1200 Revenue from Local Governmental Units other than LEA

1280 Revenue in Lieu of Taxes 363,125

1500 Earnings on Investments

1510 Interest on Investments 614,226

1900 Revenue from Other Local Sources

1999 Sales Tax Revenue 8,482,875

Total Local Sources 17,753,069

3000 Revenues from State Sources

3800 State Revenue in Lieu of Taxes

3820 Homestead Exemption 326,617

3830 Merchant's Inventory Tax 41,843

3840 Manufacturer's Depreciation Reimbursement 664,088

3890 Other State Property Tax Revenues 78,628

Total State Sources 1,111,176

TOTAL REVENUES 18,864,245

EXPENDITURES

500 Debt Service

610 Redemption of Principal 3,465,000

620 Interest 2,066,694

TOTAL EXPENDITURES 5,531,694

EXCESS OF REVENUES AND OTHER FINANCING SOURCES
OVER EXPENDITURES

13,332,551

OTHER FINANCING SOURCES

424-710 Transfer to Capital Projects Fund (9,500,000)

5250 Transfer from Capital Projects Fund 1,348,287

TOTAL OTHER FINANCING SOURCES (8,151,713)

NET CHANGE IN FUND BALANCE

5,180,838

FUND BALANCE

July 1, 2022 16,513,867

June 30, 2023 \$ 21,694,705

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
PROPRIETARY FUND
SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION – FOOD SERVICE PROGRAM
YEAR ENDED JUNE 30, 2023**

REVENUES

| | | |
|--|----|-----------|
| 1000 Revenues from Local Sources | | |
| 1500 Earnings on Investments | | |
| 1510 Interest on Investments | \$ | 2,638 |
| 1600 Food Service | | |
| 1610 Lunch Sales to Pupils | | 509 |
| 1620 Breakfast Sales to Pupils | | 6 |
| 1630 Special Sales to Pupils | | 11,174 |
| 1640 Lunch Sales to Adults | | 145,809 |
| 1650 Breakfast Sales to Adults | | 130 |
| 1660 Special Sales to Adults | | 1,590 |
| 1990 Other Revenues from Local Sources | | 478 |
| Total Local Sources | | 162,334 |
| 4000 Revenues from Federal Sources | | |
| 4800 USDA Reimbursement | | |
| 4810 School Lunch and After School Snack Program, and Special Milk Program | | 4,574,464 |
| 4830 School Breakfast program | | 2,294,163 |
| 4860 Fresh Fruit & Vegetable Program | | 231,595 |
| 4900 Other Federal Sources | | |
| 4991 USDA Commodities | | 377,362 |
| 4999 Revenue from Other Federal Revenues | | 3,320 |
| Total Federal Sources | | 7,480,904 |
| Total Revenues all Sources | | 7,643,238 |

OPERATING EXPENSES

| | | |
|---|--|-----------|
| 200 Support Services | | |
| 250 Finance and Operations | | |
| 256 Food Service | | |
| 100 Salaries | | 2,122,982 |
| 300 Purchased Services (Exclude Energy Costs) | | 72,515 |
| 400 Supplies and Materials (Include Energy Costs) | | 4,878,070 |
| 500 Capital Outlay | | |
| 570 Depreciation | | 115,165 |
| 600 Other Objects | | 46,362 |
| Total Operating Expenses | | 7,235,094 |

OPERATING INCOME (LOSS)

408,144

OTHER FINANCING SOURCES (USES)

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

EXCESS OF REVENUES AND OTHER FINANCING SOURCES
OVER EXPENSES AND OTHER FINANCING USES

213,144

NET POSITION

| | | |
|---------------|--|--------------|
| July 1, 2022 | | 3,550,662 |
| June 30, 2023 | | \$ 3,763,806 |

