

**HAMPTON COUNTY SCHOOL DISTRICT**

**VARNVILLE, SOUTH CAROLINA**

**BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2023**

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FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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## INDEPENDENT AUDITOR'S REPORT

The Board of Trustees  
Hampton County School District  
Varnville, 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 (the "School District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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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## **INDEPENDENT AUDITOR'S REPORT (continued)**

### ***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 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.

**INDEPENDENT AUDITOR'S REPORT  
(continued)**

***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 August 8, 2024 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.

*McGregor + Company LLP*

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

**HAMPTON COUNTY SCHOOL DISTRICT**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Fiscal Year Ended June 30, 2023**

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## **INTRODUCTION**

As management of the Hampton County School District, we offer readers of the Hampton County School District's financial statements this narrative overview of the financial activities for the fiscal year ended June 30, 2023. Our purpose is to inform our citizens of the effect of our 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 \$32.1 million (Net Position). In accordance with generally accepted accounting principles related to governments, the School District reflects its pro-rata portion of the SC PEBA's net pension liability and net OPEB liability and related deferred outflows/inflows on the statement of net position. At June 30, 2023 the governmental type activities reported balances related to its pension/OPEB liabilities (net of deferred inflows and outflows) of \$67.8 million, resulting in an unrestricted deficit of \$61.2 million at that date. Without these balances, the governmental activities would have reported an unrestricted positive net position of \$6.6 million.
- The District's net position increased by \$9.6 million during the year ended June 30, 2023, compared to an increase of \$2.5 million for the year ended June 30, 2022.
- At the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$15.6 million.
- At the close of the 2022-23 fiscal year, the general fund balance available for spending in the subsequent fiscal year was \$5.5 million.
- The balance of the School District's general obligation bonds and other outstanding debt decreased by \$2,462,929 during the year ended June 30, 2023, compared to a decrease of \$225,372 during the year ended June 30, 2022.

## **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.



**HAMPTON COUNTY SCHOOL DISTRICT**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Fiscal Year Ended June 30, 2023**

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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. The fund financial statements can be found on pages 13 and 15 of this report

**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 50.

**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.

**HAMPTON COUNTY SCHOOL DISTRICT**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Fiscal Year Ended June 30, 2023**

**GOVERNMENTAL-WIDE FINANCIAL ANALYSIS**

Overall, the financial position of the School District increased during the year ended June 30, 2023, with the net position increasing by \$9.6 million to a deficit of \$32.1 million.

The table below provides a summary of the District's Net Position as of June 30, 2022 and 2023.

|                                       | <b>Governmental Activities</b> |                        |
|---------------------------------------|--------------------------------|------------------------|
|                                       | <b>FY22</b>                    | <b>FY23</b>            |
|                                       | <b>Restated</b>                |                        |
| <b>Assets</b>                         |                                |                        |
| Current and other assets              | \$ 29,315,126                  | \$ 43,321,365          |
| Noncurrent assets                     | <u>31,369,072</u>              | <u>30,660,562</u>      |
| Total Assets                          | <u>60,684,198</u>              | <u>73,981,927</u>      |
| <b>Deferred Outflows of Resources</b> | <u>24,476,961</u>              | <u>58,210,333</u>      |
| <b>Liabilities</b>                    |                                |                        |
| Current liabilities                   | 16,543,372                     | 27,909,314             |
| Long term liabilities                 | <u>96,560,760</u>              | <u>60,448,607</u>      |
| Total Liabilities                     | <u>113,104,132</u>             | <u>88,357,921</u>      |
| <b>Deferred Inflows of Resources</b>  | <u>13,758,845</u>              | <u>75,966,763</u>      |
| <b>Net Position</b>                   |                                |                        |
| Net investment in capital assets      | 18,610,087                     | 19,705,236             |
| Restricted                            | 2,081,169                      | 9,349,650              |
| Unrestricted                          | <u>(62,393,074)</u>            | <u>(61,187,310)</u>    |
| Net Position                          | <u>\$ (41,701,818)</u>         | <u>\$ (32,132,424)</u> |

The table presented on the top of the next page shows changes in Net Position for the fiscal years ended June 30, 2022 and 2023.

**HAMPTON COUNTY SCHOOL DISTRICT**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Fiscal Year Ended June 30, 2023**

|                                    | <b>Governmental Activities</b> |                        |
|------------------------------------|--------------------------------|------------------------|
|                                    | <b>FY22</b>                    | <b>FY23</b>            |
|                                    | <b>Restated</b>                |                        |
| <b>Revenues:</b>                   |                                |                        |
| Program Revenues:                  |                                |                        |
| Charges for services               | \$ -                           | \$ 768,333             |
| Operating grants and contributions | 23,739,087                     | 25,237,387             |
| General Revenues:                  |                                |                        |
| Property taxes                     | 12,450,546                     | 11,624,536             |
| Other revenues                     | <u>9,057,037</u>               | <u>9,126,844</u>       |
| Total Revenues                     | <u>45,246,670</u>              | <u>46,757,100</u>      |
| <b>Expenses:</b>                   |                                |                        |
| Instruction                        | 21,548,695                     | 16,505,343             |
| Support Services                   | 20,295,785                     | 19,176,060             |
| Community Services                 | 6,692                          | 17,748                 |
| Intergovernmental                  | 19,352                         | -                      |
| Interest and other charges         | <u>872,022</u>                 | <u>1,488,555</u>       |
| Total Expenses                     | <u>42,742,546</u>              | <u>37,187,706</u>      |
| Change in Net Position             | 2,504,124                      | 9,569,394              |
| Beginning Net Position             | <u>(44,205,942)</u>            | <u>(41,701,818)</u>    |
| Ending Net Position                | <u>\$ (41,701,818)</u>         | <u>\$ (32,132,424)</u> |

In the fiscal year ended June 30, 2023, the net position of our governmental-type activities increased by \$9,569,394 compared to an increase of \$2,504,124 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 44% and support services accounted for 52% 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 community services.

The following table presents the cost of the three major functional activities for the years ended June 30, 2022 and 2023: 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 \$37.2 million compared to \$42.7 million in the prior year.

**HAMPTON COUNTY SCHOOL DISTRICT**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Fiscal Year Ended June 30, 2023**

|                                     | Year Ended<br>June 30, 2022 |                                  | Year Ended<br>June 30, 2023 |                                  |
|-------------------------------------|-----------------------------|----------------------------------|-----------------------------|----------------------------------|
|                                     | <u>Total<br/>Expenses</u>   | <u>Net (Expense)<br/>Revenue</u> | <u>Total<br/>Expenses</u>   | <u>Net (Expense)<br/>Revenue</u> |
| Instructional                       | \$ 21,548,695               | \$ (5,875,822)                   | \$ 16,505,343               | (1,543,904)                      |
| Support Services                    | 20,295,785                  | (12,777,454)                     | 19,176,060                  | (9,402,997)                      |
| Community                           | 6,692                       | (6,692)                          | 17,748                      | -                                |
| Intergovernmental                   | 19,352                      | (19,352)                         | -                           | -                                |
| Interest and Fees on Long-term debt | <u>872,022</u>              | <u>(324,139)</u>                 | <u>1,488,555</u>            | <u>(235,085)</u>                 |
| Total Expenses                      | \$ <u>42,742,546</u>        | \$ <u>19,003,459</u>             | \$ <u>37,187,706</u>        | \$ <u>(11,181,986)</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 \$20.8 million, because 67.9% 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 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 \$15.6 million, which was an increase of \$2.7 million from the prior year's ending balance of \$12.9 million. The total governmental funds' fund balance of \$15.2 million represents resources that are available for spending in accordance with the School District's budget and each fund's purpose and \$.4 million is considered nonspendable as it represents prepaid or inventory items.

