

**HAMPTON COUNTY SCHOOL DISTRICT**

**HAMPTON COUNTY, SOUTH CAROLINA**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2022**

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## INDEPENDENT AUDITOR'S REPORT

The Board of Trustees  
Hampton County School District  
Hampton County, South Carolina

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Hampton County School District, South Carolina (the "School District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School District as of June 30, 2022, 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 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 School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

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

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, 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 School 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 February 10, 2023 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.



Orangeburg, South Carolina  
February 10, 2023

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**HAMPTON COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Unaudited)**

**INTRODUCTION**

As management of the Hampton County School District, we offer readers of the Hampton County School's financial statements this narrative overview of the financial activities for the fiscal year ended June 30, 2022. Our purpose is to inform our citizens of the effect of our School District's operations and to present our financial position.

**FINANCIAL HIGHLIGHTS**

- The liabilities and deferred inflows of resources of the School District exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$41 million (Net Position). In accordance with generally accepted accounting principles related to governments, the School District reflects its pro-rata portion of the SC Retirement System's net pension liability and net OPEB liability on the statement of net position. At June 30, 2022, the governmental type activities reported balances related to its pension/OPEB liabilities of \$83.3 million, resulting in an unrestricted deficit of \$62.1 million at that date. Without these balances, the governmental activities would have reported an unrestricted positive net position of \$21.1 million.
- The School District's net position increased by \$2.5 million during the year ended June 30, 2022, compared to a decrease of \$304 thousand for the year ended June 30, 2021.
- At the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$13.1 million.
- At the close of the 2021-22 fiscal year, the general fund balance available for spending in the subsequent fiscal year was \$10 million.
- The balance of the School District's general obligation bonds and other outstanding debt decreased by \$225,372 during the year ended June 30, 2022, compared to a decrease of \$1,096,660 during the year ended June 30, 2021.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements consist of three parts: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. A description of these statements and some related definitions follow.

**Government-wide Financial Statements** – The government-wide financial statements (Statement of Net Position and Statement of Activities) are designed to provide readers with a broad overview of the School District's finances, in a manner similar to a private-sector business. Short-term and long-term information about the School District's overall financial status are provided in these statements. These statements include all assets and liabilities presented on the accrual basis of accounting used by most private-sector companies.



- The statement of net position and statement of activities report the School District's net position and changes in those assets. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or deteriorated. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws, facility conditions, required educational programs and other factors.

In the statement of net position and the statement of activities, the operations of the School District are reported as governmental activities.

The School District's programs and services reported include instruction, community services, support services, operation and maintenance of plant, pupil transportation, food service and extracurricular activities. The governmental activities of the School District include the general fund, special revenue fund, Education Improvement Act fund, debt service fund, capital projects fund, and food service fund.

The statement of net position assesses the balance of a government's *assets* - the resources it can use to provide services and operate the School District - against its *liabilities* - its obligations to turn over resources to other organizations or individuals. The difference between a School District's assets and deferred outflows of resources and its liabilities and deferred inflows of resources is called *net position*. The name of the statement reflects its emphasis on what a government would have left over after satisfying its liabilities. The net position is an indicator of a government's *financial position* - its financial standing at a given point in time (typically, the end of the fiscal year).

The statement of activities accomplishes the tasks of more recognizable income statements - revenues, expenses, and other changes in net position are presented, allowing the reader to see how net position changed during the year. But the arrangement of the statement of activities also provides detail that focuses on how a government finances its services. The statement compares the costs (expenses) of a government's functions and programs with the resources those functions or programs generate themselves (program revenues). To the degree that functions or programs cost more than they raise, the statement shows how the government chose to finance the difference (principally general revenues).

The government-wide financial statements can be found on pages 11 and 12 of this report.

**Fund Financial Statements** - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds** - The School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Consequently, the governmental funds statements provide a detailed short-term view that can be used to determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's education programs. The relationship (or differences) between governmental activities (report in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**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 on pages 17 through 54.

**Other Supplemental Information** - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information that further supports the financial statements with a budgetary comparison schedule for the year and other supplementary information schedules required by the South Carolina Department of Education.

### **GOVERNMENTAL-WIDE FINANCIAL ANALYSIS**

Overall, the financial position of the School District increased during the year ended June 30, 2022, with the net position increasing by \$2.5 million to a deficit of \$41.5 million.

The table below provides a summary of the School District's Net Position as of June 30, 2021 and 2022.

	<b>Governmental Activities</b>	
	<b>FY21 (Restated)</b>	<b>FY22</b>
Assets		
Current and other assets	\$ 15,366,805	\$ 29,523,675
Noncurrent assets	<u>31,146,370</u>	<u>31,369,072</u>
Total Assets	<u>46,513,175</u>	<u>60,892,747</u>
Deferred Outflows of Resources	<u>15,920,880</u>	<u>24,476,961</u>
Liabilities		
Current liabilities	6,279,093	16,543,372
Long term liabilities	<u>89,515,954</u>	<u>96,560,760</u>
Total Liabilities	<u>95,795,047</u>	<u>113,104,132</u>
Deferred Inflows of Resources	<u>10,636,401</u>	<u>13,758,845</u>
Net Position		
Net investment in capital assets	18,631,212	18,610,087
Restricted	1,150,998	2,086,333
Unrestricted	<u>(63,779,603)</u>	<u>(62,189,689)</u>
Net Position	<u>\$ (43,997,393)</u>	<u>\$ (41,493,269)</u>

The table presented on the top of the next page shows changes in Net Position for the fiscal years ended June 30, 2021 and 2022.

	<b>Governmental Activities</b>	
	<b>FY21 (Restated)</b>	<b>FY22</b>
Revenues		
Program Revenues		
Operating grants and contributions	\$ 27,907,001	\$ 23,739,087
Capital grants and contributions	125,646	-
General Revenues		
Property taxes	10,667,660	12,450,546
Other revenues	<u>5,715,784</u>	<u>9,057,037</u>
Total Revenues	<u>44,416,091</u>	<u>45,246,670</u>
Expenses		
Instruction	22,727,853	21,548,695
Support Services	21,184,998	20,295,785
Community Services	60,704	6,692
Intergovernmental	15,204	19,352
Interest and other charges	<u>1,030,279</u>	<u>872,022</u>
Total Expenses	<u>45,019,038</u>	<u>42,742,546</u>
Change in Net Position	(602,947)	2,504,124
Net Position, Beginning of Year	<u>(43,394,446)</u>	<u>(43,997,393)</u>
Net Position, End of Year	<u>\$ (43,997,393)</u>	<u>\$ (41,493,269)</u>

In the fiscal year ended June 30, 2022, the net position of our governmental-type activities increased by \$2,504,124 compared to a decrease of \$602,947 for the prior year.

The School District's governmental activities expenses are predominantly related to instruction and support services. The School District's instructional services accounted for 50% and support services accounted for 47% of total governmental activities costs. The instructional costs are primarily for salary and fringe benefits for teachers and other educational staff. The support costs are composed of instructional staff services, maintenance, utilities and student transportation. The balance of the expenses for governmental activities is composed of interest and fees on long-term debt and intergovernmental expenses.

The following table presents the cost of the three major functional activities for the years ended June 30, 2021 and 2022: instruction, support services and debt service. The table also shows the net cost of each function (total cost less charges for services generated by the activities and the intergovernmental aid provided for specific programs). The cost of all governmental activities this year was \$42.7 million compared to \$45 million in the prior year.

	Year Ended June 30, 2021		Year Ended June 30, 2022	
	Total Expenses	Net Cost	Total Expenses	Net Cost
Instructional	\$ 22,727,853	\$(4,709,306)	\$ 21,548,695	\$ (5,875,822)
Support Services	19,770,910	(11,685,014)	20,295,785	(12,777,454)
Community	60,704	(1,825)	6,692	(6,692)
Intergovernmental	15,204	(15,204)	19,352	(19,352)
Interest and Fees on Long-Term Debt	1,030,279	(266,694)	872,022	(324,139)
Food Service	1,414,088	(9,573)	-	-
	<u>45,019,038</u>	<u>(16,687,616)</u>	<u>42,742,546</u>	<u>(19,003,459)</u>

As shown in the Statement of Activities on page 12, the amount that our taxpayers ultimately financed these activities through property taxes and other general sources was \$21.5 million, because 55% of the costs were paid by the State of South Carolina through the Education Finance Act, Education Improvement Act provisions and federal awards passed through the SC Department of Education. Also, certain costs were paid by those who directly benefited from the programs or by other governments and organizations that subsidized certain programs with grants and contributions.

The net cost reflects the financial burden that was placed on the State and School District's taxpayers by each of these functions:

## **FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS**

### **Governmental Funds**

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

The focus of the School District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. As the School District completed the year, its governmental funds reported a combined fund balance of \$13.1 million, which was an increase of \$4 million from the prior year's ending balance of \$9 million. The total governmental funds' fund balance of \$13.1 million represents resources that are available for spending in accordance with the School District's budget and each fund's purpose.

The changes in the combined governmental fund balances were impacted by the activities in the general, special revenue, debt service, food service, and capital project funds in the year ended June 30, 2022. The general fund reported an increase of \$1.5 million. The special revenue fund increased by \$138,859. The capital projects fund increased by \$2,184,946. The debt service fund reported an increase in fund balance of \$184,974. The food service fund reported a decrease of \$31,463.

The general fund is the principal operating fund of the School District. For the year ended June 30, 2022, the general fund balance increased by \$1.5 million to \$9.9 million compared to a decrease of \$1.3 million for the prior year. As a measure of the general fund's liquidity, it may be useful to compare the general fund balance to the total expected fund expenditures for the succeeding year. The general fund balance represents 36% of the total budgeted general fund expenditures and other financing uses for the year ending June 30, 2022.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets** - As of June 30, 2022, the School District reported a School District wide, cumulative investment in capital assets of \$31.4 million.

The following schedule presents capital asset balances (net of depreciation, where applicable) of capital assets for the fiscal years ended June 30, 2021 and 2022.

	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2022</b>
Assets not Subject to Depreciation		
Land	\$ 202,017	\$ 202,017
Assets Subject to Depreciation		
Building, Improvements, Vehicles, and Equipment	30,944,353	29,590,776
Assets Subject to Amortization		
Leased Assets	-	1,576,279
<b>Total</b>	<b><u>\$ 31,146,370</u></b>	<b><u>\$ 31,369,072</u></b>

The total depreciation/amortization expense for the governmental activities for the fiscal year ended June 30, 2022, was \$1,605,610 compared to \$1,472,261 for the prior year.

**Debt Administration** - The School District's general obligation bonds and other debt outstanding decreased by \$225,372 to \$12.4 million at June 30, 2022.

The following schedule reflects the long-term general obligation debt outstanding at June 30, 2021 and 2022.

	<b>Year Ended June 30,</b>	
	<b>2021</b>	<b>2022</b>
<b>School School District Outstanding Long-Term Debt</b>		
General Obligation Bonds		
(Including Unamortized Bond Premiums)	\$ 12,318,796	\$ 12,150,163
Capital Leases and Notes Payable	316,625	259,886
<b>Total</b>	<b><u>\$ 12,635,421</u></b>	<b><u>\$ 12,410,049</u></b>

State statutes currently limit the amount of general obligation debt a governmental entity may issue without a voter referendum to eight percent of its total assessed valuation. Additional information on the School District's long-term debt can be found in Note 12 of the financial statements.

## **CURRENT ISSUES**

The county in which the School District resides is located in a rural area of the state with limited revenue sources. The unemployment rate, the lack of major businesses and industries, and the poverty rate are of major concern and all create an uncertain financial outlook for the School District. The unemployment rate is among the highest in South Carolina.

Limited financial resources, combined with unfunded mandates from both the state and the federal levels, make maintaining the current level of services and maintaining a low student/teacher ratio difficult at best. The School District's administration makes every effort to channel its financial resources in a manner that maximizes the opportunity for students to receive the best education possible.

In spite of several recent building projects, many structures in the School District are over 60 years old. In many cases, they are energy inefficient and less functional than newer facilities. Maintenance and upkeep of the older buildings is increasingly expensive, but the limited financial resources available for additional capital improvements makes it unlikely that any other significant building needs will be addressed in the near term.

Hampton County School Districts 1 and 2 consolidated effective July 1, 2021.

### **Economic Factors:**

The School District receives a significant amount of the revenue for property taxes. Property tax revenue is the primary local support for the General Fund and the source for the retirement of the School District's debt. Any additional swings in the tax base will continue to have a significant impact upon the School District Revenue. In addition, under the Act 388, there is a millage cap that is imposed on property taxes. In 2021, the school district was formed with consolidation of District One and Two. The District continues to service the debt issued from those two districts with consolidated millage levied by the County on behalf of the School District.

In spite of the economic challenges and uncertainty, the School District has remained resourceful and flexible in order to fulfill the mission of providing a quality education. Currently, the school district can budget for increases for salaries as well as inflation that impact the costs for benefits, utilities and other expenditures.

### **Fiscal Year 2023 Budget**

The School District's fiscal year 2023 budgeted revenues and expenditures for the General Fund are approximately, \$29.3 million. The School District will be maximizing the use of federal and state grant carryovers and current year funds to help alleviate financial pressures on the General Fund to the extent allowable by law.

***Request for Information*** - The financial report is designed to provide the School District's citizens, taxpayers, customers, and investors and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives.

Inquiries or any other requests for financial information should be addressed to the Superintendent's Office of Hampton County School District, PO Box 177, Hampton, South Carolina 29224 or 803-943-4576. In addition, our website, [www.hcsd.k12.sc.us](http://www.hcsd.k12.sc.us) contains information that the user of this report may find useful.

## **BASIC FINANCIAL STATEMENTS**

**HAMPTON COUNTY SCHOOL DISTRICT**  
**HAMPTON COUNTY, SOUTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 6,191,432
Due from Hampton County	6,515,903
Receivables	15,411,914
Property Taxes Receivable	1,353,941
Inventories	50,485
Capital Assets Not Being Depreciated:	
Land	202,017
Capital Assets Being Depreciated, Net:	
Buildings, Improvements, Vehicles and Equipment	29,590,776
Capital Assets Subject to Amortization, Net:	
Leased Assets	1,576,279
<b>Total Assets</b>	<b>60,892,747</b>
<b>Deferred Outflows of Resources</b>	
Deferred Outflows Related to SC PEBA Net Pension Liability	9,179,943
Deferred Outflows Related to SC PEBA Net OPEB Liability	15,297,018
<b>Total Deferred Outflows of Resources</b>	<b>24,476,961</b>
<b>Liabilities</b>	
Accounts Payable and Accrued Expenses	2,574,000
Unearned Grant Revenue	11,066,234
Due to S. C. Department of Education	262,507
District's Share of SC PEBA Net Pension Liability	38,162,324
District's Share of SC PEBA Net Collective OPEB Liability	45,130,704
Short -Term General Obligation Bond Outstanding	850,000
Long-Term Liabilities	
Compensated Absences	1,064,063
Long-Term Bonds and Other Instruments Payable	
Due Within One Year	1,790,631
Due After One Year	12,203,669
<b>Total Liabilities</b>	<b>113,104,132</b>
<b>Deferred Inflows of Resources</b>	
Deferred Inflows Related to SC PEBA Net Pension Liability	8,054,217
Deferred Inflows Related to SC PEBA Net OPEB Liability	5,704,628
<b>Total Deferred Inflows of Resources</b>	<b>13,758,845</b>
<b>Net Position</b>	
Net Investment in Capital Assets	18,610,087
Net Position Restricted For:	
Debt Service	442,809
Capital Projects	899,363
Special Projects	744,161
Unrestricted (Deficit)	(62,189,689)
<b>Total Net Position</b>	<b>(41,493,269)</b>

The Accompanying Notes are an Integral Part of These Financial Statements.



HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Function/Programs	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u> <u>Revenue and Change</u> <u>In Net Position</u>
		<u>Charges</u> <u>For</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	<u>Total Primary</u> <u>Government</u>
<b>Primary Government</b>					<b>Governmental</b> <b>Activities</b>
<b>Governmental Activities:</b>					
Instruction	\$ 21,548,695	-	\$ 15,672,873	-	\$ (5,875,822)
Support Services	20,295,785	-	7,518,331	-	(12,777,454)
Community Services	6,692	-	-	-	(6,692)
Intergovernmental	19,352	-	-	-	(19,352)
Interest and Fees on Long-Term Debt	872,022	-	547,883	-	(324,139)
<b>Total Governmental Activities</b>	<b>42,742,546</b>	<b>-</b>	<b>23,739,087</b>	<b>-</b>	<b>(19,003,459)</b>
<b>Total Primary Government</b>	<b>42,742,546</b>	<b>-</b>	<b>23,739,087</b>	<b>-</b>	<b>(19,003,459)</b>
<b>General Revenues:</b>					
Taxes					
Property Taxes Collected for General Purposes					9,989,829
Property Taxes Collected for Debt Service					2,460,717
Federal and State Aid Not Restricted to Specific Purposes					5,035,001
Unrestricted Investment Earnings					7,333
Legal Settlement - Hampton County					505,943
Miscellaneous					3,508,760
<b>Subtotal, General Revenues</b>					<b>21,507,583</b>
<b>Change in Net Position</b>					<b>2,504,124</b>
<b>Net Position - Beginning of Year</b>					<b>(43,997,393)</b>
<b>Net Position - End of Year</b>					<b>(41,493,269)</b>

The Accompanying Notes are an Integral Part of These Financial Statements.

**HAMPTON COUNTY SCHOOL DISTRICT**  
**HAMPTON COUNTY, SOUTH CAROLINA**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

**JUNE 30, 2022**

	Major Funds						Totals
	Special Revenue Fund -				Debt Service Fund	Capital Projects Fund	
	General Fund	Special Projects	EIA	Food Service			
<b>Assets</b>							
Cash and Cash Equivalents	\$ 4,659,141	\$ 480,559	\$ -	\$ 1,051,732	\$ -	\$ -	\$ 6,191,432
Property Taxes Receivable	1,130,951	-	-	-	222,990	-	1,353,941
Other Receivables	109,070	14,885,655	385,920	44	-	31,225	15,411,914
Due from Other Governmental Funds	4,806,654	-	203,606	-	233,494	-	5,243,754
Due from Hampton County	3,328,802	-	-	-	864,236	2,322,865	6,515,903
Inventory - Food Service	-	-	-	50,485	-	-	50,485
<b>Total Assets</b>	<b>14,034,618</b>	<b>15,366,214</b>	<b>589,526</b>	<b>1,102,261</b>	<b>1,320,720</b>	<b>2,354,090</b>	<b>34,767,429</b>
<b>Liabilities</b>							
Accounts Payable	\$ 403,833	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 403,833
Accrued Expenditures	2,148,615	-	-	-	-	-	2,148,615
Due to Other Governmental Funds	-	3,925,641	-	1,058,386	-	259,727	5,243,754
Due to S. C. Department of Education	-	169,357	93,150	-	-	-	262,507
Short Term Debt	-	-	-	-	850,000	-	850,000
Unearned Revenue	-	10,569,858	496,376	-	-	-	11,066,234
<b>Total Liabilities</b>	<b>2,552,448</b>	<b>14,664,856</b>	<b>589,526</b>	<b>1,058,386</b>	<b>850,000</b>	<b>259,727</b>	<b>19,974,943</b>
<b>Deferred Inflows of Resources</b>							
Unavailable Property taxes Receivable	990,910	-	-	-	188,745	-	1,179,655
Unavailable Receivable from Hampton County	505,943	-	-	-	-	-	505,943
<b>Total Deferred Inflows of Resources</b>	<b>1,496,853</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>188,745</b>	<b>-</b>	<b>1,685,598</b>
<b>Fund Balances</b>							
Restricted							
Special Revenue Fund Activities	-	701,358	-	-	-	-	701,358
Food Services	-	-	-	43,875	-	-	43,875
Retirement of General Obligation Debt	-	-	-	-	281,975	-	281,975
Capital Projects	-	-	-	-	-	2,094,363	2,094,363
Unassigned	9,985,317	-	-	-	-	-	9,985,317
<b>Total Fund Balances</b>	<b>9,985,317</b>	<b>701,358</b>	<b>-</b>	<b>43,875</b>	<b>281,975</b>	<b>2,094,363</b>	<b>13,106,888</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>14,034,618</b>	<b>15,366,214</b>	<b>589,526</b>	<b>1,102,261</b>	<b>1,320,720</b>	<b>2,354,090</b>	<b>34,767,429</b>

The Accompanying Notes are an Integral Part of These Financial Statements.

