

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

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CAMDEN, SOUTH CAROLINA**

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**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

PRINCIPAL OFFICIALS

YEAR ENDED JUNE 30, 2023

Established in 1969

Board of Trustees

Dr. James Smith, Chairman
Shirley Halley, Vice Chair
Autumn Furniss
Dr. Charles King
Donald Reeves Jr.
Matt Irick
Todd McDonald
Ron Blackmon
David Roberts

Senior Administrative Staff

Dr. Harrison Goodwin, Superintendent
Denise Sowell, Chief Human Resources Officer
Brad Willard, Chief Financial Officer
Timothy L. Hopkins, Deputy Superintendent
Billy Smith, Assistant Superintendent, Chief Operations Officer
Daniel Matthews, Assistant Superintendent, Chief Academic Officer

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Greene Finney Cauley, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Kershaw County School District
Camden, South Carolina

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") 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 the 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 the 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 GAAS and *Government 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 GAAS 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 the 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 the 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, the budgetary comparison schedule, the pension plan schedules, and the other postemployment benefit plan schedules, as listed 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 District's basic financial statements. The supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2023 on our consideration of the 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 District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
November 17, 2023

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**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2023

This discussion and analysis of Kershaw County School District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the notes to the financial statements and financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2023 are as follows:

- On the government-wide basis, the assets and deferred outflows of resources of the District were exceeded by its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$83.6 million. Unrestricted net position was a deficit of \$202.2 million. This deficit is due to primarily two factors:
 - The net pension liability of \$133.1 million as required by Governmental Accounting Standards Board ("GASB") Statement No. 68, "*Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*" ("GASB #68"). The District participates in the South Carolina Retirement System's ("SCRS") pension plans, and the District is required by GASB #68 to recognize is proportionate share of the SCRS' unfunded liabilities on the District's government-wide financial statements.
 - The net other postemployment benefit ("OPEB") plan liability of \$103.1 million as required by GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" ("GASB 75"). The District participates in the South Carolina Retiree Health Insurance Trust Fund ("SCRHITF") OPEB plan, and the District is required by GASB #75 to recognize is proportionate share of the SCRHITF's unfunded liabilities on the School District's government-wide financial statements.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$67.2 million. 29% of the total amount, or \$19.3 million, is available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$19.3 million, which is 18.9% of total General Fund expenditures for fiscal year 2023.
- The District's fund balance for the General Fund increased by \$0.8 million.
- During the 2023 fiscal year, the District's governmental fund type revenues were \$170.2 million compared to \$161.4 million in the prior year, or an increase of 5.4%.
- The District's net capital assets increased by \$2.9 million (1%) during the current fiscal year to \$281.9 million, primarily due to current year additions of \$14.4 million, partially offset by depreciation expense of \$11.4 million and net disposals of \$26,000.
- In November 2016, the citizens of Kershaw County approved a referendum to allow the District to issue \$129 million in bonds, using the proceeds to replace old buildings and perform major renovations and expansions at other District buildings. The citizens also approved a referendum implementing a penny sales tax to pay for a portion of the new debt for a period of 15 years. This new tax went into effect in March 2017. The District issued the long-term bonds in fiscal 2018. The building projects were started at the end of FY 2017.
- The District's total outstanding debt was \$186.3 million at June 30, 2023, decreasing by \$16.2 million due to scheduled principal payments during the year.
- During the 2020 fiscal year the District had an impairment of capital assets for the North Central High School buildings as they were damaged in a tornado. As of June 30, 2023 the District received and recognized \$49.2 million in insurance proceeds in the Capital Projects Fund and deferred an additional \$1.1 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts — *Introductory Section*, *Financial Section* (which includes the financial statements, required supplementary information which includes this management's discussion and analysis section, the combining and individual fund financial schedules and the location reconciliation schedule) and the *Compliance Section*.

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Government-Wide Financial Statements. The financial statements include two kinds of statements that present different views of the District. The first two statements are *government-wide financial statements* that provide a broad overview of the District's overall financial status, in a manner similar to a private-sector enterprise.

The *Statement of Net Position* presents information on all of the District's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include instruction, supporting services, community services and intergovernmental. The District does not have any "business-type" activities. The government-wide financial statements can be found as listed in the table of contents.

The Kershaw County Public School Foundation ("Foundation") was established by the District during the 2006 fiscal year. The Foundation is a blended component unit of the District, and as such, is included in the governmental activities of the District. Separate financial statements for the Foundation are not issued.

Fund Financial Statements. The remaining financial statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in more *detail* than the government-wide statements.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of the District can be divided into one category: governmental funds.

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

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation schedule following each governmental fund financial statement.

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Revenue Fund, Special Revenue Fund-EIA, Special Revenue Fund-Food Service, Debt Service Fund-District, and the Capital Projects Fund-District, all of which are considered to be major funds. The Debt Service Fund-Foundation is also a major fund and therefore shown in a separate column. The Capital Projects Fund-Foundation was used in prior years to account for and report capital outlay related to the Foundations operations. This fund has been inactive for several years, as it expended all of its resources in prior years and did not have any operations or balances as of June 30, 2023. The governmental fund financial statements can be found as listed in the table of contents.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as listed in the table of contents. More detailed information regarding long-term debt and capital asset activity can also be found in the notes to the financial statements.

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Supplementary Information. The combining and individual fund schedules and the location reconciliation schedule can be found as listed in the table of contents.

The District adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for this fund to demonstrate compliance with the budget. This schedule can be found as listed in the table of contents.

Major Features of the School District's Government-Wide and Fund Financial Statements		
	Fund Financial Statements	
	Government-Wide Financial Statements	Governmental Funds
Scope	Entire School District	Entire School District
Required Financial Statements	<ul style="list-style-type: none"> ▪ Statement of Net Position ▪ Statement of Activities 	<ul style="list-style-type: none"> ▪ Balance Sheet ▪ Statement of Revenues, Expenditures, and Changes in Fund Balances
Accounting and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of Balance Sheet Information	All balance sheet elements, both financial and capital, and long- term obligations	All balance sheet elements that come due during the year or soon thereafter; no capital assets – or long-term obligations are included
Type of Inflow/Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources were exceeded by its liabilities and deferred inflows of resources by \$83.6 million at the close of the most recent fiscal year.

A summary of the District's net position as of June 30, 2023 compared to June 30, 2022 is presented below:

	2023	2022
Assets		
Current and Other Assets	\$ 84,409,855	\$ 87,892,857
Capital Assets (Net)	281,851,685	278,936,384
Total Assets	<u>366,261,540</u>	<u>366,829,241</u>
Deferred Outflows of Resources		
Deferred Refunding Charges	1,135,658	1,270,587
Deferred Pension Charges	18,415,751	22,246,585
Deferred OPEB Charges	32,730,546	39,380,955
Total Deferred Outflows of Resources	<u>52,281,955</u>	<u>62,898,127</u>
Liabilities		
Other Liabilities	17,421,367	20,988,156
Net Pension Liability	133,123,332	121,388,725
Net OPEB Liability	103,131,872	144,822,517
Long Term Liabilities	200,606,279	218,345,823
Total Liabilities	<u>454,282,850</u>	<u>505,545,221</u>
Deferred Inflows of Resources		
Deferred Pension Credits	2,606,813	18,106,620
Deferred OPEB Credits	45,248,248	7,847,569
Total Deferred Inflows of Resources	<u>47,855,061</u>	<u>25,954,189</u>
Net Position		
Net Investment in Capital Assets	100,408,111	84,131,469
Restricted	18,181,067	21,310,649
Unrestricted	(202,183,594)	(207,214,160)
Total Net Position	<u>\$ (83,594,416)</u>	<u>\$ (101,772,042)</u>

Total net position of the District's governmental activities increased from a deficit of \$101.8 million at June 30, 2022 to a deficit of \$83.6 million at June 30, 2023 or an increase of \$18.2 million. This increase in total net position is primarily due to an increase in (a) capital assets of approximately \$2.9 million as additions exceeded depreciation expense and net disposals, (b) a decrease in other liabilities of approximately \$3.6 million primarily due to a decrease in accounts payable, (c) a decrease in long term liabilities of approximately \$17.7 million primarily due to regular debt payments, (d) a decreases in net OPEB liability of approximately \$41.7 million, (e) a decrease in deferred outflows of resources and an increase deferred inflows of resources due to changes in actuarial assumptions under GASB #75 and GASB #68, partially offset by (f) an increase in the net Pension liability of approximately \$11.7 million. Total net position increased \$18.2 million. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements was a deficit of \$202.2 million at June 30, 2023, due to the net pension liability of \$133.1 million as required by GASB #68 and the net OPEB liability of \$103.1 million as required by GASB #75. Restricted net position decreased \$3.1 million primarily due to spending down the insurance proceeds that were received to rebuild and replace North Central High School which was damaged during 2020 by a weather event.

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The following table shows the changes in net position for fiscal year 2023 compared to 2022:

	Changes in Net Position	
	2023	2022
Revenues		
Program Revenues:		
Charges for Services	\$ 1,334,939	\$ 578,868
Operating Grants	89,289,149	87,619,807
Capital Grants	-	606,351
General Revenues:		
Property Taxes	47,693,390	44,957,565
Local Sales and Use Taxes	10,090,570	9,538,613
Other	19,693,747	18,168,514
Total Revenues	<u>168,101,795</u>	<u>161,469,718</u>
Program Activities		
Instruction	80,320,139	80,623,894
Support Services	62,819,850	63,573,736
Community Services	92,342	93,555
Interest and Other Charges	6,691,838	7,209,323
Total Expenses	<u>149,924,169</u>	<u>151,500,508</u>
Change in Net Position	18,177,626	9,969,210
Net Position, Beginning of Year	<u>(101,772,042)</u>	<u>(111,741,252)</u>
Net Position, End of Year	<u>\$ (83,594,416)</u>	<u>\$ (101,772,042)</u>

Overall, the District's financial condition increased in fiscal year 2023, as revenues exceeded expenditures by \$18.2 million, compared to a \$9.9 million increase in the prior year. Total revenues increased \$6.6 million (4.1%) from 2022 to 2023 due mainly to (a) an increase in operating grants of approximately \$1.7 million due to increased stimulus funding, (b) increased other revenue of approximately \$1.5 million due to increased state revenue in lieu of taxes, (c) increased property taxes of approximately \$2.7 million, and (d) an increase in local sales and use taxes of approximately \$0.5 million both due to the overall growth in the area. Program expenses decreased \$1.6 million from 2022 to 2023 (1%). This was mainly due to (e) a decrease in support services of \$0.8 million, (f) a decrease in interest and other charges of \$0.6 million, and (h) a decrease in instruction services of \$0.2 million.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

The analysis of governmental funds serves the purpose of looking at what resources came into the funds, how they were spent and what is available for future expenditures. Did the government generate enough revenue to pay for current obligations? What is available for spending at the end of the year?

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2023

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (CONTINUED)

Governmental Funds (Continued)

For the year ended June 30, 2023, the District's governmental funds reported a *combined* fund balance of \$67.2 million as compared to \$60.3 million for the prior year, as revenues and other financing sources exceeded expenditures and other financing uses.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$19.3 million. The District's total General Fund balance was \$19.3 million, increasing \$0.8 million (4.6%) during the current fiscal year, as revenues and net transfers in of \$110.1 million exceeded expenditures and transfers out of \$109.3 million. This increase is due primarily to an increase in property taxes and state revenue, partially offset by increases in supplies and materials.

The District's special revenue funds including (EIA and Food Service) are used to account for revenues derived from the state of South Carolina, the federal government and from student activities. The Special Revenue Fund balance increased by \$0.4 million with a remaining balance of \$1.6 million restricted for student activities and \$0.6 million assigned for special education programs. The Special Revenue Fund-EIA does not have a fund balance as revenues should be expended, deferred, or returned to the grantor. The fund balance for the Special Revenue Fund-Food Service increased \$1.4 million, compared to an increase of \$2.6 million in the prior year.

Two debt service funds are shown in the accompanying financial statements of the District; the regular District Debt Service Fund and the Foundation Debt Service Fund. Both funds are used to account for the accumulation of funds for debt retirement. The District's Debt Service fund balance at the end of the current fiscal year was \$8.5 million. The fund balance increased by \$2.5 million as debt service expenditures and transfers to other funds was exceeded by current year property tax revenues and local sales and use taxes. The District issued \$1.3 million in short-term General Obligation Bonds in the second quarter of 2023 that are due in March 2024. Due to the timing of the issuance and the scheduled maturity being less than one year from the dates they were issued, the outstanding balances of \$1.3 million are reflected on the District's balance sheet for its governmental funds at June 30, 2023 as required by generally accepted accounting principles. The District's debt millage rate is 64.2 mills, no change from the prior year. The Debt Service Fund - Foundation accounts for the accumulated resources for payment on the installment purchase revenue bonds sold by the non-profit organization. The fund balance was \$0.1 million, a slight increase from the prior year.

The District's capital projects fund increased by \$1.7 million during the 2023 fiscal year to \$29.7 million at June 30, 2023, as transfers in from other funds of \$10.5 million, \$5.4 in insurance proceeds, and \$0.1 million in revenue related to a investment earnings was partially offset by current year expenditures of \$14.3 million for the District's Phase II improvements program and for the costs caused by the tornado damages.

General Fund Budgetary Highlights

The District's General Fund budget is prepared according to South Carolina law and is consistent with U.S. generally accepted accounting principles. The Board of Trustees adopted a budget that reflected total revenue sources of \$102.4 million and annual appropriations of \$102.4 million.

At the end of FY2023, the General Fund had a positive total budget versus actual variance of \$0.8 million. This positive variance is due to actual revenues and transfers in exceeding budget by \$7.6 million primarily due to higher taxes of approximately \$2.5 million, higher state sources by approximately \$5 million, partially offset by actual expenditures and transfers out being over budget by \$6.3 million primarily due to increased salary and benefit costs being charged to the General Fund.

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2023

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of FY2023, the District had \$281.9 million invested in capital assets, net of depreciation.

The net increase in the District's investment in capital assets was \$2.9 million or 1.1%. The increase was due to current year additions of \$14.4 million, partially offset by depreciation expense of \$11.4 million, and net disposals of \$26,000.

The following table shows fiscal year end 2023 capital asset balances compared to 2022:

	Capital Assets	
	(Net of Depreciation)	
	Governmental Activities	
	2023	2022
Capital Assets		
Land	\$ 3,712,343	\$ 3,727,212
Construction in Progress	19,993	32,892,548
Buildings and Improvements	269,833,178	236,944,388
Furniture and Equipment	8,286,171	5,372,236
Capital Assets, Net	<u>\$ 281,851,685</u>	<u>\$ 278,936,384</u>

Additional information on the District's capital assets can be found in Note III.C in the Notes to the Financial Statements.

Debt Administration

At the end of the current fiscal year, the primary government had \$186.3 million in outstanding indebtedness (including \$1.3 million in short term general obligation bonds), compared to \$202.6 million at June 30, 2022. The decrease of \$16.2 million is due primarily to by regularly scheduled principal payments on the District's outstanding indebtedness. The Foundation's Installment Purchase Revenue Bonds are not an obligation of the District. However, the Foundation debt is included with the District's obligations as required by generally accepted accounting principles.

The following table shows fiscal year end 2023 outstanding debt compared to 2022:

	Outstanding Debt	
	Governmental Activities	
	2023	2022
Foundation - Series 2015 Installment Purchase Revenue Bonds	\$ 69,520,000	\$ 75,725,000
Series 2018A General Obligation Bonds	105,290,000	111,195,000
Series 2022A GO Bonds	6,731,000	7,067,700
Series 2022B GO Bonds	-	1,493,000
Note Payable 2019 Acquisition, Use and Security Agreement	3,508,000	7,097,000
Series 2023A GO Bonds	1,288,000	-
Total	<u>\$ 186,337,000</u>	<u>\$ 202,577,700</u>

The state limits the amount of general obligation debt that school districts can issue to 8 percent of the assessed value of all taxable property within the District's corporate limits. The District is authorized by state statute to exceed the legal debt margin of 8%, if citizens of the District approve such additional debt through a district-wide referendum. Only \$4.8 million of the outstanding debt is subject to this limit as of June 30, 2023.

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2023

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Debt Administration (Continued)

Additional detailed information about the District's indebtedness is presented in Notes III.F and III. G in the Notes to the Financial Statements.

ECONOMIC FACTORS

Kershaw County School District is the largest single employer in the county with over 1,500 employees. The government sector, of which the District is a part, is the second largest sector within the county. The largest sector continues to be manufacturing. InVista (formerly DuPont) is the largest employer in the manufacturing sector. In recent years they negotiated and been granted economic development packages for investment and expansion. Prestage Farms has constructed a new \$150 million turkey processing facility within the county with the projected addition of nearly 300 jobs.

The District continues to see significant residential home development, with the presale and sale of those homes occurring at a rapid pace.

The District tax base has grown at an average rate of 5.5% over the last five years to \$296.9 million. The five-year average for total property tax collections is approximately 97%.

The notes to the financial statements include the GASB 77 required disclosure for the amount property tax revenues were reduced under tax abatement agreements. Tax abatement agreements are a popular incentive used by community and state economic development officials. In such agreements, all or part of the property that a company invests in the community is either not included in the tax rolls or is included at lower rates for a certain number of years as defined in the agreement. The District does not have any of its own tax abatement agreements. The District's revenues were reduced by \$5.0 million under agreements entered into by Kershaw County, South Carolina.

FY 2024 GENERAL FUND BUDGET

In June 2023, the Board of Trustees adopted a balanced General Fund budget for FY2024 that reflected total revenues and total appropriations of \$112.6 million. The FY2024 budget represents a 9.4% increase from the FY2023 General Fund budget of \$102.9 million. The increase consists primarily of state mandated employee step increases as well as increased employer fringe costs.

There has been no local tax millage increase since 2015.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide those interested 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 Finance Department, at Kershaw County School District, 2029 DeKalb Street, Camden, South Carolina, 29020. In addition, the Annual Financial Report may be found on the District's website at www.kcsdschools.net.