The changes in the combined governmental fund balances were impacted by the activities in the general, special revenue, debt service, and capital project funds in the year ended June 30, 2023. The general fund reported a decrease of \$3.9 million. The special revenue fund increased by \$373,851. The capital projects fund increased by \$5.2 million. The debt service fund reported an increase in fund balance of \$1.1 million.

The general fund is the principal operating fund of the School District. For the year ended June 30, 2023, the general fund balance decreased by \$3.9 million to \$5.9 million compared to an increase of \$1.5 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 22.6% of the total general fund expenditures and other financing uses for the year ending June 30, 2023.

**HAMPTON COUNTY SCHOOL DISTRICT**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Fiscal Year Ended June 30, 2023**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets** - As of June 30, 2023, the School District reported a School District-wide, cumulative investment in capital assets of \$30.7 million.

The following schedule presents capital asset balances (net of depreciation, where applicable) of capital assets for the fiscal years ended June 30, 2022 and 2023.

|  | <b>Governmental Activities</b> |                      |
|--|--------------------------------|----------------------|
|  | <b>2022</b>                    | <b>2023</b>          |
| Assets not Subject to Depreciation             |                                |                      |
| Land and Construction in Process               | \$ 202,017                     | \$ 1,075,507         |
| Assets Subject to Depreciation                 |                                |                      |
| Building, Improvements, Vehicles and Equipment | 29,590,776                     | 28,340,624           |
| Assets Subject to Amortization                 |                                |                      |
| Leased Assets                                  | <u>1,576,279</u>               | <u>1,244,431</u>     |
| Total  | <u>\$ 31,369,072</u>           | <u>\$ 30,660,562</u> |

The total depreciation and amortization expense for the governmental activities for the fiscal year ended June 30, 2023, was \$1,806,164 compared to \$1,605,610 for the prior year.

**Debt Administration** - The School District's general obligation bonds and other debt outstanding decreased by \$2,469,929 to \$11.5 million during the year ended June 30, 2023.

The following schedule reflects the long-term general obligation debt outstanding at June 30, 2022 and 2023.

|   | <b>Year ended June 30</b> |                      |
|---|---------------------------|----------------------|
|   | <b>2022</b>               | <b>2023</b>          |
| <b>School District Outstanding Long-Term Debt</b> |                           |                      |
| General Obligation Bonds                          |                           |                      |
| (Including Unamortized Bond Premiums)             | \$ 12,150,163             | \$ 10,251,894        |
| Notes Payable                                     | 259,886                   | -                    |
| Lease Obligations                                 | <u>1,584,251</u>          | <u>1,279,477</u>     |
| Total   | <u>\$ 13,994,300</u>      | <u>\$ 11,531,371</u> |

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.

**HAMPTON COUNTY SCHOOL DISTRICT**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Fiscal Year Ended June 30, 2023**

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**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.

**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 an increase for salaries as well as inflation that impact the costs for benefits, utilities and other expenditures.

**Fiscal Year 2024 Budget**

The School District's fiscal year 2024 budgeted revenues and expenditures for the General Fund are \$30,966,066. 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 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, 372 Pine Street East, Varnville, South Carolina 29944 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  
VARNVILLE, SOUTH CAROLINA  
STATEMENT OF NET POSITION (DEFICIT)  
JUNE 30, 2023**

|   | <b>PRIMARY<br/>GOVERNMENT<br/>GOVERNMENTAL<br/>ACTIVITIES</b> |
|---|---|
| <b>ASSETS</b>   |   |
| Cash and Cash Equivalents                                 | \$ 28,742,315   |
| Property Taxes Receivable (Net)                           | 1,354,608   |
| Other Receivables   | 5,463,888   |
| Prepaid Expenses  | 398,609   |
| Due from County Treasurer                                 | 7,302,580   |
| Inventories   | 59,365  |
| Capital Assets  |   |
| Non-Depreciable   | 1,075,507   |
| Depreciable, Net of Accumulated Depreciation              | 28,340,624  |
| Leased Assets, Net of Accumulated Amortization            | 1,244,431   |
| <b>TOTAL ASSETS</b>                                       | <b>73,981,927</b>   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                     |   |
| Pension Deferrals   | 24,020,662  |
| OPEB Deferrals  | 34,189,671  |
| <b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>               | <b>58,210,333</b>   |
| <b>LIABILITIES</b>  |   |
| Accounts Payable and Accrued Expenses                     | 4,643,912   |
| Unearned Grant Revenue                                    | 20,622,694  |
| Due to SC Department of Education                         | 22,553  |
| Due to Federal Government                                 | 35,135  |
| Accrued Interest  | 23,955  |
| Short Term Bonds  | 803,000   |
| District's Share of SC PEBA Net Pension Liability         | 25,611,878  |
| District's Share of SC PEBA Net Collective OPEB Liability | 24,391,427  |
| Long-Term Liabilities                                     |   |
| Compensated Absences                                      | 671,996   |
| Long Term Bonds and Other Instruments Payable             |   |
| Due Within One Year                                       | 1,758,065   |
| Due After One Year  | 9,773,306   |
| <b>TOTAL LIABILITIES</b>                                  | <b>88,357,921</b>   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                      |   |
| Pension Deferrals   | 31,349,794  |
| OPEB Deferrals  | 44,616,969  |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>                | <b>75,966,763</b>   |
| <b>NET POSITION (DEFICIT)</b>                             |   |
| Net Investment in Capital Assets                          | 19,705,236  |
| Restricted for:   |   |
| Special Revenue   | 1,145,145   |
| Debt Service  | 1,587,559   |
| Capital Projects  | 6,616,946   |
| Unrestricted (Deficit)                                    | (61,187,310)  |
| <b>TOTAL NET POSITION (DEFICIT)</b>                       | <b>\$ (32,132,424)</b>  |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE BASIC FINANCIAL STATEMENTS.