**HAMPTON COUNTY SCHOOL DISTRICT**  
**HAMPTON COUNTY, SOUTH CAROLINA**  
**RECONCILIATION OF GOVERNMENTAL FUND BALANCES**  
**TO STATEMENT OF NET POSITION**

**JUNE 30, 2022**

<b>Total Fund Balances - Governmental Funds</b>		<b>\$ 13,106,888</b>
Amounts reported for governmental activities in the statement of net position are different because of the following:		
Property taxes receivable collected after August 31, 2022 will be collected in the succeeding years, but were not available soon enough to pay for the current period's expenditures and, therefore, are reflected as unavailable in the governmental funds.		1,179,655
The proceeds of a legal settlement with Hampton County were not received in cash through August 31, 2022 and, therefore, are reflected as unavailable in the governmental funds.		505,943
Capital assets used in governmental activities are not financial resources and, therefore, not reported as assets in governmental funds.		
The Cost of Capital Assets is:	\$ 63,562,683	
Accumulated Depreciation and Amortization is:	<u>(32,193,611)</u>	31,369,072
Balances related to the District's share of the SC Retirement System net pension liability are not reported in the governmental fund statements, but are reported in the District-wide statements		
Proportionate Share of Net Pension Liability	(38,162,324)	
Deferred Outflows	9,179,943	
Deferred Inflows	<u>(8,054,217)</u>	(37,036,598)
Balances related to the District's share of the SC Retirement System Other post employment benefits net (OPEB) liability are not reported in the governmental fund statements, but are reported in the District-wide statements		
Proportionate Share of Net OPEB Liability	(45,130,704)	
Deferred Outflows	15,297,018	
Deferred Inflows	<u>(5,704,628)</u>	(35,538,314)
Accrued interest payable on general obligation bonds is not reported in the governmental funds.		(21,552)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at June 30, 2022, consisted of:		
General Obligation Bonds Payable		
(Including Unamortized Bond Issuance Premiums)	(12,410,049)	
Lease Liabilities	(1,584,251)	
Liability for Compensated Absences	<u>(1,064,063)</u>	(15,058,363)
<b>Net Position - Governmental Activities</b>		<b><u>(41,493,269)</u></b>

The Accompanying Notes are an Integral Part of These Financial Statements.

## HAMPTON COUNTY SCHOOL DISTRICT

## HAMPTON COUNTY, SOUTH CAROLINA

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

## GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Major Funds						
	Special Revenue Fund -						
	General Fund	Special Projects	EIA	Food Service	Debt Service Fund	Capital Projects Fund	Totals
Revenues							
Local Revenues:							
Local Property Taxes	\$ 8,991,321	\$ -	\$ -		\$ 2,199,521	\$ -	\$ 11,190,842
Other Local Revenues	202,093	1,021,520	-	68,771	21,113	2,385	1,315,882
Total Local Revenues	9,193,414	1,021,520	-	68,771	2,220,634	2,385	12,506,724
State Revenues	16,417,830	2,686,285	2,324,558		278,427	-	21,707,100
Federal Revenues	-	6,035,957	-	2,307,815	547,883	-	8,891,655
Intergovernmental Revenues	-	102,018	-		-	-	102,018
Total Revenues	25,611,244	9,845,780	2,324,558	2,376,586	3,046,944	2,385	43,207,497
Expenditures							
Current:							
Instructional	14,045,317	4,076,932	1,345,272		-	-	19,467,521
Support Services	13,928,423	3,987,000	269,945	2,346,007	-	40,189	20,571,564
Community Services	(20)	7,140					7,120
Intergovernmental	181	19,171	-		-	-	19,352
Debt Service							
Principal	74,990	-	-	7,042	2,102,395	-	2,184,427
Interest and Fees	29,966	-	-		813,915	27,250	871,131
Capital Outlay	-	-	-		-		-
Total Expenditures	28,078,857	8,090,243	1,615,217	2,353,049	2,916,310	67,439	43,121,115
Excess (Deficiency) of Revenues Over Expenditures	(2,467,613)	1,755,537	709,341	23,537	130,634	(65,054)	86,382
Other Financing Sources (Uses)							
Lease Obligations Recognized	1,659,241						1,659,241
Proceeds of Bonds Payable	-	-	-	-	-	2,250,000	2,250,000
Interfund Transfers In (Out)	2,326,679	(1,616,678)	(709,341)	(55,000)	54,340	-	-
Total Other Financing Sources (Uses)	3,985,920	(1,616,678)	(709,341)	(55,000)	54,340	2,250,000	3,909,241
Net Change in Fund Balances	1,518,307	138,859	-	(31,463)	184,974	2,184,946	3,995,623
Fund Balances - Beginning of Year	8,467,010	562,499	-	75,338	97,001	(90,583)	9,111,265
Fund Balances - End of Year	9,985,317	701,358	-	43,875	281,975	2,094,363	13,106,888

The Accompanying Notes are an Integral Part of These Financial Statements.

**HAMPTON COUNTY SCHOOL DISTRICT**

**HAMPTON COUNTY, SOUTH CAROLINA**

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

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<b>Net Change in Fund Balances - Governmental Funds</b>	<b>\$ 3,995,623</b>
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Amounts reported for governmental activities in the statement of activities are different because:

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds. The amounts unavailable are

Delinquent property taxes	\$ 1,179,655	
Amount receivable from Hampton County for legal settlement	<u>505,943</u>	1,685,598

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over the estimated useful lives as annual depreciation or amortization expenses in the statement of activities. This is the amount by which depreciation and amortization expense exceeded capital outlays in the period:

Capital outlays	1,828,312	
Depreciation and amortization expense	<u>(1,605,610)</u>	222,702

Proceeds of debt issuance increase fund equity in the governmental funds, but are recorded as liabilities in the statement of net position. Long-Term Debt issued by the District was:	(3,909,241)
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Repayment of principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.	2,184,427
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The gain due to in substance defeasance of debt is not recorded in the governmental funds, but is recorded in the Statement of Activities	353,575
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Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Net amortization of bond premiums reduced interest expense by \$12,360 in the current period.	12,360
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Compensated absences are not due and payable in the current period and, therefore, are not reported in the fund financial statements. The compensated absence liability increased by:	(113,780)
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The annual retirement expenditures charged in the governmental funds are different from the actuarially computed expenses recorded in the government-wide statement of activities. The actuarially computed amount is less by:	726,903
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The District's proportionate share of the Net OPEB Expense of the SC PEBA is included as an expense on the government wide statements, but not in the governmental funds. The actuarially computed expense for the current year is greater than the amounts contributed to the plan by:	(2,652,094)
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Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as interest accrues, regardless of when it is due. Accrued interest payable on debt increased by:	<u>(1,949)</u>
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<b>Change in Net Position of Governmental Activities</b>	<b><u>2,504,124</u></b>
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The Accompanying Notes are an Integral Part of These Financial Statements.

# HAMPTON COUNTY SCHOOL DISTRICT

## HAMPTON COUNTY, SOUTH CAROLINA

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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#### NOTE 1 – ORGANIZATION

Hampton County School District (“School District”), is the entity which has the responsibility for and control over all activities related to public school education in Hampton County. The School District presently operates 8 elementary schools, 2 middle schools, 2 high schools, and 1 special program center. The School District receives funding from local, state and federal government sources and must comply with the related requirements of these funding source entities. The School District is governed by a nine-member Board of Trustees (the “Board”).

Hampton County School District began operations on July 1, 2021, and was formed with the merger of Hampton County School Districts One and Two. The consolidation was accounted for as a government merger in which no significant consideration was exchanged and the two consolidating districts ceased to exist as legally separate entities. The consolidation was mandated by Act 184 of the South Carolina General Assembly in the 2020 legislative term. The initial opening balances of Hampton County School District’s assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position, as of the beginning of the period, were determined on the basis of the carrying values reported in the separate financial statements of Hampton County School District No. One and Hampton County School District No. Two, adjusted for certain overstatements/understatements.

A schedule reflecting the calculation of the opening balances is included on page 60 of this report.

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### The Reporting Entity

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

##### 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 activities of the School District. Interfund services provided and used are not eliminated in the process of consolidation.

*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. As noted below, the School 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 School District.

HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)**

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

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

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, with the exception of certain expenditure driven grants for which a one-year availability period is used. 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, arbitrage, and claims and judgments, are recorded only when payment is due.

Fund financial statements report detailed information about the School 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 School 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 fund types and major funds are used by the School District.

HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)**

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

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

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

**The Special Projects Fund, a major fund**, is used to account for and report financial resources provided by federal, state and local projects and grants (including pupil/student activity funds) that are restricted, committed or assigned for special programs. This fund has a management prepared budget, but the budget is not legally adopted by the Board.

**The Special Revenue - Education Improvement Act ("EIA") Fund, a major fund**, is used to account for and report the restricted revenues 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 the EIA. This fund has a management prepared budget but the budget is not legally adopted by the Board.

**The Special Revenue - Food Service Fund, a major 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, a major 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 for the School District.

**The Capital Projects Fund, a major 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 School District.



**HAMPTON COUNTY SCHOOL DISTRICT**

**HAMPTON COUNTY, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity**

**Cash, Cash Equivalents, and Investments**

The School District considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased and investments in the South Carolina Local Government Investment Pool to be cash equivalents. Securities with an initial maturity of more than three years (from when initially purchased) other than investments in the South Carolina Local Government Investment Pool are reported as investments.

**Investments**

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

- a) Obligations of the United States and 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) General obligations of the State of South Carolina or any of its political units; or 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; and

HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Cash, Cash Equivalents, and Investments (Continued)**

- 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 School District's cash investment objectives are preservation of capital, liquidity and yield. The School District reports its cash and investments at fair value, which is normally determined by quoted market prices (except as noted). The School District currently or in the past year has primarily used the following investments in its operating and financing activities:

- Cash and investments held by the County Treasurer represent property taxes collected by the School District's fiscal agent that have not been remitted to the School District. The County Treasurer invests these funds in investments authorized by state statute as outlined above. All interest and other earnings gained are added back to the fund and are paid out by the County Treasurer to the respective governments on a periodic basis.
- South Carolina Local Government Investment Pool ("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. 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 LGIP 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.

**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." These amounts are eliminated in the governmental activities column of 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.

HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Inventories and Prepaid Assets**

Inventories, materials and supplies are carried in an inventory account at cost, determined using the first-in, first-out method, and are subsequently charged to expenditures/expenses when consumed rather than when purchased. Inventories include plant maintenance and operating supplies as well as instructional supplies. Inventories also include amounts for commodities received from the USDA that are recorded at fair market value at the time of receipt but have not been consumed as of June 30, 2022.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

**Restricted Assets**

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

**Capital Assets**

General capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. All capital assets are recorded at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their estimated acquisition value (as estimated by the School District) at the date of donation. The School District maintains a capitalization threshold of \$5,000 for furniture and equipment and vehicles, and \$100,000 for land improvements and buildings and improvements. The School District's infrastructure assets are immaterial and have been reported with the buildings and improvements. 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 complete, at which time the total cost of the project is transferred to the appropriate capital asset category. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives
Land Improvements	20 years
Buildings and Improvements	25-40 years
Furniture and Equipment	5-20 years
Vehicles	10 years

HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Compensated Absences**

School District employees are granted vacation and sick leave in varying amounts. Upon termination of employment, an employee is reimbursed for accumulated vacation days. Sick leave is generally only reimbursed for valid illness, except that at retirement an employee may have any accumulated sick leave paid out at \$50 per day of accumulated sick leave.

The School District reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Accumulated vacation days are accrued based on each employees' current pay rate. Sick leave is accrued based on the termination payment method which takes accumulated sick leave at year- end multiplied by \$50 per day with the product being multiplied by an estimated percentage of those who will eventually retire (which is currently estimated at 20%). The entire compensated absence liability and expense is reported in the government-wide financial statements. The governmental funds will also recognize compensated absences for terminations and retirements (matured liabilities) that occurred prior to year end that are expected to be paid within a short time subsequent to year end, if material.

**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 (including estimated arbitration liabilities), compensated absences, net pension liabilities, 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 bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

In the government-wide financial statements for the primary government, long-term debt and other long-term 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. Amortization of premiums and discounts are included in interest expense. Bonds payable are reported net of the applicable bond premiums and discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses. If applicable, accrued arbitration payable is also reflected in long-term obligations.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of long-term 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.

HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**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 School District currently has two types of deferred outflows of resources: (1) The School District reports *deferred pension charges* in its statement of net position in connection with its participation in the South Carolina Retirement System. These *deferred pension charges* are either (a) recognized in the subsequent period as a reduction of the net pension liability (which includes pension contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension expense in future periods in accordance with GAAP. (2) The School District also reports *deferred other postemployment benefit ("OPEB") charges* in its statement of net position in connection with its participation in the South Carolina Retiree Health Insurance Trust Fund. These *deferred OPEB charges* are either (a) recognized in the subsequent period as a reduction of the net OPEB liability (which includes OPEB contributions made after the measurement date) or (b) amortized in a systematic and rational method as OPEB expense in future periods in accordance with GAAP.

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

HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

**Fund Balance**

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the School District classifies its governmental fund balances as follows:

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

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

**Committed** – includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action made by the 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 for the School District would consist of amounts approved by resolution by the Board of Trustees of the School District.

**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 School District consists of (a) motions approved by the Board of Trustees before the report issuance date that are for a specific purpose 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 School District generally considers restricted amounts to be spent first when both restricted and unrestricted (committed, assigned, and unassigned) fund balance is available unless there are legal documents, contracts, or agreements that prohibit doing such. Additionally, the School District generally would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

**HAMPTON COUNTY SCHOOL DISTRICT**

**HAMPTON COUNTY, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**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 or amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt which has not been spent is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments.

**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.A and Note IV.B and the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amounts recognized as pension and OPEB expenditures on the modified accrual basis of accounting. The School District recognizes net pension and net OPEB liabilities for each plan 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 School District's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the School District's fiscal year-end.

Changes in the net pension and OPEB liabilities during the period are recorded as pension and OPEB expenses, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension and OPEB liabilities that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified plan and recorded as a component of pension and OPEB expense beginning with the period in which they are incurred. Any projected earnings on qualified pension and OPEB plan investments are recognized as a component of pension and OPEB expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension and OPEB expense on a closed basis over a multi-year period beginning with the period in which the difference occurred.

**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:

**HAMPTON COUNTY SCHOOL DISTRICT**

**HAMPTON COUNTY, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Fair Value (Continued)**

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

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

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

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

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

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

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

**Accounting Estimates**

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

**Comparative Data**

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



**HAMPTON COUNTY SCHOOL DISTRICT**

**HAMPTON COUNTY, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

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**NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgetary Practices**

The Budget for the General Fund is presented in the required supplementary information section as it is a major fund. Budgets for the Special Projects Fund, the Special Revenue – EIA Fund have been prepared by management but are not legally adopted. Budgets for the Food Service Fund, Debt Service Fund and the Capital Projects Fund are not prepared.

Each budget is prepared by function and object as dictated by the State of South Carolina adopted Program Oriented Budgeting and Accounting System and for management control purposes. The School District's policies allow funds to be transferred between functions. However, the total budget cannot be increased beyond that level without approval of the Board in supplementary action. The legal level of control is at the fund level. During the year, the Board revised the budget when applying use of fund balance for special projects.

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

- 1) In the fall of the preceding year, the School District begins its budget process for the next succeeding fiscal year beginning on July 1.
- 2) After the School District's budget committee reviews all requests and allocation requirements and related revenue, it presents a tentative proposed budget to the Superintendent for 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 adopts the budget.

The administration has discretionary authority to make transfers between appropriation accounts. The revised budget amounts in the financial statements are as amended by the administration. 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; they are subject to reappropriation in the subsequent year and are not carried forward. However, expenditures in the current year utilizing prior year committed fund balances are included in the current year revised budget.

HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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**NOTE 4 – DEPOSITS AND INVESTMENTS**

**Deposits**

**Custodial Credit Risk for Deposits:** Custodial credit risk for deposits is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. The School District does not have a deposit policy for custodial credit risk but follows the investment policy statues of the State of South Carolina. As of June 30, 2022, the School District's bank balances and carrying values were \$7,586,040 and \$6,191,432, respectively. Of the School District's bank balances, \$1,308,333 was covered by FDIC insurance, \$2,038,195 was collateralized by securities held by the bank's trust department or agent in the School District's name, and \$4,239,512 was exposed to custodial credit risk as a result of the banks not pledging sufficient collateral on balances in excess of FDIC coverage.

**NOTE 5 – RECEIVABLES**

**Property Taxes Receivable**

Hampton County, South Carolina (the "County") is responsible for levying and collecting sufficient property taxes to meet funding obligations for the School District. The property taxes are considered both measurable and available for purposes of recognizing revenue and a receivable from the County at the time they are collected by the County.

Property taxes are usually levied and billed by the County on real property on or around October 1 based on an appraised value of approximately \$50,848,000 at rates of 233.7 mills and 44.0 mills for the General Fund and Debt Service Fund, respectively. These taxes are due without penalty through January 15.

Taxes receivable of approximately \$1,353,941, are comprised of two components; (1) taxes collected within 60 days of year-end of \$174,286 and (2) the unavailable amount of approximately \$1,179,655 which is the remaining amount of taxes receivable uncollected after 60 days.

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

Current year real and personal property taxes become delinquent on March 17. Unpaid property taxes become a lien against the property as of June 1 of the calendar year following the levy date. The levy date for motor vehicles is the first day of the month in which the motor vehicle license expires. These taxes are due by the last day of the same month.

**Other Accounts Receivable at June 30, 2022**

Accounts receivable, other than property taxes, are comprised of the following at June 30, 2022.

Due from State and Federal Governments	\$15,174,312
Other Amounts Receivable	<u>237,602</u>
	<u>\$15,411,914</u>

All of the above receivables are considered to be fully collectible. Therefore, no allowance for doubtful accounts is deemed necessary.

**HAMPTON COUNTY SCHOOL DISTRICT**

**HAMPTON COUNTY, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**NOTE 6 – CAPITAL ASSETS**

Capital asset activity for the School District's primary government for the year ended June 30, 2022, is as follows:

	<u>Balance June 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30 2022</u>
<b>Governmental Activities</b>				
Capital Assets - Not Being Depreciated:				
Land	\$ 202,017	\$ -	\$ -	\$ 202,017
Total Capital Assets - Not Being Depreciated	<u>\$ 202,017</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 202,017</u>
 Capital Assets, Depreciable				
Buildings and Improvements	\$ 53,804,650	\$ 105,403	\$ -	\$ 53,910,053
Vehicles	1,038,263	-	-	1,038,263
Equipment, Furniture, and Fixtures	6,689,441	63,668	-	6,753,109
Total Capital Assets, Depreciable	<u>61,532,354</u>	<u>169,071</u>	<u>-</u>	<u>61,701,425</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(24,688,592)	(1,225,686)	-	(25,914,278)
Vehicles	(875,490)	(30,994)	-	(906,484)
Equipment, Furniture, and Fixtures	(5,023,919)	(265,968)	-	(5,289,887)
Total Accumulated Depreciation	<u>(30,588,001)</u>	<u>(1,522,648)</u>	<u>-</u>	<u>(32,110,649)</u>
Net Governmental Activity Depreciable Capital Assets	<u>\$ 30,944,353</u>	<u>\$(1,353,577)</u>	<u>\$ -</u>	<u>\$ 29,590,776</u>
 Leased Assets – Amortizable				
Equipment, Furniture, and Fixtures	\$ -	\$ 1,659,241	\$ -	\$ 1,659,241
Total Leased Assets, Amortizable	<u>-</u>	<u>1,659,241</u>	<u>-</u>	<u>1,659,241</u>
Less Accumulated Amortization				
Equipment, Furniture, and Fixtures	<u>-</u>	<u>(82,962)</u>	<u>-</u>	<u>(82,962)</u>
Net Governmental Activity Amortizable Capital Assets	<u>\$ -</u>	<u>\$ 1,576,279</u>	<u>\$ -</u>	<u>\$ 1,576,279</u>

HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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**NOTE 6 – CAPITAL ASSETS (Continued)**

Depreciation and amortization expense of \$780,813 was charged to instructional functions and \$824,797 for support services functions, respectively.