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/
FEDERAL GOVERNMENT
JUNE 30, 2023**

| Program | Grant or Project Number | Revenue & Subfund Codes | Description | Amount Due to SDE/ Federal Government | Status of amounts Due to Grantor |
|----------------------------------|-------------------------------|-------------------------------|------------------------------|--|---|
| National Board Salary Supplement | H6303532 | 3532 / 332 | Teachers terminated mid-year | 6,303 | Unpaid |
| Teacher Supplies | H6303187 | 3187 / 917 | Return excess funds | <u>24,000</u> | Unpaid |
| | | | | <u>30,303</u> | |

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
LOCATION RECONCILIATION SCHEDULE
YEAR ENDED JUNE 30, 2023**

| Location ID | Location Description | Education Level | Cost Type | Total Expenditures |
|---|-------------------------------------|----------------------------|--------------|-----------------------------|
| 04 | Hartsville Middle | Middle School | School | \$ 9,831,976 |
| 05 | Hartsville High | High School | School | 13,218,068 |
| 06 | Lamar High | High School | School | 4,790,636 |
| 10 | Spaulding Middle | Middle School | School | 3,053,480 |
| 13 | Brockington | Elementary School | School | 3,884,840 |
| 15 | Carolina Elementary | Elementary School | School | 3,754,608 |
| 17 | North Hartsville Elementary | Elementary School | School | 6,215,205 |
| 18 | Pate Elementary | Elementary School | School | 4,807,249 |
| 20 | Rosenwald Elementary/Middle | Elementary/Middle School | School | 2,784,626 |
| 26 | St. John's Elementary | Elementary School | School | 6,976,922 |
| 27 | Thornwell Elementary | Elementary School | School | 4,359,920 |
| 30 | Darlington High | High School | School | 11,591,579 |
| 31 | Darlington Middle | Middle School | School | 10,011,625 |
| 32 | Southside Early Childhood | Elementary School | School | 4,465,089 |
| 33 | Mayo Magnet | High School | School | 4,033,171 |
| 34 | J.L. Cain Elementary | Elementary School | School | 6,138,222 |
| 35 | Intervention School | Other (Alternative) School | School | 1,156,329 |
| 36 | Bay Road Elementary | Elementary School | School | 6,128,744 |
| 37 | Lamar-Spaulding Elementary | Elementary School | School | 5,458,102 |
| 50 | Superintendent | Non-School | Central | 2,055,787 |
| 51 | Operations | Non-School | Central | 1,646,169 |
| 54 | Curriculum & Instruction | Non-School | Central | 2,276,811 |
| 55 | Human Resources | Non-School | Central | 2,268,380 |
| 56 | Pupil Services | Non-School | Central | 2,029,214 |
| 58 | Transportation | Non-School | Central | 4,186,725 |
| 59 | Communications | Non-School | Central | 355,869 |
| 60 | Exceptional Education | Non-School | Central | 2,175,692 |
| 62 | Maintenance | Non-School | Central | 3,203,186 |
| 63 | Elementary Assistant Superintendent | Non-School | Central | 2,739,319 |
| 64 | Adult Education | Non-School | Central | 1,335,366 |
| 65 | Warehouse | Non-School | Central | 162,376 |
| 66 | Project Share | Non-School | Central | 940,023 |
| 68 | Food Service | Non-School | Central | 597,416 |
| 69 | Computer Services | Non-School | Central | 10,798,347 |
| 72 | Finance | Non-School | Central | 16,107,823 |
| 91 | Institute of Technology | Other (Career) School | School | 3,314,281 |
| 92 | Darlington County Virtual Academy | Other (Virtual) School | School | 2,109,305 |
| TOTAL EXPENDITURES FOR ALL FUNDS | | | | <u>\$170,962,480</u> |
| General Fund | | | | \$111,064,944 |
| Special Revenue Fund | | | | 39,103,507 |
| Education Improvement Act Fund | | | | 3,929,062 |
| School Building Fund | | | | 4,098,179 |
| Debt Service Fund | | | | 5,531,694 |
| Food Service Fund | | | | 7,235,094 |
| TOTAL EXPENDITURES FOR ALL FUNDS | | | | <u>\$170,962,480</u> |