**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

| FUNCTIONS/PROGRAMS  | EXPENSES             | PROGRAM REVENUES           |  |  | NET (EXPENSE)<br>REVENUE AND<br>CHANGES IN NET<br>POSITION<br>GOVERNMENTAL<br>ACTIVITIES |
|---|----------------------|----------------------------|--|--|--|
|   |                      | CHARGES<br>FOR<br>SERVICES | OPERATING<br>GRANTS AND<br>CONTRIBUTIONS | CAPITAL<br>GRANTS AND<br>CONTRIBUTIONS |  |
| <b>GOVERNMENTAL ACTIVITIES</b>                            |                      |                            |  |  |  |
| Instruction   | \$ 16,505,343        | \$ -                       | \$ 14,961,439                            | \$ -                                   | \$ (1,543,904)   |
| Support Services  | 19,176,060           | 768,333                    | 9,004,730                                | -                                      | (9,402,997)  |
| Community Services  | 17,748               | -                          | 17,748                                   | -                                      | -  |
| Interest and Other Charges                                | 1,488,555            | -                          | 1,253,470                                | -                                      | (235,085)  |
| <b>TOTAL GOVERNMENTAL ACTIVITIES</b>                      | <u>\$ 37,187,706</u> | <u>\$ 768,333</u>          | <u>\$ 25,237,387</u>                     | <u>\$ -</u>                            | <u>(11,181,986)</u>  |
| <b>GENERAL REVENUES:</b>                                  |                      |                            |  |  |  |
| Taxes   |                      |                            |  |  |  |
| Property Taxes, Levied for General Purposes               |                      |                            |  |  | 9,287,219  |
| Property Taxes, Levied for Debt Service                   |                      |                            |  |  | 2,337,317  |
| Federal and State Aid Not Restricted to Specific Purposes |                      |                            |  |  | 5,238,100  |
| Investment Earnings                                       |                      |                            |  |  | 603,972  |
| Miscellaneous   |                      |                            |  |  | 3,284,772  |
| <b>SUBTOTAL, GENERAL REVENUES</b>                         |                      |                            |  |  | <u>20,751,380</u>  |
| <b>CHANGE IN NET POSITION</b>                             |                      |                            |  |  | 9,569,394  |
| <b>NET POSITION (DEFICIT), JULY 1, 2022 - RESTATED</b>    |                      |                            |  |  | <u>(41,701,818)</u>  |
| <b>NET POSITION (DEFICIT), JUNE 30, 2023</b>              |                      |                            |  |  | <u>\$ (32,132,424)</u>   |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE BASIC FINANCIAL STATEMENTS.

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023**

|  | GENERAL<br>FUND      | SPECIAL REVENUE FUNDS |                   |                   | DEBT<br>SERVICE<br>FUND | CAPITAL<br>PROJECTS<br>FUND | TOTAL<br>GOVERNMENTAL<br>FUNDS |
|--|----------------------|-----------------------|-------------------|-------------------|-------------------------|-----------------------------|--------------------------------|
|  |                      | SPECIAL<br>PROJECTS   | EIA               | FOOD<br>SERVICE   |                         |                             |                                |
| <b>ASSETS</b>  |                      |                       |                   |                   |                         |                             |                                |
| Cash and Investments   | \$ 27,136,337        | \$ 997,861            | \$ -              | \$ 608,117        | \$ -                    | \$ -                        | \$ 28,742,315                  |
| Taxes Receivable, Net  | 1,063,982            | -                     | -                 | -                 | 290,626                 | -                           | 1,354,608                      |
| Other Receivables  | 851                  | 5,372,086             | 31                | 90,920            | -                       | -                           | 5,463,888                      |
| Prepaid Expenses   | 398,609              | -                     | -                 | -                 | -                       | -                           | 398,609                        |
| Due from Other Funds   | -                    | 15,063,920            | 269,139           | -                 | 619,213                 | 3,957,819                   | 19,910,091                     |
| Due from Hampton County  | 2,536,285            | -                     | -                 | -                 | 1,480,720               | 3,285,575                   | 7,302,580                      |
| Inventories  | -                    | -                     | -                 | 59,365            | -                       | -                           | 59,365                         |
| <b>TOTAL ASSETS</b>  | <u>\$ 31,136,064</u> | <u>\$ 21,433,867</u>  | <u>\$ 269,170</u> | <u>\$ 758,402</u> | <u>\$ 2,390,559</u>     | <u>\$ 7,243,394</u>         | <u>\$ 63,231,456</u>           |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>           |                      |                       |                   |                   |                         |                             |                                |
| <b>LIABILITIES</b>   |                      |                       |                   |                   |                         |                             |                                |
| Accounts Payable   | \$ 973,108           | \$ -                  | \$ -              | \$ -              | \$ -                    | \$ 26,448                   | \$ 999,556                     |
| Accrued Expenditures   | 3,644,356            | -                     | -                 | -                 | -                       | -                           | 3,644,356                      |
| Short Term Bonds Payable   | -                    | -                     | -                 | -                 | 803,000                 | -                           | 803,000                        |
| Due to Other Funds   | 19,274,179           | -                     | -                 | 635,912           | -                       | -                           | 19,910,091                     |
| Due to SC Department of Education  | -                    | 6,953                 | 15,600            | -                 | -                       | -                           | 22,553                         |
| Due to Federal Government  | -                    | 35,135                | -                 | -                 | -                       | -                           | 35,135                         |
| Unearned Revenue   | -                    | 20,352,441            | 253,570           | 16,683            | -                       | -                           | 20,622,694                     |
| <b>TOTAL LIABILITIES</b>   | <u>23,891,643</u>    | <u>20,394,529</u>     | <u>269,170</u>    | <u>652,595</u>    | <u>803,000</u>          | <u>26,448</u>               | <u>46,037,385</u>              |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |                      |                       |                   |                   |                         |                             |                                |
| Unavailable Property Taxes Receivable  | 817,816              | -                     | -                 | -                 | 239,861                 | -                           | 1,057,677                      |
| Unavailable Receivable from Hampton County                                     | 505,943              | -                     | -                 | -                 | -                       | -                           | 505,943                        |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>                                     | <u>1,323,759</u>     | <u>-</u>              | <u>-</u>          | <u>-</u>          | <u>239,861</u>          | <u>-</u>                    | <u>1,563,620</u>               |
| <b>FUND BALANCES</b>   |                      |                       |                   |                   |                         |                             |                                |
| Nonspendable   | 398,609              | -                     | -                 | 42,682            | -                       | -                           | 441,291                        |
| Restricted:  |                      |                       |                   |                   |                         |                             |                                |
| Special Revenue  | -                    | 1,039,338             | -                 | -                 | -                       | -                           | 1,039,338                      |
| Food Service   | -                    | -                     | -                 | 63,125            | -                       | -                           | 63,125                         |
| Debt Service   | -                    | -                     | -                 | -                 | 1,347,698               | -                           | 1,347,698                      |
| Capital Projects   | -                    | -                     | -                 | -                 | -                       | 7,216,946                   | 7,216,946                      |
| Unassigned   | 5,522,053            | -                     | -                 | -                 | -                       | -                           | 5,522,053                      |
| <b>TOTAL FUND BALANCES</b>   | <u>5,920,662</u>     | <u>1,039,338</u>      | <u>-</u>          | <u>105,807</u>    | <u>1,347,698</u>        | <u>7,216,946</u>            | <u>15,630,451</u>              |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND FUND BALANCES</b> | <u>\$ 31,136,064</u> | <u>\$ 21,433,867</u>  | <u>\$ 269,170</u> | <u>\$ 758,402</u> | <u>\$ 2,390,559</u>     | <u>\$ 7,243,394</u>         | <u>\$ 63,231,456</u>           |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE BASIC FINANCIAL STATEMENTS.