BASIC FINANCIAL STATEMENTS

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

STATEMENT OF NET POSITION

JUNE 30, 2023

	PRIMARY GOVERNMENT
	Governmental
	Activities
ASSETS	
Cash and Cash Equivalents	\$ 22,967,954
Cash and Cash Equivalents, Restricted	6,197,209
Investments	18,724,057
Investments, Restricted	16,441,728
Property Taxes Receivable, Net	812,692
Accounts Receivable	92,124
Insurance Proceeds Receivable	3,813,323
Due from Other Governments	15,200,368
Inventories	160,400
Capital Assets:	
Non-Depreciable	3,732,336
Depreciable, Net	278,119,349
TOTAL ASSETS	366,261,540
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Refunding Charges	1,135,658
Deferred Pension Charges	18,415,751
Deferred Other Postemployment Benefits ("OPEB") Charges	32,730,546
TOTAL DEFERRED OUTFLOWS OF RESOURCES	52,281,955
LIABILITIES	
Accounts Payable	2,338,240
Accrued Salaries & Benefits	11,084,105
Accrued Interest Payable	1,919,138
Due to Other Governments	4,977
Unearned Revenue	786,907
Short Term General Obligation Bond Payable	1,288,000
Non-Current Liabilities:	
Net Pension Liability	133,123,332
Net OPEB Liability	103,131,872
Due Within One Year	17,142,354
Due in More than One Year	183,463,925
TOTAL LIABILITIES	454,282,850
DEFERRED INFLOWS OF RESOURCES	
Deferred Pension Credits	2,606,813
Deferred OPEB Credits	45,248,248
TOTAL DEFERRED INFLOWS OF RESOURCES	47,855,061
NET POSITION	
Net Investment in Capital Assets	100,408,111
Restricted For:	
Debt Service	8,078,483
Capital Projects	1,095,923
Food Services	7,383,988
Student Activities	1,622,673
Unrestricted	(202,183,594)
TOTAL NET POSITION	\$ (83,594,416)

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

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

					NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION IN NET
PROGRAM REVENUES					
FUNCTIONS/PROGRAMS					
PRIMARY GOVERNMENT:	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
Governmental Activities:					
Instruction	\$ 80,320,139	34,695	16,675,465	-	\$ (63,609,979)
Support Services	62,819,850	1,300,244	72,613,684	-	11,094,078
Community Services	92,342	-	-	-	(92,342)
Interest and Other Charges	6,691,838	-	-	-	(6,691,838)
Total Governmental Activities	149,924,169	1,334,939	89,289,149	-	(59,300,081)
TOTAL PRIMARY GOVERNMENT	\$ 149,924,169	1,334,939	89,289,149	-	(59,300,081)
GENERAL REVENUES:					
General Revenues:					
Property Taxes Levied for General Purposes					29,141,196
Property Taxes Levied for Debt Service					18,552,194
State Revenue in Lieu of Taxes					20,250,715
Local Sales and Use Taxes					10,090,570
Unrestricted Grants & Contributions					39,040
Unrestricted Investment Earnings					165,627
Unrestricted Intergovernmental Revenue					2,200
Miscellaneous					(763,835)
Total General Revenues					77,477,707
CHANGE IN NET POSITION					18,177,626
NET POSITION, Beginning of Year					(101,772,042)
NET POSITION, End of Year					\$ (83,594,416)

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

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2023

	GENERAL	SPECIAL REVENUE	SPECIAL REVENUE - EIA
ASSETS			
Cash and Cash Equivalents	\$ 16,365,817	69,289	-
Cash and Cash Equivalents, Restricted	-	-	-
Investments	18,724,057	-	-
Investments, Restricted	-	-	-
Receivables, Net:			
Taxes	520,547	-	-
Accounts	21,578	1,003	-
Insurance Proceeds	-	-	-
Due From:			
County Treasurer	2,035,118	-	-
State Agencies	-	99,803	-
Federal Agencies	-	3,640,386	-
Other Funds	21,480,833	-	634,377
Inventories	2,820	-	-
TOTAL ASSETS	\$ 59,150,770	3,810,481	634,377
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES:			
Accounts Payable	\$ 1,987,553	-	-
Accrued Salaries & Benefits	11,084,105	-	-
Due To:			
State Department of Education	-	900	4,077
Other Funds	26,385,529	1,427,377	-
Unearned Revenue	-	154,496	630,300
Short Term General Obligation Bond Payable	-	-	-
TOTAL LIABILITIES	39,457,187	1,582,773	634,377
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	419,412	-	-
Unavailable Revenue - Insurance Proceeds	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	419,412	-	-
FUND BALANCES:			
Fund Balances		-	
Nonspendable:			
Inventories	2,820	-	-
Restricted:			
Food Services	-	-	-
Debt Service	-	-	-
Capital Projects	-	-	-
Student Activities	-	1,622,673	-
Assigned:			
Special Education Programs	-	605,035	-
Future Capital Projects	-	-	-
Unassigned	19,271,351	-	-
TOTAL FUND BALANCES	19,274,171	2,227,708	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 59,150,770	3,810,481	634,377

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

SPECIAL REVENUE - FOOD SERVICE	DEBT SERVICE - DISTRICT	DEBT SERVICE - FOUNDATION	CAPITAL PROJECTS - DISTRICT	TOTAL GOVERNMENTAL FUNDS
6,532,848	-	-	-	\$ 22,967,954
-	4,400,826	8,617	1,787,766	6,197,209
-	-	-	-	18,724,057
-	16,441,728	-	-	16,441,728
-	292,145	-	-	812,692
69,543	-	-	-	92,124
-	-	-	3,813,323	3,813,323
499,096	8,916,378	-	-	11,450,592
-	-	-	-	99,803
9,587	-	-	-	3,649,973
117,445	-	120,531	25,513,176	47,866,362
157,580	-	-	-	160,400
7,386,099	30,051,077	129,148	31,114,265	\$ 132,276,217
-	-	-	350,687	\$ 2,338,240
-	-	-	-	11,084,105
-	-	-	-	4,977
-	20,053,456	-	-	47,866,362
2,111	-	-	-	786,907
-	1,288,000	-	-	1,288,000
2,111	21,341,456	-	350,687	63,368,591
-	211,575	-	-	630,987
-	-	-	1,095,923	1,095,923
-	211,575	-	1,095,923	1,726,910
157,580	-	-	-	160,400
7,226,408	-	-	-	7,226,408
-	8,498,046	129,148	-	8,627,194
-	-	-	18,867,655	18,867,655
-	-	-	-	1,622,673
-	-	-	-	605,035
-	-	-	10,800,000	10,800,000
-	-	-	-	19,271,351
7,383,988	8,498,046	129,148	29,667,655	67,180,716
7,386,099	30,051,077	129,148	31,114,265	\$ 132,276,217

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

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

JUNE 30, 2023

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 67,180,716
Amounts reported for the governmental activities in the Statement of Net Position are different because:	
Property taxes receivable will be collected in the future but are not available soon enough to pay for the current period's expenditures and therefore are unavailable in the funds.	630,987
Insurance Proceeds will be collected in the future but are not available soon enough to pay for current period expenditures and therefore are uncollectible in the funds.	1,095,923
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$408,090,477 and the accumulated depreciation is \$126,238,792.	281,851,685
Deferred refunding charges are amortized over the lives of the refunding bonds in the Statement of Net Position; however, they are recognized in the year incurred in the governmental funds.	1,135,658
Interest is recorded as an expenditure when due and payable in the governmental funds. Interest is recorded in the government-wide statements when due. This amount represents the amount due but unpaid at year-end.	(1,919,138)
The District's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State pension plans are not recorded in the governmental funds but are recorded in the Statement of Net Position.	(117,314,394)
The District's proportionate share of the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State OPEB plan is not recorded in the governmental funds but is recorded in the Statement of Net Position.	(115,649,574)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consisted of the following:	
Long-Term Debt	(185,049,000)
Long-Term Debt Premiums	(15,239,035)
Compensated Absences	(318,244)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	\$ (83,594,416)

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

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**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2023

	GENERAL	SPECIAL REVENUE	SPECIAL REVENUE - EIA
REVENUES			
Local Sources:			
Taxes	\$ 29,335,168	-	-
Investment Earnings	126,090	2	-
Local Sales and Use Taxes	-	-	-
Other Local Sources	277,206	3,518,856	-
State Sources	70,917,309	1,925,242	12,350,997
Federal Sources	-	12,521,555	-
Intergovernmental Revenue	2,200	6,277	-
TOTAL REVENUES	100,657,973	17,971,932	12,350,997
EXPENDITURES			
Current:			
Instruction	60,118,190	8,390,422	3,618,915
Support Services	41,591,490	6,215,712	475,360
Community Services	83,881	8,461	-
Intergovernmental	-	88,754	-
Capital Outlay	61,548	2,499,076	40,732
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Bond Issuance Costs	-	-	-
TOTAL EXPENDITURES	101,855,109	17,202,425	4,135,007
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,197,136)	769,507	8,215,990
OTHER FINANCING SOURCES (USES)			
Premium on Issuance of Bonds	-	-	-
Insurance Proceeds	32,102	-	-
Transfers In	9,382,294	354,198	-
Transfers Out	(7,375,120)	(709,113)	(8,215,990)
TOTAL OTHER FINANCING SOURCES (USES)	2,039,276	(354,915)	(8,215,990)
NET CHANGES IN FUND BALANCES	842,140	414,592	-
FUND BALANCES, Beginning of Year	18,432,031	1,813,116	-
FUND BALANCES, End of Year	\$ 19,274,171	2,227,708	-

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

SPECIAL REVENUE - FOOD SERVICE	DEBT SERVICE - DISTRICT	DEBT SERVICE - FOUNDATION	CAPITAL PROJECTS - DISTRICT	TOTAL GOVERNMENTAL FUNDS
-	18,639,542	-	-	\$ 47,974,710
-	(68,653)	39,737	68,452	165,628
-	10,090,570	-	-	10,090,570
973,939	-	-	3,273	4,773,274
-	1,713,498	-	-	86,907,046
7,732,776	-	-	-	20,254,331
-	-	-	-	8,477
8,706,715	30,374,957	39,737	71,725	170,174,036
-	-	-	9,286	72,136,813
6,804,845	-	-	2,121,384	57,208,791
-	-	-	-	92,342
-	-	-	-	88,754
49,088	-	-	12,195,951	14,846,395
-	9,830,700	6,205,000	-	16,035,700
-	5,556,502	2,815,731	-	8,372,233
-	70,388	-	-	70,388
6,853,933	15,457,590	9,020,731	14,326,621	168,851,416
1,852,782	14,917,367	(8,980,994)	(14,254,896)	1,322,620
-	104,260	-	-	104,260
-	-	-	5,393,511	5,425,613
-	520,922	8,988,918	10,533,796	29,780,128
(457,191)	(13,022,714)	-	-	(29,780,128)
(457,191)	(12,397,532)	8,988,918	15,927,307	5,529,873
1,395,591	2,519,835	7,924	1,672,411	6,852,493
5,988,397	5,978,211	121,224	27,995,244	60,328,223
7,383,988	8,498,046	129,148	29,667,655	\$ 67,180,716

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

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

YEAR ENDED JUNE 30, 2023

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS **\$ 6,852,493**

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

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. They are considered revenue in the Statement of Activities. (6,911,689)

Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position. 16,035,700

Interest on long-term debt and in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and payable, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This amount is the net change in accrued interest. 142,983

Bond premiums are recorded in the year they are received in governmental funds, but are amortized over the lives of the bonds in the Statement of Activities. This amount is the amortization for the current year. 1,638,469

Deferred refunding charges are not recognized by the governmental funds but are amortized over the life of the refunding debt in the Statement of Activities. This amount is the amortization for the current year. (134,929)

Changes in the District's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the Statement of Activities. (65,634)

Changes in the District's proportionate share of the net OPEB liability, deferred outflows of resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the Statement of Activities. (2,360,443)

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. This is the net change for these types of transactions for the year. 65,375

In the Statement of Activities, the gain or loss on the disposal of fixed assets is reported, whereas in the governmental funds, proceeds from the disposal of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets disposed. (25,961)

Governmental funds reported cash capital asset additions as expenditures. However, in the Statement of Activities, the cost of those capital assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital asset additions of \$14,377,421 exceeded depreciation expense of \$11,436,159 in the current period. 2,941,262

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 18,177,626**

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

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

Kershaw County School District, South Carolina (the “District”), was established in 1969; it has responsibility for and control over all activities related to public school education in all of Kershaw County. The District has approximately twenty schools and approximately 11,500 students for fiscal year 2023. The District receives funding from local, state and federal government sources and must comply with the related requirements of these funding source entities. The District is governed by a nine member Board of Trustees (the “Board”).

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to governmental units. The Government Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District’s accounting policies are described below.

All activities, for which the Board exercises oversight responsibility, have been incorporated into the financial statements to form the reporting entity. The District’s financial statements include the accounts of all District operations, including, but not limited to, general operations and support services, food service operations, capital projects, debt service activities, and student activities.

As required by GAAP, the financial statements must present the District’s financial information with any of its component units. The primary criterion for determining inclusion or exclusion of a legally separate entity (component unit) is financial accountability, which is presumed to exist if the District both appoints a voting majority of the entity’s governing body, and either 1) the District is able to impose its will on the entity or, 2) there is a potential for the entity to provide specific financial benefits to, or impose specific financial burdens on the District. If either or both of the foregoing conditions are not met, the entity could still be considered a component unit if it is fiscally dependent on the District and there is a potential that the entity could either provide specific financial benefits to, or to impose specific financial burdens on the District.

In order to be considered fiscally independent, an entity must have the authority to do all of the following: (a) determine its budget without the District having the authority to approve or modify that budget; (b) levy taxes or set rates or charges without approval by the District; and (c) issue bonded debt without approval by the District. An entity has a financial benefit or burden relationship with the District if, for example, any one of the following conditions exists: (a) the District is legally entitled to or can otherwise access the entity’s resources, (b) the District is legally obligated or has otherwise assumed the obligation to finance the deficits or, or provide financial support to, the entity, or (c) the District is obligated in some manner for the debt of the entity. Finally, an entity could be a component unit even if it met all the conditions described above if excluding it would cause the District’s financial statements to be misleading.

Blended component units, although legally separate entities, are in substance part of the government’s operations and data from these units are combined with data of the primary government in the financial statements. Discretely presented component units, on the other hand, are reported in a separate column in the financial statements to emphasize that they are legally separate from the District. The District has one blended component unit, as discussed below; the District does not have any discretely presented component units.

Blended Component Unit: Kershaw County Public Schools Foundation (the “Foundation”) was incorporated on May 16, 2006 for educational and charitable purposes, specifically to (1) acquire, construct, finance, pledge, improve, maintain, operate, manage, lease and dispose of school buildings and other public education facilities for the use and benefit of the District and to (2) encourage and promote public education through cooperative arrangements with governmental entities and organizations exempt under Section 501(c)(3) that provide public education in Kershaw County, South Carolina. The Foundation has nine board members which are appointed by the Board of the District for three year terms.

KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Reporting Entity (Continued)

Blended Component Unit (Continued): In 2006 the Foundation issued installment purchase revenue bonds to finance various capital projects of the District. These bonds were refinanced during the year ended June 30, 2016. The installment purchase revenue bonds are secured by lease agreements with the District and will be retired through lease payments from the District. The lease agreements constitute the imposition of a financial burden on the District and provide services entirely to the District. The assets and debt are accounted for as though they are assets and debt of the lessee (the District). Upon dissolution, the remaining assets will be distributed to the District. The District has a financial burden to the Foundation in that it is obligated for lease payments equaling the amount of debt to be relieved and associated interest payments. Because the Foundation exclusively benefits the District, the Foundation's financial information is blended with that of the District in these financial statements. Financial information for the Foundation is included in individual columns throughout the financial statements. Separate financial statements for the Foundation are not issued.

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District (the "Primary Government"). For the most part, the effect of interfund activity (except for interfund services provided and used between functions) has been removed from these 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 District does not report any business-type activities. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

The **government-wide financial statements** are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under 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.

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

KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Basis of Presentation (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. For this purpose, the government generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments and other long-term obligations, are recorded only when payment is due.

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

Fund financial statements report detailed information about the District. The focus of Governmental Fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

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

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. There are a minimum number of funds maintained to keep the accounts consistent with legal and managerial requirements.

The following categories of funds are used by the District:

Governmental Fund Types are those through which most governmental functions of the District are financed. The District's expendable financial resources and related assets and liabilities are accounted for through governmental funds. Governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting.

Following are the governmental fund types and funds used by the District:

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

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

KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The **Debt Service Fund - District, a major fund** and an unbudgeted fund, is used to account for and report the accumulation of financial resources that are restricted, committed, or assigned for the payment of all long-term debt principal, interest, and related costs of the District. The District also accounts for and reports the revenues generated by the collection of an additional one percent sales and use tax for purchases made in Kershaw County that was approved by voter referendum in November 2016 and effective in March 2017. Revenues from this funding source are restricted to debt service payments on \$129 million in District debt that was also approved by voter referendum in November 2016 to fund the District’s new building program with any excess to be used to accelerate debt retirement or other capital projects. The penny sales tax will be in effect for 15 years through February, 2032.

The **Debt Service Fund - Foundation, a major fund** and an unbudgeted fund, is used to account for and report the accumulation of financial resources that are restricted, committed, or assigned for the payment of all long-term debt principal, interest, and related costs of the Foundation (the District’s blended component unit).

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

The **Capital Projects Fund – Foundation** was used in prior years to account for and report financial resources that were related to site acquisitions, construction, equipment, and renovation of all major capital facilities of the Foundation (the District’s blended component unit). This fund is inactive as it expended all of its resources in prior years and did not have any operations or balances as of June 30, 2023.

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

1. Cash, Cash Equivalents, and Investments

Cash and Cash Equivalents

The District considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchased) are reported as investments.

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Investments

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

- (a) Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.
- (b) Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (c) (i) General obligations of the State of South Carolina or any of its political units; or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (d) Savings and Loan Associations to the extent that the same are insured by an agency of the federal government.
- (e) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (a) and b) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
- (f) Repurchase agreements when collateralized by securities as set forth in this section.
- (g) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (a), (b), (c), and (f) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

The District's cash investment objectives are preservation of capital, liquidity and yield. The District reports its cash and investments at fair value which is normally determined by quoted market prices. The District currently or in the past year has used the following investments:

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Investments (Continued)

- South Carolina Local Government Investment Pool ("SC Pool" or "LGIP") investments are invested with the South Carolina State Treasurer's Office, which established the LGIP pursuant to Section 6-6-10 of the South Carolina Code. The LGIP is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. The LGIP is a 2a 7-like pool which is not registered with the Securities and Exchange Commission ("SEC") as an investment company but has a policy that it will operate in a manner consistent with the SEC's Rule 2a 7 of the Investment Company Act of 1940. In accordance with GASB Statement No. 31 "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*", and GASB Statement No. 72 "*Fair Value Measurement and Application*", investments are carried at fair value determined annually based upon (a) quoted market prices for identical or similar investments or (b) observable inputs other than quoted market prices. The total fair value of the LGIP is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours' notice. Financial statements for the LGIP may be obtained by writing the Office of the State Treasurer, Local Government Investment Pool, P.O. Box 11778, Columbia, SC 29211-1960.
- U.S. securities are generally treasury notes, treasury bonds, treasury bills, and related securities which are debt obligations of the U.S. government (lending money to the federal government for a specified period of time). These debt obligations are backed by the "full faith and credit" of the government, and thus by its ability to raise tax revenues and print currency, U.S. Treasury securities are considered the safest of all investments.

2. Restricted Assets

The District establishes certain accounts for assets restricted for specific purposes, typically by outside parties or legal agreements. Certain bond indentures require the establishment of (i) maximum annual principal and interest payments, unless a surety bond was provided; (ii) the next succeeding principal and accrued interest payment; and (iii) bond proceeds to be used for construction purposes as required in the bond agreement.