**NOTE 7 – INTERFUND RECEIVABLES AND PAYABLES**

Interfund balances at June 30, 2022 (all of which are expected to be paid or received within one year), consisted of the following individual fund receivables and payables for the primary government:

	<u>Receivables</u>	<u>Payables</u>
<b>Governmental Funds</b>		
General Fund	\$ 4,806,654	\$ -
Special Revenue Funds		
Special Projects	-	3,925,641
EIA	203,606	-
Food Service	-	1,058,386
Debt Service Fund	233,494	-
Capital Projects Fund	<u>-</u>	<u>259,727</u>
<b>Total School District</b>	<u>\$ 5,243,754</u>	<u>\$ 5,243,754</u>

The General Fund payable is a result of cash received for amounts due to the Special Revenue Fund, Special Revenue– EIA Fund, and the Special Revenue Fund-Food Service for salaries and other expenses. The Special Revenue Fund receivable is a result of revenues received and deferred, but recorded as cash in the General Fund. These funds will be expended in the following fiscal year. The Special Revenue Fund-Food Service payable is a result of amounts due to the General Fund from food and nutrition services. The Debt Service Fund is a result of revenues received and recorded as cash in the General Fund. These amounts will be expended in the following fiscal year. The Capital Projects Fund payable is a result of amounts due to the General Fund for capital projects.

**HAMPTON COUNTY SCHOOL DISTRICT**

**HAMPTON COUNTY, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**NOTE 8 – TRANSFERS FROM/TO OTHER FUNDS**

Transfers from and to other funds for the year ended June 30, 2022, consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
<b>Governmental Funds</b>		
General Fund		
Offset Expenditures	\$ 1,527,190	\$ 463,476
Teacher Salary Increase and Fringe	709,341	-
Indirect Costs	553,624	-
Special Revenue Fund		
Offset Expenditures	409,136	1,527,190
Indirect Costs	-	553,624
Special Revenue Fund - EIA		
Teacher Salary Increase and Fringe	-	709,341
Debt Service Fund		
Offset Expenditures	<u>54,340</u>	<u>-</u>
<b>Totals</b>	<u><b>\$ 3,253,631</b></u>	<u><b>\$ 3,253,631</b></u>

During the course of normal operations, the School District has transactions between funds to fund construction activities, service debt, required matches, supplemental funding, state cuts, and accounting practice. These transactions are generally reflected as transfers. Funds were transferred into the General Fund from the Special Revenue Fund, the EIA Fund and the Food Service Fund to cover EIA Raise for teachers and indirect costs for federal programs and food services.

**NOTE 9 – DUE TO SOUTH CAROLINA DEPARTMENT OF EDUCATION**

The School District's liability to the South Carolina Department of Education arises from amounts overclaimed for federal and state reimbursement grants and amounts carried forward from prior years by the two consolidating School Districts that were not expended in the current year by the consolidated school district. A detailed schedule of the amounts due and the reasons for the liability can be found on page 91 of this annual report.

**NOTE 10 – SHORT TERM DEBT OBLIGATIONS**

Changes in the School District's short-term obligations for governmental activities for the year ended June 30, 2022 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
SCAGO General Obligation Bond, Series 2021B	\$ -	\$ 850,000	\$ -	\$ 850,000
2021 SCAGO Tax Anticipation Note	<u>-</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>
<b>Totals</b>	<u><b>\$ -</b></u>	<u><b>\$ 3,850,000</b></u>	<u><b>\$ 3,000,000</b></u>	<u><b>\$ 850,000</b></u>

HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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**NOTE 10 – SHORT TERM DEBT OBLIGATIONS (Continued)**

The School District issued a tax anticipation note in September of 2021, the purpose of which was to fund operations until the time at which the annual tax revenue stream commenced in December of 2021. The face value of the note was \$3,000,000. The interest rate applicable to the note was 3%. The School District retired the note in March of 2022.

In addition, on May 17, 2022, the School District issued a general obligation bond in the amount of \$850,000. The purpose of the bond issue was to provide funds to pay the principal payments due on the QSAB bonds issued previously by the two consolidating School Districts. The interest rate applicable to the bond is 1.79%. Due to the timing of the issuance and the scheduled maturity of the Series 2022A bonds being less than one year from the date they were issued, the outstanding balance of \$850,000 is reflected as a fund liability in the Debt Service Fund on the School District's balance sheet for its governmental funds at June 30, 2022. This bond is subject to the School District's 8% debt limit.

Any premiums related to these short-term bonds were netted against interest expenditures in the financial statements.

**NOTE 11 – LEASE OBLIGATIONS**

The School District adopted the provisions of Governmental Accounting Standards Board Statement No.87, *Leases*, as of July 1, 2021. This standard establishes a single model for the accounting of leases based on the principle that leases are financings of the right to use the underlying asset. The previous standard was considered to allow leases to be structured in ways that avoided reporting the economic reality of the transaction. GASB deemed the new standard necessary to ensure that the reporting of lease agreements was consistent with the conceptual framework of assets and liabilities as described under GASB Concepts Statement 4, *Elements of the Financial Statements*, which was issued in 2007.

Upon inception of a lease, the lessee (School District) recognizes a long-term liability equal to the present value of future lease payments and an intangible asset that represents the right to use the asset being leased. The intangible asset value on the government's financial statements should equal the long-term liability lease amount plus any other costs, such as prepayments to the lessor or incidental charges (e.g., installation costs) incurred in the lease transaction. As lease payments are made, the School District will reduce the lease liability (principal portion of payment) and record the accrued interest payable. In addition, the lessee will amortize expense on the intangible asset recognized upon the inception of the lease. As the lease payments are received, the lessor will reduce the related long-term lease receivable and accrued interest receivable. The lessor should also recognize the lease revenue in its income statements over the term of the lease in a systematic and rational manner.

The School District entered into two leases during the year ended June 30, 2022, both of which were for office copiers for each location in the district. In all, a total of 404 copier/printers were leased for a five year period commencing April 1, 2022 through March of 2027. The lease transactions are included in the table n the next page.

**HAMPTON COUNTY SCHOOL DISTRICT**

**HAMPTON COUNTY, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 12 – LONG TERM OBLIGATIONS**

**JUNE 30, 2022**

Changes in the School District's long-term obligations for governmental activities for the year ended June 30, 2022 were as follows:

<b>Long Term Liabilities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Current Portion</b>
General Obligation (GO) Bonds					
Series 2006 QZAB	\$ 8,703	\$ -	\$ 5,984	\$ 2,719	\$ 2,719
Series 2010A QSAB	2,997,015	-	364,321	2,632,694	247,899
Series 2010B QSAB	6,871,962	-	820,968	6,050,994	589,799
Refunding Series 2014	2,175,000	-	-	2,175,000	-
Refunding Series 2017A	160,000	-	160,000	-	-
SCAGO Series 2022A General Obligation Bonds	-	2,250,000	1,055,000	1,195,000	595,000
Total GO Bonds	12,212,680	2,250,000	2,406,273	12,056,407	1,435,417
Premiums	106,116	-	12,360	93,756	-
Total Carrying Value of General Obligation Bonds Payable	12,318,796	2,250,000	2,418,633	12,150,163	1,435,417
Other Long Term Debt Notes Payable					
Food Service Equipment	7,042	-	7,042	-	-
State of SC	309,583	-	49,697	259,886	50,441
Total Other Long Term Debt	316,625	-	56,739	259,886	50,441
Total Debt Outstanding	12,635,421	2,250,000	2,475,372	12,410,049	1,485,858
Other Long Term Liabilities					
Lease obligations Payable	-	1,659,241	74,990	1,584,251	304,773
Compensated Absences	950,283	113,780	-	1,064,063	-
Total Other Long Term Liabilities	950,283	1,773,021	74,990	2,648,314	304,773
Governmental Activities Long Term Liabilities	<u>\$ 13,585,704</u>	<u>\$ 4,023,021</u>	<u>\$ 2,550,362</u>	<u>\$ 15,058,363</u>	<u>\$ 1,790,631</u>

The beginning balance in the 2010B QSAB was reduced from the amount reported at June 30, 2021 in order to coincide with the treatment of the defeasance of debt in the Hampton County School District No. Two financial statements at that date.

**HAMPTON COUNTY SCHOOL DISTRICT**

**HAMPTON COUNTY, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**NOTE 12 – LONG - TERM OBLIGATIONS (Continued)**

Long - term debt is comprised of the following at June 30, 2022.

<u>Description</u>	<u>Bonds Payable</u>	<u>Notes Payable</u>	<u>Lease Obligations</u>	<u>Total</u>
\$6,000,000 General Obligation Bond structured to qualify as a Qualified School Construction Bond (QSAB) for facilities upgrades with an interest rate of 0.56% due in June of 2028.	\$ 2,632,694	\$ -	\$ -	\$ 2,632,694
\$14,000,000 General Obligation Bond structured to qualify as a Qualified School Construction Bond (QSAB) for facilities upgrades with an interest rate of 0.56% due in June of 2028.	6,050,994	-	-	6,050,994
\$200,000 Lease Purchase Agreement structured to qualify as a Qualified Zone Academy Bond (QZAB) for equipment additions with an interest rate of 0% due in December of 2023.	2,719	-	-	2,719
\$2,175,000 General Obligation Bond issued by Hampton County School District No. One in 2014, the proceeds of which were used to retire previously issued bonds. The bonds are payable from 2029 to 2032. Interest is due annually until principal payments commence at 3.125% to 3.375%.	2,175,000	-	-	2,175,000
\$2,250,000 SCAGO Series 2022A General Obligation Bond issued in May of 2022, the proceeds of which are to be used for capital improvements. Interest is due with principal payments at a rate of 0.69%.	1,195,000	-	-	1,195,000
Note Payable to State of South Carolina Office of Regulatory Staff dated April 15, 2021 in the original amount of \$309,583 for HVAC and roofing upgrades at facilities in Hampton County School District No. One. Terms of note stipulate that annual payments of \$54,340 (including interest at 1.50%) are due from May 1, 2022 through May 1, 2027.	-	259,886	-	259,886
Lease obligations for equipment required to be recognized pursuant to GASB 87, <i>Leases</i> . The term of lease is payable over five years. Original amount of lease obligation was \$1,659,241.	-	-	1,584,251	1,584,251
	<u>\$ 12,056,407</u>	<u>\$ 259,886</u>	<u>\$ 1,584,251</u>	<u>\$ 13,900,544</u>



**HAMPTON COUNTY SCHOOL DISTRICT**

**HAMPTON COUNTY, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**NOTE 12 – LONG TERM OBLIGATIONS (Continued)**

The annual requirements to provide for the retirement of all governmental activities general obligation debt outstanding at June 30, 2022, including interest payments (net of the Federal subsidy, where applicable) over the remaining terms of the debt are as follows:

Year Ending June 30,	Lease Obligations		Notes Payable		Bonds Payable		Totals
	Principal	Interest	Principal	Interest	Principal	Interest	
2023	\$ 304,773	\$ 72,291	\$ 50,441	\$ 3,898	\$1,435,417	\$ 230,496	\$ 2,097,316
2024	320,367	56,698	51,198	3,142	1,395,798	224,320	2,051,523
2025	336,757	40,308	51,966	2,374	795,798	222,250	1,449,453
2026	353,986	23,079	52,745	1,594	795,798	222,250	1,449,452
2027	268,368	5,495	53,536	803	795,798	222,250	1,346,250
2028- 2032	-	-	-	-	2,970,798	356,936	3,327,734
Totals	<u>\$1,584,251</u>	<u>\$197,871</u>	<u>\$ 259,886</u>	<u>\$11,811</u>	8,189,407	<u>\$1,478,502</u>	<u>\$11,721,728</u>
Expected Trust earning to Maturity Date of QSABs					<u>3,908,900</u>		
Carrying Value of Bonds Payable					<u><u>\$12,056,407</u></u>		

General Fund and Special Revenue Funds' resources typically have been used in prior years to liquidate compensated absences payable and the pension and OPEB liabilities (see Notes 13 and 14 for pension and OPEB information); the Debt Service Funds have been used to liquidate all other long-term obligations.

The School District has continuous authority to issue general obligation bonds each calendar year, subject to a constitutional debt limit equal to 8% of the assessed valuation of property subject to levy by the School District, applicable to debt issued subsequent to November 30, 1982. The School District had a total of \$2,047,219 (both long-term and short-term debt) in outstanding general obligation debt at June 30, 2022 that is subject to the 8% limitation. The legal debt margin was approximately \$2,581,000 at June 30, 2022.

HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

**NOTE 12 – LONG TERM OBLIGATIONS (Continued)**

*Lease Purchase Agreement - Qualified Zone Academy Bond (QZAB)*

In 2006, Hampton County School District No. Two entered into a transaction structured as a Qualified Zone Academy Bond (QZAB). The District received proceeds of \$200,000 on December 30, 2006. This liability is due December 30, 2023. Under the terms of this agreement, the District is required to irrevocably place cash into a trust that will be used solely for the retirement of the QZAB. The District's required sinking fund payments along with the trusts' accumulated earnings ultimately liquidate the liabilities at the QZAB's maturity. As the District makes sinking fund payments and the trust accrues earnings, the QZAB liability is considered in-substance defeased, and the liabilities are removed from the District's books.

The School District's required sinking fund payments and accrued earnings defeased at June 30, 2022 are as follows:

<u>Fiscal Year Ended June 30,</u>	<u>QZAB</u>
2008	\$ 41,689
2009	41,689
2010	<u>41,689</u>
	125,067
Trust Accumulated Earnings Through June 30, 2022	<u>72,214</u>
Debt In-Substance Defeased at June 30, 2022	197,281
Original Liability	<u>200,000</u>
Remaining Liability as of June 30, 2022	<u><u>2,719</u></u>

*General Obligation Bonds - Qualified School Construction Bond (QSCB)*

The District has two general obligation bonds which are structured as Qualified School Construction Bonds (QSCB). The consolidating Districts received proceeds of \$20,000,000 on December 30, 2010. Both of these liabilities are due June 1, 2028. Under the terms of the agreements, the District is required to irrevocably place cash into a trust that will be used solely for the retirement of the QSCBs. The District's required sinking fund payments along with the trusts' accumulated earnings ultimately liquidate the liabilities at the QSCB's maturity. As the District makes sinking fund payments and the trust accrues earnings, the QSCB liability is considered in-substance defeased, and the liabilities are removed from the District's books.

The School District's required sinking fund payments and accrued earnings defeased at June 30, 2022 are reflected on the following page.

**HAMPTON COUNTY SCHOOL DISTRICT**

**HAMPTON COUNTY, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**NOTE 12 – LONG TERM OBLIGATIONS (Continued)**

*General Obligation Bonds - Qualified School Construction Bond (QSCB) (Continued)*

Fiscal Year Ended June 30,	QSCB	
	2010A	2010B
2011	\$ 50,000	\$ 60,000
2012	247,899	589,799
2013	247,899	589,799
2014	247,899	589,799
2015	247,899	589,799
2016	247,899	589,799
2017	247,899	589,799
2018	247,899	589,799
2019	247,899	589,799
2020	247,899	589,799
2021	247,899	589,799
2022	247,899	589,799
	<u>2,776,889</u>	<u>6,547,789</u>
Trust Accumulated Earnings as of June 30, 2022	590,417	1,401,217
Debt In-Substance Defeased at June 30, 2022	3,367,306	7,949,006
Original Liability	6,000,000	14,000,000
Remaining Liability as of June 30, 2022	<u>\$ 2,632,694</u>	<u>\$ 6,050,994</u>

**NOTE 13 – UNAVAILABLE AND UNEARNED REVENUES**

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. 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. At June 30, 2022, property taxes receivable totaling \$1,179,655 and receivables of \$505,943 were considered to be unavailable in the governmental funds.

**NOTE 14 – RETIREMENT PLANS**

The School 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 various retirement systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' ("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.

HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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**NOTE 14 – RETIREMENT PLANS (Continued)**

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.

The PEBA issues Annual Comprehensive Financial Report (formerly known as the "Comprehensive Annual Financial Report") containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The Annual Comprehensive Financial Report is publicly available through the PEBA's website at [www.peba.sc.gov](http://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 Annual Comprehensive Financial Report of the state.

*Plan Description*

The South Carolina Retirement System ("SCRS"), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

The State Optional Retirement Program ("State ORP") is a defined contribution plan that is offered as an alternative to the SCRS to certain newly hired employees of state agencies, institutions of higher education, public school districts, and individuals first elected to the S.C. General Assembly at or after the general election in November 2012. State ORP participants direct the investment of their funds into an account administered by one of four third party 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.

HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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**NOTE 14 – RETIREMENT PLANS (Continued)**

*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 individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.
- State ORP – As an alternative to membership in the SCRS, newly hired state, public school, and higher education employees and individuals first elected to the S.C. General Assembly at or after the November 2012 general election have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as 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.

*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. Legislation in 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. However, 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. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA Board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the PEBA Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85 percent, then the PEBA Board, effective on the following July 1, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July 1, and annually thereafter as necessary, the PEBA Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent.

HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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**NOTE 14 – RETIREMENT PLANS (Continued)**

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

The actual and required contributions to the SCRS and ORP were approximately \$3,052,000, and \$118,700 respectively, for the year ended June 30, 2022 and include the nonemployer contributions noted below.

*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, 2022. 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, 2022 were approximately \$190,000 for the SCRS and PORS. These contributions (on-behalf benefits) from the State were recognized as state revenues and pension expenditures in the School 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, 2021 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, 2020. The TPL was rolled-forward from the valuation date to the Plans' fiscal year end, June 30, 2021, using generally accepted actuarial principles. There was no legislation enacted during the 2021 legislative session that had a material change in the benefit provisions for any of the systems. In fiscal year 2021, the PEBA Board adopted updated demographic assumptions. Also, the General Assembly permitted the investment return assumption at July 1, 2021 to decrease from 7.25% to 7.00%, as provided by Section 9-16-335 in South Carolina State Code.

**HAMPTON COUNTY SCHOOL DISTRICT**

**HAMPTON COUNTY, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**NOTE 14 – RETIREMENT PLANS (Continued)**

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2021 for the SCRS and PORS.

	<u>SCRS</u>	<u>PORS</u>
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%.		

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"), were developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2020.

Former Job Class	Males	Female
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 represents 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 2021 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.

HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 14 – RETIREMENT PLANS (Continued)

<b>Allocation/Exposure</b>	<b>Policy Target</b>	<b>Expected Arithmetic Rate of Return</b>	<b>Long Term Expected Portfolio Real Rate of Return</b>
Public Equity	46.00%	6.87%	3.16%
Bonds	26.00%	0.27%	0.07%
Private Equity	9.00%	9.68%	0.87%
Private Debt	7.00%	5.47%	0.39%
<b>Real Assets</b>	<b>12.00%</b>		
Real Estate	9.00%	6.01%	0.54%
Infrastructure	3.00%	5.08%	0.15%
<b>Total Expected Real Return</b>	<b>100.00%</b>		5.18%
<b>Inflation for Actuarial Purposes</b>			2.25%
<b>Total Expected Nominal Return</b>			7.43%

The NPL for the June 30, 2021 measurement date, for the SCRS is presented in the following table:

<b>System</b>	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Employers' Net Pension Liability (Asset)</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
SCRS	\$ 55,131,579,363	\$ 33,490,305,970	\$ 21,641,273,393	60.7%

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

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.