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
WITH THE STATEMENT OF NET POSITION (DEFICIT)  
JUNE 30, 2023**

|   |                     |                               |
|---|---------------------|-------------------------------|
| <b>TOTAL GOVERNMENTAL FUND BALANCES</b>   |                     | <b>\$ 15,630,451</b>          |
| Amounts reported for governmental activities on the Statement of Net Position are different because of the following:   |                     |                               |
| Property taxes receivable collected after August 31, 2023 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 |                     | 1,057,677                     |
| The proceeds of a legal settlement with Hampton County were not received in cash through August 31, 2023 and, therefore, are reflected as unavailable in the governmental funds   |                     | 505,943                       |
| Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in the governmental funds.   |                     |                               |
| The cost of capital assets is   | \$ 64,625,100       |                               |
| Accumulated depreciation and amortization is  | <u>(33,964,538)</u> | 30,660,562                    |
| Balances related to the District's share of the SC Retirement System's 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  | (25,611,878)        |                               |
| Deferred Outflows   | 24,020,662          |                               |
| Deferred Inflows  | <u>(31,349,794)</u> | (32,941,010)                  |
| Balances related to the District's share of the SC PEBA's other post employment benefits (OPEB) net liability are not reported in the governmental fund statements, but are reported in the District-wide statements  |                     |                               |
| Proportionate Share of Net OPEB Liability   | (24,391,427)        |                               |
| Deferred Outflows   | 34,189,671          |                               |
| Deferred Inflows  | <u>(44,616,969)</u> | (34,818,725)                  |
| Interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrued  |                     | (23,955)                      |
| Certain liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the funds. These include the following:   |                     |                               |
| Liability for Compensated Absences  | (671,996)           |                               |
| General Obligation Bonds Payable (Including Unamortized Bond Issuance Premiums)   | (10,251,894)        |                               |
| Lease Obligations   | <u>(1,279,477)</u>  | <u>(12,203,367)</u>           |
| <b>TOTAL NET POSITION (DEFICIT) - GOVERNMENTAL ACTIVITIES</b>   |                     | <b><u>\$ (32,132,424)</u></b> |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE BASIC FINANCIAL STATEMENTS.

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

|  | GENERAL<br>FUND     | SPECIAL REVENUE FUNDS |                    |                   | DEBT<br>SERVICE<br>FUND | CAPITAL<br>PROJECTS<br>FUND | TOTAL<br>GOVERNMENTAL<br>FUNDS |
|--|---------------------|-----------------------|--------------------|-------------------|-------------------------|-----------------------------|--------------------------------|
|  |                     | SPECIAL<br>PROJECTS   | EIA                | FOOD<br>SERVICE   |                         |                             |                                |
| <b>REVENUE</b>   |                     |                       |                    |                   |                         |                             |                                |
| Local  | \$ 9,652,959        | \$ 1,657,808          | \$ -               | \$ 67,210         | \$ 2,286,861            | \$ 3,332                    | \$ 13,668,170                  |
| Intergovernmental  | -                   | 92,112                | -                  | -                 | -                       | -                           | 92,112                         |
| State  | 16,357,167          | 1,564,306             | 3,202,890          | -                 | 323,660                 | -                           | 21,448,023                     |
| Federal  | -                   | 8,022,869             | -                  | 1,925,263         | 1,242,164               | -                           | 11,190,296                     |
| <b>TOTAL REVENUES</b>  | <u>26,010,126</u>   | <u>11,337,095</u>     | <u>3,202,890</u>   | <u>1,992,473</u>  | <u>3,852,685</u>        | <u>3,332</u>                | <u>46,398,601</u>              |
| <b>EXPENDITURES</b>  |                     |                       |                    |                   |                         |                             |                                |
| Current  |                     |                       |                    |                   |                         |                             |                                |
| Instruction  | 13,325,749          | 3,755,066             | 1,216,179          | -                 | -                       | -                           | 18,296,994                     |
| Support Services   | 12,261,502          | 5,598,501             | 239,383            | 2,547,941         | -                       | 96,208                      | 20,743,535                     |
| Community Services   | -                   | 17,748                | -                  | -                 | -                       | -                           | 17,748                         |
| Intergovernmental  | -                   | 41,954                | -                  | -                 | -                       | -                           | 41,954                         |
| Capital Outlay   | 144,901             | 880,658               | -                  | -                 | -                       | 72,095                      | 1,097,654                      |
| Debt Service   |                     |                       |                    |                   |                         |                             |                                |
| Principal  | 304,774             | -                     | -                  | -                 | 1,692,584               | -                           | 1,997,358                      |
| Interest   | 70,233              | -                     | -                  | -                 | 1,351,322               | -                           | 1,421,555                      |
| Other Objects  | 46,025              | -                     | -                  | -                 | 18,572                  | -                           | 64,597                         |
| <b>TOTAL EXPENDITURES</b>  | <u>26,153,184</u>   | <u>10,293,927</u>     | <u>1,455,562</u>   | <u>2,547,941</u>  | <u>3,062,478</u>        | <u>168,303</u>              | <u>43,681,395</u>              |
| <b>EXCESS (DEFICIENCY) OF REVENUE OVER<br/>EXPENDITURES</b>                                      | <u>(143,058)</u>    | <u>1,043,168</u>      | <u>1,747,328</u>   | <u>(555,468)</u>  | <u>790,207</u>          | <u>(164,971)</u>            | <u>2,717,206</u>               |
| <b>OTHER FINANCING SOURCES (USES):</b>   |                     |                       |                    |                   |                         |                             |                                |
| Sale of Capital Assets   | 3,600               | -                     | -                  | -                 | -                       | -                           | 3,600                          |
| Premium on Bonds Sold  | -                   | -                     | -                  | -                 | 11,306                  | -                           | 11,306                         |
| Operating Transfers In   | 2,570,602           | 759,492               | -                  | 555,468           | 1,126,213               | 5,318,950                   | 10,330,725                     |
| Operating Transfers Out  | (6,292,414)         | (1,428,809)           | (1,747,328)        | -                 | (862,003)               | (171)                       | (10,330,725)                   |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>  | <u>(3,718,212)</u>  | <u>(669,317)</u>      | <u>(1,747,328)</u> | <u>555,468</u>    | <u>275,516</u>          | <u>5,318,779</u>            | <u>14,906</u>                  |
| <b>EXCESS (DEFICIENCY) OF REVENUE AND<br/>OTHER SOURCES OVER EXPENDITURES<br/>AND OTHER USES</b> | <u>(3,861,270)</u>  | <u>373,851</u>        | <u>-</u>           | <u>-</u>          | <u>1,065,723</u>        | <u>5,153,808</u>            | <u>2,732,112</u>               |
| <b>FUND BALANCE, JULY 1, 2022 - AS RESTATED</b>  | <u>9,781,932</u>    | <u>665,487</u>        | <u>-</u>           | <u>105,807</u>    | <u>281,975</u>          | <u>2,063,138</u>            | <u>12,898,339</u>              |
| <b>FUND BALANCE, JUNE 30, 2023</b>   | <u>\$ 5,920,662</u> | <u>\$ 1,039,338</u>   | <u>\$ -</u>        | <u>\$ 105,807</u> | <u>\$ 1,347,698</u>     | <u>\$ 7,216,946</u>         | <u>\$ 15,630,451</u>           |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE BASIC FINANCIAL STATEMENTS.