(Continued)

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023**

| LEA Subfund Code | Federal Grantor/ Pass-Through Grantor Program or Cluster Title | Assistance Listing Number | Pass-Through Grantor's Number | Expenditures |
|--|--|---------------------------------|-------------------------------------|-------------------------|
| U.S. Department of Agriculture | | | | |
| Passed Through State Department of Education: | | | | |
| Child Nutrition Cluster: | | | | |
| 600 | National School Breakfast Program | 10.553 | N/A | \$2,281,173 |
| 600 | National School Lunch Program - Cash Assistance | 10.555 | N/A | 4,313,045 |
| 600 | National School Lunch Program - Supply Chain Assistance Funding | | N/A | 261,419 |
| 600 | Non-Cash Assistance (Commodities) | 10.555 | N/A | 377,362 |
| 600 | USDA Transportation Rebate | 10.555 | N/A | 12,990 |
| | | Total 10.555 | | <u>4,964,816</u> |
| 603 | Fresh Fruit and Vegetable Program | 10.582 | N/A | 231,595 |
| | Total Child Nutrition Cluster | | | <u>7,477,584</u> |
| | Total U.S. Department of Agriculture | | | <u>7,477,584</u> |
| U.S. Department of Labor | | | | |
| WIOA Cluster | | | | |
| Passed Through S.C. Department of Employment and Workforce: | | | | |
| 284 | Jobs for America's Graduates | 17.259 | 20JAG105 | 53,337 |
| | Total WIOA Cluster | | | <u>53,337</u> |
| | Total U.S. Department of Labor | | | <u>53,337</u> |
| U.S. Department of Education | | | | |
| Passed Through State Department of Education: | | | | |
| Title I: | | | | |
| 201 | Title I | 84.010 | 21 Title I (202) | 249,497 |
| 201 | Title I | 84.010 | 22 Title I (202) | 2,000,950 |
| 201 | Title I | 84.010 | 23 Title I | 3,582,936 |
| 221 | Title I - Neglected and Delinquent | 84.010 | 20 Title I N&D | 9,352 |
| 221 | Title I - Neglected and Delinquent | 84.010 | 21 Title I N&D | 7,807 |
| 221 | Title I - Neglected and Delinquent | 84.010 | 22 Title I N&D | 11,746 |
| 221 | Title I - Neglected and Delinquent | 84.010 | 23 Title I N&D | 6,277 |
| 237 | Title I - Targeted Support and Improvement | 84.010 | 21 Title I TSI | 7,808 |
| 237 | Title I - Targeted Support and Improvement | 84.010 | 22 Title I TSI | 31,510 |
| 239 | Title I - Comprehensive Support and Improvement | 84.010 | 20 Title I CSI | 22,849 |
| 239 | Title I - Comprehensive Support and Improvement | 84.010 | 22 Title I CSI | 118,779 |
| | | Total 84.010 | | <u>6,049,511</u> |
| Special Education Cluster: | | | | |
| 203 | IDEA | 84.027 | 21 IDEA | 19,582 |
| 203 | IDEA | 84.027 | 22 IDEA | 76,724 |
| 203 | IDEA | 84.027 | 23 IDEA | 2,352,992 |
| 204 | Extended School Year | 84.027 | 22 IDEA ESY | 24,803 |
| | | Total 84.027 | | <u>2,474,101</u> |
| 230 | ARP - IDEA Preschool | 84.027X | 22 ARP - IDEA Preschool | 292,339 |
| | | Total 84.027X | | <u>292,339</u> |
| 205 | IDEA - Preschool Handicapped | 84.173A | 22 IDEA Preschool | 2,663 |
| 205 | IDEA - Preschool Handicapped | 84.173A | 23 IDEA Preschool | 84,301 |
| | | Total 84.173A | | <u>86,964</u> |
| 233 | ARP - IDEA Children with Disabilities | 84.173X | 22 IDEA/ARP Preschool | 12,680 |
| | | Total 84.173X | | <u>12,680</u> |
| | Total Special Education Cluster | | | <u>2,866,084</u> |