**HAMPTON COUNTY SCHOOL DISTRICT**

**HAMPTON COUNTY, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**NOTE 14 – RETIREMENT PLANS (Continued)**

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

At June 30, 2022, the School District reported a liability of \$38,162,324 for its proportionate share of the NPL for the SCRS. The District's proportionate share of the PORS is not material and has been excluded from this disclosure. The NPL was measured as of June 30, 2021, and the TPL for the Plans used to calculate the NPL was determined based on the most recent actuarial valuation report of July 1, 2020 that was projected forward to the measurement date. The School District's proportion of the NPL was based on a projection of the School District's long-term share of contributions to the Plans relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2021 measurement date, the School District's SCRS proportion was 0.1764 percent, which was a small change from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the School District recognized pension expense of \$2,625,739 for the SCRS. At June 30, 2022, the School District reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 650,051	\$ 51,505
Assumption changes	2,088,881	-
Net difference between projected and actual earnings on pension plan investments	-	5,543,581
Changes in proportion and differences between the Employer's contributions and proportionate share of contributions	3,282,212	2,459,131
Employer contributions subsequent to the measurement date	<u>3,158,799</u>	<u>-</u>
<b>Totals</b>	<u>\$ 9,179,943</u>	<u>\$ 8,054,217</u>

The amount of \$3,158,799 that was reported as deferred outflows of resources related to the School District's contributions subsequent to the measurement date to the SCRS will be recognized as a reduction of the NPL in the year ended June 30, 2023. 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:

<u>Year Ended June30,</u>	<u>SCRS</u>
2022	\$ (55,621)
2023	(313,108)
2024	409,991
2025	<u>(2,074,335)</u>
	<u>(2,033,073)</u>

HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

**NOTE 14 – RETIREMENT PLANS (Continued)**

*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 School 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 Rate 7.00%	1% Increase 8.00%
District's proportionate share of the net pension liability of the SCRS	\$ 49,987,893	\$ 38,162,324	\$ 28,332,830

*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](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

**NOTE 14 – RETIREMENT PLANS (Continued)**

*Pension Plans – Reconciliation to the Financial Statements*

The School District's pension plan is reflected in the financial statements as follows:

<u>Plan</u>	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
SCRS	\$ 38,162,324	\$ 9,179,943	\$ 8,054,217	\$ 2,625,739

*Payable to Plans*

The School District reported a payable of approximately \$1,063,000 to the PEBA as of June 30, 2022, representing required employer and employee contributions for the month of June 2022 for the SCRS. This amount is included in accrued salaries, fringe and benefits on the financial statements and was paid in August of 2022.

**NOTE 15 – OTHER POST EMPLOYMENT BENEFIT 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 other postemployment benefits ("OPEB"). See Note 13 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](http://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.

HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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**NOTE 15 – OTHER POST EMPLOYMENT BENEFIT PLANS (Continued)**

*Plan Descriptions*

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

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

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

*Plan Benefits*

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

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

*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 employee and employer contributions for active employees and retirees to the PEBA – Insurance Benefits. Employee contributions may consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits reserves.

HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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**NOTE 15 – OTHER POST EMPLOYMENT BENEFIT PLANS (Continued)**

*Plan Contributions and Funding Policies (Continued)*

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, 2021 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 consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits' reserves. However, due to the COVID-19 pandemic and the impact it has had on the PEBA – Insurance Benefits reserves, the General Assembly has indefinitely suspended the statutorily required transfer until further notice. It is also funded through investment income.

The covered payroll surcharge rate for the year ended June 30, 2022 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 \$32,146,000 for the year ended June 30, 2022.

The State (via state appropriations) and the PEBA – Insurance Benefits (via state statute to transfer amounts above 140% of incurred but not reported claims) contributed to the SCRHITF on behalf of the School District approximately \$121,000 for the year ended June 30, 2021 (measurement period). The contributions from these nonemployer contributing entities were approximately \$121,000 for the year ended June 30, 2022 and are recognized as state revenues and intergovernmental expenditures in the School District's governmental fund financial statements.

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.

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Trusts, and additions to and deductions from the OPEB Trusts fiduciary net position have been determined on the same basis as they 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.

HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

---

**NOTE 15 – OTHER POST EMPLOYMENT BENEFIT PLANS (Continued)**

*Actuarial Assumptions and Methods*

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

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

The total OPEB liability ("TOL"), NOL, and sensitivity information were determined by the consulting actuary and are based on the June 30, 2020 actuarial valuation. The TOL was rolled-forward from the valuation date to the OPEB plan's fiscal year ended June 30, 2021 using generally accepted actuarial principles.

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

Valuation Date:	June 30, 2020
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:	1.92% as of June 30, 2021
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 fully generational mortality projections based on a fully generational basis by the 80% of Scale UMP to account for future mortality improvements and adjusted with multipliers based on plan experience.
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 2.45% as of June 30, 2020 to 1.92% as of June 30, 2021. Also, the demographic and salary increase assumptions were updated to reflect the 2020 SCRS experience study and the health care trend rates were reset to better reflect the plan's anticipated experience.

**HAMPTON COUNTY SCHOOL DISTRICT**

**HAMPTON COUNTY, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**NOTE 15 – OTHER POST EMPLOYMENT BENEFIT PLANS (Continued)**

*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.

<u><b>Asset Class</b></u>	<u><b>Target Asset Allocation</b></u>	<u><b>Expected Arithmetic Real Rate of Return</b></u>	<u><b>Allocation-Weighted Long-Term Expected Real Rate of Return</b></u>
U.S. Domestic Fixed Income	80.00%	0.60%	0.48%
Cash equivalents	<u>20.00%</u>	0.35%	<u>0.07%</u>
Total	100.00%		0.55%
Expected Inflation			<u>2.25%</u>
<b>Total Return</b>			<u><b>2.80%</b></u>
<b>Investment Return Assumption</b>			<u><b>2.75%</b></u>

*Single Discount Rate*

The Single Discount Rate of 1.92% 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, 2021 measurement date for the SCRHITF, are presented in the following table:

<u><b>System</b></u>	<u><b>Total OPEB Liability</b></u>	<u><b>OPEB Plan Fiduciary Net Position</b></u>	<u><b>Net OPEB Liability</b></u>	<u><b>OPEB Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b></u>
SCRHITF	\$ 22,506,597,989	\$ 1,683,416,992	\$20,823,180,997	7.48%

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 plans' funding requirements.

**HAMPTON COUNTY SCHOOL DISTRICT**

**HAMPTON COUNTY, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**NOTE 15 – OTHER POST EMPLOYMENT BENEFIT PLANS (Continued)**

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

At June 30, 2022, the School District reported a liability of \$45,130,704 for its proportionate share of the NOL for the SCRHITF. The NOL was measured as of June 30, 2021, and the TOL for the SCRHITF used to calculate the NOL was determined based on the most recent actuarial valuation report of June 30, 2020 that was projected forward to the measurement date. The School District's proportion of the NOL was based on a projection of the School District's long-term share of contributions to the SCRHITF relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2021 measurement date, the School District's proportion was 0.216733 percent, which was small change from the proportion for each of the consolidating districts measured as of June 30, 2020.

For the year ended June 30, 2022, the School District recognized OPEB expense of approximately \$3,080,000 for the SCRHITF. At June 30, 2022, the School District reported deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to OPEBs from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 913,304	\$ 1,156,772
Change in assumptions	9,175,287	1,086,687
Net differences between projected and actual Earnings on OPEB Plan Investments	-	12,204
Changes in proportion and differences between the Employer's contributions and proportionate share of contributions	4,001,168	3,448,965
Employer contributions subsequent to the measurement date	<u>1,207,259</u>	<u>-</u>
<b>Totals</b>	<b><u>\$ 15,297,018</u></b>	<b><u>\$ 5,704,628</u></b>

The amount of \$1,207,259 that was reported as deferred outflows of resources related to the School District's contributions subsequent to the measurement date (which includes an adjustment for the implicit subsidy) to the SCRHITF, will be recognized as a reduction of the NOL in the year ended June 30, 2023. 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,	
2022	\$ 1,247,046
2023	1,227,062
2024	1,573,815
2025	1,777,633
2026	1,433,735
Thereafter	<u>1,125,840</u>
Total	<u><u>8,385,131</u></u>



**HAMPTON COUNTY SCHOOL DISTRICT**

**HAMPTON COUNTY, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**NOTE 15 – OTHER POST EMPLOYMENT BENEFIT PLANS (Continued)**

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

The following table presents the sensitivity of the School District's NOL for the SCRHITF to changes in the discount rate, calculated using the discount rate of 1.92%, as well as what it would be if it were calculated using a discount rate that is 1% point lower (0.92%) or 1% point higher (2.92%) than the current rate:

	1% Decrease (0.92%)	Current Discount Rate (1.92%)	1% Increase (2.92%)
Net OPEB Liability	\$ 54,393,662	\$ 45,130,704	\$ 37,828,004

The following table presents the sensitivity of the School District's NOL to changes in the healthcare cost trend rate, calculated using the healthcare cost trend rate of 6.00% 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	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability	\$ 36,206,971	\$ 45,130,704	\$ 57,021,283

Detailed information regarding the fiduciary net position of the OPEB Trusts 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](http://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 School District reported a payable of approximately \$212,600 to the PEBA as of June 30, 2022, representing required employer contributions for the month of June 2022 for the SCRHITF. This amount is included in accrued salaries, fringe and benefits on the financial statements and was paid in August of 2022.

**NOTE 16 – LITIGATION**

On November 16, 2022 a lawsuit was filed in the Hampton County Court of Common Pleas by a citizen group. The suit names as defendants Hampton County, the Hampton County Consolidated School District, the HC School District Board of Trustees and certain administrative and elected officials, both of the School District and Hampton County in their official capacities.

The non-jury complaint is a declaratory judgment action challenging the constitutionality of the two acts of the South Carolina General Assembly that created the consolidated school district, as well as the recent actions of the school board and its superintendent.

The suit also contends that the November 2022 school bond referendum and the ongoing plan to build a new consolidated high school are unlawful, and the plaintiffs are asking the courts for a temporary restraining order and a permanent injunction.

**HAMPTON COUNTY SCHOOL DISTRICT**

**HAMPTON COUNTY, SOUTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

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**NOTE 16 – LITIGATION (Continued)**

The School District is committed to vigorously defend its position in this matter and expects to prevail. However, if the plaintiffs prevail, it is not possible to predict how the court will determine what the proper award to the plaintiffs will be and how that will affect the School District's financial condition, as well as its overall structure.

On February 24, 2022, the School District prevailed in an action against Hampton County charging that the County did not act in accordance with Act 184, requiring it to set the millage for general operations at 233.7 mills. However, the County failed to set the proper millage as called for in Act 184, resulting in a shortfall in tax revenues to the School District amounting to \$505,943. The County appealed the ruling, but that appeal was denied. As of the date of this report the School District has not received any payments from the County. In January of 2023, attorneys representing the School District made a formal request to the County to either make payment in full of the judgement amount or set up a deferred payment arrangement, with interest.

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

**NOTE 17 - GRANTS**

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

**NOTE 18 – RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees' and natural disasters. The School District continues to carry commercial insurance for general liability, property and casualty, employee health and dental coverage and is partially self-insured for workers' compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years and there has been no significant reduction in insurance coverage.

HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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**NOTE 19 – TAX ABATEMENTS**

*School District's Tax Abatements*

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

*Hampton County's Abatements*

Hampton County's tax abatement program is the "Fee-in-Lieu of Ad Valorem Property Tax" ("FILOT") program. The FILOT program is authorized by South Carolina state law, specifically, Chapter 44, Title 12 of the Code of Laws of South Carolina, 1976, as amended. The purpose of the FILOT program is to reduce the disparately higher property tax rates applied to manufacturing and certain commercial properties in South Carolina, which have previously impeded new and expanding businesses from locating in the state.

Property taxes are abated under the FILOT program through agreements, executed by the County and the taxpayer, pursuant to which a fee-in-lieu of ad valorem property tax payment for the economic development property associated with the project is calculated using various computations related to assessment amounts and millage rates.

The School District is not a party to the FILOT negotiations between the County and taxpayers, but is impacted by the amounts agreed upon in lower tax collections for the properties subject to the FILOT agreements.

The amount of forgone taxes as a result of the FILOT agreements for the year ended June 30, 2022, is not known, as the County has not disclosed the amounts.

**NOTE 20 – SUBSEQUENT EVENTS**

In September of 2022, the School District issued tax anticipation notes in the amount of \$5 million. Terms of the notes call for interest to be paid at 3.01%. All principal and interest will be due in March of 2023.

In November of 2022, a citizen lawsuit was filed challenging the constitutionality of the consolidation of the school districts in Hampton County. See note 16 for details on this matter.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**HAMPTON COUNTY SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Budget - Original and Final	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Local Revenues			
Local Property Taxes	\$ 9,310,140	\$ 8,991,321	\$ (318,819)
Other Local Revenues	50,000	202,093	152,093
Total Local Revenues	9,360,140	9,193,414	(166,726)
State Revenues	17,740,123	16,417,830	(1,322,293)
<b>Total Revenues - All Sources</b>	<b>27,100,263</b>	<b>25,611,244</b>	<b>(1,489,019)</b>
<b>Expenditures</b>			
Current:			
Instructional	14,842,554	14,045,317	797,237
Support Services	12,510,146	13,928,423	(1,418,277)
Community Services	500	(20)	520
Intergovernmental	-	181	(181)
Debt Service:			
Principal	-	74,990	(74,990)
Interest and Fees	-	29,966	(29,966)
<b>Total Expenditures</b>	<b>27,353,200</b>	<b>28,078,857</b>	<b>(725,657)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(252,937)</b>	<b>(2,467,613)</b>	<b>(2,214,676)</b>
<b>Other Financing Sources (Uses)</b>			
Proceeds of Lease Obligations	-	1,659,241	1,659,241
Interfund Transfers In	627,937	2,790,155	2,162,218
Interfund Transfers Out	(375,000)	(463,476)	(88,476)
<b>Total Other Financing Sources (Uses)</b>	<b>252,937</b>	<b>3,985,920</b>	<b>3,732,983</b>
<b>Net Change in Fund Balances</b>	<b>\$ -</b>	<b>1,518,307</b>	<b>\$ 1,518,307</b>
<b>Fund Balance - Beginning of Year</b>		<b>8,467,010</b>	
<b>Fund Balance - End of Year</b>		<b>\$ 9,985,317</b>	

**HAMPTON COUNTY SCHOOL DISTRICT NO. ONE**

**REQUIRED SUPPLEMENTARY INFORMATION**

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

**LAST EIGHT FISCAL YEARS**

	SCRS Year Ended June 30,							
	2022	2021	2020	2019	2018	2017	2016	2015
Total Net Proportion of the Pension Liability of the Consolidating Districts	0.176400%	0.160008%	0.181839%	0.173916%	0.179829%	0.190140%	0.201799%	0.219803%
Total Proportionate Share of Net Pension Liability of the Consolidating Districts	\$ 38,162,324	\$ 40,884,970	\$ 41,521,421	\$ 38,969,051	\$ 40,483,751	\$ 40,613,624	\$ 38,189,063	\$ 37,577,134
Total Covered Payroll During the Measurement Period of the Consolidating Districts	\$ 19,152,828	\$ 17,897,627	\$ 18,064,503	\$ 18,212,841	\$ 18,321,070	\$ 18,640,920	\$ 19,079,097	\$ 19,958,651
Total Proportionate Share of the Net Pension Liability of Each Consolidating District's as a Percentage of its Covered Employee Payroll	199.25%	228.44%	229.85%	213.96%	220.97%	217.87%	200.16%	188.27%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.70%	50.70%	55.50%	54.10%	53.39%	52.91%	56.99%	59.90%
N/A - Not Applicable								

**Notes to Required Supplementary Information**

*Note 1 - Presentation and Applicability*

The Consolidating School Districts implemented GASB68/71 during the year ended June 30, 2015. Information before 2015 is not available.

The amounts shown reflect the total amounts reported by the two consolidating districts for the years ended 2015 thru 2022 which were calculated separately by the actuarial consultants.

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

*Note 2 - Covered Payroll During Measurement Period*

The covered payroll shown is for the year preceding the fiscal year being reported on since the liability is computed as of end of that year.

*Note 3 - Participation in PORS*

The District's proportionate liability to the SC PORS was eliminated for the measurement period ended June 30, 2020.

See Independent Auditor's Report

**HAMPTON COUNTY SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE CONSOLIDATING DISTRICTS' CONTRIBUTIONS**  
**TO THE SOUTH CAROLINA RETIREMENT SYSTEMS (SCRS & PORS)**

**LAST EIGHT FISCAL YEARS**

	SCRS					
	Year Ended June 30,					
	2022	2021	2020	2019	2018	2015
Statutorily Required Contributions <sup>(1)</sup>	\$ 3,135,851	\$ 2,907,836	\$ 2,710,794	\$ 2,600,193	\$ 2,394,385	\$ 2,036,978
Contributions in Relation to the Statutorily Required Contribution	3,135,851	2,907,836	2,710,794	2,600,193	2,394,385	2,036,978
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll of each Consolidating District	19,122,858	19,152,828	17,897,627	18,064,503	18,212,841	18,321,070
Contributions as a Percentage of Covered Employee Payroll	16.40%	15.18%	15.15%	14.39%	13.15%	10.93%
N/A - Not Applicable						10.64%

**Notes to Required Supplementary Information**

*Note 1 - Presentation and Applicability*

The Consolidating School Districts implemented GASB68/71 during the year ended June 30, 2015. Information before 2015 is not available.

The amounts shown reflect the total amounts reported by the two consolidating districts for the years ended 2015 thru 2022 which were calculated separately by the actuarial consultants.

*Note 2 - Changes in Employer Contribution Rates*

The contractually required contribution rate was increased from 14.56% to 16.06% of eligible payroll for the year ended June 30, 2020

*Note 3 - Covered Payroll*

The amount of covered payroll reported for the 2021 fiscal year is significantly greater than prior years due to the inclusion of accrued salaries as of June 30, 2021 in the computation. This is due to the fact that the District merged with another district effective July 1, 2021.

See Independent Auditor's Report

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

**LAST FIVE FISCAL YEARS**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
District Proportion of the Net OPEB Liability	0.216733%	0.143812%	0.164812%	0.154361%	0.158829%
District's Proportionate Share of Net OPEB Liability	\$ 45,130,704	\$ 35,049,230	\$ 33,379,680	\$ 29,927,567	\$ 29,526,198
District's Covered Payroll During the Measurement Period	19,152,828	17,897,627	13,120,838	18,212,841	13,393,833
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Employee Payroll	235.63%	195.83%	254.40%	164.32%	220.45%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	7.48%	8.39%	8.44%	7.91%	7.60%

**Notes to Required Supplementary Information**

*Note 1 - Presentation and Applicability*

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

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

*Note 2 - Changes in Benefit Terms*

There were no changes in benefit terms during the year of initial adoption - year ended June 30, 2018

*Note 3 - Changes of Significant Assumptions*

The discount rate used in computations decreased to 1.92 % from 2.45% for the June 30, 2021 measurement date.

See Independent Auditor's Report



**HAMPTON COUNTY SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO THE**  
**SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND**

<b>LAST FOUR FISCAL YEARS</b>					
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Contractually Required Contributions <sup>(1)</sup>	\$ 1,207,269	\$ 1,258,193	\$ 1,096,320	\$ 1,095,933	\$ 995,389
Contributions in Relation to the Contractually Required Contribution	1,207,269	1,258,193	1,096,320	1,095,933	995,389
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Employee Payroll	19,152,828	17,897,627	13,120,838	18,212,841	13,393,833
Contributions as a Percentage of Covered Employee Payroll	6.30%	7.03%	8.36%	6.08%	7.43%

N/A - Not Applicable

**Notes to Required Supplementary Information**

*Note 1 - Presentation and Applicability*

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

*Note 2 - Changes in Employer Contribution Rates*

The contractually required contribution rate was 5.50% for the year ended June 30, 2018, 6.05% for the year ended June 30, 2019, and 6.25% for the years ended June 30, 2020 and 2021.