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES WITH THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

|   |                              |
|---|------------------------------|
| <b>TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS</b>   | <b>\$ 2,732,112</b>          |
| Amounts reported for governmental activities in the statements of activities are different because of the following:  |                              |
| 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   | (121,978)                    |
| 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   | \$ 1,097,654                 |
| Depreciation and amortization expense   | <u>(1,806,164)</u> (708,510) |
| 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.  | 1,997,358                    |
| The gain due to in substance defeasance of debt is not recorded in the governmental funds, but is recorded in the Statement of Activities.  | 453,211                      |
| 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 in the current period.   | 12,360                       |
| 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 decreased by:   | 392,067                      |
| In the statement of activities, retirement expense is measured by the District's proportionate share of the SCRS and PORS total pension expense. In the governmental fund, however, the expenditure for retirement is measured by the current contributions to the retirement system. The amount presented represents the difference in accounting for these costs during the current year.   | 4,095,588                    |
| In the statement of activities, OPEB expense is measured by the District's proportionate share of the SCRHITF's total OPEB expense. In the governmental fund, however, the expenditure for OPEB is measured by the current contributions to the SCRHITF. The amount presented represents the difference in accounting for these costs during the current year.  | 719,589                      |
| 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>(2,403)</u>               |
| <b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>  | <b><u>\$ 9,569,394</u></b>   |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE BASIC FINANCIAL STATEMENTS.

**HAMPTON COUNTY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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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.

**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 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.

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

**HAMPTON COUNTY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

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

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.

**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 Revenue 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.

**HAMPTON COUNTY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

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

***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.

**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**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

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

**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.

**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, 2023.

**HAMPTON COUNTY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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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 (Continued)**

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:

| <u>Description</u>         | <u>Governmental Activities<br/>Estimated Lives</u> |
|----------------------------|--|
| Land Improvements          | 20 years   |
| Buildings and Improvements | 25-40 years  |
| Furniture and Equipment    | 5-20 years   |
| Vehicles                   | 10 years   |

**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 over 120 days paid out at their normal pay rate for 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 over 120 days at year-end multiplied by their normal pay rate for accumulated sick leave. The entire compensated absence liability and expense is reported in the government-wide financial statements. The governmental funds will

**HAMPTON COUNTY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

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

**Compensated Absences (Continued)**

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 arbitrage 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 arbitrage 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.

**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.

**HAMPTON COUNTY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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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 (Continued)**

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. 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 pension expense in future periods in accordance with GAAP.

**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 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.

**HAMPTON COUNTY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

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

**Fund Balance (Continued)**

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

**Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in the statement of net position. Net position is classified as net investment in capital assets; restricted; and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt, which has not been spent, is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on 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 14 and Note 15 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**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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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.

**New Pronouncement**

The School District implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, during the year ended June 30, 2023. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement established a single model for subscription accounting based on the principle that such subscriptions are financings of the right to use an underlying asset. Under this statement, a governmental entity is required to recognize a subscription liability and an intangible right-to-use subscription asset. This statement had no material impact on the School District for the year ended June 30, 2023.

**HAMPTON COUNTY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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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 Revenue 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.

**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 statutes of the State of South Carolina.

The \$28,742,315 carrying amount of the School District's cash and cash equivalents is comprised of demand deposits of \$5,691,072, SC Local Government Investment Pool of \$23,048,673, and petty cash of \$2,570. As previously stated in Note 2, the investments in the SC Local Government Investment Pool are reported as cash equivalents.

As of June 30, 2023, the bank balance of the District's cash demand deposits was \$6,229,314 of which \$1,041,213 was covered by FDIC insurance, \$5,175,508 was collateralized by securities held by the bank's trust department or agent in the School District's name, and \$12,593 was exposed to custodial credit risk as a result of the banks not pledging sufficient collateral on balances in excess of FDIC coverage.

**HAMPTON COUNTY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**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 and are due without penalty through January 15. The assessed valuation of property in the County for the School District for tax year 2022 was \$59,436,412. The School District’s operating tax rate is 233.7 mills with an additional 44.0 mills for debt retirement for the 2022 tax year.

Taxes receivable of \$1,354,608 are comprised of two components; (1) taxes collected within 60 days of year-end of \$296,931 and (2) the unavailable amount of \$1,057,677 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, 2023**

Accounts receivable, other than property taxes, are comprised of the following at June 30, 2023.

|  |                     |
|--|---------------------|
| Due from State and Federal Governments | \$ 5,351,579        |
| Other Amounts Receivable               | <u>112,309</u>      |
|  | <u>\$ 5,463,888</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**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 6 – CAPITAL ASSETS**

Capital asset activity for the School District's primary government for the year ended June 30, 2023, is as follows:

|   | <u>Balance<br/>June 30, 2022</u> | <u>Additions</u>    | <u>Deletions</u> | <u>Balance<br/>June 30 2023</u> |
|---|----------------------------------|---------------------|------------------|---------------------------------|
| <b>Governmental Activities:</b>                                   |                                  |                     |                  |                                 |
| Capital Assets, not being depreciated                             |                                  |                     |                  |                                 |
| Land  | \$ 202,017                       | \$ 417,112          | \$ -             | \$ 619,129                      |
| Construction in progress  | -                                | 456,378             | -                | 456,378                         |
| <b>Total Capital Assets, not being depreciated</b>                | <b>202,017</b>                   | <b>873,490</b>      | <b>-</b>         | <b>1,075,507</b>                |
| Capital Assets, being depreciating                                |                                  |                     |                  |                                 |
| Buildings and Improvements  | 53,910,053                       | -                   | -                | 53,910,053                      |
| Vehicles  | 1,038,263                        | 71,200              | (35,237)         | 1,074,226                       |
| Equipment, Furniture, and Fixtures                                | 6,753,109                        | 152,964             | -                | 6,906,073                       |
| Total Capital Assets, being depreciated                           | 61,701,425                       | 224,164             | (35,237)         | 61,890,352                      |
| Less Accumulated Depreciation                                     |                                  |                     |                  |                                 |
| Buildings and Improvements  | (25,914,278)                     | (1,221,410)         | -                | (27,135,688)                    |
| Vehicles  | (906,484)                        | (32,181)            | 35,237           | (903,428)                       |
| Equipment, Furniture, and Fixtures                                | (5,289,887)                      | (220,725)           | -                | (5,510,612)                     |
| Total Accumulated Depreciation                                    | (32,110,649)                     | (1,474,316)         | 35,237           | (33,549,728)                    |
| <b>Total capital assets being depreciated</b>                     | <b>29,590,776</b>                | <b>(1,250,152)</b>  | <b>-</b>         | <b>28,340,624</b>               |
| <b>Net Governmental Activities Capital Assets</b>                 | <b>\$ 29,792,793</b>             | <b>\$ (376,662)</b> | <b>\$ -</b>      | <b>\$ 29,416,131</b>            |
| Leased Assets – Amortizable                                       |                                  |                     |                  |                                 |
| Equipment, Furniture, and Fixtures                                | \$ 1,659,241                     | \$ -                | \$ -             | \$ 1,659,241                    |
| Total Leased Assets, Amortizable                                  | 1,659,241                        | -                   | -                | 1,659,241                       |
| Less Accumulated Amortization                                     |                                  |                     |                  |                                 |
| Equipment, Furniture, and Fixtures                                | (82,962)                         | (331,848)           | -                | (414,810)                       |
| <b>Net Governmental Activities<br/>Amortizable Capital Assets</b> | <b>\$ 1,576,279</b>              | <b>\$ (331,848)</b> | <b>\$ -</b>      | <b>\$ 1,244,431</b>             |

Depreciation and amortization expense of \$840,103 was charged to instructional functions and \$966,061 for support services functions, respectively.