3. Receivables and Payables

Transactions between funds that are representative of reimbursement arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" on the fund financial statements. These amounts are eliminated in the Statement of Net Position. All trade and property taxes receivable are shown net of an allowance for uncollectible amounts and are expected to be collected within one year.

4. Prepaid Items and Inventories

Prepaid items in the governmental funds are accounted for using the purchase method (expensed when paid). Inventories for materials, supplies, purchased food and commodities are carried in an inventory account at cost, determined using the first-in, first-out method, except for commodities received from USDA that are valued at fair value. Inventories are subsequently charged to expenditures when consumed rather than when purchased.

5. Capital Assets

Capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position, but are not reported in the fund financial statements.

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Capital Assets (Continued)

All capital assets are capitalized at cost and updated for additions and retirements during the year. The cost and accumulated depreciation of property sold or retired are removed from the accounts, and gain or loss, if any, are reflected in the financial statements. Donated capital assets are recorded at estimated acquisition value (as estimated by the District) at the date of donation. The District maintains a capitalization threshold of \$5,000 for all capital assets. The District also capitalizes similar assets purchased with a group total of \$400,000 or more even if the individual items are under \$5,000. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

<u>Description</u>	<u>Estimated Lives</u>
Computer and Audiovisual Equipment	3-5 years
Vehicles	7 years
Furniture and Equipment	10 years
Improvements	15 years
Buildings	40 years

6. Compensated Absences

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "*Accounting for Compensated Absences*." Certain District employees are granted vacation and sick leave in varying amounts. Upon termination of employment, an employee is reimbursed for accumulated but unused vacation days. Unused sick leave is not reimbursed and therefore not reported in the financial statements. The entire compensated absence liability and expense is reported in the government-wide financial statements.

7. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources. Long-term debt 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.

In the government-wide financial statements, long-term debt/obligations are reported as liabilities on the Statement of Net Position. If material, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses.

KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as expenditures.

8. *Deferred Outflows / Inflows of Resources*

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

In addition to liabilities, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District currently has four types of deferred inflows of resources: (1) The District reports *unavailable revenue* for property taxes and (2) for insurance proceeds only in the governmental funds Balance Sheet; these unavailable revenues are deferred and recognized as inflows of resources (revenues) in the period the amounts become available. (3) The District reports *deferred pension credits* in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and South Carolina Police Officers Retirement System. (4) The District reports *deferred OPEB credits* in its Statement of Net Position in connection with its participation in the South Carolina Retiree Health Insurance Trust Fund. The *deferred pension and OPEB credits* are amortized in a systematic and rational method and recognized as a reduction of pension/OPEB expense in future periods in accordance with GAAP.

9. *Fund Balance*

In accordance with GAAP, the District classifies its governmental fund balances as follows:

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

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

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

9. Fund Balance (Continued)

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

Assigned – includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and that such assignments are made before the report issuance date. Assigned fund balance for the District consists of (a) motions approved by the Board of Trustees before the report issuance date that are for a specific purposes or (b) appropriations of current fund balance (made in the annual budget process) for the succeeding budget year.

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

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

The District's Board of Trustees has formally adopted a minimum fund balance policy that requires 12% of the next year's General Fund expenditures (including transfers out) be available as unassigned fund balance. The minimum fund balance amount was approximately \$13,515,000 as of June 30, 2023, which represents 12% of the original budget for the General Fund for fiscal year 2024 that was approved by the Board of Trustees in June 2023.

10. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in the Statement of Net Position. Net position is classified as net investment in capital assets, restricted and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt, which has not been spent, is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation, through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

11. Pensions and Other Postemployment Benefits

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

12. Fair Value

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

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

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

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

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

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

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

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Fair Value (Continued)

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

13. Accounting Estimates

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Formal budgetary accounting is employed as a management tool for the District. The budget is presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America. The District Board of Trustees legally adopts an operating budget for the General Fund; budgets are not legally adopted for the District's other funds. The budget is a legal document that establishes total expenditure limits with the same basis of accounting being used to reflect actual revenues and expenditures under accounting principles generally accepted in the United States of America. The budget is prepared by function and object as dictated by the State-adopted Program Oriented Budgeting and Accounting System.

The administration has discretionary authority to make transfers between appropriation accounts. The total budget cannot be increased beyond that level approved by the Board of Trustees originally and 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 financial statements:

- (1) In the fall of the preceding year, the District begins its budget process for the next succeeding fiscal year beginning on July 1.
- (2) After the District's budget committee reviews all requests and allocation requirements and related revenue, it presents a tentative proposed budget to the Superintendent for his review and adjustment.
- (3) The Superintendent then presents a proposed budget to the Board of Trustees, which reviews the proposed budget in a series of workshops, and makes any additions or deletions as deemed necessary.
- (4) Prior to July 1, the Board legally enacts the budget through passage of a resolution.

All annual appropriations lapse at fiscal year-end. Encumbrance accounting is utilized to assist in budgetary control through the use of purchase orders, which are recorded in order to reserve the portion of the applicable appropriation during the year. Encumbrances lapse at year-end.

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

The administration reviews the financial information with the Board and with the Board Finance committee routinely throughout the school year. In early spring each year, when local and state revenues are more certain, both revenues and expenses are re-projected. The District's administration will then recommend to the Board any amendments necessary to successfully finish out the remainder of the school year in a favorable financial position. There were no budget amendments in fiscal year 2023.

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A. Deposits and Investments

Deposits

Custodial Credit Risk for Deposits: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a deposit policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2023, none of the District's bank balances of approximately \$24,107,000 (which had a carrying value of approximately \$23,569,000 due to outstanding checks) were exposed to custodial credit risk.

Investments

As of June 30, 2023, the District had the following investments as defined by GASB 40:

Investment Type	Fair Value Level (1)	Credit Ratings (2)	Fair Value	Weighted Average Maturity
Local Government Investment Pool	N/A	N/R	\$ 5,596,578	< 1 year
U.S. Treasury Zero Coupon Bonds	Level 1	AA+, Aaa, NR	23,946,237	3 - >5 years
U.S. Treasury Zero Coupon Bonds	Level 1	NR, Aaa, NR	6,201,860	2 -5 years
U.S. Treasury Zero Coupon Bonds	Level 1	AA+, Aaa, AA+	4,449,550	2 -5 years
U.S. Treasury Zero Coupon Bonds	Level 1	N/R	568,139	< 1 year
Total			<u>\$ 40,762,364</u>	

(1) See Note I.C.12 for details of the Schol District's fair value hierarchy.

(2) If applicable, the credit ratings are by Standard & Poors, Moody's Service, and Fitch Ratings, respectively.

N/A - Not Applicable

NR - Not rated.

Interest Rate Risk: The District does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Custodial Credit Risk for Investments: Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2023, none of the District's investments were exposed to custodial credit risk.

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

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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

A. Deposits and Investments (Continued)

Investments (Continued)

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

B. Property Taxes Receivable and Unavailable/Unearned Revenues

Kershaw County, South Carolina (the “County”) is responsible for levying and collecting sufficient property taxes to meet funding obligations for the District. This obligation is established each year by the County Council and does not necessarily represent actual taxes levied or collected. Real and personal property taxes are levied and billed by the County on real and personal property (excluding motor vehicles) on or around October 1 based on assessed value determined as of the preceding January 1. All unpaid taxes levied October 1 become delinquent January 15 of the following year, and property taxes attach as an enforceable lien if not paid by March 16 of the following year. Penalties are added to taxes depending on the date paid as follows:

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

Motor vehicle taxes are levied on the first day of the month in which the motor vehicle license expires and is due by the end of the month. All property taxes are billed and collected by the County. Property tax revenue is recognized when collected by the County Treasurer's Office. Real property taxes collected within 60 days after fiscal year end are also recognized as revenue for the year. Assessed values for real estate are established annually by the Kershaw County Tax Assessor at 4% of market value for legal residence and 6% of market value for rental and other real property. For the year ended June 30, 2023, millage was set at 162.9 mills (no change from the prior year) to cover the District's general operating services and uses. The millage to cover the District's scheduled debt service requirements was set at 64.2 mills (no change from the prior year).

The records of the Kershaw County Treasurer's Office reported uncollected delinquent real and personal property taxes at June 30, 2023 of \$521,000 for the General Fund (net of allowance for uncollectible portion of \$1,430,000) and \$292,000 for the Debt Service Fund (net of allowance for uncollectible portion of \$590,000). Allowances for uncollectible amounts were not necessary for the other receivable accounts.

Governmental funds report unavailable revenues (as a component of deferred inflows of resources) in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period (i.e., they were not collected within 60 days after fiscal year-end.) Also, both the government-wide financial statements and governmental funds do not recognize revenue in connection with resources that have been received, but not yet earned.

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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

B. Property Taxes Receivable and Unavailable/Unearned Revenues (Continued)

At June 30, 2023, the various components of unavailable and unearned revenue were as follows:

Unavailable Revenues:

Delinquent Property Taxes Receivable (General Fund)	\$ 419,412
Delinquent Property Taxes Receivable (Debt Service - District Fund)	211,575
Insurance Proceeds Receivable (Capital Projects Fund)	1,095,923
Total Unavailable Revenues for Governmental Funds	<u>\$ 1,726,910</u>

Unearned Revenues:

Revenue Collected, but Unearned (Special Revenue Fund)	\$ 154,496
Revenue Collected, but Unearned (Special Revenue - EIA Fund)	630,300
Revenue Collected, but Unearned (Special Revenue - Food Service)	2,111
Total Unearned Revenues for both Government-wide Financial Statements and Governmental Funds	<u>\$ 786,907</u>

C. Capital Assets

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

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 3,727,212	-	14,869	-	\$ 3,712,343
Construction-in-Progress	32,892,548	12,865,355	-	(45,737,910)	19,993
Total Capital Assets, Not Being Depreciated	<u>36,619,760</u>	<u>12,865,355</u>	<u>14,869</u>	<u>(45,737,910)</u>	<u>3,732,336</u>
Capital Assets, Being Depreciated:					
Buildings and Improvements	337,441,798	47,992	-	42,708,877	380,198,667
Furniture and Equipment	19,694,040	1,464,074	27,673	3,029,033	24,159,474
Total Capital Assets Being Depreciated	<u>357,135,838</u>	<u>1,512,066</u>	<u>27,673</u>	<u>45,737,910</u>	<u>404,358,141</u>
Less Accumulated Depreciation:					
Buildings and Improvements	100,497,411	10,040,827	-	(172,749)	110,365,489
Furniture and Equipment	14,321,803	1,395,332	16,581	172,749	15,873,303
Total Accumulated Depreciation	<u>114,819,214</u>	<u>11,436,159</u>	<u>16,581</u>	<u>-</u>	<u>126,238,792</u>
Total Capital Assets, Being Depreciated, Net	<u>242,316,624</u>	<u>(9,924,093)</u>	<u>11,092</u>	<u>45,737,910</u>	<u>278,119,349</u>
Total Capital Assets, Net	<u>\$ 278,936,384</u>	<u>2,941,262</u>	<u>25,961</u>	<u>-</u>	<u>\$ 281,851,685</u>

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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

C. Capital Assets (Continued)

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

Governmental Activities:	Depreciation Expense
Instruction	\$ 5,838,955
Support Services	5,597,204
Total	<u>\$ 11,436,159</u>

In 2006, the District adopted a "Facility Equalization Plan," which addressed demographic analysis and projections with respect to the District's desired educational programming, current condition reports on existing facilities and a recommended two-phase capital program. Phase I of the capital program comprised \$102 million in improvements and new facilities for nine locations. The District financed Phase I of the Facility Equalization Plan using the proceeds from the Foundation's Series 2006 Installment Purchase Revenue Bonds – see Note III.G below for details on this indebtedness. The District completed all of the projects included in Phase I of the Facility Equalization Plan several years ago.

During prior period's the buildings at North Central High School were damaged by a tornado. This damage resulted in the entire complex being slated for demolition and the buildings have been rebuilt and are included in the transfer from construction-in-progress to buildings and improvements. As a result the District considered the buildings and equipment at North Central High School to be impaired and wrote off the entire net book value of \$4,367,000. For the year ended June 30, 2020, the District received and recognized \$16,295,000 in insurance proceeds in the Capital Projects Fund and there was an additional \$38,000,000 that was deferred as it was not received within the District's availability period. For the Statement of Activities an impairment gain of \$49,928,000 was recognized, as an extraordinary item in the year ended June 30, 2020. For the year ended June 30, 2021, the District received and recognized \$16,958,000 in insurance proceeds in the Capital Projects Fund and there was an additional \$17,855,000 that was deferred as it was not received within the District's availability period. For the year ended June 30, 2022 the District received and recognized \$10,628,000 in insurance proceeds in the Capital Projects Fund and there was an additional \$7,726,000 that was deferred as it was not received within the District's availability period. For the current year the District received and recognized \$5,394,000 in insurance proceeds in the Capital Projects Fund and there was an additional \$1,096,000 that was deferred as it was not received within the District's availability period.

D. Interfund Receivables and Payables

Interfund receivables and payables at June 30, 2023 are as follows:

	Interfund Receivables	Interfund Payables
Governmental Funds:		
General Fund	\$ 21,480,833	\$ 26,385,529
Special Revenue Fund	-	1,427,377
Special Revenue - EIA Fund	634,377	-
Special Revenue - Food Service Fund	117,445	-
Debt Service Fund - District	-	20,053,456
Debt Service Fund - Foundation	120,531	-
Capital Projects Fund - District	25,513,176	-
Totals	<u>\$ 47,866,362</u>	<u>\$ 47,866,362</u>

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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

D. Interfund Receivables and Payables (Continued)

The receivable in the General Fund is primarily the result of financing salaries and other expenditures for EIA Funds. The receivables in the Special Revenue Funds and the Capital Projects Fund are due from the General Fund due to the timing of revenue receipts from the state and the transfer of bond proceeds and General Fund transfer of fund balance to fund capital improvements.

E. Transfers In and Out

Transfers between funds for the year ended June 30, 2023, consisted of the following:

<u>Governmental Funds:</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 9,382,294	\$ 7,375,120
Special Revenue Fund	354,198	709,113
Special Revenue - EIA Fund	-	8,215,990
Special Revenue - Food Service	-	457,191
Debt Service Fund - District	520,922	13,022,714
Debt Service Fund - Foundation	8,988,918	-
Capital Projects Fund - District	10,533,796	-
Totals	<u>\$ 29,780,128</u>	<u>\$ 29,780,128</u>

Transfers are routinely made for indirect charges between the Special Revenue Fund, Special Revenue - EIA Fund, Food Service Fund, and the General Fund. In addition, the EIA Fund transferred funds to the General Fund as provided by the state's funding flexibility. The General Fund transferred funds to the Special Revenue Fund for student activities. The Debt Service - District transferred funds to the Debt Service - Foundation so that the Foundation could make its required debt service on its outstanding indebtedness. The Debt Service Fund - District also transferred funds from short-term bond proceeds to the Capital Projects Fund - District for capital outlay projects. The General Fund transferred funds to the Capital projects fund for capital outlay projects.

F. Short-Term Obligations

In May 2022, the District issued its Series 2022B General Obligation Bond ("2022B SCAGO") in the amount of \$1,493,000 at a rate of 1.79% for the purpose of making payments to the Foundation for its required debt service on the Installment Purchase Revenue Bonds. The District repaid the 2022B SCAGO in March 2023, including interest of approximately \$21,000.

In September 2022, the District issued its Series 2022C General Obligation Bond ("2022C SCAGO") in the amount of \$11,687,000 at a rate of 4.0% for the purpose of making payment to the Foundation for its required debt service on the Installment Purchase Revenue Bonds and for additional capital needs. The District repaid the 2022C SCAGO in March 2023, including interest of approximately \$206,000.

In May 2023, the District issued its Series 2023A General Obligation Bond ("2023A SCAGO") in the amount of \$1,288,000 at a rate of 5.0% for the purpose of making payments to the Foundation for its required debt service on the Installment Purchase Revenue Bonds. The 2023A SCAGO will mature in March 2024.

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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

F. Short-Term Obligations (Continued)

Following is a summary of the changes in the School District short-term obligations for the year ended June 30, 2023:

Short-Term Obligation	Beginning Balance	Additions	Reductions	Ending Balance
2022B SCAGO	\$ 1,493,000	-	1,493,000	\$ -
2022C SCAGO	-	11,687,000	11,687,000	-
2023A SCAGO	-	1,288,000	-	1,288,000
Total	<u>\$ 1,493,000</u>	<u>12,975,000</u>	<u>13,180,000</u>	<u>\$ 1,288,000</u>

G. Long-Term Obligations

The District issues bonds to provide funds for the acquisition and construction of major capital facilities. General Obligation Bonds (“GOB”) and General Obligation Refunding Bonds (“GORB”) are direct obligations and pledge the full faith and credit of the District and are subject to the 8% debt limit if not issued under a bond referendum. Principal and interest payments on the District’s GOB and GORB are secured solely by ad valorem property taxes.

Installment Purchase Revenue Bonds and Installment Purchase Refunding Revenue Bonds (“IPRB”) were issued by the Foundation, the District’s blended component unit, and were used for the acquisition and construction of major capital facilities that are being leased back to the District. These bonds are not subject to the 8% debt limit since they are not directly issued by the District. The full faith, credit, and taxing powers of the District are not pledged for the payment of principal nor the interest thereon.

In December 2019, the District issued its Series Acquisition, Use and Security Agreement in the amount to provide funds for the acquisition of equipment and energy conservation methods at school locations.

Interest paid on most of the debt issued by the District is exempt from federal income tax. The District sometimes temporarily reinvests the proceeds of such tax-exempt debt in materially higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this practice as arbitrage. Excess earnings (the difference between the interest on the debt and the investment earnings received) resulting from arbitrage must be rebated to the federal government on the fifth anniversary of the issuance of the tax-exempt debt and every five years, thereafter, until the debt has been repaid, in accordance with the arbitrage regulations. As of June 30, 2023, the District did not have any positive arbitrage.

Details on the District’s outstanding debt issues (including the Foundation, its blended component unit) as of June 30, 2023 are as follows:

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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

G. Long-Term Obligations (Continued)

Foundation – Public Bonds

- 2015 IPRRB (Foundation) – In 2006 the Foundation issued its 2006 Installment Purchase Revenue Bonds (“2006 IPRB”) in the amount of \$120,805,000 to purchase land and to fund improvements to various facilities comprised in Phase I of the School District’s Facility Equalization Plan. These bonds were issued pursuant to a Facilities Agreement between the District and the Foundation and evidences proportionate interests of the owners in certain rental payments to be made by the District under the terms of a Base Lease Agreement between the District and the Foundation. These agreements were authorized and approved by the Board of Trustees of the District on May 16, 2006. The District will purchase the Facilities from the Foundation pursuant to the Facilities Agreement, which will obligate the District to make installment payments of purchase price (lease rental payments) to the Foundation in amounts calculated to be sufficient to enable the Foundation to pay the principal and interest on the outstanding bonds. The District’s obligations under the Facilities Agreement are from year to year only and do not constitute a mandatory payment obligation of the District in any fiscal year in which funds are not appropriated by the District to pay the installment payments of purchase price due in such fiscal year. However, the District would forfeit possession of the Facilities for the remainder of the term of the Lease.