*See Independent Auditor's Report*

## **OTHER SUPPLEMENTARY INFORMATION**

**HAMPTON COUNTY SCHOOL DISTRICT**

**OTHER SUPPLEMENTARY INFORMATION**

**RECONCILIATION OF OPENING BALANCES**

**JULY 1, 2021**

	Hampton County School District			Adjustments		
	No. One	No. Two	Total	Increase	Decrease	Total
<b>ASSETS</b>						
Current Assets	\$ 5,701,713	\$ 9,797,608	\$ 15,499,321	\$ -	\$ 132,516	\$ 15,366,805
Capital Assets	21,088,729	10,057,641	31,146,370	-	-	31,146,370
Total Assets	26,790,442	19,855,249	46,645,691	-	132,516	46,513,175
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	12,397,328	3,523,552	15,920,880	-	-	15,920,880
<b>LIABILITIES</b>						
Current Liabilities	1,446,471	4,305,851	5,752,322	526,771	-	6,279,093
Noncurrent Liabilities	67,671,498	22,806,136	90,477,634	208,368	1,170,048	89,515,954
Total Liabilities	69,117,969	27,111,987	96,229,956	735,139	1,170,048	95,795,047
<b>DEFERRED INFLOWS OF RESOURCES</b>	7,993,450	2,642,951	10,636,401	-	-	10,636,401
<b>NET POSITION</b>						
Net Investment in Capital Assets	10,476,902	6,984,262	17,461,164	1,170,048	-	18,631,212
Restricted	966,035	184,963	1,150,998	-	-	1,150,998
Unrestricted	(49,366,586)	(13,545,362)	(62,911,948)	-	867,655	(63,779,603)
Total Net Position	\$ (37,923,649)	\$ (6,376,137)	\$ (44,299,786)	\$ 1,170,048	\$ 867,655	\$ (43,997,393)

HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FINAL BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budget - Final	Actual	Variance Positive (Negative)
<b>Revenues</b>			
<b>1000 Revenues from Local Sources</b>			
1200 Revenues from Local Governmental Units Other Than LEAs			
1210 Ad Valorem Taxes - Including Delinquent (Dependent)	\$ 9,310,140	\$ 8,991,321	\$ (318,819)
1240 Penalties & Interest on Taxes (Dependent)	50,000	59,483	9,483
1300 Tuition			
1310 From Patrons for Regular Day School	-	18,789	18,789
1500 Earnings on Investments			
1510 Interest on Investments	-	6,637	6,637
1900 Other Revenue from Local Sources			
1950 Refund of Prior Year Expenditure			-
1990 Miscellaneous Local Revenue			
1999 Revenue from Other Local Sources	-	117,184	117,184
<b>Total Local Sources</b>	<b>9,360,140</b>	<b>9,193,414</b>	<b>(166,726)</b>
<b>3000 Revenues from State Sources</b>			
3100 Restricted State Funding			
3130 Special Programs			
3131 Handicapped Transportation		1,411	1,411
3160 School Bus Driver Salary	203,947	308,800	104,853
3161 EAA Bus Driver Salary and Fringe	-	855	855
3162 Transportation Workers' Compensation	12,091	17,646	5,555
3180 Fringe Benefits Employer Contributions	3,433,021	3,058,666	(374,355)
3181 Retiree Insurance (No Carryover Provision)	842,971	944,159	101,188
3186 State Aid to Classrooms - Teacher Salary Increase	1,397,481	730,000	(667,481)
3189 Teacher Step	-	-	-
3300 Education Finance Act			
3310 Full Time Programs			
3311 Kindergarten	366,459	321,293	(45,166)
3312 Primary	942,386	928,393	(13,993)
3313 Elementary	1,792,487	1,600,994	(191,493)
3314 High School	772,665	535,796	(236,869)
3315 Trainable Mentally Handicapped	26,507	32,295	5,788
3316 Speech Handicapped (Part Time)	449,824	420,126	(29,698)
3317 Homebound	-	8,586	8,586
3320 Part Time Programs			
3321 Emotionally Handicapped	4,153	1,963	(2,190)
3322 Educable Mentally Handicapped	3,542	11,106	7,564
3323 Learning Disabilities	386,857	344,864	(41,993)
3324 Hearing Handicapped	20,929	35,367	14,438
3325 Visually Handicapped	10,465	10,122	(343)
3326 Orthopedically Handicapped	9,010	4,017	(4,993)
3327 Pre-Career and Career Technology	718,856	915,810	196,954

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**HAMPTON COUNTY SCHOOL DISTRICT**

**HAMPTON COUNTY, SOUTH CAROLINA**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**FINAL BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Budget - Final</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues (Continued)</b>			
<b>3000 Revenues from State Sources (Continued)</b>			
3300 Education Finance Act			
3330 Other EFA Programs			
3331 Autism	\$ 93,440	\$ 89,263	\$ (4,177)
3332 High Achieving Students	51,975	48,442	(3,533)
3334 Limited English Proficiency	14,374	13,843	(531)
3351 Academic Assistance	290,199	288,565	(1,634)
3352 Pupils in Poverty	819,076	759,732	(59,344)
3353 Dual Credit Enrollment	24,206	21,188	(3,018)
3392 National Board Certified Excess EFA Formula	-	17,862	17,862
3800 State Revenue in Lieu of Taxes			
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	1,332,528	1,332,528	-
3820 Homestead Exemption (Tier 2)	663,111	663,111	-
3825 Reimbursement for Property Tax Relief (Tier 3)	2,105,365	2,255,135	149,770
3827 \$2.5 Million Bonus	478,694	65,861	(412,833)
3830 Merchant's Inventory Tax	135,623	119,201	(16,422)
3840 Manufacturer's Depreciation Reimbursement	137,786	110,531	(27,255)
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	10,000	210,204	200,204
3900 Other State Revenues			
3993 PEBA On Behalf	190,095	190,095	-
<b>Total Revenues from State Sources</b>	<b>17,740,123</b>	<b>16,417,830</b>	<b>(1,322,293)</b>
<b>Total Revenue from All Sources</b>	<b>27,100,263</b>	<b>25,611,244</b>	<b>(1,489,019)</b>
<b>Expenditures</b>			
<b>100 Instruction</b>			
110 General Instruction			
111 Kindergarten Programs			
100 Salaries	786,221	741,806	44,415
200 Employee Benefits	375,149	345,687	29,462
300 Purchased Services	2,500	-	2,500
400 Supplies and Materials	25,200	3,897	21,303
112 Primary Programs			
100 Salaries	1,691,523	1,650,406	41,117
140 Terminal Leave	-	74,817	(74,817)
200 Employee Benefits	749,446	747,529	1,917
300 Purchased Services	5,141	16,128	(10,987)
400 Supplies and Materials	48,220	7,753	40,467
113 Elementary Programs			
100 Salaries	3,381,527	3,379,385	2,142
200 Employee Benefits	1,388,491	1,348,082	40,409
300 Purchased Services	235,119	325,021	(89,902)
400 Supplies and Materials	73,230	15,775	57,455

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**HAMPTON COUNTY SCHOOL DISTRICT**

**HAMPTON COUNTY, SOUTH CAROLINA**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**FINAL BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Budget -</b>		<b>Variance</b>
	<b>Final</b>	<b>Actual</b>	<b>Positive</b>
			<b>(Negative)</b>
<b>Expenditures (Continued)</b>			
<b>100 Instruction (Continued)</b>			
110 General Instruction (Continued)			
114 High School Programs			
100 Salaries	\$ 1,861,079	\$ 1,716,650	\$ 144,429
200 Employee Benefits	659,063	640,786	18,277
300 Purchased Services	497,256	269,407	227,849
400 Supplies and Materials	43,000	1,831	41,169
115 Career and Technology Education Programs			
100 Salaries	542,581	612,664	(70,083)
200 Employee Benefits	242,277	238,706	3,571
300 Purchased Services	6,000	-	6,000
400 Supplies and Materials	4,000	-	4,000
600 Other Objects	-	-	-
120 Exceptional Programs			
121 Educable Mentally Handicapped			
100 Salaries	334,041	119,119	214,922
200 Employee Benefits	163,369	65,765	97,604
400 Supplies and Materials	-	-	-
122 Trainable Mentally Handicapped			
100 Salaries	24,000	86,561	(62,561)
200 Employee Benefits	15,208	50,301	(35,093)
300 Purchased Services	-	-	-
123 Orthopedically Handicapped			
100 Salaries	97,187	111,625	(14,438)
200 Employee Benefits	57,010	56,509	501
300 Purchased Services	-	14,042	(14,042)
400 Supplies and Materials	-	-	-
124 Visually Handicapped			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	16,967	(16,967)
400 Supplies and Materials	-	-	-
125 Hearing Handicapped			
300 Purchased Services	-	10,973	(10,973)
126 Speech Handicapped			
100 Salaries	16,958	16,958	-
200 Employee Benefits	9,596	9,334	262
300 Purchased Services	1,239	67,123	(65,884)
127 Learning Disabilities			
100 Salaries	649,531	450,789	198,742
200 Employee Benefits	302,112	225,627	76,485
300 Purchased Services	-	48,679	(48,679)
400 Supplies and Materials	-	-	-
130 Pre-School Programs			
132 Pre-School Handicapped-Itinerant (5 year olds)			
100 Salaries	20,500	10,500	10,000
200 Employee Benefits	11,200	4,684	6,516
133 Pre-School Handicapped-Self Contained (5 year olds)			
100 Salaries	36,050	26,059	9,991
200 Employee Benefits	48,610	11,822	36,788

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HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FINAL BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budget - Final	Actual	Variance Positive (Negative)
<b>Expenditures (Continued)</b>			
<b>100 Instruction (Continued)</b>			
130 Pre-School Programs (Continued)			
136 Pre-School Handicapped-Itinerant (3 & 4 year olds)			
100 Salaries	\$ 22,000	\$ 10,500	\$ 11,500
200 Employee Benefits	10,200	4,685	5,515
137 Pre-School Handicapped-Self-Contained (3 & 4 year olds)			
100 Salaries	34,650	35,860	(1,210)
200 Employee Benefits	14,407	14,276	131
140 Special Programs			
145 Homebound			
100 Salaries	1,000	1,845	(845)
200 Employee Benefits	350	558	(208)
147 CERDEP			
100 Salaries	169,854	258,296	(88,442)
200 Employee Benefits	75,877	99,467	(23,590)
400 Supplies and Materials	-	-	-
160 Other Exceptional Programs			
161 Autism			
100 Salaries	42,628	10,133	32,495
200 Employee Benefits	46,315	4,296	42,019
400 Supplies and Materials		24,950	(24,950)
170 Summer School Programs			
172 Elementary Summer School			
100 Salaries	-	782	(782)
200 Employee Benefits	-	1,439	(1,439)
300 Purchased Services	-	1,411	(1,411)
400 Supplies and Materials	-	797	(797)
175 Instructional Programs Beyond Regular School Day			
100 Salaries	-	2,620	(2,620)
200 Employee Benefits	-	708	(708)
300 Purchased Services		17,996	(17,996)
400 Supplies and Materials		10,000	(10,000)
180 Adult/Continuing Education Programs			
182 Adult Secondary Education Programs			
200 Employee Benefits	-	-	-
183 Adult English Literacy (ESL)			
100 Salaries		1,576	(1,576)
200 Employee Benefits	-	346	(346)
400 Supplies and Materials	-	2,943	(2,943)
188 Parenting/Family Literacy			
100 Salaries	15,000	-	15,000
200 Employee Benefits	5,639		5,639
300 Purchased Services	1,000	66	934
<b>Total Instruction</b>	<b>14,842,554</b>	<b>14,045,317</b>	<b>797,237</b>

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**HAMPTON COUNTY SCHOOL DISTRICT**

**HAMPTON COUNTY, SOUTH CAROLINA**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**FINAL BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Budget -</b>		<b>Variance</b>
	<b>Final</b>	<b>Actual</b>	<b>Positive</b>
			<b>(Negative)</b>
<b>Expenditures (Continued)</b>			
<b>200 Support Services</b>			
210 Pupil Services			
211 Attendance and Social Work Services			
100 Salaries	\$ 292,839	\$ 292,697	\$ 142
200 Employee Benefits	141,797	150,709	(8,912)
300 Purchased Services	1,676	1,560	116
400 Supplies and Materials	500		500
212 Guidance			
100 Salaries	649,391	589,835	59,556
200 Employee Benefits	318,169	239,031	79,138
300 Purchased Services	11,200	1,043	10,157
400 Supplies and Materials	23,932	-	23,932
213 Health Services			
100 Salaries	75,497	174,045	(98,548)
200 Employee Benefits	78,643	70,854	7,789
300 Purchased Services	81,155	131,884	(50,729)
400 Supplies and Materials	18,000	-	18,000
214 Psychological			
300 Purchased Services	-	39,166	(39,166)
400 Supplies and Materials		-	-
215 Exceptional Program Services			
200 Employee Benefits	-	3,475	(3,475)
216 Career and Technical Education Placement Services			
100 Salaries	-	409	(409)
200 Employee Benefits		290	(290)
217 Career Specialist Programs			
300 Purchased Services	5,119	2,950	2,169
220 Instructional Staff Services			
221 Improvement of Instruction - Curriculum Development			
100 Salaries	237,000	316,608	(79,608)
200 Employee Benefits	97,415	145,195	(47,780)
300 Purchased Services	6,000	2,714	3,286
400 Supplies and Materials	6,000	-	6,000
600 Other Objects	351	351	-
222 Library and Media Services			
100 Salaries	514,610	288,082	226,528
200 Employee Benefits	224,057	137,481	86,576
300 Purchased Services	5,700	2,225	3,475
400 Supplies and Materials	51,664	10,455	41,209
223 Supervision of Special Programs			
100 Salaries	-	30,031	(30,031)
200 Employee Benefits	-	28,273	(28,273)
300 Purchased Services	314	39,831	(39,517)
400 Supplies and Materials	276	1,559	(1,283)
600 Other Objects	426	777	(351)

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HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FINAL BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budget - Final	Actual	Variance Positive (Negative)
<b>Expenditures (Continued)</b>			
<b>200 Support Services (Continued)</b>			
220 Instructional Staff Services (Continued)			
224 Improvement of Instruction - In-service and Staff Training			
300 Purchased Services	\$ 37,800	\$ 46,026	\$ (8,226)
400 Supplies and Materials	12,459	9,858	2,601
230 General Administration Services			
231 Board of Education			
100 Salaries			
200 Employee Benefits	280,000		280,000
300 Purchased Services	211,600	238,833	(27,233)
318 Audit Services	65,000	103,900	(38,900)
400 Supplies and Materials	12,500	20,210	(7,710)
600 Other Objects	9,100	13,010	(3,910)
232 Office of Superintendent			
100 Salaries	221,989	310,631	(88,642)
200 Employee Benefits	79,850	108,626	(28,776)
300 Purchased Services	32,431	53,304	(20,873)
400 Supplies and Materials	7,995	11,456	(3,461)
600 Other Objects	5,000	4,311	689
230 General Administration Services			
233 School Administration			
100 Salaries	1,772,120	1,793,114	(20,994)
140 Terminal Leave	-	1,684	(1,684)
200 Employee Benefits	780,447	739,921	40,526
300 Purchased Services	52,500	26,667	25,833
400 Supplies and Materials	49,677	13,092	36,585
600 Other Objects	4,952	2,808	2,144
250 Finance and Operations Services			
251 Student Transportation (Federal/State Mandated)			
100 Salaries	-	288	(288)
200 Employee Benefits	-	4	(4)
300 Purchased Services	-	6,971	(6,971)
252 Fiscal Services			
100 Salaries	224,871	306,414	(81,543)
200 Employee Benefits	133,755	123,243	10,512
300 Purchased Services	22,500	141,178	(118,678)
400 Supplies and Materials	7,500	6,856	644
600 Other Objects	1,723	11,283	(9,560)
253 Facilities Acquisition and Construction			
300 Purchased Services	-	1,025	(1,025)
500 Capital Outlay			
540 Equipment (Leased Assets)	-	1,659,241	(1,659,241)

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HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FINAL BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budget - Final	Actual	Variance Positive (Negative)
<b>Expenditures (Continued)</b>			
<b>200 Support Services (Continued)</b>			
250 Finance and Operations Services (Continued)			
254 Operation and Maintenance of Plant			
100 Salaries	\$ 850,755	\$ 928,615	\$ (77,860)
200 Employee Benefits	438,231	422,716	15,515
300 Purchased Services	1,519,292	1,182,350	336,942
321 Public Utilities	154,977	126,830	28,147
400 Supplies and Materials	111,799	74,183	37,616
470 Energy	640,358	610,593	29,765
600 Other Objects	-	-	-
255 Student Transportation (State Mandated)			
100 Salaries	570,238	603,383	(33,145)
200 Employee Benefits	268,320	279,089	(10,769)
300 Purchased Services	1,200	(443)	1,643
400 Supplies and Materials	4,000	4,658	(658)
256 Food Services			
100 Salaries		-	-
200 Employee Benefits		6,087	(6,087)
300 Purchased Services		-	-
257 Internal Services			
300 Purchased Services	103,701	110,543	(6,842)
400 Supplies and Materials	11,000	2,566	8,434
258 Security			
100 Salaries	10,366	10,366	-
200 Employee Benefits	8,399	6,144	2,255
300 Purchased Services	99,814	103,432	(3,618)
400 Supplies and Materials	1,000	-	1,000
260 Central Support Services			
263 Information Services			
100 Salaries	93,326	105,486	(12,160)
200 Employee Benefits	32,906	36,994	(4,088)
264 Staff Services			
100 Salaries	129,961	150,665	(20,704)
200 Employee Benefits	59,279	62,271	(2,992)
300 Purchased Services	69,913	77,186	(7,273)
400 Supplies and Materials	386	441	(55)
600 Other Objects	426	426	-

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HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FINAL BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budget - Final	Actual	Variance Positive (Negative)
<b>Expenditures (Continued)</b>			
<b>200 Support Services (Continued)</b>			
260 Central Support Services (Continued)			
266 Technology			
100 Salaries	\$ 247,119	\$ 294,628	\$ (47,509)
200 Employee Benefits	89,227	103,718	(14,491)
300 Purchased Services	73,445	128,531	(55,086)
400 Supplies and Materials	-	189	(189)
600 Other Objects	351	351	-
270 Support Services Pupil Activity			
271 Pupil Services Activities			
100 Salaries (optional)	23,794	23,796	(2)
200 Employee Benefits	9,591	8,867	724
400 Supplies and Materials	5,000	7,621	(2,621)
600 Other Objects	14,472	657	13,815
<b>Total Support Services</b>	<b>12,510,146</b>	<b>13,928,423</b>	<b>(1,418,277)</b>
<b>300 Community Services</b>			
360 Welfare Services			
400 Supplies and Materials	500	(20)	520
<b>Total Community Services</b>	<b>500</b>	<b>(20)</b>	<b>520</b>
<b>410 Intergovernmental Expenditures</b>			
412 Payments to Other Governmental Units			
720 Transits	-	181	(181)
414 Medicaid Payments to SCDE			
720 Transits			-
<b>Total Intergovernmental Expenditures</b>	<b>-</b>	<b>181</b>	<b>(181)</b>
<b>500 Debt Service</b>			
610 Principal Payments on Lease Obligations		74,990	(74,990)
620 Interest	-	20,604	(20,604)
690 Other Objects	-	9,362	(9,362)
<b>Total Debt Service</b>	<b>-</b>	<b>104,956</b>	<b>(104,956)</b>
<b>Total Expenditures</b>	<b>27,353,200</b>	<b>28,078,857</b>	<b>(725,657)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(252,937)</b>	<b>(2,467,613)</b>	<b>(2,214,676)</b>

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HAMPTON COUNTY SCHOOL DISTRICT  
HAMPTON COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FINAL BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budget - Final	Actual	Variance Positive (Negative)
<b>Other Financing Sources (Uses)</b>			
Lease Obligations Recognized			
5999 Proceeds of Lease Transactions	\$ -	\$ 1,659,241	\$ 1,659,241
Interfund Transfers, From (To) Other Funds			
5220 Transfer from Special Revenue Fund	-	1,527,190	1,527,190
5230 Transfer from Special Revenue EIA Fund	-	709,341	709,341
5280 Transfer from Other Funds Indirect Cost	627,937	553,624	(74,313)
424-710 Transfer to Debt Service Fund	-	(54,340)	(54,340)
426-710 Transfer to Pupil Activity Fund	(375,000)	(409,136)	(34,136)
<b>Total Other Financing Sources (Uses)</b>	<u>252,937</u>	<u>3,985,920</u>	<u>3,732,983</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>1,518,307</u>	<u>\$ 1,518,307</u>
<b>Fund Balance - Beginning of Year</b>		<u>8,467,010</u>	
<b>Fund Balance - End of Year</b>		<u>\$ 9,985,317</u>	