(Continued)

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

| LEA Subfund Code | Federal Grantor/ Pass-Through Grantor Program or Cluster Title | Assistance Listing Number | Pass-Through Grantor's Number | Expenditures |
|------------------------|--|---------------------------------|-------------------------------------|----------------------------|
| | Career and Technology Education: | | | |
| 207 | Vocational Education | 84.048A | 22 CTE | \$ 22,311 |
| 207 | Vocational Education | 84.048A | 23 CTE | 149,293 |
| | | Total 84.048A | | <u>171,604</u> |
| | Adult Education: | | | |
| 243 | Adult Education | 84.002 | 22 Adult Ed Reverted Funds | 12,878 |
| 243 | Adult Education | 84.002 | 23 Adult Ed | 192,328 |
| 243 | Adult Education | 84.002 | 23 Adult Ed Reverted Funds | 1,568 |
| | | Total 84.002 | | <u>206,774</u> |
| | COVID-19 ESSER Funds | | | |
| 225 | COVID-19 ESSER II | 84.425D | ESSER II | 7,013,676 |
| | | Total 84.425D | | <u>7,013,676</u> |
| | American Rescue Plan-ESSER | | | |
| 218 | ESSER III - ARP | 84.425U | ESSER III | 11,547,230 |
| 218 | Increasing Access to School-Based Mental Health Services | 84.425U | ARP ESSER Reserve | 58,991 |
| | | Total 84.425U | | <u>11,606,221</u> |
| | Title IV | | | |
| 210 | Title IV - Student Support and Academic Enrichment | 84.424A | 21 Title IV - SSAE | 44,466 |
| 210 | Title IV - Student Support and Academic Enrichment | 84.424A | 22 Title IV - SSAE | 224,089 |
| 210 | Title IV - Student Support and Academic Enrichment | 84.424A | 23 Title IV - SSAE | 174,576 |
| | | Total 84.424A | | <u>443,131</u> |
| | 21st Century Community Learning | | | |
| 224 | 21st Century Community Learning Centers | 84.287C | 23 21st CCLC | 35,659 |
| | | Total 84.287C | | <u>35,659</u> |
| | Title III | | | |
| 264 | English Language Acquisition State Grants | 84.365 | 20 Title III | 2,000 |
| 264 | English Language Acquisition State Grants | 84.365 | 21 Title III | 6,194 |
| 264 | English Language Acquisition State Grants | 84.365 | 22 Title III | 7,114 |
| 264 | English Language Acquisition State Grants | 84.365 | 23 Title III | 1,243 |
| | | Total 84.365 | | <u>16,551</u> |
| | McKinney-Vento Homeless | | | |
| 232 | McKinney-Vento Homeless Education | 84.196A | 21 McKinney-Vento | 5,123 |
| | | Total 84.196A | | <u>5,123</u> |
| | ARP Homeless | | | |
| 263 | ARP Homeless I | 84.425W | ARP Homeless I | 12,858 |
| 263 | ARP Homeless II | 84.425W | ARP Homeless II | 27,044 |
| | | Total 84.196W | | <u>39,902</u> |
| | Title II | | | |
| 267 | Improving Teacher Quality State Grants | 84.367 | 21 Title II | 15,941 |
| 267 | Improving Teacher Quality State Grants | 84.367 | 22 Title II | 56,801 |
| 267 | Improving Teacher Quality State Grants | 84.367 | 23 Title II | 568,019 |
| | | Total 84.367 | | <u>640,761</u> |
| | Total U.S. Department of Education | | | <u>29,094,997</u> |
| | U.S. Department of Defense | | | |
| | Direct Programs: | | | |
| 269 | JROTC | 12.357 | N/A | 237,068 |
| | Total U.S. Department of Defense | | | <u>237,068</u> |
| | Total Federal Assistance Expended | | | <u>\$36,862,986</u> |

No amounts were passed through to subrecipients.