In December 2015, the Foundation issued its Series 2015 Installment Purchase Revenue Refunding Bonds (“2015 IPRRB”) in the amount of \$101,900,000 (par value), receiving a premium of approximately \$6,350,000, to provide funds, along with approximately \$12,176,000 of its own resources, to advance refund the outstanding 2006 IPRB in the amount of \$113,850,000. The 2006 IPRB was redeemed in December 2016. The reacquisition price exceeded the net carrying amount of the old debt by approximately \$2,159,000. This amount is reflected as a deferred outflow of resources and is being amortized over the life of the new debt, which has the same remaining life as the old debt. The 2015 IPRRB carries stated interest rates ranging from 3.00% to 5.00%. Principal payments range from \$2,325,000 to \$8,850,000, with a final maturity date on December 1, 2031. As part of the refunding of the Series 2006 IPRB, the District executed an amended and restated Facilities Agreement and an amended and restated Base Lease Agreement with the Foundation. The District is not required to fund a debt service reserve under the terms of the new agreements; there were no other substantive changes in the terms from the previous agreements. The 2015 IPRRB are subject to optional redemption on December 1, 2025.

The 2015 IPRRB are not a debt of the District; however, as the Foundation is blended with the operations of the District, the debt of the Foundation is included with the District's other obligations as required by generally accepted accounting principles.

District – Public Bonds

- 2018A GOB – Original issuance of \$129,000,000 to repay the 2017 BAN and to provide funds for additional capital needs. The District received a premium of \$18,624,607 upon issuance. This indebtedness carries interest rates ranging from 3.5% to 5.0%. Principal payments range from \$3,955,000 to \$14,460,000, with a final maturity of March 1, 2033. The Series 2018A GOB is not subject to the 8% debt limit as it was approved by voter referendum in November 2016.
- 2019 Acquisition, Use and Security Agreement – Original issue of \$7,761,000 to fund the acquisition of equipment used to conserve energy at school locations. Principal payments range from \$322,000 to \$754,000, with a final maturity of December 1, 2034 and interest at 2.18% paid annually.

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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

G. Long-Term Obligations (Continued)

District – Public Bonds (Continued)

- 2022A GOB – Original issuance of \$7,067,700 to repay the 2021 BAN. This indebtedness carries an interest rate of 1.41%. Principal payments range from \$3,508,000 to \$3,559,700, with a final maturity of March 1, 2024. The Series 2022A GOB is subject to the 8% debt limit.

The following is a summary of changes in the District's long-term obligations for the year ended June 30, 2023:

Long-Term Obligation	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Debt:					
School District - Public Debt					
2018A GOB *	\$ 111,195,000	-	5,905,000	105,290,000	\$ 6,620,000
2019 AU&SA *	7,097,000	-	366,000	6,731,000	392,000
2022A GOB	7,067,700	-	3,559,700	3,508,000	3,508,000
Total School District	<u>125,359,700</u>	<u>-</u>	<u>9,830,700</u>	<u>115,529,000</u>	<u>10,520,000</u>
Foundation - Public Bonds					
2015 IPRRB *	<u>75,725,000</u>	<u>-</u>	<u>6,205,000</u>	<u>69,520,000</u>	<u>6,515,000</u>
Total Debt:	<u>201,084,700</u>	<u>-</u>	<u>16,035,700</u>	<u>185,049,000</u>	<u>17,035,000</u>
Premiums	16,877,504	-	1,638,469	15,239,035	-
Compensated Absences	383,619	73,931	139,306	318,244	107,354
Total Governmental Activities	<u>\$ 218,345,823</u>	<u>73,931</u>	<u>17,813,475</u>	<u>200,606,279</u>	<u>\$ 17,142,354</u>

* This debt is not subject to the 8% debt limitation.

Annual debt service requirements to maturity for the District's long-term bonds (including the Foundation, its blended component unit) are as follows:

Year Ending June 30	District		Foundation		Total
	Public Bonds		Public Bonds		
	Principal	Interest	Principal	Interest	
2024	\$ 10,520,000	4,983,483	6,515,000	2,492,231	\$ 24,510,714
2025	7,793,000	4,594,467	6,840,000	2,158,357	21,385,824
2026	8,631,000	4,216,596	7,180,000	1,807,856	21,835,452
2027	9,515,000	3,797,614	7,540,000	1,515,256	22,367,870
2028	10,455,000	3,335,250	7,765,000	1,280,828	22,836,078
2029-2033	67,146,000	8,576,722	33,680,000	2,419,801	111,822,523
2034-2037	1,469,000	48,506	-	-	1,517,506
Total	\$ 115,529,000	29,552,638	69,520,000	11,674,329	\$ 226,275,967

The Debt Service Funds are typically used to meet long-term obligations related to bonded indebtedness. The General Fund is used to meet obligations related to the compensated absences.

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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

G. Long-Term Obligations (Continued)

The District has continuous authority to issue general obligation bonds each calendar year, subject to a constitutional debt limit equal to 8% of the assessed value of all taxable property in the District. The debt limitation does not apply to debt approved through a district-wide voter referendum and original or refunding debt for obligations issued on or before November 30, 1982. At June 30, 2023, the District's assessed property valuation was approximately \$309,346,000, and the legal debt limit was approximately \$24,748,000. The District's outstanding debt applicable to the legal debt limit as of June 30, 2023 was \$4,796,000, resulting in a legal debt margin of approximately \$19,952,000 as of June 30, 2023.

IV. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts, theft of damage to, and destruction of assets, errors or omissions, injuries to employees, and natural disasters. The District continues to carry commercial insurance for general liability, workers' compensation, and property and casualty coverage. There has been no reduction in insurance coverage as compared to the prior year. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

The District also participates in the State Health Insurance Plan through the State of South Carolina, a self-insured medical plan trust administered by the State Board. Through the Plan, permanent full time employees are eligible to receive health benefits up to a \$1 million lifetime limit and have the option of receiving health care benefits through health maintenance organizations and insurance carriers.

B. Retirement Plans

State Retirement Plans

The District participates in the State of South Carolina's retirement 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 retirement systems and benefits 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' ("Systems") five defined benefit pension plans. PEBA has an 11-member Board of Directors ("PEBA Board"), 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. The 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.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with 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.

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

State Retirement Plans (Continued)

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

Plan Description

The South Carolina Retirement System (“SCRS”), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement 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 newly 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 the 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. The 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.

Plan Membership

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

- 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 first-term individuals elected to the South Carolina General Assembly. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.
- State ORP – As an alternative to membership in the SCRS, newly hired state, public higher education institution and public school district employees, as well as first-term individuals elected to the South Carolina General Assembly have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as the SCRS. A direct remittance is required from the employers to the member’s account with the ORP service provider for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to the SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by the SCRS.

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Plan Membership (Continued)

- **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; be a coroner in a full-time permanent position; or be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in the PORS. Magistrates are required to participate in the PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Plan Benefits

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

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

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

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

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

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Plan 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 (“Plans”) 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 PEBA Board shall increase the employer contribution rates as necessary to meet the amortization period set in statute.

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 Plans. 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.

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

	SCRS and State ORP Rates	PORS Rates
	2023	2023
Employer Contribution Rate: ^		
Retirement*	17.41%	19.84%
Incidental Death Benefit	0.15%	0.20%
Accidental Death Contributions	0.00%	0.20%
	17.56%	20.24%
Employee Contribution Rate ^	9.00%	9.75%

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

* Of the rate for the State ORP Plan, 5% of earnable compensation must be remitted by the employer directly to the ORP vendor to be allocated to the member's account with the remainder of the employer contribution remitted to the SCRS.

The actual and required contributions to the SCRS, ORP, and PORS were approximately \$10,461,000, \$859,000, and \$8,000, respectively, for the year ended June 30, 2023 and include the nonemployer contributions noted below.

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Nonemployer Contributions

In an effort to help offset a portion of the burden of the increased contribution requirement for employers, the State General Assembly (“State”) funded 1 percent of the SCRS and PORS contribution increases for the year ended June 30, 2023. The State’s budget appropriated these funds directly to the PEBA for the South Carolina Retirement System Trust Fund and the Police Officers Retirement System Trust Fund. The amount of funds appropriated by the State (nonemployer contributing entity) for the year ended June 30, 2023 were approximately \$568,000 and \$220 for the SCRS and PORS, respectively. These contributions (on-behalf benefits) from the State were recognized as intergovernmental revenues and pension expenditures in the District’s governmental fund financial statements.

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 this report were determined by the consulting actuary, Gabriel, Roeder, Smith and Company, and are based on an actuarial valuation performed as of July 1, 2021. The TPL was rolled-forward from the valuation date to the Plans’ fiscal year end, June 30, 2022, using generally accepted actuarial principles. There was no legislation enacted during the 2022 legislative session that had a material change in the benefit provisions for any of the systems.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2022 (measurement date) for the SCRS and PORS.

	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% (varies by service)	3.5% to 10.5% (varies by service)
Benefit Adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

* Includes inflation at 2.25%.

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Actuarial Assumptions and Methods (Continued)

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.

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%

Long-Term Expected Rate of Return

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 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 percentage and adding expected inflation and is summarized in the following table. For actuarial purposes, the 7.00 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.79%	3.12%
Bonds	26.0%	-0.35%	-0.09%
Private Equity	9.0%	8.75%	0.79%
Private Debt	7.0%	6.00%	0.42%
Real Assets	12.0%		
Real Estate	9.0%	4.12%	0.37%
Infrastructure	3.0%	5.88%	0.18%
Total Expected Real Rate of Return	100.0%		4.79%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.04%

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

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

The NPL is calculated separately for each System and represents that particular System's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of the June 30, 2022 measurement date, for the SCRS and PORS, are presented in the following table:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 56,454,779,872	32,212,626,932	\$ 24,242,152,940	57.1%
PORS	\$ 8,937,686,946	5,938,707,767	\$ 2,998,979,179	66.4%

The TPL is calculated by the Systems' actuary, and each Plans' fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB No. 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the Plans' funding requirements.

At June 30, 2023, the District reported liabilities of approximately \$133,075,000 and \$48,000 for its proportionate share of the NPL for the SCRS and PORS ("Plans"), respectively. The NPL were measured as of June 30, 2022, and the TPL for the Plans used to calculate the NPL were determined based on the most recent actuarial valuation report as of July 1, 2021 that was projected forward to the measurement date. The District's proportion of the NPL were based on a projection of the District's long-term share of contributions to the Plans relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2022 measurement date, the District's SCRS proportion was 0.548941 percent, which was an decrease of 0.011778 from its proportion measured as of June 30, 2021. At the June 30, 2022 measurement date, the District's PORS proportion was 0.001606 percent, which was a decrease of 0.000024 from its proportion measured as of June 30, 2021.

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

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

For the year ended June 30, 2023, the District recognized pension expense of approximately \$11,394,000 and \$4,800, respectively for the SCRS and PORS. At June 30, 2023, the District reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences Between Expected and Actual Experience	\$ 1,156,175	\$ 579,937
Change in Assumptions	4,268,033	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	205,228	-
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	2,021,426	2,024,048
Employer Contributions Subsequent to the Measurement Date	10,751,928	-
Total SCRS	<u>18,402,790</u>	<u>2,603,985</u>
PORS		
Differences Between Expected and Actual Experience	808	952
Change in Assumptions	2,006	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	146	-
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	2,026	1,876
Employer Contributions Subsequent to the Measurement Date	7,975	-
Total PORS	<u>12,961</u>	<u>2,828</u>
Total SCRS and PORS	<u>\$ 18,415,751</u>	<u>\$ 2,606,813</u>

Approximately \$10,752,000 and \$8,000 that were reported as deferred outflows of resources related to the District's contributions subsequent to the measurement date to the SCRS and PORS, respectively, will be recognized as a reduction of the NPL in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS and PORS will increase (decrease) pension expense as follows:

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

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

Year Ended June 30,	SCRS	PORS	Total
2024	\$ 3,465,510	1,877	\$ 3,467,387
2025	1,816,394	304	1,816,698
2026	(3,705,541)	(1,895)	(3,707,436)
2027	3,470,514	1,872	3,472,386
Total	<u>\$ 5,046,877</u>	<u>2,158</u>	<u>\$ 5,049,035</u>

Discount Rate

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

Sensitivity Analysis

The following table presents the sensitivity of the District's proportionate share of the NPL of the Plans to changes in the discount rate, calculated using the discount rate of 7.00 percent, as well as what it would be if it were calculated using a discount rate that is 1% point lower (6.00 percent) or 1% point higher (8.00 percent) than the current rate:

System	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability of the SCRS	\$ 170,618,769	133,075,156	\$ 101,862,517
District's proportionate share of the net pension liability of the PORS	67,179	48,176	32,621
Total	<u>\$ 170,685,948</u>	<u>133,123,332</u>	<u>\$ 101,895,138</u>

Plans Fiduciary Net Position

Detailed information regarding the fiduciary net position of the Plans administered by the PEBA is available in the separately issued Annual Comprehensive Financial Report containing financial statements and required supplementary information for the SCRS and PORS. The Annual Comprehensive Financial Report is publicly available through the PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

**KERSHAW COUNTY SCHOOL DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Payable to Plans

The District reported a payable of approximately \$1,400,000 to the PEBA as of June 30, 2023, representing required employer and employee contributions for the month of June 2023 for the SCRS and PORS. This amount is included in Accrued Salaries and Benefits on the financial statements and was paid in July 2023.

C. Other Postemployment Benefits Plans

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

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

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

Plan Descriptions

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

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

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

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits Plans (Continued)

Plan Benefits

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

The SCLTDITF is a long-term disability plan that covers employees of the State of South Carolina, including all agencies and public school districts and all participating local governmental entities. The SCLTDITF provides disability payments to eligible employees that have been approved for disability. Since the employer contribution/premium paid and the proportionate share of the NOL and related deferred outflows and inflows of resources related to the SCLTDITF are not material to the District, no SCLTDITF OPEB amounts have been recorded in these financial statements and only limited note disclosures have been provided related to these benefits.

Plan Contributions and Funding Policies

Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires the postemployment and long-term disability benefits to be funded through nonemployer and employer contributions for active employees and retirees to the PEBA – Insurance Benefits. Nonemployer contributions may consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits reserves.

The SCRHITF is funded through participating employers that are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The covered payroll surcharge for the year ended June 30, 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 implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Nonemployer contributions consists of an annual appropriation by the General Assembly and the statutory 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. It is also funded through investment income.

The covered payroll surcharge rate for the year ended June 30, 2023 was 6.25% and was calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws. The actual and required contributions to the SCRHITF were approximately \$4,153,000 for the year ended June 30, 2023.

The State (via state appropriations) and the PEBA – Insurance Benefits (via state statute to transfer amounts above 140% of incurred but not reported claims) contributed to the SCRHITF on behalf of the District approximately \$17,000 for the year ended June 30, 2022 (measurement period). The contributions from these nonemployer contributing entities were approximately \$16,000 for the year ended June 30, 2023 and are recognized as state revenues and intergovernmental expenditures in the District's governmental fund financial statements.

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits Plans (Continued)

Plan Contributions and Funding Policies (Continued)

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

Actuarial Assumptions and Methods

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

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

The total OPEB liability ("TOL"), NOL, and sensitivity information were determined by the consulting actuary and are based on the June 30, 2022 actuarial valuation. The TOL was rolled-forward from the valuation date to the OPEB Plan's fiscal year ended June 30, 2022 using generally accepted actuarial principles.

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits Plans (Continued)

Actuarial Assumptions and Methods (Continued)

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

Valuation Date:	June 30, 2021
Actuarial Cost Method:	Entry Age Normal
Actuarial Assumptions:	
Inflation:	2.25%
Investment Rate of Return:	2.75%, net of 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 five-year period ending 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 improvements.
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
Participation Assumption:	79% for retirees who are eligible for funded premiums 59% for retirees who are eligible for partial funded premiums 20% for retirees who are eligible for non-funded premiums
Notes:	The single discount rate changed from 1.92% as of June 30, 2021 to 3.69% as of June 30, 2022.

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 following table:

Asset Class	Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return	Allocation-Weighted Long-Term Expected Real Rate of Return
US Domestic Fixed Income	80.0%	0.95%	0.76%
Cash equivalents	20.0%	0.35%	0.07%
Total	100.0%		0.83%
Expected Inflation			2.25%
Total Return			3.08%
Investment Return Assumption			2.75%

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits Plans (Continued)

Single Discount Rate

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

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

The NOL is calculated separately for each system and represents that particular system's TOL determined in accordance with GASB No. 74 less its fiduciary net position. NOL totals, as of the June 30, 2022 measurement date for the SCRHITF, are presented in the following table:

System	Total OPEB Liability	OPEB Plan Fiduciary Net Position	Net OPEB Liability (Asset)	OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
SCRHITF	\$ 16,835,502,593	1,623,661,403	\$ 15,211,841,190	9.64%

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

At June 30, 2023, the District reported a liability of approximately \$103,132,000 for its proportionate share of the NOL for the SCRHITF. The NOL was measured as of June 30, 2022, and the TOL for the SCRHITF used to calculate the NOL was determined based on the most recent actuarial valuation report of June 30, 2021 that was projected forward to the measurement date. The District's proportion of the NOL was based on a projection of the District's long-term share of contributions to the SCRHITF relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2022 measurement date, the District's proportion was 0.677971 percent, which was a decrease of 0.017516 from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized OPEB expense of approximately \$6,098,000 for the SCRHITF. At June 30, 2023, the District reported deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to OPEBs from the following sources:

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits Plans (Continued)

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 2,213,600	\$ 9,068,192
Change in Assumptions	23,253,579	33,151,297
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	810,916	
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	2,273,624	-
Employer Contributions Subsequent to the Measurement Date	4,178,827	-
Total	<u>\$ 32,730,546</u>	<u>\$ 45,248,248</u>

Approximately \$4,179,000 that was reported as deferred outflows of resources related to the District's contributions subsequent to the measurement date (which includes an adjustment for an implicit subsidy) to the SCRHITF, will be recognized as a reduction of the NOL in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to the SCRHITF will increase (decrease) OPEB expense as follows:

Year Ended June 30,	Increase (Decrease) OPEB Expense
2024	\$ (2,451,448)
2025	(1,366,756)
2026	(989,133)
2027	(1,475,651)
2026	(4,219,920)
Thereafter	(6,193,621)
Total	<u>\$ (16,696,529)</u>

Sensitivity Analysis

The following table presents the sensitivity of the District's NOL for the SCRHITF to changes in the discount rate, calculated using the discount rate of 3.69%, as well as what it would be if it were calculated using a discount rate that is 1% point lower (2.69%) or 1% point higher (4.69%) than the current rate:

	1% Decrease (2.69%)	Current Discount Rate (3.69%)	1% Increase (4.69%)
Net OPEB Liability	\$ 121,929,763	103,131,872	\$ 88,025,208

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefits Plans (Continued)

Sensitivity Analysis (Continued)

The following table presents the sensitivity of the District's NOL to changes in the healthcare cost trend rate, calculated using the healthcare cost trend rate of 6.00% decreasing to 4.00%, as well as what it would be if it were calculated using a healthcare cost trend rate that is 1% point lower (5.00% decreasing to 3.00%) or 1% point higher (7.00% decreasing to 5.00%) than the current rate:

:

	1% Decrease (5.00% decreasing to 3.00%)	Current Healthcare Cost Trend Rate (6.00% decreasing to 4.00%)	1% Increase (7.00% decreasing to 5.00%)
Net OPEB Liability	\$ 84,815,884	103,131,872	\$ 124,516,785

OPEB Plans' Fiduciary Net Position

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

Payable to SCRHITF

The District reported a payable of approximately \$348,000 to the PEBA as of June 30, 2023, representing required employer contributions for the month of June 2023 for the SCRHITF. This amount is included in Accrued Salaries and Benefits on the financial statements and was paid in July 2023.