HAMPTON COUNTY SCHOOL DISTRICT  
HAMPTON COUNTY, SOUTH CAROLINA  
SPECIAL REVENUE FUND - SPECIAL PROJECTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Title One (BA Projects) (201/202)	IDEA (CA Projects) (203)	Pre-School Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Adult Education (EA Projects)	Other Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Pupil Activity Funds (700's)	Totals
<b>Revenues</b>									
1000 Revenues from Local Sources									
1500 Earnings on Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 356	\$ -	\$ 5	\$ 361
1700 Pupil Activities									
1790 Other Pupil Activity Revenue	-	-	-	-	-	-	-	642,709	642,709
1900 Other Revenue from Local Sources									
1920 Contributions and Donations from Private Sources	-	-	-	-	-	-	-	84,789	84,789
1930 Special Needs Transportation-Medicaid	-	-	-	-	-	-	\$ 164,407	164,407	164,407
1931 Special Needs Transportation-Medicaid	-	-	-	-	-	-	2,770		2,770
1990 Miscellaneous Local Revenue									
1999 Revenue from Other Local Sources	-	-	-	-	-	128	126,356	-	126,484
Total Local Sources	-	-	-	-	-	484	293,533	727,503	1,021,520
2000 Intergovernmental Revenues									
2100 Payments from Other Governmental Units	-						102,018		102,018
2300 Payments from Non-Profit Entities (for First Steps)	-								-
Total Intergovernmental Revenues	-	-	-	-	-	-	102,018	-	102,018
3000 Revenues from State Sources									
3110 Occupational Education				-		330,727			330,727
3118 EEDA Career Specialist	-	-	-		-				
3120 General Education									
3127 Student Health and Fitness - PE Teachers	-	-	-	-	-	18,447			18,447
3130 Special Programs									
3135 Reading Coaches	-	-	-	-	-	354,661			354,661
3136 Student Health and Fitness - Nurses	-	-	-	-	-	72,334			72,334
3143 GEER CERDEP Summer	-	-	-	-	-	12,182			12,182
3156 Adult Education	-	-	-	-	-	3,159			3,159
3170 State Assistance to Districts									
3171 District Consolidation						1,722,628	-		1,722,628
3190 Miscellaneous Restricted State Grants									
3193 Education License Plates	-	-	-	-	-	-			-
3199 Other State Restricted Grants	-	-	-	-	-		20,997		20,997
3300 State Aid to Classrooms - Education Finance Act (EFA)									
3393 Capital Improvement Plan - Additional						107,476			107,476
3900 Other State Revenue									
3995 CRF Per Pupil Funding						-	43,674		43,674
Total State Sources	-	-	-	-	-	2,621,614	64,671	-	2,686,285

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HAMPTON COUNTY SCHOOL DISTRICT  
HAMPTON COUNTY, SOUTH CAROLINA  
SPECIAL REVENUE FUND - SPECIAL PROJECTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Title One (BA Projects) (201/202)	IDEA (CA Projects) (203)	Pre-School Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Adult Education (EA Projects)	Other Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Pupil Activity Funds (700s)	Totals
4000 Revenue from Federal Sources	\$ -	\$ -	\$ -	\$ 72,211	\$ -	\$ -	\$ -	\$ -	\$ 72,211
4200 Occupational Education									
4210 Vocational Aid - Title I									
4300 Elementary and Secondary Education Act of 1965 (ESEA)									
4310 Title I, Basic State Grant Programs (Carryover Provision)	1,448,412	-	-	-	-	-	-	-	1,448,412
4312 Rural and Low Income School Program, Title VI (Carryover Provision)	-	-	-	-	-	-	24,743	-	24,743
4343 McKinney Vento Education fir Homeless and Youth Program	-	-	-	-	-	-	8,093	-	8,093
4351 Supporting Effective Education	-	-	-	-	-	-	95,829	-	95,829
4400 Adult Education									
4410 Basic Adult Education	-	-	-	-	117,137	-	-	-	117,137
4500 Programs for Children with Disabilities									
4510 Individuals with Disabilities Act (IDEA) (Carryover Provision)	-	1,266,318	-	-	-	-	-	-	1,266,318
4520 Pre-School Grants for Children with Disabilities			43,189						43,189
4900 Other Federal Sources									
4924 Nita M Lavery 21st Century Community Learning Centers (Title IV, 21st Century Schools)	-	-	-	-	-	-	239,399	-	239,399
4930 American Rescue Plan - IDEA	-	-	-	-	-	-	158,700	-	158,700
4931 American Rescue Plan - IDEA Pre-school	-	-	-	-	-	-	12,901	-	12,901
4974 ESSER III	-	-	-	-	-	-	546,251	-	546,251
4975 Coronavirus Aid, Relief, and Economic Security Act (CARES Act)	-	-	-	-	-	-	58,094	-	58,094
4977 ESSER II	-	-	-	-	-	-	1,723,692	-	1,723,692
4990 Other Federal Revenues									
4997 Title IV, SSAE	-	-	-	-	-	-	76,320	-	76,320
4999 Revenue from Other Federal Sources	-	-	-	-	-	-	144,668	-	144,668
Total Federal Sources	1,448,412	1,266,318	43,189	72,211	117,137	-	3,088,690	-	6,035,957
<b>Total Revenue - All Sources</b>	1,448,412	1,266,318	43,189	72,211	117,137	2,622,098	3,548,912	\$ 727,503	9,845,780

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HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

SPECIAL REVENUE FUND - SPECIAL PROJECTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Title One (BA Projects) (201/202)	IDEA (CA Projects) (203)	Pre-School Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Adult Education (EA Projects)	Other Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Pupil Activity Funds (700s)	Totals
<b>Expenditures</b>									
100 Instruction									
110 General Instruction									
111 Kindergarten Programs									
100 Salaries	\$ 115,539	\$ -	\$ -	\$ -	\$ -	\$ -			\$ 115,539
200 Employee Benefits	53,759	-	-	-	-	-			53,759
300 Purchased Services		-	-	-	-	-	32,510		32,510
400 Supplies and Materials	5,056	-	-	-	-	-	183,010		188,066
112 Primary Programs									
100 Salaries	203,568	-	-	-	-	-	34,394		237,962
200 Employee Benefits	88,668	-	-	-	-	-	14,678		103,346
300 Purchased Services	-	-	-	-	-	-	86,474		86,474
400 Supplies and Materials	8,677	-	-	-	-	-	351,027		359,704
113 Elementary Programs									
100 Salaries	131,061	-	-	-	-	14,000	-		145,061
200 Employee Benefits	55,179	-	-	-	-	4,447	-		59,626
300 Purchased Services		-	-	-	-	-	53,190		53,190
400 Supplies and Materials	14,782	-	-	-	-	-	341,800		356,582
114 High School Programs									
100 Salaries	-	-	-	-	-	-	140,031		140,031
200 Employee Benefits	-	-	-	-	-	-	48,758		48,758
300 Purchased Services	-	-	-	-	-	-	47,666		47,666
400 Supplies and Materials	11,218						239,593		250,811
115 Career and Technology Educational Programs									
300 Purchased Services	-	-	-	6,544	-	-	-		6,544
400 Supplies and Materials	-	-	-	30,000	-	-	-		30,000
120 Exceptional Programs									
121 Educable Mentally Handicapped									
100 Salaries	-	124,578	-	-	-	-	2,310		126,888
200 Employee Benefits	-	62,244	-	-	-	-	739		62,983
400 Supplies and Materials	-	255	-	-	-	-	-		255
122 Trainable Mentally Handicapped									
100 Salaries	-	132,885	-	-	-	-	-		132,885
200 Employee Benefits	-	39,605	-	-	-	-	-		39,605
300 Purchased Services	-	23,729	-	-	-	-	-		23,729
400 Supplies and Materials	-	406	-	-	-	-	-		406
123 Orthopedically Handicapped									
100 Salaries	-	21,873	-	-	-	-	5,889		27,762
200 Employee Benefits	-	6,586	-	-	-	-	1,877		8,463
300 Purchased Services	-	30,177	-	-	-	-	-		30,177
400 Supplies and Materials	-	-	-	-	-	-	-		-

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HAMPTON COUNTY SCHOOL DISTRICT  
HAMPTON COUNTY, SOUTH CAROLINA

SPECIAL REVENUE FUND - SPECIAL PROJECTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Title One (BA Projects) (201/202)	IDEA (CA Projects) (203)	Pre-School Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Adult Education (EA Projects)	Other Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Pupil Activity Funds (700s)	Totals
<b>Expenditures (Continued)</b>									
100 Instruction (Continued)									
120 Exceptional Programs (Continued)									
124 Visually Handicapped	\$ -	\$ 13,094	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,094
300 Purchased Services	-	747	-	-	-	-	-	-	747
400 Supplies and Materials	-	-	-	-	-	-	-	-	-
125 Hearing Handicapped	-	20,846	-	-	-	-	-	-	20,846
300 Purchased Services	-	826	-	-	-	-	-	-	826
400 Supplies and Materials	-	-	-	-	-	-	-	-	-
126 Speech Handicapped	-	-	-	-	-	-	-	-	-
100 Salaries	-	-	-	-	-	-	5,000	-	5,000
200 Employee Benefits	-	-	-	-	-	-	1,587	-	1,587
300 Purchased Services	-	47,015	-	-	-	-	91,200	-	138,215
400 Supplies and Materials	-	1,085	-	-	-	-	-	-	1,085
127 Learning Disabilities	-	-	-	-	-	-	-	-	-
100 Salaries	-	160,672	-	-	-	-	3,054	-	163,726
200 Employee Benefits	-	9,793	-	-	-	-	975	-	10,768
300 Purchased Services	-	-	-	-	-	-	-	-	-
400 Supplies and Materials	-	1,132	-	-	-	-	-	-	1,132
130 Pre-School Programs	-	-	-	-	-	-	-	-	-
131 Preschool Handicapped Speech (5 Yr Olds)	-	-	1,596	-	-	-	-	-	1,596
400 Supplies and Materials	-	-	-	-	-	-	-	-	-
133 Pre-school Handicapped Self-Contained (5 yr. olds)	-	-	9,452	-	-	-	9,801	-	19,253
100 Salaries	-	-	5,467	-	-	-	3,100	-	8,567
200 Employee Benefits	-	-	-	-	-	-	-	-	-
400 Supplies and Materials	-	-	-	-	-	-	-	-	-
137 Pre-school Handicapped Self-Contained (3 & 4 yr. olds)	-	-	-	-	-	-	-	-	-
100 Salaries	-	-	9,452	-	-	-	-	-	9,452
200 Employee Benefits	-	-	5,466	-	-	-	-	-	5,466
400 Supplies and Materials	-	-	-	-	-	-	-	-	-
139 Early Childhood Programs	-	-	-	-	-	-	-	-	-
100 Salaries	-	-	-	-	-	-	70,146	-	70,146
200 Employee Benefits	-	-	-	-	-	-	31,871	-	31,871
140 Special Programs	-	-	-	-	-	-	-	-	-
147 CDEP	-	-	-	-	-	-	-	-	-
100 Salaries	-	-	-	-	-	9,279	-	-	9,279
200 Employee Benefits	-	-	-	-	-	2,902	-	-	2,902
300 Purchased Services	-	-	-	-	-	-	-	-	-

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HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

SPECIAL REVENUE FUND - SPECIAL PROJECTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Title One (BA Projects) (201/202)	IDEA (CA Projects) (203)	Pre-School Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Adult Education (EA Projects)	Other Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Pupil Activity Funds (700s)	Totals
<b>Expenditures (Continued)</b>									
100 Instruction (Continued)									
140 Special Programs (Continued)									
149 Other Special Programs									
100 Salaries	\$ -	\$ 25,246	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,246
200 Employee Benefits	-	13,941	-	-	-	-	-	-	13,941
300 Purchased Services	-	1,532	-	-	-	-	-	-	1,532
160 Other Exceptional Programs									
161 Autism									
100 Salaries	-	11,925	-	-	-	-	-	-	11,925
200 Employee Benefits	-	3,980	-	-	-	-	-	-	3,980
400 Supplies and Materials	-	1,964	-	-	-	-	-	-	1,964
170 Summer School Programs									
171 Primary Summer School									
100 Salaries	-	-	-	-	-	-	154,686	-	154,686
200 Employee Benefits	-	-	-	-	-	-	44,422	-	44,422
172 Elementary Summer School									
100 Salaries	-	-	-	-	-	-	79,490	-	79,490
200 Employee Benefits	-	-	-	-	-	-	20,751	-	20,751
173 High School Summer School									
100 Salaries	-	-	-	-	-	-	44,622	-	44,622
200 Employee Benefits	-	-	-	-	-	-	10,571	-	10,571
300 Purchased Services	-	-	-	-	-	-	-	-	-
175 Instructional Programs Beyond Regular School Day									
100 Salaries	-	-	-	-	-	-	136,988	-	136,988
200 Employee Benefits	-	-	-	-	-	-	41,721	-	41,721
300 Purchased Services	-	-	-	-	-	-	35,233	-	35,233
400 Supplies and Materials	-	-	-	-	-	-	10,602	-	10,602
180 Adult/Continuing Education Programs									
181 Adult Basic Education Programs									
100 Salaries	-	-	-	-	44,550	-	-	-	44,550
200 Employee Benefits	-	-	-	-	15,691	-	-	-	15,691
300 Purchased Services	-	-	-	-	2,426	-	-	-	2,426
400 Supplies and Materials	-	-	-	-	569	-	-	-	569
182 Adult Secondary Education Program									
100 Salaries	-	-	-	-	10,558	-	-	-	10,558
200 Employee Benefits	-	-	-	-	3,668	671	-	-	4,339
300 Purchased Services	-	-	-	-	1,087	-	-	-	1,087
400 Supplies and Materials	-	-	-	-	-	-	-	-	-

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HAMPTON COUNTY SCHOOL DISTRICT  
HAMPTON COUNTY, SOUTH CAROLINA  
SPECIAL REVENUE FUND - SPECIAL PROJECTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Title One (BA Projects) (201/202)	IDEA (CA Projects) (203)	Pre-School Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Adult Education (EA Projects)	Other Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Pupil Activity Funds (700s)	Totals
<b>Expenditures (Continued)</b>									
100 Instruction (Continued)									
180 Adult/Continuing Education Programs (Continued)									
183 Adult English Literacy (ESL)									
100 Salaries	\$ -	\$ -	\$ -	\$ -	\$ 8,266	\$ 1,694	\$ -	\$ -	\$ 9,960
200 Employee Benefits	-	-	-	-	2,147	168	-	-	2,315
300 Purchased Services	-	-	-	-	328	-	-	-	328
400 Supplies and Materials	-	-	-	-	800	-	-	-	800
188 Parenting/Family Literacy									
100 Salaries	23,423	-	-	-	-	-	-	-	23,423
200 Employee Benefits	16,983	-	-	-	-	-	-	-	16,983
300 Purchased Services	9,848	-	-	-	-	-	10,312	-	20,160
400 Supplies and Materials	323	-	-	-	-	-	1,406	-	1,729
<b>Total Instruction</b>	<b>738,084</b>	<b>\$ 756,136</b>	<b>\$ 31,433</b>	<b>\$ 36,544</b>	<b>90,090</b>	<b>33,161</b>	<b>2,391,484</b>	<b>-</b>	<b>4,076,932</b>
<b>200 Support Services</b>									
210 Pupil Services									
211 Attendance and Social									
100 Salaries		39,465					486		\$ 39,951
200 Employee Benefits		16,301					2,571		18,872
300 Purchased Services		576							576
212 Guidance Services									
100 Salaries						21,043	-		21,043
200 Employee Benefits						9,258	-		9,258
300 Purchased Services							84		84
213 Health									
100 Salaries						43,610	28,809		72,419
200 Employee Benefits						28,724	18,939		47,663
300 Purchased Services		37,709					68,120		105,829
400 Supplies and Materials		10,305							10,305
214 Psychological Services									
300 Purchased Services		45,550							45,550
400 Supplies and Materials		2,211							2,211
215 Speech Handicapped									
100 Salaries			7,353						7,353
200 Employee Benefits			525						525
216 Career and Technical Education Placement Services									
100 Salaries				11,377					11,377
200 Employee Benefits				3,485					3,485

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HAMPTON COUNTY SCHOOL DISTRICT  
HAMPTON COUNTY, SOUTH CAROLINA  
SPECIAL REVENUE FUND - SPECIAL PROJECTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Title One (BA Projects) (201/202)	IDEA (CA Projects) (203)	Pre-School Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Adult Education (EA Projects)	Other Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Pupil Activity Funds (700's)	Totals
<b>Expenditures (Continued)</b>									
<b>200 Support Services</b>									
210 Pupil Services (Continued)									
217 Career Specialist Services									
100 Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 212,327	\$ -	\$ -	\$ 212,327
200 Employee Benefits	-	-	-	-	-	88,098	-	-	88,098
220 Instructional Staff Services									
221 Improvement of Instruction - Curriculum Development									
100 Salaries	343,745	63,362	-	5,688	-	248,997	22,150	-	683,942
200 Employee Benefits	150,010	15,980	-	1,742	-	105,665	8,922	-	282,319
300 Purchased Services	-	-	270	-	-	-	2,032	-	2,302
400 Supplies and Materials	-	-	3,608	-	174	-	-	-	3,782
222 Media									
300 Purchased Services	-	-	-	-	-	21,453	-	-	21,453
223 Supervision of Special Programs									
100 Salaries	103,174	161,368	-	-	3,237	246	82,865	-	350,890
200 Employee Benefits	40,627	50,105	-	-	763	509	41,226	-	133,230
300 Purchased Services	7,653	3,873	-	1,627	3,739	-	13,811	-	30,703
400 Supplies and Materials	2,400	4,261	-	2,000	246	-	-	-	8,907
600 Other Objects	175	177	-	-	-	-	-	-	352
224 Improvement of Instruction - Inservice Training									
100 Salaries	-	-	-	-	-	-	21,638	-	21,638
200 Employee Benefits	-	-	-	-	-	-	6,787	-	6,787
300 Purchased Services	925	-	-	9,748	-	-	89,306	-	99,979
400 Supplies and Materials	-	3,892	-	-	-	-	6,392	-	10,284
230 General Administration Services									
231 Board of Education									
300 Purchased Services	-	-	-	-	-	5,000	351	-	5,351
232 Office of the Superintendent									
300 Purchased Services	-	-	-	-	-	-	28	-	28
233 School Administration									
300 Purchased Services	-	-	-	-	-	-	679	-	679
250 Finance and Operations Services									
251 Student Transportation (Federal/District Mandated)									
100 Salaries							17,323		17,323
200 Employee Benefits							5,775		5,775
300 Purchased Services							17,606		17,606
252 Fiscal Services									
300 Purchased Services						20,403	-		20,403
600 Other Objects						79	-		79

Continued on Next Page

HAMPTON COUNTY SCHOOL DISTRICT  
HAMPTON COUNTY, SOUTH CAROLINA  
SPECIAL REVENUE FUND - SPECIAL PROJECTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Title One (BA Projects) (201/202)	IDEA (CA Projects) (203)	Pre-School Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Adult Education (EA Projects)	Other Restricted State Grants (900's)	Other Special Revenue Programs (200's/800's)	Pupil Activity Funds (700s)	Totals
<b>Expenditures (Continued)</b>									
<b>200 Support Services (Continued)</b>									
250 Finance and Operations Services (Continued)									
254 Operation and Maintenance of Plant									
100 Salaries	\$ -	\$ -	\$ -	\$ -	\$ 4,052		\$ -	\$ -	\$ 4,052
200 Employee Benefits	-	-	-	-	1,297		-	-	1,297
300 Purchased Services	-	-	-	-	7,143	224,499	-	-	231,642
400 Supplies and Materials	-	-	-	-	1,068		67,285	-	68,353
500 Capital Outlay	-	-	-	-		16,877	18,942	-	35,819
255 Student Transportation (State Mandated)									
100 Salaries	-	-	-	-	-	-	-	-	-
200 Employee Benefits	-	-	-	-	-	-	55,064	-	55,064
300 Purchased Services	-	-	-	-	-	-	10,725	-	10,725
256 Food Services							1,586		1,586
100 Salaries	-	-	-	-	-	-	53,632	-	53,632
200 Employee Benefits	-	-	-	-	-	-	15,458	-	15,458
258 Security									
400 Supplies and Materials	-	-	-	-	-	14,959	-	-	14,959
260 Central Support Services									
264 Staff Services									
100 Salaries	-	-	-	-	-	-	486	-	486
200 Employee Benefits	-	-	-	-	-	-	156	-	156
300 Purchased Services	-	-	-	-	-	-	10,272	-	10,272
266 Technology and Data Processing Services									
100 Salaries	-	-	-	-	-	-	11,895	-	11,895
200 Employee Benefits	-	-	-	-	-	-	3,059	-	3,059
300 Purchased Services	-	-	-	-	-	-	-	-	-
270 Pupil Activity Services									
271 Instructional Pupil Activity									
100 Salaries	-	-	-	-	-	-	-	205,791	205,791
200 Employee Benefits	-	-	-	-	-	-	-	55,079	55,079
300 Purchased Services	-	-	-	-	-	-	-	66,902	66,902
400 Supplies and Materials	-	-	-	-	-	-	-	140,017	140,017
500 Capital Outlay	-	-	-	-	-	-	-	12,000	12,000
600 Other Objects	-	-	-	-	-	-	-	568,018	568,018
Total Support Services	\$ 648,709	\$ 455,135	\$ 11,756	\$ 35,667	\$ 21,719	\$ 1,061,747	\$ 704,460	\$ 1,047,807	\$ 3,987,000