Construction in progress in the amount of \$456,378 at June 30, 2023, is related to the construction of the new consolidated high school to be built on Highway 601 between Hampton and Estill. The District acquired the 58 acres of land for the new school during the year ended June 30, 2023, for \$417,112. Preliminary architectural fees and other costs totaling \$456,378 were incurred during the fiscal year. The total expected cost of the project is currently estimated to be \$88 million, which will be partially paid for with a grant from the State of South Carolina in the amount of \$52 million that the District received during the year ended June 30, 2023. The balance of the costs will be funded by general obligation bonds in the amount of \$25 million plus other sources. The general obligation bonds were approved by a referendum vote by citizens of Hampton County in November of 2022.

**HAMPTON COUNTY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 7 – INTERFUND RECEIVABLES AND PAYABLES**

Interfund balances at June 30, 2023 (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              | \$ -                 | \$ 19,274,179        |
| Special Revenue Funds     |                      |                      |
| Special Projects          | 15,063,920           | -                    |
| EIA                       | 269,139              | -                    |
| Food Service              | -                    | 635,912              |
| Debt Service Fund         | 619,213              | -                    |
| Capital Projects Fund     | <u>3,957,819</u>     | <u>-</u>             |
| Total School District     | <u>\$ 19,910,091</u> | <u>\$ 19,910,091</u> |

The General Fund payable is a result of cash received for amounts due to other funds. The Special Projects and EIA 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 from the General Fund for capital projects.

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

Transfers from and to other funds for the year ended June 30, 2023, consisted of the following:

|   | <u>Transfers In</u>  | <u>Transfers Out</u> |
|---|----------------------|----------------------|
| <b>Governmental Funds</b>               |                      |                      |
| General Fund                            |                      |                      |
| Offset Expenditures                     | \$ 24,085            | \$ 6,292,414         |
| State Aid to Classrooms                 | 1,747,328            | -                    |
| Indirect Costs                          | 799,189              | -                    |
| Special Revenue Fund – Special Projects |                      |                      |
| Offset Expenditures                     | 759,492              | 629,620              |
| Indirect Costs                          | -                    | 799,189              |
| Special Revenue Fund – EIA              |                      |                      |
| State Aid to Classrooms                 | -                    | 1,747,328            |
| Special Revenue Fund – Food Service     |                      |                      |
| Offset Expenditures                     | 555,468              | -                    |
| Debt Service Fund                       |                      |                      |
| Offset Expenditures                     | 1,126,213            | 862,003              |
| Capital Projects Fund                   |                      |                      |
| Offset Expenditures                     | <u>5,318,950</u>     | <u>171</u>           |
| Totals                                  | <u>\$ 10,330,725</u> | <u>\$ 10,330,725</u> |

**HAMPTON COUNTY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 8 – TRANSFERS FROM/TO OTHER FUNDS (Continued)**

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 Projects 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 / FEDERAL GOVERNMENT**

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 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 84 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, 2023, were as follows:

|                                     | <u>Beginning<br/>Balance</u> | <u>Additions</u>    | <u>Reductions</u>   | <u>Ending<br/>Balance</u> |
|-------------------------------------|------------------------------|---------------------|---------------------|---------------------------|
| 2022 SCAGO General Obligation Bond, | \$ 850,000                   | \$ -                | \$ 850,000          | \$ -                      |
| 2023 SCAGO General Obligation Bond  | -                            | 803,000             | -                   | 803,000                   |
| 2022 SCAGO Tax Anticipation Note    | -                            | 5,000,000           | 5,000,000           | -                         |
| Totals                              | <u>\$ 850,000</u>            | <u>\$ 5,803,000</u> | <u>\$ 5,850,000</u> | <u>\$ 803,000</u>         |

The School District issued a tax anticipation note in September of 2022, the purpose of which was to fund operations until the time at which the annual tax revenue stream commenced in December of 2022. The face value of the note was \$5,000,000. The interest rate applicable to the note was 3.01%. The School District retired the notes in March of 2023.

On May 17, 2023, the School District issued a general obligation bond in the amount of \$803,000. 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 5.00%. Due to the timing of the issuance and the scheduled maturity of the Series 2023 bond being less than one year from the date of issuance, the outstanding balance of \$803,000 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, 2023. 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.

**HAMPTON COUNTY SCHOOL DISTRICT**  
**NOTES TO THE BASIC 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 on the next page.

**NOTE 12 – LONG TERM OBLIGATIONS**

Changes in the School District's long-term obligations for governmental activities for the year ended June 30, 2023, were as follows:

| Long-Term Liabilities                                       | Balance<br>Balance | Increases  | Decreases    | Ending<br>Balance | Due Within<br>One Year |
|---|--------------------|------------|--------------|-------------------|------------------------|
| General Obligation Bonds                                    |                    |            |              |                   |                        |
| Series 2006QZAB   | \$ 2,719           | \$ -       | \$ 2,719     | \$ -              | \$ -                   |
| Series 2010A QSAB   | 2,632,694          | -          | 379,684      | 2,253,010         | 247,899                |
| Series 2010B QSAB   | 6,050,994          | -          | 908,506      | 5,142,488         | 589,799                |
| Refunding Series 2014                                       | 2,175,000          | -          | -            | 2,175,000         | -                      |
| SCAGO Series 2022A  |                    |            |              |                   |                        |
| General Obligation Bonds                                    | 1,195,000          | -          | 595,000      | 600,000           | 600,000                |
| Total GO Bonds  | 12,056,407         | -          | 1,885,909    | 10,170,498        | 1,437,698              |
| Premiums  | 93,756             | -          | 12,360       | 81,396            | -                      |
| Total Carrying Value of General<br>Obligation Bonds Payable | 12,150,163         | -          | 1,898,269    | 10,251,894        | 1,437,698              |
| Other Long-Term Debt  |                    |            |              |                   |                        |
| Notes Payable   | 259,886            | -          | 259,886      | -                 | -                      |
| Total Other Long-Term Debt                                  | 259,886            | -          | 259,886      | -                 | -                      |
| Total Debt Outstanding                                      | 12,410,049         | -          | 2,158,155    | 10,251,894        | 1,437,698              |
| Other Long-Term Liabilities                                 |                    |            |              |                   |                        |
| Lease Obligations Payable                                   | 1,584,251          | -          | 304,774      | 1,279,477         | 320,367                |
| Compensated Absences  | 1,064,063          | 457,603    | 849,670      | 671,996           | -                      |
| Total Other Long-Term<br>Liabilities                        | 2,648,314          | 457,603    | 1,154,444    | 1,951,473         | 320,367                |
| Governmental Activities<br>Long-Term Liabilities            | \$ 15,058,363      | \$ 457,603 | \$ 3,312,599 | \$ 12,203,367     | \$ 1,758,065           |

**HAMPTON COUNTY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

Long-term debt is comprised of the following at June 30, 2023.

| Description   | Bonds Payable        | Lease Obligations   | Total                |
|---|----------------------|---------------------|----------------------|
| \$6,000,000 General Obligation Bond structured to qualify as a Qualified School Construction Bond (QSCB) for facilities upgrades with an interest rate of 0.56% due in June of 2028.  | \$ 2,253,010         | \$ -                | \$ 2,253,010         |
| \$14,000,000 General Obligation Bond structured to qualify as a Qualified School Construction Bond (QSCB) for facilities upgrades with an interest rate of 0.56% due in June of 2028.   | 5,142,488            | -                   | 5,142,488            |
| \$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%.  | 600,000              | -                   | 600,000              |
| 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.   | -                    | 1,279,477           | 1,279,477            |
|   | <u>\$ 10,170,498</u> | <u>\$ 1,279,477</u> | <u>\$ 11,449,975</u> |