D. Commitments, Contingencies, and Other Matters

The District participates in a number of state and federally assisted grant programs. These programs are subject to financial and 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 District expects such amounts, if any, would not have a material adverse effect on the financial condition of the District.

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

E. Subsequent Events

Debt Issuances

The District participated in a state-wide South Carolina Association of Governmental Organizations' ("SCAGO") debt program in September 2023, issuing its Series 2023B SCAGO General Obligation Bonds in the amount of \$7,833,000 to provide funds for the required annual sinking fund payment on the District's Installment Purchased Revenue Bonds and for capital projects. The Series 2023B bonds have a scheduled maturity of March 2024, with interest due at 5.00%.

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

F. Tax Abatements

District's Tax Abatements

The District does not have any of its own tax abatement agreements.

Kershaw County's Abatements

The District's property tax revenues were reduced by approximately \$4,988,000 under agreements entered into by Kershaw County, South Carolina.

REQUIRED SUPPLEMENTARY INFORMATION

KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

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

YEAR ENDED JUNE 30, 2023

	BUDGETED AMOUNTS		ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Local Sources:				
Taxes	\$ 26,762,396	26,762,396	29,335,168	\$ 2,572,772
Investment Earnings	(300,000)	(300,000)	126,090	426,090
Other Local Sources	275,000	275,000	277,206	2,206
Intergovernmental	-	-	2,200	2,200
State Sources	65,945,248	65,945,248	70,917,309	4,972,061
TOTAL REVENUES	92,682,644	92,682,644	100,657,973	7,975,329
EXPENDITURES				
Current:				
Instruction	63,105,183	63,092,502	60,118,190	2,974,312
Support Services	38,378,398	38,391,079	41,591,490	(3,200,411)
Community Services	93,497	93,497	83,881	9,616
Capital Outlay	-	-	61,548	(61,548)
TOTAL EXPENDITURES	101,577,078	101,577,078	101,855,109	(278,031)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,894,434)	(8,894,434)	(1,197,136)	7,697,298
OTHER FINANCING SOURCES (USES)				
Other Proceeds & Expenses	-	-	32,102	32,102
Transfers In	9,744,434	9,744,434	9,382,294	(362,140)
Transfers Out	(850,000)	(850,000)	(7,375,120)	(6,525,120)
TOTAL OTHER FINANCING SOURCES (USES)	8,894,434	8,894,434	2,039,276	(6,855,158)
NET CHANGE IN FUND BALANCES	-	-	842,140	842,140
FUND BALANCES, Beginning of Year	18,432,031	18,432,031	18,432,031	-
FUND BALANCES, End of Year	\$ 18,432,031	18,432,031	19,274,171	\$ 842,140

Actual expenditures exceeded budget primarily due to higher support services partially offset by lower instruction.

Note: The budgets are presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

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

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability (Asset)	0.548941%	0.560719%	0.546412%	0.539297%	0.544753%	0.546141%	0.551478%	0.556873%	0.561724%	0.561724%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 133,075,156	121,346,834	139,617,875	123,143,910	122,061,895	122,945,122	117,794,887	105,613,649	96,710,250	\$ 100,753,247
District's Covered Payroll	\$ 67,403,056	65,584,254	62,888,963	58,843,332	58,371,382	57,405,174	55,859,696	54,265,579	52,875,602	\$ 52,071,723
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	197.43%	185.02%	222.01%	209.27%	209.11%	214.17%	210.88%	194.62%	182.90%	193.49%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	57.06%	60.75%	50.71%	54.40%	54.10%	53.34%	52.91%	56.99%	59.92%	56.39%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.

The discount rate was lowered from (a) 7.25% to 7.00% beginning with the year ended June 30, 2021 measurement date and (b) 7.50% to 7.25% beginning with the year ended June 30, 2017 measurement date.

KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

SCHEDULE OF CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 11,319,959	10,821,901	9,862,690	9,472,940	8,293,499	7,654,590	6,369,946	5,905,886	5,691,437	\$ 5,405,706
Contributions in Relation to the Contractually Required Contribution:										
Contributions from the District	10,751,928	10,251,970	9,290,775	8,903,100	7,723,659	7,084,750	6,369,946	5,905,886	5,691,437	5,405,706
Contributions from the State	568,031	569,931	571,915	569,840	569,840	569,840	-	-	-	-
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	-	-	\$ -
Kershaw County School District's Covered Payroll	\$ 66,410,803	67,403,056	65,584,254	62,888,963	58,843,332	58,371,382	57,405,174	55,859,696	54,265,579	\$ 52,875,602
Contributions as a Percentage of Covered Payroll:	17.05%	16.06%	15.04%	15.06%	14.09%	13.11%	11.10%	10.57%	10.49%	10.22%

KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

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

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability (Asset)	0.00161%	0.00163%	0.00171%	0.00144%	0.00159%	0.00160%	0.00168%	0.00191%	0.00309%	0.00309%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 48,176	41,891	56,685	41,289	45,113	43,806	42,613	41,716	59,194	\$ 64,096
District's Covered Payroll	\$ 25,423	24,482	109,336	20,897	22,037	21,531	21,423	23,709	37,188	\$ 38,289
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	189.50%	171.11%	51.84%	197.58%	204.71%	203.46%	198.91%	175.95%	159.18%	167.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.45%	70.37%	58.79%	62.69%	61.73%	60.94%	60.44%	64.57%	67.55%	62.98%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.

The discount rate was lowered from (a) 7.25% to 7.00% beginning with the year ended June 30, 2021 measurement date and (b) 7.50% to 7.25% beginning with the year ended June 30, 2017 measurement date.

KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

SCHEDULE OF CONTRIBUTIONS
POLICE OFFICERS RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 8,195	4,891	4,465	19,944	3,603	3,579	3,066	2,944	3,179	\$ 4,775
Contributions in Relation to the Contractually Required Contribution:										
Contributions from the School District	7,975	4,671	4,245	19,724	3,383	3,359	3,066	2,944	3,179	4,775
Contributions from the State	220	220	220	220	220	220	-	-	-	-
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	-	-	\$ -
Kershaw County School District's Covered Payroll	\$ 40,492	25,423	24,482	109,336	20,897	22,037	21,531	21,423	23,709	\$ 37,188
Contributions as a Percentage of Covered Payroll:	20.24%	19.24%	18.24%	18.24%	18.24%	16.24%	14.24%	13.74%	13.41%	12.84%

KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES

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

LAST SEVEN FISCAL YEARS

	2023	2022	2021	Year Ended June 30,		
				2020	2019	2018
District's Proportion of the Net OPEB Liability	0.677971%	0.695487%	0.683439%	0.673055%	0.677126%	0.680989%
District's Proportionate Share of the Net OPEB Liability	\$ 103,131,872	144,822,517	123,370,625	101,776,177	95,952,715	92,238,845
District's Covered Payroll	\$ 67,428,479	65,608,736	62,998,299	58,864,229	58,393,419	57,426,705
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	153.0%	220.7%	195.8%	172.9%	164.3%	160.6%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9.6%	7.5%	8.4%	8.4%	7.9%	7.6%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year (measurement date).

The District adopted GASB #75 during the year ended June 30, 2018. Information is not available for years prior to 2017.

The discount rates used by year were as follows

3.69%	1.92%	2.45%	3.13%	3.62%	3.56%	2.92%
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KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES

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

LAST SEVEN FISCAL YEARS

	2023	2022	2021	Year Ended June 30, 2020	2019	2018	2017
Contractually Required Contribution	\$ 4,153,206	4,214,280	4,100,546	3,937,394	3,561,286	3,211,638	\$ 3,060,843
Contributions in Relation to the Contractually Required Contribution	4,153,206	4,214,280	4,100,546	3,937,394	3,561,286	3,211,638	3,060,843
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	\$ -
District's Covered Payroll	\$ 66,451,295	67,428,479	65,608,736	62,998,299	58,864,229	58,393,419	\$ 57,426,705
Contributions as a Percentage of Covered Payroll	6.25%	6.25%	6.25%	6.25%	6.05%	5.50%	5.33%

Notes to Schedule:

The District adopted GASB #75 during the year ended June 30, 2018. Information is not available for years prior to 2017. The above amounts exclude any adjustments for implicit subsidies made by the District.

SUPPLEMENTARY INFORMATION

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

Schedule A-1

GENERAL FUND

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

YEAR ENDED JUNE 30, 2023

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
1200 Revenue from Local Governmental Units Other than LEAs:			
1210 Ad Valorem Taxes-Including Delinquent (Dependent)	\$ 24,642,486	26,289,045	\$ 1,646,559
1240 Penalties & Interest on Taxes (Dependent)	140,000	166,908	26,908
1280 Revenue in Lieu of Taxes (Independent and Dependent)	1,979,910	2,879,215	899,305
1300 Tuition:			
1310 From Patrons for Regular Day School	-	20,190	20,190
1320 From Other LEAs for Regular Day School	-	14,505	14,505
1500 Earnings on Investments:			
1510 Interest on Investments	(300,000)	126,090	426,090
1900 Other Revenue from Local Sources:			
1990 Miscellaneous Local Revenue:			
1999 Revenue from Other Local Sources	275,000	242,511	(32,489)
Total Revenue from Local Sources	<u>26,737,396</u>	<u>29,738,464</u>	<u>3,001,068</u>
2000 Intergovernmental Revenue:			
2100 Payments from Other Governmental Units	-	2,200	2,200
Total Intergovernmental Revenue	<u>-</u>	<u>2,200</u>	<u>2,200</u>
3000 Revenue from State Sources:			
3100 Restricted State Funding:			
3103 State Aid to Classrooms	45,803,806	47,473,545	1,669,739
3130 Special Programs:			
3131 Handicapped Transportation	-	1,351	1,351
3160 School Bus Driver's Salary	-	977,456	977,456
3161 EAA Bus Driver Salary and Fringe	-	2,303	2,303
3162 Transportation Workers' Compensation	-	57,315	57,315
3181 Retiree Insurance (No Carryover Provision)	3,181,269	3,107,316	(73,953)
3330 Other EFA Programs:			
3392 NBC Excess EFA Formula	-	180,735	180,735
3800 State Revenue in Lieu of Taxes:			
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	3,705,357	3,705,358	1
3820 Homestead Exemption (Tier 2)	1,136,704	1,136,704	-
3825 Reimbursement for Property Tax Relief (Tier 3)	11,067,279	11,323,180	255,901
3830 Merchant's Inventory Tax	125,000	125,819	819
3840 Manufacturers Depreciation Reimbursement	625,833	1,674,497	1,048,664
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	300,000	571,659	271,659
3900 Other State Revenue:			
3992 State Forest Commission Revenues	-	9,817	9,817
3993 PEBA on-Behalf	-	570,061	570,061
3999 Revenue from Other State Sources	-	193	193
Total Revenue from State Sources	<u>65,945,248</u>	<u>70,917,309</u>	<u>4,972,061</u>
TOTAL REVENUES	\$ 92,682,644	100,657,973	\$ 7,975,329

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2023

	REVISED BUDGET	ACTUAL	VARIANCE
EXPENDITURES			
100 Instruction:			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	\$ 2,472,521	2,326,411	\$ 146,110
200 Employee Benefits	1,296,141	1,196,701	99,440
300 Purchased Services	463	75,407	(74,944)
112 Primary Programs:			
100 Salaries	6,450,478	6,500,040	(49,562)
200 Employee Benefits	2,965,804	2,944,218	21,586
300 Purchased Services	994,589	321,335	673,254
400 Supplies and Materials	62,607	59,139	3,468
600 Other Objects	27	-	27
113 Elementary Programs:			
100 Salaries	16,747,713	13,442,840	3,304,873
200 Employee Benefits	6,783,074	6,185,906	597,168
300 Purchased Services	84,927	898,565	(813,638)
400 Supplies and Materials	610,975	234,706	376,269
600 Other Objects	259	703	(444)
114 High School Programs:			
100 Salaries	8,197,729	8,585,554	(387,825)
200 Employee Benefits	3,768,781	3,899,255	(130,474)
300 Purchased Services	49,616	330,528	(280,912)
400 Supplies and Materials	141,366	127,649	13,717
600 Other Objects	-	444	(444)
115 Career and Technology Education Program:			
100 Salaries	1,578,313	1,553,243	25,070
140 Terminal Leave	-	11,329	(11,329)
200 Employee Benefits	710,508	712,258	(1,750)
300 Purchased Services - Other Than Tuition	775	29,769	(28,994)
400 Supplies and Materials	35,581	26,333	9,248
120 Exceptional Programs:			
121 Educable Mentally Handicapped:			
100 Salaries	492,110	417,246	74,864
200 Employee Benefits	236,757	197,493	39,264
300 Purchased Services	-	67,655	(67,655)
400 Supplies and Materials	1,881	1,723	158
122 Trainable Mentally Handicapped:			
100 Salaries	525,051	438,819	86,232
200 Employee Benefits	251,207	219,252	31,955
300 Purchased Services	340	18,965	(18,625)
400 Supplies and Materials	509	-	509
123 Orthopedically Handicapped:			
100 Salaries	220,394	327,380	(106,986)
200 Employee Benefits	120,643	156,169	(35,526)
300 Purchased Services	3,379	28,070	(24,691)
400 Supplies and Materials	1,070	186	884
600 Other Objects	528	100	428
124 Visually Handicapped:			
400 Supplies and Materials	\$ 235	179	\$ 56

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2023

	REVISED BUDGET	ACTUAL	VARIANCE
125 Hearing Handicapped:			
100 Salaries	\$ 255,538	165,018	\$ 90,520
200 Employee Benefits	114,784	70,817	43,967
300 Purchased Services	-	1,776	(1,776)
400 Supplies and Materials	1,221	1,218	3
126 Speech Handicapped:			
100 Salaries	388,127	319,181	68,946
200 Employee Benefits	176,421	139,529	36,892
300 Purchased Services	1,041	744,710	(743,669)
400 Supplies and Materials	1,315	1,355	(40)
600 Other Objects	731	2,715	(1,984)
127 Learning Disabilities:			
100 Salaries	3,356,945	3,255,465	101,480
200 Employee Benefits	1,571,182	1,440,065	131,117
300 Purchased Services	4,577	103,443	(98,866)
400 Supplies and Materials	425	627	(202)
128 Emotionally Handicapped:			
100 Salaries	283,354	293,885	(10,531)
200 Employee Benefits	118,210	122,129	(3,919)
300 Purchased Services	39,406	41,201	(1,795)
130 Pre-School Programs:			
137 Pre-School Handicapped-Self-Contained (3 & 4-Yr. Olds):			
100 Salaries	268,895	278,211	(9,316)
200 Employee Benefits	124,571	115,794	8,777
300 Purchased Services	-	4,620	(4,620)
400 Supplies and Materials	430	430	-
139 Early Childhood Programs:			
300 Purchased Services	-	16,409	(16,409)
140 Special Programs:			
141 Gifted and Talented - Academic:			
100 Salaries	671,487	599,778	71,709
200 Employee Benefits	303,899	267,681	36,218
300 Purchased Services	-	7,168	(7,168)
400 Supplies and Materials	4,000	3,552	448
145 Homebound:			
100 Salaries	-	26,925	(26,925)
200 Employee Benefits	-	8,301	(8,301)
300 Purchased Services	17,073	3,776	13,297
147 CDEPP:			
100 Salaries	7,500	107,270	(99,770)
200 Employee Benefits	2,360	42,098	(39,738)
300 Purchased Services	-	29,237	(29,237)
400 Supplies and Materials	-	756	(756)
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	387,126	329,157	57,969
200 Employee Benefits	185,263	191,165	(5,902)
300 Purchased Services	-	23,353	(23,353)
400 Supplies and Materials	\$ 270	430	\$ (160)

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2023

	REVISED BUDGET	ACTUAL	VARIANCE
162 Limited English Proficiency:			
300 Purchased Services	\$ -	14,813	\$ (14,813)
400 Supplies and Materials	-	773	(773)
180 Adult/Continuing Educational Programs:			
188 Parenting/Family Literacy:			
100 Salaries	-	3,929	(3,929)
200 Employee Benefits	-	1,808	(1,808)
400 Supplies and Materials	-	724	(724)
190 Instructional Pupil Activity:			
300 Purchased Services	-	228	(228)
600 Other Objects	-	1,100	(1,100)
Total Instruction	63,092,502	60,118,190	2,974,312
200 Support Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	262,173	255,404	6,769
140 Terminal Leave	-	8,822	(8,822)
200 Employee Benefits	99,258	90,250	9,008
300 Purchased Services	4,135	5,541	(1,406)
400 Supplies and Materials	500	283	217
600 Other Objects	382	400	(18)
212 Guidance Services:			
100 Salaries	1,787,605	1,777,462	10,143
200 Employee Benefits	789,447	806,071	(16,624)
300 Purchased Services	714	2,014	(1,300)
400 Supplies and Materials	6,781	5,179	1,602
213 Health Services:			
100 Salaries	980,654	1,026,690	(46,036)
200 Employee Benefits	506,549	526,302	(19,753)
300 Purchased Services	103,181	54,113	49,068
400 Supplies and Materials	7,724	11,655	(3,931)
214 Psychological Services:			
100 Salaries	475,107	344,576	130,531
200 Employee Benefits	203,107	152,682	50,425
300 Purchased Services	246,500	170,894	75,606
400 Supplies and Materials	494	-	494
600 Other Objects	218	160	58
216 Vocational Placement Services:			
300 Purchased Services	200	445	(245)
600 Other Objects	163	193	(30)
220 Instructional Staff Services:			
221 Improvement of Instruction-Curriculum Development:			
100 Salaries	1,033,586	753,435	280,151
140 Terminal Leave	-	31,516	(31,516)
200 Employee Benefits	363,124	323,260	39,864
300 Purchased Services	174,504	162,425	12,079
400 Supplies and Materials	900	1,506	(606)
600 Other Objects	\$ 2,104	1,249	\$ 855