Continued on Next Page

HAMPTON COUNTY SCHOOL DISTRICT  
HAMPTON COUNTY, SOUTH CAROLINA  
SPECIAL REVENUE FUND - SPECIAL PROJECTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Title One (BA Projects) (201/202)	IDEA (CA Projects) (203)	Pre-School Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Adult Education (EA Projects)	Other Restricted State Grants (900's)	Special Revenue Programs (200's/800's)	Pupil Activity Funds (700s)	Totals
<b>Expenditures (Continued)</b>									
<b>300 Community Services</b>									
360 Community Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2,478	\$ -	2,478
100 Salaries	-	-	-	-	-	-	645	-	645
200 Employee Benefits	340	-	-	-	-	-	837	-	1,177
300 Purchased Services	-	-	-	-	-	-	-	-	-
370 Non Public School Services	-	-	-	-	-	-	775	-	775
300 Purchased Services	-	-	-	-	-	-	2,065	-	2,065
400 Supplies and Materials									
Total Community Services	340	-	-	-	-	-	6,800	-	7,140
<b>400 Intergovernmental Expenditures</b>									
414 Payments to S C Department of Education	-	-	-	-	-	-	19,171	-	19,171
700 Transits									
Total Expenditures	1,387,133	1,211,271	43,189	72,211	111,809	1,094,908	3,121,915	1,047,807	8,090,243
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	61,279	55,047	-	-	5,328	1,527,190	426,997	(320,304)	1,755,537
<b>Other Financing Sources (Uses)</b>									
Inter-fund Transfers From (To) Other Funds									
5210 Transfer from General Fund								409,136	409,136
421-710 Transfer to General Fund	(61,279)	(55,047)			(5,328)	(1,527,190)	(376,970)		(1,527,190)
431-791 Transfer to Other Funds Indirect Costs									(498,624)
Total Other Financing Sources (Uses)	(61,279)	(55,047)	-	-	(5,328)	(1,527,190)	(376,970)	409,136	(1,616,678)
<b>Net Change in Fund Balance</b>	-	-	-	-	-	-	50,027	88,832	138,859
<b>Fund Balances - Beginning of Year</b>	-	-	-	-	-	-	177,897	384,602	562,499
<b>Fund Balances - End of Year</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	227,924	\$ 473,434	\$ 701,358

HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

SPECIAL REVENUE FUND

SUMMARY SCHEDULE OF DESIGNATED STATE RESTRICTED GRANTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Subfund	Revenue	Programs	Revenues	Expenditures	Other Fund Transfers In/(Out)	Special Revenue Fund Unearned
919	3193	Education License Plates	\$ -	\$ -	\$ -	\$ 721
924	3134	Child Early Reading Development and Education Program (CERDEP) - Full Day 4K	12,181	12,181	-	10,699
928	3118	EEDA Career Specialists	330,727	330,727	-	2,550
935	3135	Reading Coaches	354,661	354,661	-	-
936	3136	Student Health and Fitness - Nurses	72,334	72,334	-	-
937	3127	Student Health and Fitness - PE Teachers	18,447	18,447	-	-
939	3393	Capital Improvement Plan - Additional	107,476	107,476	-	-
956	3156	Adult Education	3,287	3,287	-	-
971	3171A	District Consolidation	1,722,985	195,795	(1,527,190)	197,631
972	3171B	School District Capital	-	-	-	10,000,000
			\$ 2,622,098	\$ 1,094,908	\$(1,527,190)	\$10,211,601

**HAMPTON COUNTY SCHOOL DISTRICT**

**HAMPTON COUNTY, SOUTH CAROLINA**

**SPECIAL REVENUE FUND**

**SUPPLEMENTAL LISTING OF OTHER SPECIAL REVENUE FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2022**

		<b>Revenues</b>	<b>Expenditures</b>	<b>Transfers In/(Out)</b>
210	Student Support and Academic Enrichment Program	\$ 76,319	\$ 73,156	\$ (3,163)
217	CRF, Per Pupil (LEAP)	43,674	43,674	-
218	American Rescue Plan - ESSER III	546,251	457,420	(88,831)
220	SC CARES, Covid 19	58,095	58,095	-
224	21st Century Learning Centers	239,399	239,399	-
225	ESSER II	1,723,692	1,443,386	(280,306)
230	American Rescue Plan - IDEA	158,700	158,700	-
232	McKinney-Vento Homeless Education	8,093	7,660	(433)
233	American Rescue Plan - IDEA Preschool	12,901	12,901	-
251	Rural and Low Income School Program, Title VI	24,743	23,622	(1,121)
267	Improving Teacher Quality	95,829	92,713	(3,116)
283	SC Medicaid	65,147	66,919	-
812	Medicaid	364	364	-
814	ROTC	144,668	144,668	-
815	Medicaid	98,896	56,324	-
816	Medicaid Vendor	456	-	-
819	E Rate	6,600	-	-
832	SCSBIT Risk Control Grant	10,272	10,272	-
840	Extended School Year (ESY)	20,997	18,826	-
843	Palmetto Electric Grant	3,561	3,561	-
844	Adult Education - Transition	2,796	2,796	-
845	JAG Programs	54,378	54,378	-
862	Adult Education (Holmes)	20,498	20,498	-
882	Winthrop CERRA Grant	30,565	30,565	-
990	First Steps	102,018	102,018	-
<b>Totals</b>		<b>\$ 3,548,912</b>	<b>\$ 3,121,915</b>	<b>\$ (376,970)</b>

**HAMPTON COUNTY SCHOOL DISTRICT**

**HAMPTON COUNTY, SOUTH CAROLINA**

**SPECIAL REVENUE (EDUCATION IMPROVEMENT ACT) FUND**

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

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

---

**Revenues**

**3000 Revenues from State Sources**

3500 Education Improvement Act	
3502 ADEPT	\$ 2,102
3518 Adoption List of Formative Assessment	17,951
3519 Grade 10 Assessments	3,014
3528 Industry Certificates/Credentials	6,753
3529 Career & Technology Education	56,289
3532 National Board Salary Supplement	79,892
3533 Teacher of the Year Awards	1,077
3538 Students at Risk of School Failure	157,746
3541 Child Early Reading Development and Education Program (CERDEP) Full Day 4K	695,929
3550 Teacher Salary Increase	571,951
3555 Teacher Salary Fringe	137,390
3556 Adult Education	155,172
3557 Summer Reading Program	50,230
3571 CSI and State Priority Schools	17,273
3577 Teacher Supplies	55,825
3594 EEDA Supplemental Program	244,535
3595 EEDA - Supplies and Materials	3,508
3597 Aid to Districts	45,909
3599 Other EIA	22,012

<b>Total Revenues from State Sources</b>	<b>2,324,558</b>
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**Expenditures**

**100 Instruction**

110 General Instruction	
111 Kindergarten Programs	
100 Salaries	15,000
200 Employee Benefits	4,709
400 Supplies and Materials	4,400
112 Primary Programs	
100 Salaries	32,806
200 Employee Benefits	18,957
300 Purchased Services	-
400 Supplies and Materials	11,000
113 Elementary Programs	
100 Salaries	25,351
200 Employee Benefits	7,534
300 Purchased Services	119,999
400 Supplies and Materials	23,643

Continued on Next Page



**HAMPTON COUNTY SCHOOL DISTRICT**

**HAMPTON COUNTY, SOUTH CAROLINA**

**SPECIAL REVENUE (EDUCATION IMPROVEMENT ACT) FUND**

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

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**Expenditures**

**100 Instruction (Continued)**

110 General Instruction (Continued)

114 High School Programs

100 Salaries	\$ 63,894
200 Employee Benefits	30,640
300 Purchased Services	4,455
400 Supplies and Materials	8,800

115 Career and Technology Education Programs

300 Purchased Services	20,448
400 Supplies and Materials	35,970

120 Exceptional Programs

121 Educable Mentally Handicapped

100 Salaries	7,500
200 Employee Benefits	2,370
400 Supplies and Materials	1,100

122 Trainable Mentally Handicapped

400 Supplies and Materials	550
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123 Orthopedically Handicapped

400 Supplies and Materials	1,100
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126 Speech Handicapped

400 Supplies and Materials	275
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127 Learning Disabilities

400 Supplies and Materials	1,100
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130 Preschool Programs

132 Preschool Handicapped Itinerant (5 Yr. Olds)

400 Supplies and Materials	275
----------------------------	-----

133 Preschool Handicapped Self Contained (5 Yr. Olds)

400 Supplies and Materials	275
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136 Preschool Handicapped Itinerant (3 and 4 Yr Olds)

400 Supplies and Materials	275
----------------------------	-----

137 Preschool Handicapped Self Contained (3 and 4 Yr. Olds)

400 Supplies and Materials	550
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140 Special Programs

147 CDEPP

100 Salaries	340,068
200 Employee Benefits	156,118
300 Purchased Services	-
400 Supplies and Materials	242,657

149 Other Special Programs

100 Salaries	22,976
200 Employee Benefits	11,212
400 Supplies and Materials	781

**HAMPTON COUNTY SCHOOL DISTRICT**

**HAMPTON COUNTY, SOUTH CAROLINA**

**SPECIAL REVENUE (EDUCATION IMPROVEMENT ACT) FUND**

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

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**100 Instruction** (Continued)

160 Other Exceptional Programs	
161 Autism	
400 Supplies and Materials	\$ 275
170 Summer School Programs	
171 Primary Summer School	
100 Salaries	34,217
200 Employee Benefits	11,483
300 Purchased Services	675
400 Supplies and Materials	3,854
172 Elementary Summer School	
100 Salaries	1,200
200 Employee Benefits	384
400 Supplies and Materials	-
175 High School Summer School	
100 Salaries	12,774
200 Employee Benefits	4,053
300 Purchased Services	17,065
400 Supplies and Materials	37,794
180 Adult Programs	
183 Adult English Literacy (ESL)	
400 Supplies and Materials	275
188 Parenting Family Literacy	
400 Supplies and Materials	550
190 Instructional Pupil Activity	
300 Purchased Services	3,885

**Total Instruction**

1,345,272

**200 Support Services**

210 Pupil Services	
212 Guidance Services	
300 Purchased Services	2,685
400 Supplies and Materials	6,862
213 Health Services	
100 Salaries	9,669
200 Employee Benefits	11,343
220 Instructional Staff Services	-
221 Improvement of Instruction - Curriculum Development	
100 Salaries	1,227
200 Employee Benefits	323
300 Purchased Services	-
222 Library and Media	
400 Supplies and Materials	1,100

**HAMPTON COUNTY SCHOOL DISTRICT**

**HAMPTON COUNTY, SOUTH CAROLINA**

**SPECIAL REVENUE (EDUCATION IMPROVEMENT ACT) FUND**

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

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Expenditures**

220 Instructional Staff Services (Continued)	
223 Supervision of Special Programs	
100 Salaries	\$ 123,162
200 Employee Benefits	43,208
300 Purchased Services	51,119
400 Supplies and Materials	487
224 Improvement of Instruction - In-service and Staff Training	
300 Purchased Services	1,953
400 Supplies and Materials	2,102
600 Other Objects	-
230 School Administration	
233 School Administration	
100 Salaries	5,000
200 Employee Benefits	1,600
250 Finance and Operations Services.	
251 Student Transportation (Federal/District Mandated)	
100 Salaries	3,411
200 Employee Benefits	1,127
270 Pupil Activities	
271 Instructional Pupil Activity	
600 Other Objects	3,567
<b>Total Support Services</b>	<u>269,945</u>
<b>Total Expenditures</b>	<u>1,615,217</u>
<b>Excess Revenues Over (Under) Expenditures</b>	<u>709,341</u>
<b>Other Financing Sources (Uses)</b>	
<b>Transfers From (To) Other Funds</b>	
420-710 Transfer to General Fund (Exclude Indirect Costs)	<u>(709,341)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(709,341)</u>
<b>Net Change in Fund Balance</b>	-
<b>Fund Balance - Beginning of Year</b>	<u>-</u>
<b>Fund Balance - End of Year</b>	<u><u>\$ -</u></u>

HAMPTON COUNTY SCHOOL DISTRICT  
HAMPTON COUNTY, SOUTH CAROLINA  
SPECIAL REVENUE (EDUCATION IMPROVEMENT ACT) FUND  
SUMMARY SCHEDULE BY PROGRAM  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Program	Revenues	Expenditures	EIA Inter-fund Transfers In/ (Out)	Other Fund Transfers In/ (Out)	EIA Fund Unearned
<b>3500 Education Improvement Act</b>					
3502 ADEPT	\$ 2,102	\$ 2,102	\$ -	\$ -	-
3518 Adoption List of Formative Assessment	17,951	17,951	-	-	-
3519 Grade 10 Assessments	3,014	3,014	-	-	\$ 4,124
3528 Industry Certificates/Credentials	6,753	6,753	-	-	14,803
3529 Career & Technology Education	56,289	56,289	-	-	55,578
3532 National Board Salary Supplement	79,892	79,892	-	-	-
3533 Teacher of the Year Awards	1,077	1,077	-	-	187,637
3538 Students at Risk of School Failure	157,746	157,746	-	-	-
3541 Child Early Reading Development and Education Program (CERDEP) Full Day 4K	695,929	695,929	-	-	-
3550 Teacher Salary Increase	571,951	-	-	(571,951)	-
3555 Teacher Salary Fringe	137,390	-	-	(137,390)	-
3556 Adult Education	155,172	155,172	-	-	-
3557 Summer Reading Program	50,230	50,230	-	-	46,186
3571 CSI and Priority Schools	17,273	17,273	-	-	119,000
3577 Teacher Supplies	55,825	55,825	-	-	-
3594 EEDA Supplemental Program	244,535	244,535	-	-	-
3595 EEDA - Supplies and Materials	3,508	3,508	-	-	4,356
3597 Aid to Districts	45,909	45,909	-	-	64,692
3599 Other EIA	22,012	22,012	-	-	-
<b>Totals</b>	<b>\$ 2,324,558</b>	<b>\$ 1,615,217</b>	<b>\$ -</b>	<b>\$ (709,341)</b>	<b>\$ 496,376</b>

HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

SPECIAL REVENUE FUND - FOOD SERVICE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**Revenues**

1000 Revenues from Local Sources	
1600 Food Service	
1620 Breakfast Sales to Pupils	\$ 7,876
1640 Lunch Sales to Adults	59,300
1650 Breakfast Sales to Adults	44
1660 Special Sales to Adults	791
1900 Other Revenue from Local Sources	
1999 Revenue from Other Local Sources	760
Total Revenue from Local Sources	68,771
4000 Revenue from Federal Sources	
4800 USDA Reimbursements	
4810 School Lunch and After School Snacks Program	1,498,338
4820 Supply Chain Assistance Funding	52,974
4830 School Breakfast Program	541,643
4860 Fresh Fruits and Vegetables	16,321
4890 Operating Cost Reimbursement	83,569
4900 Other Federal Sources	
4991 USDA Commodities (Food Distribution Program) (Carryover Provision)	114,970
Total Revenue from Federal Sources	2,307,815
<b>Total Revenue - All Sources</b>	<b>2,376,586</b>

**Expenditures**

200 Support Services	
256 Food Services	
100 Salaries	764,544
200 Employee Benefits	348,900
300 Purchased Services	113,776
400 Supplies and Materials	1,108,567
600 Other Objects	10,220
Total Support Services	2,346,007

HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

SPECIAL REVENUE FUND - FOOD SERVICE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**Expenditures** (Continued)

500 Debt Service

610 Redemption of Principal

\$ 7,042

**Total Debt Service**

7,042

**Total Expenditures**

2,353,049

**Excess Revenues Over (Under) Expenditures**

23,537

**Interfund Transfers From (To) Other Funds**

432-791 Transfer to Other Funds Indirect Cost

(55,000)

**Net Change in Fund Balance**

(31,463)

**Fund Balance - Beginning of Year**

75,338

**Fund Balance - End of Year**

\$ 43,875

HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**Revenues**

1000 Revenues from Local Sources	
1200 Revenue from Local Governmental Units Other Than LEAs	
1210 Ad Valorem Taxes - Including Delinquent (Fiscally Dependent LEA)	\$ 2,199,521
1240 Penalties and Interest on Taxes (Dependent)	20,426
1500 Earnings on Investments	
1510 Interest on Investments	687

Total Local Sources	<u>2,220,634</u>
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3000 Revenue from State Sources

3800 State Revenue in Lieu of Taxes	
3820 Homestead Exemption (Tier 2)	174,742
3830 Merchants' Inventory Tax	8,325
3840 Manufacturer's Depreciation Reimbursement	22,006
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Taxes)	73,354

Total State Sources	<u>278,427</u>
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4000 Revenue from Federal Sources

4999 Revenues from Other Federal Sources (QSCB/BAB Subsidies)	547,883
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<b>Total Revenue - All Sources</b>	<u>3,046,944</u>
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**Expenditures**

500 Debt Service	
610 Redemption of Principal	2,102,395
620 Interest	793,715
690 Fees for Servicing Bonds	20,200

<b>Total Expenditures</b>	<u>2,916,310</u>
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<b>Excess Revenues Over Expenditures</b>	130,634
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**Other Financing Sources (Uses)**

Transfers from Other Governmental Funds	
5210 Transfer from General Fund	54,340

<b>Net Change in Fund Balance</b>	184,974
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<b>Fund Balance - Beginning of Year</b>	<u>97,001</u>
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<b>Fund Balance - End of Year</b>	<u><u>\$ 281,975</u></u>
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HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

CAPITAL PROJECTS FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**Revenues**

1000 Revenues from Local Sources

1500 Earnings on Investments

1510 Interest on Investments

\$ 2,385

Total Revenue from Local Sources

2,385

**Total Revenues from All Sources**

2,385

**Expenditures**

**200 Support Services**

250 Finance and Operations

254 Operation and Maintenance Services

300 Purchased Services

500 Capital Outlay

31,840

8,349

**Total Support Services**

40,189

**500 Debt Service**

690 Other Objects

27,250

**Total Debt Service**

27,250

**Total Expenditures**

67,439

**Excess Revenues Over (Under) Expenditures**

(65,054)

**Other Financing Sources (Uses)**

5120 Proceeds of General Obligation Bonds

2,250,000

**Total Other Financing Sources (Uses)**

2,250,000

**Net Change in Fund Balance**

2,184,946

**Fund Balance - Beginning of Year**

(90,583)

**Fund Balance - End of Year**

2,094,363



**HAMPTON COUNTY SCHOOL DISTRICT**

**HAMPTON COUNTY, SOUTH CAROLINA**

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

**JUNE 30, 2022**

<b>Program</b>	<b>Revenue and Subfund Codes</b>	<b>Description</b>	<b>Amount Due To SDE or Federal Government</b>	<b>Status of Amounts Due to Grantors at Present</b>
21 IDEA Preschool (205) H63010100821	4520/205	Overclaimed Costs		
		100-100	\$ 1,828.62	Unpaid
		100-200	1,197.30	Unpaid
		100-400	1,595.79	Unpaid
		200-100	919.16	Unpaid
		200-200	270.00	Unpaid
		200-400	3,607.65	Unpaid
			<u>9,418.52</u>	
21 Title I Regular (201) H63010100121	4310/201	Overclaimed Costs		
		188-100	<u>1,300.00</u>	Unpaid
22 CTE Federal (207) H63010107122	4210/207	Overclaimed Costs		
		100-300	8,100.00	Unpaid
		100-400	3,033.97	Unpaid
			<u>11,133.97</u>	
22 Adult Education (243) H63010101022	4410/243	Overclaimed Costs		
		181.100	5,870.31	Unpaid
		181.200	1,518.00	Unpaid
		181.300	1,585.00	Unpaid
		183.300	51.00	Unpaid
		223.300	500.00	Unpaid
		254.100	400.00	Unpaid
		254.200	125.00	Unpaid
		254.300	29.00	Unpaid
		430.700	150.00	Unpaid
			<u>10,228.31</u>	
22 Title II Supporting Effective Instruction (267) H63010006822	4312/267	Overclaimed Costs		
		100-100	5,732.37	Unpaid
		100-200	2,442.86	Unpaid
		220-100	253.37	Unpaid
		220-200	138.54	Unpaid
		430-700	407.79	Unpaid
			<u>8,974.93</u>	
19 Targeted School improvement H63010100119	4310/237	Overclaimed Costs		
		100-400	5,217.57	Unpaid
		430-700	248.20	Unpaid
			<u>5,465.77</u>	