The annual requirements to provide for the retirement of all governmental activities general obligation debt outstanding at June 30, 2023, including interest payments (net of the Federal subsidy, where applicable) over the remaining terms of the debt are as follows:

| Year<br>Ending<br>June<br>30                      | Lease Obligations   |                   | Bonds Payable       |                     | Totals              |
|---|---------------------|-------------------|---------------------|---------------------|---------------------|
|   | Principal           | Interest          | Principal           | Interest            |                     |
| 2024  | \$ 320,367          | \$ 56,698         | \$ 1,437,698        | \$ 173,121          | \$ 1,987,884        |
| 2025  | 336,757             | 40,308            | 837,698             | 172,000             | 1,386,763           |
| 2026  | 353,986             | 23,079            | 837,698             | 172,000             | 1,386,763           |
| 2027  | 268,367             | 5,495             | 837,698             | 172,000             | 1,283,560           |
| 2028  | -                   | -                 | 837,698             | 172,000             | 1,009,698           |
| 2029-2033   | -                   | -                 | <u>2,175,000</u>    | <u>151,486</u>      | <u>2,326,486</u>    |
| Totals  | <u>\$ 1,279,477</u> | <u>\$ 125,580</u> | <u>6,963,490</u>    | <u>\$ 1,012,607</u> | <u>\$ 9,381,154</u> |
| Expected Trust Earnings to Maturity Date of QSABs |                     |                   | <u>3,207,008</u>    |                     |                     |
| Carrying Value of Bonds Payable                   |                     |                   | <u>\$10,170,498</u> |                     |                     |

**HAMPTON COUNTY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

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 \$1,403,000 (both long-term and short-term debt) in outstanding general obligation debt at June 30, 2023, that is subject to the 8% limitation. The legal debt margin was approximately \$3,351,913 at June 30, 2023.

***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 financial statements.

The District's required sinking fund payments and accrued earnings defeased at June 30, 2023, 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, 2023 | <u>74,933</u>  |
| Debt In-Substance Defeased at June 30, 2023      | 200,000        |
| Original Liability                               | <u>200,000</u> |
| Remaining Liability as of June 30, 2023          | <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 funds 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 financial statements.

The District's required sinking fund payments and accrued earnings defeased at June 30, 2023, are reflected on the following page.

**HAMPTON COUNTY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**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               |
| 2023   | <u>247,899</u>        | <u>589,799</u>        |
|  | 3,024,788             | 7,137,588             |
| Trust Accumulated Earnings as of June 30, 2023 | <u>722,202</u>        | <u>1,719,924</u>      |
| Debt In-Substance Defeased at June 30, 2023    | 3,746,990             | 8,857,512             |
| Original Liability                             | <u>6,000,000</u>      | <u>14,000,000</u>     |
| Remaining Liability as of June 30, 2023        | <u>\$ (2,253,010)</u> | <u>\$ (5,142,488)</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, 2023, property taxes receivable totaling \$1,057,677 and receivables of \$505,943 were considered to be unavailable in the governmental funds.

**HAMPTON COUNTY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 14 – RETIREMENT PLANS**

**Description of the Entity**

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the retirement systems and benefit programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

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

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

**Plan Descriptions**

- The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts and participating charter schools, public higher education institutions, other participating local subdivisions of government and first-term individuals elected to the South Carolina General Assembly.
- The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to newly hired state, public higher education institution and public school district employees, as well as first-term individuals elected to the South Carolina General Assembly. State ORP participants direct the investment of their funds into an account administered by one of four third party service providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party service providers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes.



**HAMPTON COUNTY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

**Membership**

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

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

**Benefits**

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

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

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

**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 contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. The Retirement Funding and Administration Act of 2017 increased, but also established a ceiling for

**HAMPTON COUNTY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

**Contributions (Continued)**

SCRS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS. The legislation also increased employer contribution rates beginning July 1, 2017 for SCRS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. The General Assembly postponed the one percent increase in the SCRS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. In accordance with the legislative funding schedule, employer contribution rates will continue to increase by 1 percentage point each year until reaching 18.56 percent for SCRS but may be increased further, if the scheduled contributions are not sufficient to meet the funding periods set for the applicable year. The board shall increase the employer contribution rates as necessary to meet the amortization period set in statute.

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

Required employee contribution rates<sup>1</sup> are as follows:

|                      | <b>Fiscal Year 2023<sup>1</sup></b> | <b>Fiscal Year 2022<sup>1</sup></b> |
|----------------------|-------------------------------------|-------------------------------------|
| <b>SCRS</b>          |                                     |                                     |
| Employee Class Two   | 9.00%                               | 9.00%                               |
| Employee Class Three | 9.00%                               | 9.00%                               |
| <b>State ORP</b>     |                                     |                                     |
| Employee             | 9.00%                               | 9.00%                               |

Required employer contribution rates<sup>1</sup> are as follows:

|                                    | <b>Fiscal Year 2023<sup>1</sup></b> | <b>Fiscal Year 2022<sup>1</sup></b> |
|------------------------------------|-------------------------------------|-------------------------------------|
| <b>SCRS</b>                        |                                     |                                     |
| Employer Class Two                 | 17.41%                              | 16.41%                              |
| Employer Class Three               | 17.41%                              | 16.41%                              |
| Employer Incidental Death Benefit  | 0.15%                               | 0.15%                               |
| <b>State ORP</b>                   |                                     |                                     |
| Employer Contribution <sup>2</sup> | 17.41%                              | 16.41%                              |
| Employer Incidental Death Benefit  | 0.15%                               | 0.15%                               |

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

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

**HAMPTON COUNTY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

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

| <b><u>SCRS</u></b>     | <b><u>2023</u></b> | <b><u>2022</u></b> | <b><u>Consolidating<br/>2021</u></b> |
|------------------------|--------------------|--------------------|--------------------------------------|
| Employer Contributions | \$ 3,103,224       | \$ 3,135,851       | \$ 2,907,836                         |

The governmental unit contributed 100% of the required contributions for each of the two proceeding years. Due to an error in filing the December 2022 quarter, \$171,783 of employer contributions for the year ended June 30, 2023 have not been paid.

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

At June 30, 2023, the School District reported a liability of \$25,611,878 for its proportionate share of the net pension liability for SCRS. The net pension liability of the defined benefit plan was determined based on the most recent actuarial valuation as of July 1, 2021, using membership as of that date projected forward to the end of the retirement plan's fiscal year, and financial information of the pension trust funds as of June 30, 2022. The School District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental units, actuarially determined.

At the retirement plan's year end of June 30, 2022, the School District's proportion was .10565 percent for SCRS.