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2023

	REVISED BUDGET	ACTUAL	VARIANCE
222 Library and Media Services:			
100 Salaries	\$ 1,326,913	1,335,916	\$ (9,003)
200 Employee Benefits	614,975	673,357	(58,382)
300 Purchased Services	30,145	31,775	(1,630)
400 Supplies and Materials	165,310	160,562	4,748
600 Other Objects	405	405	-
223 Supervision of Special Programs:			
100 Salaries	148,751	189,032	(40,281)
200 Employee Benefits	66,249	83,227	(16,978)
300 Purchased Services	2,000	41,773	(39,773)
400 Supplies and Materials	900	329	571
600 Other Objects	600	400	200
224 Improvement of Instruction-Inservice and Staff Training:			
100 Salaries	-	1,625	(1,625)
200 Employee Benefits	-	507	(507)
300 Purchased Services	23,116	47,511	(24,395)
400 Supplies and Materials	5,250	13,740	(8,490)
600 Other Objects	46	200	(154)
230 General Administrative Services:			
231 Board of Education:			
100 Salaries	-	19,650	(19,650)
200 Employee Benefits	-	4,710	(4,710)
300 Purchased Services	123,061	114,118	8,943
318 Audit Services	65,000	70,580	(5,580)
400 Supplies and Materials	1,500	1,097	403
600 Other Objects	35,566	41,618	(6,052)
232 Office of Superintendent:			
100 Salaries	260,484	274,007	(13,523)
200 Employee Benefits	129,018	116,538	12,480
300 Purchased Services	18,220	23,688	(5,468)
400 Supplies and Materials	41,000	14,663	26,337
600 Other Objects	914,598	713,045	201,553
233 School Administration:			
100 Salaries	5,825,037	5,919,068	(94,031)
140 Terminal Leave	-	13,997	(13,997)
200 Employee Benefits	2,608,365	2,597,673	10,692
300 Purchased Services	51,673	35,258	16,415
400 Supplies and Materials	41,625	42,774	(1,149)
600 Other Objects	32,248	35,467	(3,219)
250 Finance and Operations Services:			
252 Fiscal Services:			
100 Salaries	651,979	373,737	278,242
140 Terminal Leave	-	13,010	(13,010)
180 Head of Organizational Unit Salaries	-	251,802	(251,802)
200 Employee Benefits	286,813	184,634	102,179
280 Head of Organizational Unit Employee Benefits	-	94,542	(94,542)
300 Purchased Services	139,073	308,635	(169,562)
400 Supplies and Materials	7,500	5,044	2,456
600 Other Objects	\$ 521,088	31,787	\$ 489,301

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2023

	REVISED BUDGET	ACTUAL	VARIANCE
254 Operation and Maintenance of Plant:			
100 Salaries	\$ 1,223,134	1,138,129	\$ 85,005
140 Terminal Leave	-	7,618	(7,618)
200 Employee Benefits	527,140	492,561	34,579
300 Purchased Services	3,580,483	4,828,384	(1,247,901)
321 Public Utilities (Excludes Gas, Oil, Elec. & Other Heating Fuels)	250,000	310,426	(60,426)
400 Supplies and Materials	312,223	341,768	(29,545)
470 Energy (Includes Gas, Oil, Elec. & Other Heating Fuels)	2,750,000	3,422,704	(672,704)
500 Capital Outlay	-	61,091	(61,091)
600 Other Objects	338	355	(17)
255 Student Transportation (State Mandated):			
100 Salaries	2,574,000	2,498,716	75,284
200 Employee Benefits	1,148,102	1,021,372	126,730
300 Purchased Services	8,872	56,108	(47,236)
400 Supplies and Materials	3,750	4,139	(389)
256 Food Service:			
200 Employee Benefits	-	363,399	(363,399)
257 Internal Services:			
100 Salaries	75,134	75,134	-
200 Employee Benefits	37,172	37,522	(350)
300 Purchased Services	22,550	15,629	6,921
400 Supplies and Materials	5,750	4,148	1,602
600 Other Objects	191	200	(9)
258 Security:			
300 Purchased Services	623,002	851,263	(228,261)
400 Supplies and Materials	194	17,338	(17,144)
260 Central Support Services:			
262 Planning, Research, Development and Evaluation:			
300 Purchased Services	200	200	-
400 Supplies and Materials	800	878	(78)
263 Information Services:			
100 Salaries	208,984	209,209	(225)
200 Employee Benefits	76,254	75,922	332
300 Purchased Services	47,762	60,162	(12,400)
400 Supplies and Materials	5,045	4,775	270
600 Other Objects	1,130	9,488	(8,358)
264 Staff Services:			
100 Salaries	610,350	932,789	(322,439)
140 Terminal Leave	-	37,387	(37,387)
180 Head of Organizational Unit Salaries	-	132,374	(132,374)
200 Employee Benefits	227,715	309,918	(82,203)
280 Head of Organizational Unit Employee Benefits	-	46,059	(46,059)
300 Purchased Services	17,395	99,072	(81,677)
400 Supplies and Materials	6,002	7,646	(1,644)
600 Other Objects	\$ 1,710	1,675	\$ 35

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2023

	REVISED BUDGET	ACTUAL	VARIANCE
266 Technology and Data Processing Services:			
100 Salaries	\$ 922,436	953,679	\$ (31,243)
140 Terminal Leave	-	5,728	(5,728)
180 Head of Organizational Unit Salaries	-	62,544	(62,544)
200 Employee Benefits	407,324	427,617	(20,293)
280 Head of Organizational Unit Employee Benefits	-	25,501	(25,501)
300 Purchased Services	520,810	824,103	(303,293)
400 Supplies and Materials	202,563	81,046	121,517
600 Other Objects	191	-	191
270 Support Services Pupil Activity:			
271 Pupil Services Activities:			
100 Salaries	592,197	886,902	(294,705)
200 Employee Benefits	195,405	243,746	(48,341)
300 Purchased Services	17,153	263,971	(246,818)
400 Supplies and Materials	-	8,060	(8,060)
500 Capital Outlay	-	456	(456)
600 Other Objects	-	99	(99)
Total Support Services	38,391,079	41,653,038	(3,261,959)
300 Community Services:			
390 Other Community Services:			
300 Purchased Services	93,497	82,653	10,844
400 Supplies and Materials	-	1,228	(1,228)
Total Community Services	93,497	83,881	9,616
TOTAL EXPENDITURES	101,577,078	101,855,109	(278,031)
OTHER FINANCING SOURCES (USES)			
5900 Miscellaneous Sources:			
5999 Other Financing Sources	-	32,102	32,102
Interfund Transfers, From (To) Other Funds:			
5220 Transfer from Special Revenue Fund (Excludes Indirect Cost)	-	27,464	27,464
5230 Transfer from Special Revenue EIA Fund	8,644,434	8,215,990	(428,444)
5280 Transfer from Other Funds Indirect Costs	1,100,000	1,138,840	38,840
421-710 Transfer to Special Revenue Fund	(350,000)	(354,198)	(4,198)
423-710 Transfer to Debt Service Fund	(500,000)	(520,922)	(20,922)
424-710 Transfer to Capital Projects Fund	-	(6,500,000)	(6,500,000)
TOTAL OTHER FINANCING SOURCES (USES)	8,894,434	2,039,276	(6,855,158)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	842,140	842,140
FUND BALANCES, Beginning of Year	18,432,031	18,432,031	-
FUND BALANCES, End of Year	\$ 18,432,031	19,274,171	\$ 842,140

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**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2023

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)
REVENUES			
1500 Earnings on Investments:			
1510 Interest on Investments	\$ -	-	-
1700 Pupil Activities:			
1710 Admissions	-	-	-
1730 Pupil Organization Membership Dues and Fees	-	-	-
1790 Other Pupil Activity Income	-	-	-
1900 Other Revenue from Local Sources:			
1910 Rentals	-	-	-
1920 Contributions and Donations Private Sources	-	-	-
1930 Special Needs Transportation - Medicaid	-	-	-
1950 Refund of Prior Year's Expenditures	-	-	-
1999 Revenue from Other Local Sources	-	-	-
Total Revenue from Local Sources	-	-	-
2000 Intergovernmental Revenue:			
2300 Payments from Non-Profit Entities (for First Steps)	-	-	-
Total Intergovernmental Revenue	-	-	-
3000 Revenue from State Sources:			
3100 Restricted State Funding:			
3110 Occupational Education:			
3113 12-Month Agriculture Program	-	-	-
3118 EEDA Career Specialists	-	-	-
3120 General Education:			
3127 Student Health and Fitness - PE Teachers	-	-	-
3130 Special Programs:			
3134 Child Early Reading Development and Education Program (CERDEP - Full Day 4K)	-	-	-
3135 Reading Coaches	-	-	-
3136 Student Health and Fitness - Nurses	-	-	-
3143 GEER CERDEP Summer	-	-	-
3156 Adult Education	-	-	-
3190 Miscellaneous Restricted State Grants:			
3193 Education License Plates	-	-	-
3199 Other Restricted State Grants	-	-	-
3600 Education Lottery Act Revenue:			
3699 Other State Lottery Programs	-	-	-
3900 Other State Revenue:			
3994 PEBA Nonemployer Contributions	-	-	-
3999 Revenue from Other State Sources	-	-	-
Total Revenue from State Sources	\$ -	-	-

CATE (VA Projects) (207/208)	Adult Education (EA Projects) (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Pupil Activity (700s)	Totals
-	-	-	-	2	\$ 2
-	-	-	-	288,184	288,184
-	-	-	-	145,342	145,342
-	-	-	-	780,733	780,733
-	-	-	34,838	-	34,838
-	-	-	62,340	126,230	188,570
-	-	-	425,632	-	425,632
187	-	-	-	-	187
-	-	-	97,242	1,558,128	1,655,370
187	-	-	620,052	2,898,619	3,518,858
-	-	-	6,277	-	6,277
-	-	-	6,277	-	6,277
-	-	17,929	-	-	17,929
-	-	518,692	-	-	518,692
-	-	75,000	-	-	75,000
-	-	385,752	-	-	385,752
-	-	370,378	-	-	370,378
-	-	383,339	-	-	383,339
-	-	12,865	-	-	12,865
-	-	19,647	-	-	19,647
-	-	1,412	-	-	1,412
-	-	-	502	-	502
-	-	192	-	-	192
-	-	16,104	-	-	16,104
-	-	-	123,430	-	123,430
-	-	1,801,310	123,932	-	\$ 1,925,242

(Continued)

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2023

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)
4200 Occupational Education:			
4210 Perkins Aid, Title I - Vocational Education - Basic Grants to States	\$ -	-	-
4300 Elementary and Secondary Education Act of 1965 (ESEA):			
4310 Title I, Basic State Grant Programs (Carryover Provision)	3,235,226	-	-
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III	-	-	-
4351 Supporting Effective Instruction	-	-	-
4400 Adult Education:			
4410 Basic Adult Education	-	-	-
4500 Programs for Children with Disabilities:			
4510 Individuals with Disabilities Education Act (IDEA)	-	2,241,451	-
4520 Pre-School Grants for Children with Disabilities (IDEA)	-	-	93,801
4900 Other Federal Sources:			
4931 ARP IDEA	-	-	-
4933 ARP IDEA Preschool	-	-	-
4937 ARP Homeless Children & Youth	-	-	-
4974 ESSER III	-	-	-
4977 ESSER II	-	-	-
4990 Other Federal Sources:			
4997 Title IV - SSAE	-	-	-
4999 Revenue from Other Federal Sources	-	-	-
Total Revenue from Federal Sources	<u>3,235,226</u>	<u>2,241,451</u>	<u>93,801</u>
TOTAL REVENUES	<u>3,235,226</u>	<u>2,241,451</u>	<u>93,801</u>

EXPENDITURES

100 Instruction:			
110 General Instruction:			
111 Kindergarten Program:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
112 Primary Programs:			
100 Salaries	741,735	-	-
200 Employee Benefits	365,538	-	-
300 Purchased Services	64,398	-	-
400 Supplies and Materials	136,832	-	-
113 Elementary Programs:			
100 Salaries	660,930	-	-
200 Employee Benefits	332,403	-	-
300 Purchased Services	308,630	-	-
400 Supplies and Materials	83,208	-	-
500 Capital Outlay	-	-	-
600 Other Objects	\$ 5,000	-	-

CATE (VA Projects) (207/208)	Adult Education (EA Projects) (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Pupil Activity (700s)	Totals
183,596	-	-	-	-	\$ 183,596
-	-	-	51,055	-	3,286,281
-	-	-	48,879	-	48,879
-	-	-	496,686	-	496,686
-	97,719	-	-	-	97,719
-	-	-	21,181	-	2,262,632
-	-	-	-	-	93,801
-	-	-	285,814	-	285,814
-	-	-	39,791	-	39,791
-	-	-	6,257	-	6,257
-	-	-	4,200,881	-	4,200,881
-	-	-	987,286	-	987,286
-	-	-	229,111	-	229,111
-	-	-	302,821	-	302,821
183,596	97,719	-	6,669,762	-	12,521,555
183,783	97,719	1,801,310	7,420,023	2,898,619	17,971,932
-	-	-	4,056	-	4,056
-	-	-	1,247	-	1,247
-	-	27,366	462,005	-	1,231,106
-	-	10,982	195,533	-	572,053
-	-	-	2,438	-	66,836
-	-	-	13,938	-	150,770
-	-	25,303	213,573	500	900,306
-	-	11,349	70,135	156	414,043
-	-	-	462,237	-	770,867
-	-	-	15,274	-	98,482
-	-	-	7,000	-	7,000
-	-	-	-	-	\$ 5,000

(Continued)

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2023

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)
114 High School Programs:			
100 Salaries	\$ -	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
600 Other Objects	-	-	-
115 Career and Technology Education Program:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services - Other Than Tuition	-	-	-
400 Supplies and Materials	-	-	-
500 Capital Outlay	-	-	-
120 Exceptional Programs:			
121 Educable Mentally Handicapped:			
100 Salaries	-	178,709	-
200 Employee Benefits	-	94,330	-
122 Trainable Mentally Handicapped:			
100 Salaries	-	79,142	-
200 Employee Benefits	-	31,931	-
400 Supplies and Materials	-	-	-
123 Orthopedically Handicapped:			
100 Salaries	-	79,662	-
200 Employee Benefits	-	29,752	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
124 Visually Handicapped:			
300 Purchased Services	-	-	-
125 Hearing Handicapped:			
100 Salaries	-	41,097	-
200 Employee Benefits	-	21,425	-
126 Speech Handicapped:			
100 Salaries	-	272,037	-
200 Employee Benefits	-	127,260	-
300 Purchased Services	-	138,027	-
400 Supplies and Materials	-	-	-
127 Learning Disabilities:			
100 Salaries	-	359,158	-
200 Employee Benefits	-	195,218	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
128 Emotionally Handicapped:			
100 Salaries	-	38,583	-
200 Employee Benefits	-	17,587	-
300 Purchased Services	\$ -	-	-

CATE (VA Projects) (207/208)	Adult Education (EA Projects) (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Pupil Activity (700s)	Totals
-	-	-	276,615	-	\$ 276,615
-	-	-	20,783	-	20,783
-	-	-	1,800	398	2,198
-	-	-	36,797	1,605	38,402
-	-	-	11,219	-	11,219
-	-	12,616	53,102	-	65,718
-	-	5,313	19,358	-	24,671
16,344	-	-	-	-	16,344
66,197	-	1,412	1,354	-	68,963
53,470	-	-	-	-	53,470
-	-	-	19,810	-	198,519
-	-	-	6,194	-	100,524
-	-	-	-	-	79,142
-	-	-	-	-	31,931
-	-	-	358	-	358
-	-	-	18,382	-	98,044
-	-	-	6,858	-	36,610
-	-	-	165	-	165
-	-	-	25,451	-	25,451
-	-	-	6,916	-	6,916
-	-	-	57	-	41,154
-	-	-	18	-	21,443
-	-	-	8,502	-	280,539
-	-	-	2,686	-	129,946
-	-	-	3,720	-	141,747
-	-	-	2,061	-	2,061
-	-	-	31,743	-	390,901
-	-	-	8,760	-	203,978
-	-	-	241,980	-	241,980
-	-	-	57,816	-	57,816
-	-	-	-	-	38,583
-	-	-	-	-	17,587
-	-	-	21,180	-	\$ 21,180

(Continued)

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2023

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)
130 Pre-School Programs:			
135 Pre-School Handicapped Speech (3 & 4-Yr. Olds):			
100 Salaries	\$ -	-	32,488
200 Employee Benefits	-	-	16,848
300 Purchased Services	-	-	5,984
400 Supplies and Materials	-	-	-
137 Pre-School Handicapped Self-Contained (3 & 4-Yr. Olds):			
100 Salaries	-	28,617	18,582
200 Employee Benefits	-	14,212	16,381
400 Supplies and Materials	-	-	-
140 Special Programs:			
141 Gifted and Talented - Academic:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
600 Other Objects	-	-	-
147 CDEPP:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
600 Other Objects	-	-	-
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	-	63,322	-
200 Employee Benefits	-	28,538	-
162 Limited English Proficiency:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
170 Summer School Programs:			
171 Primary Summer School:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
172 Elementary Summer School:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
173 High School Summer School:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
180 Adult/Continuing Educational Programs:			
181 Adult Basic Education Programs:			
300 Purchased Services	\$ -	-	-

CATE (VA Projects) (207/208)	Adult Education (EA Projects) (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Pupil Activity (700s)	Totals
-	-	-	6,042	-	\$ 38,530
-	-	-	1,845	-	18,693
-	-	-	15,177	-	21,161
-	-	-	13,761	-	13,761
-	-	-	39,634	-	86,833
-	-	-	12,461	-	43,054
-	-	-	2,022	-	2,022
-	-	-	1,126	-	1,126
-	-	-	323	-	323
-	-	-	30,929	-	30,929
-	-	222,716	700	-	223,416
-	-	106,854	225	-	107,079
-	-	117	1,075	-	1,192
-	-	68,931	3,779	-	72,710
-	-	-	499	-	499
-	-	-	-	-	63,322
-	-	-	-	-	28,538
-	-	-	4,203	-	4,203
-	-	-	1,332	-	1,332
-	-	-	80,788	-	80,788
-	-	-	24,557	-	24,557
-	-	-	16,482	-	16,482
-	-	-	5,252	-	5,252
-	-	-	24,699	-	24,699
-	-	-	7,792	-	7,792
-	-	-	12,212	-	12,212
-	-	-	1,517	-	1,517
-	-	-	483	-	483
-	-	-	80	-	\$ 80