The notes to the Schedule of Expenditures of Federal Awards is an integral part of this schedule.

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023**

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the School District under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

2. Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, consistent with the measurement focus and accounting basis used by the School District for expenditures. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

3. Indirect Cost Rate

The School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**GOVERNMENT AUDITING STANDARDS AND
SINGLE AUDIT REPORTS**

Independent 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*

Board of Trustees
Darlington County School District
Darlington, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of Darlington County School District (the School District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 1, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Webster Rogano LLP

Florence, South Carolina
December 1, 2023

Independent Auditor's Report on Compliance for Each Major Program and Report on Internal Control over Compliance Required by the Uniform Guidance

Board of Trustees
Darlington County School District
Darlington, South Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

We have audited Darlington County School District's (the School District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2023. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School District's compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtaining an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Webster Rogues LLP

Florence, South Carolina
December 1, 2023

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

_____ Yes X No

Significant deficiencies identified that are not considered to be material weaknesses?

_____ Yes X None Reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major programs:

Material weaknesses identified?

_____ Yes X No

Significant deficiencies identified that are not considered to be material weaknesses?

_____ Yes X None Reported

Type of auditors' report issued on compliance for major programs:

Unmodified

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

_____ Yes X No

Identification of major programs:

Assistance Listing Number

Name of Federal Program or Cluster

10.553/10.555/10.582

National School Breakfast Program/National School Lunch Program/ Fresh Fruit and Vegetable

84.425D/84.425U/84.425W

ESSER II/ESSER III/ ARP Homeless

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

\$1,105,889

Auditee qualified as low-risk auditee?

_____ Yes X No

(Continued)

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

II. – Financial Statement Findings

None

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

None

**DARLINGTON COUNTY SCHOOL DISTRICT
DARLINGTON, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2023**

Financial Statement Finding

Material Weakness

2022-01 Year-end closing procedures

Condition: Year-end closing procedures were not scheduled and/or performed on a timely basis in order to meet the regulatory reporting deadlines.

Criteria: Year-end closing procedures should be scheduled and performed allowing sufficient time for annual independent audit procedures, documentation and review thereof; and drafting of the financial statement reporting package and review thereof; in order to publish the financial statement reporting package to the South Carolina Department of Education on or before December, 1st, the reporting due date.

Effect: Failure to schedule and perform year-end closing procedures on a timely basis potentially exposes the Darlington County School District to future funding being withheld or delayed.

Recommendation: Year-end closing procedures should be itemized and scheduled to provide sufficient time for annual independent audit procedures, documentation and review thereof; in order to publish the financial statement reporting package to the South Carolina Department of Education on or before December 1st, the reporting due date.

To facilitate year-end closing, audit, and financial statement reporting, a timeline should be developed and communicated. The timeline should include:

- A planning meeting to communicate the timeline and expectations.
- Periodic status meetings to monitor adherence to the timeline.
- Exit conference to review the drafted financial statement reporting package with management.
- Delivery and presentation of the financial statement reporting package to the Board of Trustees.
- Publish the financial statement reporting package to the South Carolina Department of Education on or before December 1st, the reporting due date.

Current Status: Upon the completion of the prior year audit we had already taken action to address the deficiencies in our year end processes. As a part of a District wide job description engagement that HIL Consultants was hired to conduct in late April of 2022, there was a complete review of the Finance Department and Human Resources Department and organizational and staffing recommendations were made. Their recommendations included additional staffing and reorganization of job duties in Finance to make the work flow more manageable and the demanding compliance deadlines more attainable. The Chief Financial Officer discussed staffing needs with the Superintendent and the Board at the annual board retreat in mid-June. The Finance Department hired two new staff members at the end of August 2022 and began implementing the recommended changes. The Finance team has divided up responsibilities to ensure that monthly, quarterly and annual deadlines are met. Regular meetings are held with department staff to ensure that tasks are being completed as scheduled. As a result of our efforts our year-end closing has been much smoother. We will continue to update processes as needed.