Continued on Next Page

**HAMPTON COUNTY SCHOOL DISTRICT**

**HAMPTON COUNTY, SOUTH CAROLINA**

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

**JUNE 30, 2022**

<b>Program</b>	<b>Revenue and Subfund Codes</b>	<b>Description</b>	<b>Amount Due To SDE or Federal Government</b>	<b>Status of Amounts Due to Grantors at Present</b>
CRF Per Pupil Funding	3995/217	Unexpended Funds	\$ 45,815.30	Unpaid
Grade 10 Assessments	3519/319	Unexpended Funds	10,486.00	Unpaid
Refurbishment of Science Kits	3526/326	Unexpended Funds	9,915.74	Unpaid
National Board Salary Supplements	3532/332	Unexpended Funds	16,322.37	Unpaid
Summer Reading Program	3557/357	Unexpended Funds	9,376.71	Unpaid
CSI and Priority Schools	3571/371	Unexpended Funds	39,537.65	Unpaid
Teacher Supply Funds	3577/377	Unexpended Funds	3,300.00	Unpaid
EEDA - Supplies and Materials	3595/395	Unexpended Funds	4,211.75	Unpaid
GEER Summer CERDEP	3143/924	Unexpended Funds	<u>77,020.08</u>	Unpaid
			<u><u>\$ 262,507</u></u>	

**HAMPTON COUNTY SCHOOL DISTRICT**

**HAMPTON COUNTY, SOUTH CAROLINA**

**LOCATION RECONCILIATION SCHEDULE**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<b>Location ID</b>	<b>Location Description</b>	<b>Education Level</b>	<b>Cost Type</b>	<b>Total Expenditures</b>
01.	Estill High School	High School	School	\$ 2,842,269
02.	Wade Hampton HS	High School	School	4,725,971
03.	North District Middle	Middle School	School	3,333,424
04.	Estill Middle School	Middle School	School	1,627,512
05.	Hampton Elementary	Elementary School	School	3,502,253
06.	Brunson Elementary	Elementary School	School	1,738,419
07.	Fennell Elementary	Elementary School	School	1,855,472
08.	Estill Elementary	Elementary School	School	2,938,546
09.	Varnville Elementary	Elementary School	Central	2,764,516
10.	Ben Hazel Elementary	Elementary School	Central	2,673,983
11.	USDA Commodities	District Wide	Central	114,911
12.	CATE	CATE	School	818,239
15.	District Office	District Wide	Central	13,465,960
19.	Adult Education	Adult Education	School	298,667
20.	Athletics	Non-School	Central	420,973
<b>Total Expenditures for All Funds</b>				<b>\$ 43,121,115</b>

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

General Fund (Subfund 100's)	\$ 28,078,857
Special Revenue Fund (Subfunds 200's, 700's,800's and 900's)	8,090,243
Special Revenue (EIA) Fund (Subfunds 300's)	1,615,217
Debt Service Fund (Subfunds 400's)	2,916,310
Capital Projects Fund (Subfunds 500's)	67,439
Food Service Fund (Subfund 600's)	2,353,049
<b>Total Expenditures for All Funds</b>	<b>\$ 43,121,115</b>

## **COMPLIANCE SECTION**

**HAMPTON COUNTY SCHOOL DISTRICT**  
**HAMPTON COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

LEA Subfund Code	Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grantor/ Pass-Through Identifying Designation	Total Expenditures
<b>Grant Awards</b>				
<b>U. S. Department of Agriculture</b>				
	Passed Through S. C. Department of Education			
	<b>Child Nutrition Cluster</b>			
	Non Cash Assistance (Commodities)			
600	National School Lunch Program	10.555	N/A	\$ 114,970
	Cash Assistance			
600	School Breakfast Program	10.553	N/A	541,643
600	School Lunch Program	10.555	N/A	1,498,338
600	Supply Chain Assistance (SCA)	10.555	N/A	52,974
600	Fresh Fruits and Vegetables	10.582	N/A	16,321
600	Operating Cost Reimbursement	10.555	N/A	83,569
	Total Cash Assistance - Child Nutrition Cluster			2,192,845
	<b>Total Child Nutrition Cluster</b>			2,307,815
	<b>Total U. S. Department of Agriculture</b>			2,307,815
<b>U. S. Department of Education</b>				
	Passed Through S. C. Dept. of Education			
	Title One Grants to Local Educational Agencies			
201	Title One, Basic State Grants	84.010	H63010100119	60,540
201	Title One, Basic State Grants	84.010	H63010100120	114,578
201	Title One, Basic State Grants	84.010	H63010100121	300,392
201	Title One, Basic State Grants	84.010	H63010100122	972,902
	<b>Total Title One Grants to Local Educational Agencies</b>			1,448,412
	Special Education Cluster - IDEA			
203	IDEA	84.027A	H63010100920	77,596
203	IDEA	84.027A	H63010100921	409,749
203	IDEA	84.027A	H63010100922	778,973
230	American Rescue Plan - IDEA	84.027X	H63010ARP922	158,700
205	IDEA Preschool	84.173	H63010100819	1,596
205	IDEA Preschool	84.173	H63010100820	7,823
203	IDEA Preschool	84.173	H63010100821	33,741
205	IDEA Preschool	84.173	H63010100822	29
233	American Rescue Plan - IDEA Preschool	84.173X	H63010ARP822	12,901
	<b>Total Special Education Cluster (IDEA) (Major Program)</b>			1,481,108
	Twenty First Century Community Learning Centers			
224	Twenty First Century Community Learning Centers	84.287	H63010006922	32,233
224	Twenty First Century Community Learning Centers	84.287	H63010006922	207,166
	<b>Total Twenty First Century Learning Centers</b>			239,399

Continued on Next Page

**HAMPTON COUNTY SCHOOL DISTRICT**  
**HAMPTON COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

LEA Subfund	Federal Grantor/Pass-Through	Federal CFDA	Grantor/ Pass-Through	Total
<b>Grant Awards (Continued)</b>				
<b>U. S. Department of Education (Continued)</b>				
Passed Through S. C. Dept. of Education (Continued)				
	Adult Education - Basic Grants to States			
243	Adult Education	84.002	H63010101020	10,227
243	Adult Education	84.002	H63010101022	106,910
	<b>Total Adult Education - Basic Grants to States</b>			<b>117,137</b>
	Career and Technical Education - Basic Grants to States			
207	Career and Technical Education (Subprogram 01)	84.048	H63010107122 (01)	37,292
207	Career and Technical Education (Subprogram 03)	84.048	H63010107122 (03)	6,544
207	Career and Technical Education (Subprogram 04)	84.048	H63010107122 (04)	9,748
207	Career and Technical Education (Subprogram 11)	84.048	H63010107122 (11)	15,000
207	Career and Technical Education (Subprogram 15)	84.048	H63010107122 (15)	3,627
	<b>Total Career and Technical Education Programs</b>			<b>72,211</b>
	Rural Education			
251	Rural Education	84.358	H63010007019	12,281
251	Rural Education	84.358	H63010007020	12,462
	<b>Total Rural Education</b>			<b>24,743</b>
	Improving Teacher Quality State Grants			
267	Improving Teacher Quality State Grants	84.367A	H63010006819	8,975
267	Improving Teacher Quality State Grants	84.367A	H63010006820	41,165
267	Improving Teacher Quality State Grants	84.367A	H63010006821	43,923
267	Improving Teacher Quality State Grants	84.367A	H63010006822	1,766
	<b>Total Improving Teacher Quality State Grants</b>			<b>95,829</b>
	Student Support and Academic Enrichment Program			
210	Student Support and Academic Enrichment Program	84.424A	H63010100320	16,269
210	Student Support and Academic Enrichment Program	84.424A	H63010100321	60,051
	<b>Total Student Support and Academic Enrichment Program</b>			<b>76,320</b>
	Elementary and Secondary School Emergency Relief			
225	COVID-19 - Elementary and Secondary School Emergency Relief	84.425D	H63010006822	1,723,692
220	COVID-19 - Elementary and Secondary School Emergency Relief	84.425D	H63010497520	58,095
218	American Rescue Plan - ESSER III	84.425D	H63010497523	546,251
	<b>Total Elementary and Secondary School Emergency Relief (Major Program)</b>			<b>2,328,038</b>

Continued on Next Page

HAMPTON COUNTY SCHOOL DISTRICT  
HAMPTON COUNTY, SOUTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

LEA Subfund	Federal Grantor/Pass-Through	Federal CFDA	Grantor/ Pass-Through	Total
<b>Grant Awards</b> (Continued)				
<b>U. S. Department of Education</b> (Continued)				
Passed Through S. C. Dept. of Education (Continued)				
232	McKinney Vento Homeless McKinney Vento Homeless	84.196	H63010108920	<u>8,093</u>
	<b>Total McKinney Vento Homeless</b>			<u>8,093</u>
	Total Passed Through S. C. Department of Education			<u>5,891,290</u>
	<b>Total U.S. Department of Education</b>			<u>5,891,290</u>
<b>U. S. Department of Defense</b>				
	Direct Program			
814	NJROTC	N/A	N/A	76,151
814	US Army ROTC	N/A	N/A	<u>68,516</u>
	<b>Total U. S. Department of Defense</b>			<u>144,667</u>
	<b>Total Expenditures of Federal Awards</b>			<u>8,343,772</u>

HAMPTON COUNTY SCHOOL DISTRICT

HAMPTON COUNTY, SOUTH CAROLINA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2022

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**A – General**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) presents the activity of all federal award programs of Hampton County School District, Hampton County, South Carolina (the “School District”) for the year ended June 30, 2022. 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.

**C – Relationship to Financial Statements**

Federal award expenditures are reported in the School District’s financial statements primarily as expenditures in the Special Revenue Funds.

**D – Relationship to Federal Financial Reports**

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

**E – Indirect Cost Rate**

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



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

To the Board of Trustees  
Hampton County School District  
Hampton County, 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 Hampton County School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Hampton County School District's basic financial statements and have issued our report thereon dated February 10, 2023.

### Report on Internal Control over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described accompanying schedule of findings and questioned costs as item 2022-001 to be a material weakness.

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. We consider the deficiency described accompanying schedule of findings and questioned costs as item 2022-002 to be a significant deficiency.

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## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Hampton County School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standard* and which is described in the accompanying schedule of findings and questioned costs as item 2022-001.

## **Hampton County School District's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Hampton County School District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Hampton County School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **Purpose of this Report**

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

*McGregor & Company LLP*

Orangeburg, South Carolina  
February 10, 2023



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

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Hampton County School District's 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 Hampton County School District's major federal programs for the year ended June 30, 2022. Hampton County School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Hampton County School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Hampton County School 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 Hampton County School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Hampton County School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

*McGregor & Company LLP*

Orangeburg, South Carolina

February 10, 2023



**HAMPTON COUNTY SCHOOL DISTRICT**  
**HAMPTON COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**Part II Findings Related to the Basic Financial Statements Reported in Accordance with  
Government Auditing Standards**

**Internal Control Over Financial Reporting**

Finding 2022-001 - Material Noncompliance with State Law (Material Weakness)

Criteria and Condition: South Carolina state law requires all deposits consisting of public funds in a financial institution to be adequately secured. Any deposits in excess of FDIC coverage (\$250,000) must be secured with letters of credit or pledged collateral securities. As of June 30, 2022, the District's financial institutions had not pledged the proper amount of securities to ensure that the accounts were adequately protected against a bank failure, however remote the chance of such an event occurring.

Reason Improvement Needed: To reduce the risk that, in the event of a bank failure, a governmental entity's deposits may not be returned to it, South Carolina made it state law that all deposits in a financial institution must be adequately secured. The District has a fiscal responsibility to its taxpayers to properly ensure all bank accounts are appropriately collateralized to reduce this risk.

Cause of Condition: Through an oversight, the district failed to obtain from the two financial institutions an adequate amount of securities necessary to secure the bank balances in excess of the FDIC coverage. This condition continued until it was determined that such an issue existed in January of 2023.

Effect of Condition: The District was exposed to custodial credit risk and, in the event of a bank failure and there were no safeguards in place to ensure the District's funds would not be lost. The District could have potentially lost a significant amount of funds if either bank would have failed financially at June 30, 2022.

Perspective Information: This finding is considered to apply to the fiscal year ending June 30, 2022.

Recommendation: We recommend that the District ensure ALL cash accounts be taken into consideration when ensuring that proper collateral is obtained. The District should work closely with the bank so they can understand who is the custodian of the funds and who is responsible for the collateral.

Auditee Response: At the date of the auditor's report, all bank accounts held in the district's name had been fully collateralized.

**HAMPTON COUNTY SCHOOL DISTRICT**  
**HAMPTON COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**Part II Findings Related to the Basic Financial Statements Reported in Accordance with  
Government Auditing Standards (Continued)**

**Internal Control Over Financial Reporting (Continued)**

Finding 2022-002 - Internal Controls over Financial Reporting (Significant Deficiency)

Criteria and Condition: The District's unadjusted financial statements reported material misstatements in certain financial statement accounts for the period under audit. The internal controls of the District did not prevent these material misstatements of certain assets, liabilities revenues, and expenditures from occurring.

Reason Improvement Needed: The financial statements are a critical component of the financial environment of the District. The District, through internal controls over financial reporting, should not present unaudited financial statements which contain material misstatements. Doing so provides unreliable financial information, in which the District may use to make key financial decisions on.

Cause of Condition: At the beginning of the initial year of the District's existence, the Finance office experienced significant instances of employee and consultant turnover. At one time, or another, there were five individuals responsible for the proper recording of opening balances and transactions in the District general ledger. As a result, there was no one person who was in charge of seeing that the transactions were properly reported until August of 2022 when a full time, highly qualified person was hired as the District director of finance.

Effect of Condition: The above described condition resulted in the need to make corrections to (1) the amounts reported for reimbursement to the South Carolina Department of Education for certain federally funded grants in the amount of \$46,521, which resulted in a liability to the SDE of the same amount for over- claimed costs for six programs, (2) the amount of beginning fund balances in the general fund were overstated and had to be adjusted to reflect the proper amount, and (3) certain liabilities were understated at year end, which had to be corrected.

Recommendation: We recommend that the District assess the effectiveness of their internal controls over financial reporting. Each critical step and component of the process should be designed to ensure that (1) segregation of duties is achieved and (2) internal controls that support the District's objectives of complete and accurate financial statements are in place and being followed. In addition, we recommend that the District ensure that the effectiveness of internal control does not rely solely on the Director of Finance, but on all individuals within the department performing her duties.

Auditee Response: Since the hiring of the full time Director of Finance occurred, the internal controls over financial reporting have been significantly strengthened. In addition, procedures will be continually evaluated and revised to ensure that the financial transactions of the District are properly recorded and can be relied upon to make sound decisions going forward.



**HAMPTON COUNTY SCHOOL DISTRICT**  
**HAMPTON COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**Part III Findings and Questioned Costs Related to Expenditures of Federal Awards**

None Reported

**HAMPTON COUNTY SCHOOL DISTRICT**  
**HAMPTON COUNTY, SOUTH CAROLINA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**Part IV      Prior Year Findings**

**(Former Hampton County School District Two)**

**Financial Statement Findings**

**Finding 2021-001 Internal Controls over Financial Reporting**

**Condition:** Hampton County School District Two's unadjusted financial statements reported material misstatements in certain financial statement accounts for the period under audit. The internal controls of Hampton County School District Two did not prevent the material overstatement of accounts payable, as certain items accrued to June 30, 2021 were not actually received by Hampton County School District Two prior to fiscal year-end.

**Auditor's Recommendation:** The auditor recommended Hampton County School District Two assess the effectiveness of their internal controls over accounts payable. They should break down each critical step and component of the process to ensure (1) a segregation of duties and (2) internal controls that support Hampton County School District Two's objectives of complete and accurate financial statement. In addition, the auditor recommended that Hampton County School District Two ensure that the effectiveness of internal control does not rely solely on the Finance Director, but all individuals within the department.

**Current Status:** Sustained in the current year. See Finding 2022-002

**Finding 2021-002 Material Noncompliance with State Required Reporting**

**Condition:** Per the SCDE's Coronavirus Relief Funds (CRF) Per Pupil Allocation audit requirements, each District must report quarterly on the use of CRF funds to the SCDE, under specified modifiers, indicating the allowable categories of expenditures. Due to the improper accrual of accounts payable invoices reported in finding 2021-001, Hampton County School District Two materially overstated their June 30, 2021 quarterly state reporting as it relates to CRF.

**Auditor's Recommendation:** The auditor recommended Hampton County School District Two District assess the effectiveness of their internal controls over accounts payable. They should break down each critical step and component of the process to ensure (1) a segregation of duties and (2) internal controls that support Hampton County School District Two's objectives of complete and accurate financial statements. In addition, we recommend that Hampton County School District Two ensure that the effectiveness of internal control does not rely solely on the Finance Director, but all individuals within the department. By ensuring proper controls over accounts payable, Hampton County School District Two will reduce the risk of improperly reporting expenditures in future quarters.

**Current Status:** Not sustained in the current year.

**HAMPTON COUNTY SCHOOL DISTRICT**  
**HAMPTON COUNTY, SOUTH CAROLINA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**Part IV      Prior Year Findings (Continued)**

**(Former Hampton County School District Two)**

**Financial Statement Findings (Continued)**

**Finding 2021-003 Material Noncompliance with State Law**

**Condition:** South Carolina state law requires all deposits consisting of public funds in a financial institution to be adequately secured. Any deposits in excess of FDIC coverage (\$250,000) must be secured with letters of credit or pledged collateral securities. As of June 30, 2021, Hampton County School District Two District had opened three new bank accounts that that exceeded FDIC and were not appropriately collateralized.

**Auditor's Recommendation:** The auditor recommended Hampton County School District Two ensure ALL cash accounts be taken into consideration when ensuring that proper collateral is obtained. Hampton County School District Two should work closely with the bank so they can understand who is the custodian of the funds and who is responsible for the collateral. As the newly consolidated District was not officially formed as of June 30, 2021, this responsibility fell on Hampton County School District Two

**Current Status:** Sustained in the current year. See Finding 2022-001

**Federal Award Findings and Questioned Costs – Major Federal Award Programs Audit**

**Finding 2021-004 Reporting**

Elementary & Secondary	CFDA No. 84.4250	<u>Questioned Cost</u>
School Emergency Relief	Grant No. 21 ESSER II	\$ 254,830.15
Funds	Grant Period: June 30, 2021	
	FAIN: 21 ESSER II H63010497522	

**Condition:** Hampton County School District is required to report all expenditures during the reporting period that are supported by underlying accounting or performance records. The required reporting, including both the budget and expenditure reporting, should accurately reflect the expenditures of the District for the reporting program and period. During our compliance testing of reporting, it was discovered that an expenditure was properly recorded for financial statement purposes, but was improperly claimed (by function and object) for reporting purposes.

**Auditor's Recommendation:** The auditor recommended Hampton County School District Two ensure all individuals involved in the claiming of federal funds understand the methodology of claiming in the GAPS system, how claims are created from the source data, and how to verify a claim for accuracy.

**Current Status:** Not sustained in the current year.

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Superintendent of Schools



Hannah Priester, Board Chair  
Sabrena Graham, Vice Chair  
Kari Foy, Secretary  
Bruce Davis, Parliamentarian  
Debra Holmes, Member  
Mary Wilson, Member  
Marsha Robinson, Member

Hampton County School District  
Varnville, South Carolina

Corrective Action Plan

Year Ended June 30, 2022

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## Section II – Current Year Financial Statement Findings

**Finding :** 2022-001

**Contact Person:** Kathy Culclasure  
[kculclasure@hcsdsc.org](mailto:kculclasure@hcsdsc.org)

**Corrective Action:** The School District has secured collateral with financial institutions for all bank accounts over the FDIC coverage (\$250,000) as of January 2023.

**Proposed Completion**  
**Date:** January 2023

**Finding :** 2022-002

**Contact Person:** Kathy Culclasure  
[kculclasure@hcsdsc.org](mailto:kculclasure@hcsdsc.org)

**Corrective Action:** The School District has written internal policies and providing training to district staff to ensure that internal controls are in place and adhered to. Proper training will continue annually to ensure internal controls are in place.

**Proposed Completion**  
**Date:** Prior to June 30, 2023