(Continued)

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2023

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)
182 Adult Secondary Education Programs:			
100 Salaries	\$ -	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
188 Parenting/Family Literacy:			
100 Salaries	30,951	-	-
200 Employee Benefits	14,330	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	14,966	-	-
190 Instructional Pupil Activity:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	1,500	-	-
400 Supplies and Materials	-	-	-
600 Other Objects	-	-	-
Total Instruction	<u>2,760,421</u>	<u>1,838,607</u>	<u>90,283</u>
200 Support Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
400 Supplies and Materials	-	-	-
600 Other Objects	-	-	-
212 Guidance Services:			
100 Salaries	126,250	-	-
200 Employee Benefits	50,228	-	-
300 Purchased Services	-	-	-
213 Health Services:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
500 Capital Outlay	-	-	-
214 Psychological Services:			
100 Salaries	-	29,788	-
200 Employee Benefits	-	14,620	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
220 Instructional Staff Services:			
221 Improvement of Instruction - Curriculum Development:			
100 Salaries	3,549	50,889	-
200 Employee Benefits	1,142	20,249	-
300 Purchased Services	-	-	-
400 Supplies and Materials	\$ 29	-	-

CATE (VA Projects) (207/208)	Adult Education (EA Projects) (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Pupil Activity (700s)	Totals
-	56,091	-	15,696	-	\$ 71,787
-	23,113	-	4,092	-	27,205
-	-	2,887	701	-	3,588
-	-	10,462	1,252	-	11,714
-	-	-	-	-	30,951
-	-	-	-	-	14,330
-	-	-	600	-	600
-	-	-	3,074	-	18,040
-	-	-	-	27,128	27,128
-	-	-	-	7,929	7,929
-	-	-	-	20,384	21,884
-	-	-	-	109,312	109,312
-	-	-	27	207,088	207,115
136,011	79,204	506,308	2,665,558	374,500	8,450,892
-	-	-	280	-	280
-	-	-	86	-	86
-	-	366,297	-	-	492,547
-	-	152,395	-	-	202,623
242	-	-	-	-	242
-	-	247,793	349,048	-	596,841
-	-	135,545	155,743	-	291,288
-	-	-	3,946	-	3,946
-	-	-	592	99	691
-	-	-	15,792	-	15,792
-	-	-	72,307	-	102,095
-	-	-	22,843	-	37,463
-	-	-	12,784	-	12,784
-	-	-	12,088	-	12,088
-	-	252,055	-	-	306,493
-	-	118,323	-	-	139,714
-	-	-	200	-	200
-	-	-	225	-	\$ 254

(Continued)

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2023

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)
223 Supervision of Special Programs:			
100 Salaries	\$ 104,747	142,440	-
200 Employee Benefits	49,775	60,246	-
300 Purchased Services	1,778	-	-
400 Supplies and Materials	1,240	-	-
600 Other Objects	-	-	-
224 Improvement of Instruction - Inservice and Staff Training:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
600 Other Objects	-	-	-
230 General Administration Services:			
233 School Administration:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
250 Finance and Operations Services:			
254 Operation and Maintenance of Plant:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
500 Capital Outlay	-	-	-
258 Security:			
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
260 Central Support Services:			
264 Staff Services:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
266 Technology and Data Processing Services:			
300 Purchased Services	3,200	-	-
270 Support Services - Pupil Activity:			
271 Pupil Services Activities:			
100 Salaries	4,014	-	-
200 Employee Benefits	1,044	-	-
300 Purchased Services	-	770	-
400 Supplies and Materials (Optional)	-	-	-
500 Capital Outlay (Optional)	-	-	-
600 Other Objects	7,092	-	-
272 Enterprise Activities			
300 Purchased Services	-	-	-
400 Supplies and Materials (Optional)	-	-	-
600 Other Objects	\$ -	-	-

CATE (VA Projects) (207/208)	Adult Education (EA Projects) (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Pupil Activity (700s)	Totals
-	-	-	106,388	-	\$ 353,575
-	-	-	45,148	-	155,169
2,267	-	4,375	64,450	-	72,870
-	-	-	8,952	-	10,192
-	-	-	400	-	400
-	-	-	47,978	-	47,978
-	-	-	15,039	-	15,039
23,338	-	2,115	312,914	-	338,367
-	-	-	3,319	-	3,319
-	-	-	200	-	200
-	-	-	13,247	-	13,247
-	-	-	6,668	-	6,668
-	-	-	35,286	-	35,286
-	-	-	16,582	-	16,582
-	-	-	54,370	-	54,370
-	-	-	2,388,332	-	2,388,332
-	-	-	61,674	-	61,674
-	-	-	231	-	231
-	-	-	87,725	-	87,725
-	-	-	6,042	-	6,042
-	-	-	2,397	-	2,397
-	15,133	-	-	-	18,333
-	-	-	26,865	166,043	196,922
-	-	-	6,779	43,235	51,058
17,418	-	-	711	637,560	656,459
-	-	-	6,641	1,509,835	1,516,476
-	-	-	-	35,581	35,581
-	-	-	299	219,208	226,599
-	-	-	-	3,555	3,555
-	-	-	-	11,524	11,524
-	-	-	-	2,086	\$ 2,086

(Continued)

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2023

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)
273 Trust and Agency Activities			
300 Purchased Services	\$ -	-	-
400 Supplies and Materials (Optional)	-	-	-
600 Other Objects	-	-	-
660 Pupil Activity	-	-	-
Total Support Services	<u>354,088</u>	<u>319,002</u>	<u>-</u>
300 Community Services:			
360 Welfare Services:			
300 Purchased Services	-	-	-
370 Non-Public School Services:			
300 Purchased Services	-	-	-
390 Other Community Services:			
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
Total Community Services	<u>-</u>	<u>-</u>	<u>-</u>
410 Intergovernmental Expenditures:			
412 Payments to Other Governmental Units			
720 Transits	-	-	-
419 Payments from Nonemployer Contributions			
720 Transits	-	-	-
Total Intergovernmental Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>3,114,509</u>	<u>2,157,609</u>	<u>90,283</u>
OTHER FINANCING SOURCES (USES)			
Interfund Transfers, From (To) Other Funds:			
5210 Transfer from General Fund (Exclude Indirect Costs)	-	-	-
420-710 Transfer to General Fund (Exclude Indirect Costs)	-	-	-
431-791 Special Revenue Fund Indirect Costs	(120,717)	(83,842)	(3,518)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(120,717)</u>	<u>(83,842)</u>	<u>(3,518)</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCE, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>

CATE (VA Projects) (207/208)	Adult Education (EA Projects) (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Pupil Activity (700s)	Totals
-	-	-	-	388	\$ 388
-	-	-	-	19,166	19,166
-	-	-	-	30,696	30,696
-	-	-	-	385	385
43,265	15,133	1,278,898	3,964,571	2,679,361	8,654,318
-	-	-	752	-	752
-	-	-	2,430	-	2,430
-	-	-	3,700	-	3,700
-	-	-	1,579	-	1,579
-	-	-	8,461	-	8,461
-	-	-	72,650	-	72,650
-	-	16,104	-	-	16,104
-	-	16,104	72,650	-	88,754
179,276	94,337	1,801,310	6,711,240	3,053,861	17,202,425
-	-	-	-	354,198	354,198
-	-	-	-	(27,464)	(27,464)
(4,507)	(3,382)	-	(465,683)	-	(681,649)
(4,507)	(3,382)	-	(465,683)	326,734	(354,915)
-	-	-	243,100	171,492	414,592
-	-	-	361,935	1,451,181	1,813,116
-	-	-	605,035	1,622,673	\$ 2,227,708

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

Schedule B-2

SPECIAL REVENUE FUND

SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES

YEAR ENDED JUNE 30, 2023

OTHER DESIGNATED RESTRICTED STATE GRANTS

906	12 Month Agricultural Program
919	Education License Plates
924	Child Early Reading Development and Education Program
928	EEDA Career Specialist
935	Reading Coaches
936	Student Health and Fitness - Nurses
937	Student Health and Fitness - (PE Teacher Ratio)
956	Adult Education
969	Miscellaneous Adult Education Revenue
994	PEBA Nonemployer Contributions

OTHER SPECIAL REVENUE PROGRAMS

210	Title IV SSAE
218	ESSER III
225	ESSER II
230	ARP IDEA
233	ARP Preschool
236	Purple Star
237	Title I, School Improvement Focus Schools
246	COVID 19 Public Health Emergency Response
263	ARP Homeless
264	Language Instruction for Limited English Proficients and Immigrant Students, Title III
267	Title II - Improving Teacher Quality
270	Junior Reserve Officer Training Corps - JROTC
272	Facility Rentals
274	DHEC Recycling
276	Medicaid
278	Second Look Charities
283	Associated Charities
286	Secondary Summer School
287	SC Arts Commission
288	Adult Education - Local
820	International Paper Grant
826	Health Foundation of Kershaw County
832	Pupils with Disabilities Financial Aid Grant
849	Children's Trust of South Carolina
850	DHHS - Administrative Claims
854	University of SC Grant
856	SCHWAB Charitable
866	DHEC - Champions of the Environment
868	YRBS Administration
872	Behavioral Health Services Donations
881	John T. Stevens

(Continued)

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

Schedule B-2

SPECIAL REVENUE FUND

SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES

YEAR ENDED JUNE 30, 2023

OTHER SPECIAL REVENUE PROGRAMS (CONTINUED)

882	DJJ - Job Readiness Skills Training (JRT)
887	Teen After School Center
889	Seagul - Local Revenue
890	Laptop Insurance
891	Special Needs Transportation
893	4K Community Summer Grant
895	Profoundly Mentally Handicapped

KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA

Schedule B-3

SPECIAL REVENUE FUND

SUMMARY SCHEDULE FOR OTHER DESIGNATED RESTRICTED STATE GRANTS

YEAR ENDED JUNE 30, 2023

Subfund	Revenue	Programs	Revenues	Expenditures	Special Revenue		Special Revenue Fund Unearned
					Interfund Transfers In (Out)	Other Fund Transfers In (Out)	
906	3999	12 Month Agricultural Program	\$ 17,929	17,929	-	-	\$ -
919	3193	Education License Plates	1,412	1,412	-	-	-
924	3134	Child Early Reading Development and Education Program (CERDEP - Full Day 4K)	385,752	385,752	-	-	4,787
924	3143	GEER CERDEP Summer	12,865	12,865	-	-	3,648
928	3118	EEDA Career Specialists	518,692	518,692	-	-	-
935	3135	Reading Coaches	370,378	370,378	-	-	-
936	3136	Student Health and Fitness - Nurses	383,339	383,339	-	-	-
937	3127	Student Health and Fitness - PE Teachers	75,000	75,000	-	-	-
955	3155	DSS SNAP & E&T Program	-	-	-	-	22,831
956	3156	Adult Education	19,647	19,647	-	-	-
969	3699	Education Lottery 6-8	192	192	-	-	-
994	3994	PEBA Nonemployer Contributions	16,104	16,104	-	-	-
Totals			\$ 1,801,310	1,801,310	-	-	\$ 31,266

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

Schedule B-4

EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2023

	ACTUAL
REVENUES	
3000 Revenue from State Sources:	
3500 Education Improvement Act:	
3502 ADEPT	\$ 7,064
3503 State Aid to Classrooms	8,215,990
3509 Arts in Education	18,497
3518 Adoption List of Formative Assessment	45,118
3519 Grade 10 Assessments	13,191
3526 Refurbishment of Science Kits	170,409
3528 Industry Certifications / Credentials	55,625
3529 Career and Technology Education	518,699
3532 National Board Salary Supplement	631,008
3536 Student Health & Fitness	77,915
3538 Students at Risk of School Failure	66,605
3541 Child Early Reading Development and Education Program (CERDEP) - Full day 4K	1,589,439
3556 Adult Education	269,671
3557 Summer Reading Program	142,008
3571 CSI and State Priority Schools	208,762
3577 Teacher Supplies (No Carryover Provision)	223,200
3595 EEDA - Supplies and Materials	25,601
3597 Aid to Districts	72,195
Total Revenue from State Sources	<u>12,350,997</u>
TOTAL REVENUES	<u>12,350,997</u>
EXPENDITURES	
100 Instruction:	
110 General Instruction:	
111 Kindergarten Programs:	
100 Salaries	57,500
200 Employee Benefits	17,935
112 Primary Programs:	
100 Salaries	110,256
200 Employee Benefits	47,603
300 Purchased Services	1,104
400 Supplies and Materials	100,423
113 Elementary Programs:	
100 Salaries	123,711
200 Employee Benefits	38,739
300 Purchased Services	198,372
400 Supplies and Materials	\$ 397,501

(Continued)

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

Schedule B-4

EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2023

	ACTUAL
114 High School Programs:	
100 Salaries	\$ 91,645
200 Employee Benefits	28,706
400 Supplies and Materials	13,191
115 Career and Technology Education Program:	
100 Salaries	22,500
200 Employee Benefits	7,004
300 Purchased Services - Other Than Tuition	62,412
400 Supplies and Materials	446,575
500 Capital Outlay	10,734
600 Other Objects	934
120 Exceptional Programs:	
126 Speech Handicapped:	
100 Salaries	2,813
200 Employee Benefits	877
140 Special Programs:	
141 Gifted and Talented - Academic:	
100 Salaries	15,000
200 Employee Benefits	4,716
147 CDEPP:	
100 Salaries	1,080,314
200 Employee Benefits	545,202
160 Other Exceptional Programs:	
162 Limited English Proficiency:	
300 Purchased Services	11,804
170 Summer School Programs:	
171 Primary Summary School:	
100 Salaries	82,756
200 Employee Benefits	23,857
300 Purchased Services	17,120
400 Supplies and Materials	18,275
175 Instructional Programs Beyond Regular School Day:	
100 Salaries	734
200 Employee Benefits	243
180 Adult/Continuing Educational Programs:	
181 Adult Basic Education Programs:	
100 Salaries	24,177
200 Employee Benefits	12,087
300 Purchased Services	\$ 117

(Continued)

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

Schedule B-4

EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2023

	ACTUAL
182 Adult Secondary Education Programs:	
100 Salaries	\$ 10,911
200 Employee Benefits	1,164
300 Purchased Services	637
Total Instruction	<u>3,629,649</u>
200 Support Services:	
210 Pupil Services:	
212 Guidance Services:	
100 Salaries	22,500
200 Employee Benefits	7,043
300 Purchased Services	22,621
400 Supplies and Materials	2,980
213 Health Services:	
100 Salaries	54,026
200 Employee Benefits	23,890
220 Instructional Staff Services:	
222 Library and Media:	
100 Salaries	22,500
200 Employee Benefits	7,037
223 Supervision of Special Programs:	
100 Salaries	188,349
200 Employee Benefits	79,181
300 Purchased Services	34,086
400 Supplies and Materials	315
224 Improvement of Instruction - Inservice and Staff Training:	
100 Salaries	4,875
200 Employee Benefits	1,456
300 Purchased Services	57
400 Supplies and Materials	420
270 Support Services - Pupil Activity:	
271 Pupil Services Activities:	
100 Salaries (Optional)	210
200 Employee Benefits (Optional)	58
300 Purchased Services (Optional)	2,458
500 Capital Outlay (Optional)	29,998
600 Other Objects (Optional)	1,298
Total Support Services	<u>505,358</u>
TOTAL EXPENDITURES	<u>\$ 4,135,007</u>

(Continued)

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

Schedule B-4

EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2023

	<u>ACTUAL</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
420-710 Transfer to General Fund (Exclude Indirect Costs)	\$ (8,215,990)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(8,215,990)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-
FUND BALANCE, Beginning of Year	<u>-</u>
FUND BALANCE, End of Year	<u><u>\$ -</u></u>

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

Schedule B-5

EDUCATION IMPROVEMENT ACT

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 Revenue
3500 Education Improvement Act:					
3502 ADEPT	\$ 7,064	7,064	-	-	\$ 8,413
3503 State Aid to Classrooms	8,215,990	-	-	(8,215,990)	-
3509 Arts in Education	18,497	18,497	-	-	-
3518 Adoption List of Formative Assessment	45,118	45,118	-	-	-
3519 Grade 10 Assessments	13,191	13,191	-	-	24,589
3526 Refurbishment of Science Kits	170,409	170,409	-	-	200,282
3528 Industry Certifications / Credentials	55,625	55,625	-	-	35,549
3529 Career and Technology Education	518,699	518,699	-	-	76,990
3532 National Board Salary Supplement (No Carryover Provision)	631,008	631,008	-	-	-
3536 Health Fitness Nurses	77,915	77,915	-	-	-
3538 Students at Risk of School Failure	66,605	66,605	-	-	-
3541 Child Early Reading Development and Education Program - (CERDEP) - Full Day 4K	1,589,439	1,589,439	-	-	99,230
3556 Adult Education	269,671	269,671	-	-	51,915
3557 Summer Reading Program	142,008	142,008	-	-	102,925
3571 CSI and State Priority Schools	208,762	208,762	-	-	-
3577 Teacher Supplies (No Carryover Provision)	223,200	223,200	-	-	-
3595 EEDA - Supplies and Materials	25,601	25,601	-	-	19,058
3597 Aid to Districts	72,195	72,195	-	-	-
3599 Other EIA	-	-	-	-	11,349
Totals	\$ 12,350,997	4,135,007	-	(8,215,990)	\$ 630,300

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

YEAR ENDED JUNE 30, 2023

Program	Project Number	Revenue Code	Description	Amount Due to State Department of Education or Federal Government	Status of Amount Due to Grantors
Teacher Supply	377	3577	Unexpended Funds	\$ 3,000.00	Check # 587730; dated 9/1/23
Teacher of the Year Awards	333	3533	Unexpended Funds	1,076.50	Will be repaid in FY 2024
Teacher Supply	917	3187	Unexpended Funds	900.00	Check # 587893; dated 9/15/23
Total				\$ 4,976.50	

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

Schedule B-7

SPECIAL REVENUE - FOOD SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2023

	ACTUAL
REVENUES	
1000 Revenue from Local Sources:	
1600 Food Service:	
1610 Lunch Sales to Pupils	\$ 609,528
1620 Breakfast Sales to Pupils	8,040
1630 Special Sales to Pupils	207,010
1640 Lunch Sales to Adults	40,316
1650 Breakfast Sales to Adults	2,459
1660 Special Sales to Adults	9,039
1900 Other Revenue from Local Sources:	
1999 Revenue from Other Local Sources	97,547
Total Revenue from Local Sources	<u>973,939</u>
4000 Revenue from Federal Sources:	
4800 USDA Reimbursement:	
4810 School Lunch and After School Snacks Program	4,074,857
4820 Supply Chain Assistance Funding	305,342
4830 School Breakfast Program	2,386,396
4870 FNS Stimulus Equipment	9,587
4880 Summer Feeding Program	3,017
4899 Miscellaneous Food Service	6,859
4900 Other Federal Sources:	
4991 USDA Commodities (Food Distribution Program) (Carryover Provision)	415,198
4999 Revenue from Other Federal Sources	531,520
Total Revenue from Federal Sources	<u>7,732,776</u>
TOTAL REVENUES	<u>8,706,715</u>
EXPENDITURES	
256 Food Service:	
100 Salaries	1,896,243
200 Employee Benefits	496,935
300 Purchased Services (Exclude Gas, Oil, Electricity and Other Heating Fuels)	83,480
400 Supplies and Materials (Include Gas, Oil, Electricity and Other Heating Fuels)	4,324,453
500 Capital Outlay	49,088
600 Other Objects	3,734
Total Food Service	<u>6,853,933</u>
TOTAL EXPENDITURES	<u>6,853,933</u>
OTHER FINANCING SOURCES (USES)	
432-791 Food Service Fund Indirect Costs	(457,191)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(457,191)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,395,591
FUND BALANCE, Beginning of Year	<u>5,988,397</u>
FUND BALANCE, End of Year	<u>\$ 7,383,988</u>

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

Schedule C-1

DEBT SERVICE FUND - DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2023

	ACTUAL
REVENUES	
1000 Revenue from Local Sources:	
1100 Taxes:	
1190 Other Taxes (Independent)	\$ 10,090,570
1200 Revenue from Local Governmental Units Other than LEAs:	
1210 Ad Valorem Taxes-Including Delinquent (Fiscally Dependent LEA)	17,504,860
1280 Revenue in Lieu of Taxes (Dependent and Independent)	1,134,682
1500 Earnings on Investments:	
1510 Interest on Investments	(68,653)
Total Revenue from Local Sources	<u>28,661,459</u>
3800 State Revenue in Lieu of Taxes:	
3820 Homestead Exemption (Tier 2)	778,687
3830 Merchant's Inventory Tax	49,586
3840 Manufacturers Depreciation Reimbursement	659,931
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	225,294
Total Revenue from State Sources	<u>1,713,498</u>
TOTAL REVENUES	<u>30,374,957</u>
EXPENDITURES	
500 Debt Service:	
610 Redemption of Principal	9,830,700
620 Interest	5,556,502
690 Other Objects (Includes Fees for Servicing Bonds)	70,388
Total Debt Service	<u>15,457,590</u>
TOTAL EXPENDITURES	<u>15,457,590</u>
OTHER FINANCING SOURCES (USES)	
5110 Premium on Bonds Sold	104,260
Interfund Transfers, From (To) Other Funds:	
5210 Transfer from General Fund	520,922
423-710 Transfer to Debt Service Fund - Foundation	(8,988,918)
424-710 Transfer to Capital Projects Fund	(4,033,796)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(12,397,532)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,519,835
FUND BALANCE, Beginning of Year	<u>5,978,211</u>
FUND BALANCE, End of Year	<u>\$ 8,498,046</u>

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

Schedule C-2

DEBT SERVICE FUND - FOUNDATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2023

	ACTUAL
REVENUES	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 39,737
Total Revenue from Local Sources	39,737
TOTAL REVENUES	39,737
EXPENDITURES	
500 Debt Service:	
610 Redemption of Principal	6,205,000
620 Interest	2,810,231
690 Other Objects (Includes Fees for Servicing Bonds)	5,500
Total Debt Service	9,020,731
TOTAL EXPENDITURES	9,020,731
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
5240 Transfer from Debt Service Fund - District	8,988,918
TOTAL OTHER FINANCING SOURCES (USES)	8,988,918
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,924
FUND BALANCE, Beginning of Year	121,224
FUND BALANCE, End of Year	\$ 129,148

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

Schedule D-1

CAPITAL PROJECTS FUND - DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2023

	ACTUAL
REVENUES	
1000 Revenue from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 68,452
1990 Miscellaneous Local Revenue:	
1999 Revenue from Other Local Sources	3,273
Total Revenue from Local Sources	<u>71,725</u>
TOTAL REVENUES	<u>71,725</u>
EXPENDITURES	
100 Instruction:	
110 General Instruction:	
113 Elementary Programs:	
500 Capital Outlay	212,922
114 High School Programs:	
300 Purchased Services	1,880
400 Supplies and Materials	7,406
500 Capital Outlay	902,234
Total Instruction	<u>1,124,442</u>
200 Support Services:	
250 Finance and Operations:	
253 Facilities Acquisition & Construction:	
300 Purchased Services	203,361
400 Supplies and Materials	133,774
500 Capital Outlay:	
520 Construction Services	38,312
530 Improvements Other Than Buildings	281,285
540 Equipment	38,963
254 Operations and Maintenance of Plant:	
300 Purchased Services	1,668,128
400 Supplies and Materials	33,068
500 Capital Outlay	10,674,645
258 Security:	
500 Capital Outlay	47,590
264 Staff Services:	
300 Purchased Services	23,890
266 Technology & Data Processing Services:	
300 Purchased Services	57,537
270 Support Services - Pupil Activity:	
271 Pupil Service Activities:	
100 Salaries (optional)	1,249
200 Employee Benefits (optional)	377
Total Support Services	<u>13,202,179</u>
TOTAL EXPENDITURES	<u>\$ 14,326,621</u>

(Continued)

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

Schedule D-1

CAPITAL PROJECTS FUND - DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2023

	<u>ACTUAL</u>
OTHER FINANCING SOURCES (USES)	
5900 Insurance Proceeds	\$ 5,393,511
Interfund Transfers, From (To) Other Funds:	
5210 Transfer from General Fund (Exclude Indirect Costs)	6,500,000
5240 Transfer from Debt Service Fund	4,033,796
	<u>15,927,307</u>
TOTAL OTHER FINANCING SOURCES (USES)	
	<u>15,927,307</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,672,411
FUND BALANCE, Beginning of Year	<u>27,995,244</u>
FUND BALANCE, End of Year	<u>\$ 29,667,655</u>

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

Schedule E-1

LOCATION RECONCILIATION SCHEDULE

YEAR ENDED JUNE 30, 2023

LOCATION ID	LOCATION DESCRIPTION	EDUCATION LEVEL	COST TYPE	TOTAL EXPENDITURES
00	District Wide	Non-school	Central	\$ 24,590,085
09	District Office	Non-school	Central	205,709
10	District Office	Non-school	Central	7,048,409
11	District Wide	Non-school	Central	14,374,922
12	District Wide	Non-school	Central	65,994
15	Continuous Learning Center	Other School	School	1,349,768
25	Virtual Academy	Other School	School	293
30	Bethune Elementary	Elementary School	School	6,722
35	Blaney Elementary	Elementary School	School	6,239,401
43	Jackson Elementary	Elementary School	School	5,404,160
45	Camden High	High School	School	11,916,700
50	Camden Middle	Middle School	School	6,970,382
55	Camden Elementary	Elementary School	School	5,457,541
60	Doby's Mill Elementary	Elementary School	School	5,834,680
65	Woolard Technology Center	Other School	School	3,567,422
70	Lugoff Elementary	Elementary School	School	5,356,374
75	Lugoff - Elgin High	High School	School	13,338,048
76	Lugoff - Elgin High Annex	High School	School	739,393
80	Lugoff - Elgin Middle	Middle School	School	6,991,139
83	LM Stover Middle	Middle School	School	6,021,862
85	Midway Elementary	Elementary School	School	3,647,194
90	Mt Pisgah Elementary	Elementary School	School	4,417
92	North Central Elementary	Elementary School	School	5,173,765
93	North Central High	High School	School	18,342,244
94	North Central Middle	Middle School	School	4,543,016
95	Pine Tree Hill Elementary	Elementary School	School	4,958,793
96	Wateree Elementary	Elementary School	School	6,016,184
97	West Wateree Early Learning Academy	Elementary School	School	686,800
TOTAL EXPENDITURES / DISBURSEMENTS FOR ALL FUNDS				\$ 168,851,416

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

General Fund	\$ 101,855,109
Special Revenue Fund	17,202,425
Special Revenue Fund - EIA Fund	4,135,007
Special Revenue Fund - Food Services	6,853,933
Debt Service Fund - District	15,457,590
Debt Service Fund - FMSFC	9,020,731
Capital Projects Fund - District	14,326,621
TOTAL EXPENDITURES / DISBURSEMENTS FOR ALL FUNDS	\$ 168,851,416

COMPLIANCE SECTION

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**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2023

LEA Subfund Code	Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass Through/ Grantor's Number	Federal Expenditures
US DEPARTMENT OF AGRICULTURE				
Pass-through State Department of Education:				
600	National School Breakfast Program	10.553	N/A	\$ 2,386,396
600	National School Lunch Program - Cash Assistance	10.555	N/A	4,074,857
600	National School Lunch Program - Non-Cash Assistance	10.555	N/A	415,198
600	National School Lunch Program - Transportation Rebate	10.555	N/A	6,859
600	Supply Chain Assistance Funding	10.555	N/A	305,342
600	Summer Feeding Program	10.559	N/A	3,017
Total 10.553, 10.555, 10.559 - Child Nutrition Cluster				<u>7,191,669</u>
670	Healthier US School Challenge Program	10.558	N/A	531,520
600	SBP Expansion	10.579	N/A	<u>9,587</u>
TOTAL US DEPARTMENT OF AGRICULTURE				<u>7,732,776</u>
US DEPARTMENT OF EDUCATION				
Pass-through State Department of Education:				
201	Title I	84.010	23 Title I	2,904,487
201	Title I	84.010	22 Title I Carryover from Prior Year	304,739
201	Title I	84.010	21 Title I Carryover from Prior Year	26,000
237	Title I Mini Grant	84.010	22 Title I Targeted Support and Improvement	51,044
237	Title I Mini Grant	84.010	21 Title I Targeted Support and Improvement	11
Total 84.010				<u>3,286,281</u>
Education Stabilization Fund - Elementary and Secondary				
School Emergency Relief Fund (ESSER):				
220	COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	21 ESSER II	987,286
218	COVID-19 - ARP Elementary and Secondary School Emergency Relief Fund	84.425U	21 ESSER III	4,200,881
263	COVID-19 - ARP Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth	84.425W	22 ARP Homeless	6,257
Total 84.425D, 84.425U, 84.425W				<u>5,194,424</u>
Individuals with Disabilities Education Act:				
203	IDEA - Grants to States	84.027A	ESY Revenue	21,031
203	IDEA - Grants to States	84.027A	23 IDEA	2,106,724
203	IDEA - Grants to States	84.027A	22 IDEA	113,696
230	COVID-19: IDEA/ARP Act of 2021	84.027X	22 ARP - IDEA	285,814
205	Handicapped Preschool Grants (Carryover)	84.173A	23 Preschool IDEA	78,521
205	IDEA - Preschool Grants	84.173A	22 Preschool IDEA	15,280
233	COVID-19: IDEA/ARP Act of 2021	84.173X	22 ARP - IDEA Preschool	39,791
832	IDEA - Pupil with Disability Aid	84.027A	N/A	21,181
Total 84.027A, 84.027X, 84.173A, 84.173X - Special Education Cluster				<u>2,682,038</u>
207	Perkins Career and Technology Grant	84.048A	23 CATE Federal	172,081
207	Perkins Career and Technology Grant	84.048A	22 CATE Federal	11,515
Total 84.048A				<u>183,596</u>
210	Title IV Student Support & Academic Enrichment Grant	84.424A	23 Title IV (SSAE)	216,959
210	Title IV Student Support & Academic Enrichment Grant	84.424A	22 Title IV (SSAE)	12,152
Total 84.424A				<u>229,111</u>
243	Adult Education - Federal Allocation	84.002	23 Adult Education	89,013
243	Adult Education - Family Literacy	84.002	22 Adult Education Reverted Funds	8,706
Total 84.002				<u>97,719</u>
264	English Language Acquisition - Title III	84.365A	2023 Title III	34,729
264	English Language Acquisition - Title III	84.365A	2022 Title III	1,305
264	English Language Acquisition - Title III	84.365A	2022 Title III Immigrant	12,845
Total 84.365A				<u>\$ 48,879</u>

(Continued)

KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2023

LEA Subfund Code	Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass Through/ Grantor's Number	Federal Expenditures
267	Improving Teacher Quality	84.367A	23 Title II Supporting Effective Instruction	\$ 351,754
267	Improving Teacher Quality	84.367A	22 Title II Supporting Effective Instruction	82,317
267	Improving Teacher Quality	84.367A	21 Title II Supporting Effective Instruction	62,615
		Total 84.367A		496,686
	Total Pass Through Programs			12,218,734
	TOTAL US DEPARTMENT OF EDUCATION			12,218,734
	US DEPARTMENT OF DEFENSE			
	Direct Programs:			
270	JROTC	12.000	N/A	209,944
236	Purple Star - 23	84.041B	N/A	19,775
236	Purple Star - 22	84.041B	N/A	10,117
	TOTAL US DEPARTMENT OF DEFENSE			239,836
	US DEPARTMENT OF HEALTH AND HUMAN SERVICE			
246	Pass-through South Carolina Department of Health and Environmental Control COVID-19 - Public Health Emergency Response	93.354	NU90TP922168	62,385
868	Pass-through State Department of Education: Youth Risk Behavior Survey	93.079	YTS Admin	600
	TOTAL US DEPARTMENT OF HEALTH AND HUMAN SERVICE			62,985
	TOTAL FEDERAL ASSISTANCE EXPENDED			\$ 20,254,331

There were no expenditures to subrecipients for the year ended June 30, 2023.

See accompanying notes to the schedule of expenditures of federal awards.

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2023

A – General

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) presents the activity of all federal award programs of Kershaw County School District, South Carolina (the “District”) for the year ended June 30, 2023. All federal awards received directly from the federal agencies, as well as those passed through other government agencies, are included on the Schedule.

B – Basis of Accounting

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

C – Relationship to Financial Statements

Federal award expenditures are reported in the District’s financial statements primarily as expenditures in the Special Revenue Fund and the Special Revenue - Food Service Fund.

D – Relationship to Federal Financial Reports

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

E – Indirect Cost Rate

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

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Greene Finney Cauley, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Kershaw County School District
Camden, 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 and each major fund of Kershaw County School District, South Carolina (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 17, 2023.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 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.

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
November 17, 2023



Greene Finney Cauley, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Kershaw County School District
Camden, South Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Kershaw County School District, South Carolina's (the "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 District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the 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 ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; ("*Government Auditing Standards*"); 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 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 District's compliance with the 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 Responsibilities 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 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 GAAS, *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 District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the 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 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 that 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
November 17, 2023

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2023

**2022-001: MATERIAL WEAKNESS IN MAINTAINING AN ACCURATE GENERAL LEDGER IN THE YEAR
END CLOSING PROCESS**

Condition: During the 2022 audit, it was noted that several items, primarily equity accounts, liability accounts, Debt Service fund accounts, and revenue accounts were not properly completed, reviewed and closed out in a timely manner prior to us arriving for the audit in October. In addition, after receiving the initial trial balance for our audit, it was noted that there were several material adjustments that needed to be made to both the balance sheet and income statement accounts.

- The School District failed to record accruals related to capital projects including the retainage payable portions attributable to the fiscal year 2022 but paid after year end.
- At the beginning of final field work, the School District had incorrect equity balances in both the General Fund and the Debt Service Fund.
- The School District's retirement accrual and FICA accrual were materially misstated and needed significant adjustments during final audit field work. During our final audit field work, we also found that the School District failed to record the PEBA credit that required an adjustment to the revenue and liability accounts. The School District also had a debit balance in its health insurance liability account.
- There were significant adjustments to the School District's capital grant revenue as the District failed to record the reimbursable portion of the capital activity.

Criteria: The School District should have completed and reviewed these items during the year end closing process prior to the year-end audit work beginning. In addition, internal controls should be in place to ensure all transactions are accurately and completely recorded in the general ledger on a timely basis.

Context, Cause, and Effect: Turnover in the School District's finance department caused disruptions in the financial operations. Additionally, internal controls were not operating as designed such that the reconciliations and errors in accounts were not identified and updated on a timely basis. As a result, significant audit adjustments were required to properly report balances as of June 30, 2022.

Status: The District properly recorded accruals related to capital projects, properly recorded equity balances, properly recorded the District's retirement accrual and FICA accrual, and there were no significant adjustments to the District's capital grant revenue for the year ended June 30, 2023.

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2023

Prior Year Federal Award Findings and Questioned Costs

Federal Agency: U.S. Department of Education
Pass-Through Agency: South Carolina Department of Education
ESSER Program: Assistance Listing # 84.425D
Pass-Through Grantor's Award Numbers and Years: 2021 H63010497522
Repeat Finding from Prior Year? No

2022-002: ALLOWABLE COSTS (NON-PAYROLL DISBURSEMENTS)

Questioned Costs

\$ - 0 -

Condition: The School District was not always following its approved spending plan when making non-payroll disbursements.

Criteria: All items purchased with ESSER funds should be allowable and agree to the District's approved spending plan.

Context, Cause, and Effect: We noted during our review of all ESSER II non-payroll disbursements that seven purchases for \$1,534 did not adhere to the District's approved spending plan.

Status: The District properly followed all approved spending plans for the ESSER program for the year ended June 30, 2023.

Federal Agency: U.S. Department of Education
Pass-Through Agency: South Carolina Department of Education
Title I Program: Assistance Listing # 84.010
Pass-Through Grantor's Award Numbers and Years: 2021 H63010100121
Repeat Finding from Prior Year? No

2022-003: ALLOWABLE COSTS (NON-PAYROLL DISBURSEMENTS PROCUREMENT)

Questioned Costs

\$ - 0 -

Condition: The School District was not always following its procurement policies and internal control policies when making non-payroll disbursements.

Criteria: All items purchased with Title I funds should be following the District's approved procurement code and following their established internal controls.

Context, Cause, and Effect: We noted during our review of Title I non-payroll disbursements the following items:

- It appears a purchase was made to avoid the single transaction limit of \$500.
- An employee approved their own purchase.
- One instance where a full-time teachers salary was moved to another fund but the substitute's salary of \$312 was included in Title I expenditures.

Status: The District properly followed its procurement and internal control policies for the year ended June 30, 2023.

**KERSHAW COUNTY SCHOOL DISTRICT
CAMDEN, SOUTH CAROLINA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes	_____ <u>X</u> None Reported
Noncompliance material to financial statements noted?	_____ Yes	_____ <u>X</u> No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes	_____ <u>X</u> None Reported

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

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516 (Uniform Guidance)?	_____ Yes	_____ <u>X</u> No
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Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027A, 84.027X, 84.17A, and 84.173X	Individuals with Disability Act Cluster
84.425D, 84.425U, and 84.425W	COVID-19 Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund
84.367A	Title II Improving Teacher Quality

Dollar threshold used to distinguish between type A and type B programs:	_____ \$750,000 _____
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Auditee qualified as low-risk auditee?	_____ Yes	_____ <u>X</u> No
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Section II - 2023 Financial Statement Findings

None

Section III - 2023 Federal Award Findings and Questioned Costs

None