For the year ended June 30, 2023, the School District recognized pension expense of \$2,149,190 for SCRS adjusted by \$(4,217,030) by the system for deferred amounts from changes in proportionate share of contributions for a net expense of \$(2,067,840). At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| <b><u>SCRS</u></b>   | <b><u>Deferred Outflows<br/>of Resources</u></b> | <b><u>Deferred Inflows<br/>of Resources</u></b> |
|--|--|---|
| Differences between expected and actual experience   | \$ 222,519                                       | \$ 111,615                                      |
| Assumption changes   | 821,433  | -   |
| Net difference between projected and actual earnings on pension plan investments   | 39,498   | -   |
| Deferred amounts from changes in proportionate share and differences between District contributions and proportionate share of contributions | 19,833,988                                       | 31,238,179                                      |
| District contributions subsequent to the measurement date  | <u>3,103,224</u>                                 | <u>-</u>  |
| <b>Totals</b>  | <b><u>\$ 24,020,662</u></b>                      | <b><u>\$ 31,349,794</u></b>                     |

**HAMPTON COUNTY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

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

The amount of \$3,103,224 for SCRS reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| System's<br>Year Ended<br>June 30, | SCRS                   |
|------------------------------------|------------------------|
| 2023                               | \$ (4,011,300)         |
| 2024                               | (3,135,171)            |
| 2025                               | (3,953,824)            |
| 2026                               | <u>667,939</u>         |
|                                    | <u>\$ (10,432,356)</u> |

**Actuarial Assumptions and Methods**

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

The June 30, 2022, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by the Systems' consulting actuary, Gabriel Roeder Smith & Company (GRS), and are based on an actuarial valuation performed as of July 1, 2021. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2022, using generally accepted actuarial principles. There was no legislation enacted during the 2022 legislative session that had a material change in the benefit provisions for any of the systems.

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

|  | SCRS   |
|--|--|
| Actuarial Cost Method                    | Entry Age Normal                               |
| Investment rate of return <sup>1</sup>   | 7%   |
| Projected salary increases               | 3.0% to 11.0% (varies by service) <sup>1</sup> |
| Benefit adjustments                      | Lesser of 1% or \$500 annually                 |
| <sup>1</sup> Includes inflation at 2.25% |  |

**HAMPTON COUNTY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

**Actuarial Assumptions and Methods (Continued)**

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

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

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

**Net Pension Liability**

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2022, for SCRS is presented below.

| <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          | \$ 56,454,779,872              | \$ 32,212,626,932                  | \$ 24,242,152,940                               | 57.1%   |

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

**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 rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2022 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7 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**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

**Long-term Expected Rate of Return (Continued)**

| <b>Allocation / Exposure</b>             | <b>Policy Target</b> | <b>Expected Arithmetic Real Rate of Return</b> | <b>Long Term Expected Portfolio Real Rate of Return</b> |
|--|----------------------|--|---|
| <b>Public Equity</b>                     | 46.0%                | 6.79%  | 3.12%   |
| <b>Bonds</b>                             | 26.0%                | (0.35)%  | (0.09)%   |
| <b>Private Equity<sup>1</sup></b>        | 9.0%                 | 8.75%  | 0.79%   |
| <b>Private Debt<sup>1</sup></b>          | 7.0%                 | 6.00%  | 0.42%   |
| <b>Real Assets</b>                       | <b>12.0%</b>         |  |   |
| Real Estate <sup>1</sup>                 | 9.0%                 | 4.12%  | 0.37%   |
| Infrastructure <sup>1</sup>              | 3.0%                 | 5.88%  | 0.18%   |
| <b>Total Expected Return<sup>2</sup></b> | <b>100.0%</b>        |  | 4.79%   |
| <b>Inflation for Actuarial Purposes</b>  |                      |  | 2.25%   |
|  |                      |  | <u>7.04%</u>  |

<sup>1</sup>RSIC staff and consultant will notify the Commission if the collective exposure to Private Equity, Private Debt and Private Real Assets exceeds 30 percent of total plan assets.

<sup>2</sup> Portable Alpha Strategies, which are not included in the Policy Target, will be capped at 12% of total assets: hedge funds (including all hedge funds used in portable alpha implementation) are capped at 15% of total assets.

**Discount Rate**

The discount rate used to measure the TPL was 7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

**Sensitivity Analysis**

The following table presents the collective NPL of the School District calculated using the discount rate of 7 percent, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1 percent lower (6 percent) or 1 percent higher (8 percent) than the current rate.

| <b>Sensitivity of the Net Pension Liability to Changes in the Discount Rate</b> |                             |                                       |                             |
|---|-----------------------------|---------------------------------------|-----------------------------|
| <b>System</b>   | <b>1% Decrease<br/>(6%)</b> | <b>Current Discount Rate<br/>(7%)</b> | <b>1% Increase<br/>(8%)</b> |
| SCRS  | \$ 32,837,588               | \$ 25,611,878                         | \$ 19,604,639               |

**HAMPTON COUNTY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

**Additional Financial and Actuarial Information**

Information contained in these notes to the Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ending June 30, 2022, and the accounting valuation report as of June 30, 2022. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' ACFR.

**Payables to the Pension Plan**

As of June 30, 2023, the School District had \$1,334,311 in payables outstanding to the pension plans for its legally required contributions.

**Nonemployer Contributions**

The School District has recognized revenue in the amount of \$190,094 for contributions made through state appropriations on its behalf to PEBA.

**NOTE 15 – OTHER POST EMPLOYMENT BENEFIT PLANS**

**Plan Descriptions**

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

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

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

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 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–Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the State of South Carolina and therefore, OPEB trust fund financial information is also included in the Comprehensive Annual Financial Report of the State.

**HAMPTON COUNTY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 15 – OTHER POST EMPLOYMENT BENEFITS – OPEB (continued)**

**Plan Benefits**

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

The SCLTDITF is a long-term disability plan that covers employees of the State of South Carolina, including all agencies and public school districts and all participating local governmental entities. The SCLTDITF provides disability payments to eligible employees who have been approved for disability. 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 non-employer and employer contributions for active employees and retirees to the PEBA-Insurance Benefits. Non-employer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfers from PEBA-Insurance Benefits reserves.

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

The District's actual and required contributions to the SCRHITF were \$1,113,261, \$1,197,052, and \$1,258,193 for the year ended June 30, 2023, 2022, and 2021, respectively.

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

At June 30, 2023, the District reported a liability of \$24,391,427 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2023, the District's proportion was .160345 percent of SCRHITF.



**HAMPTON COUNTY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 15 – OTHER POST EMPLOYMENT BENEFITS – OPEB (continued)**

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$84,201. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | <b>SCRHITF</b>                                   |   |
|---|--|---|
|   | <u><b>Deferred Outflows<br/>of Resources</b></u> | <u><b>Deferred Inflows<br/>of Resources</b></u> |
| Net differences between projected and actual experience   | \$ 523,532                                       | \$ 2,144,692                                    |
| Assumption changes  | 5,499,638  | 7,840,519                                       |
| Net differences between projected and actual investment experience  | 191,787  | -   |
| Deferred amounts from changes in proportionate share and differences between District contributions and proportionate share of total plan contributions | 26,861,453                                       | 34,631,758                                      |
| District contributions subsequent to the measurement date   | <u>1,113,261</u>                                 | <u>-</u>  |
| <b>Totals</b>   | <u><b>\$ 34,189,671</b></u>                      | <u><b>\$ 44,616,969</b></u>                     |

\$1,113,261 (SCRHITF) reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as reductions of the net OPEB liability in the year ended June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

|                                  | <u><b>SCRHITF</b></u>         |
|----------------------------------|-------------------------------|
| <u>Plan Year ending June 30,</u> |                               |
| 2023                             | \$ (1,793,333)                |
| 2024                             | (1,536,834)                   |
| 2025                             | (1,462,409)                   |
| 2026                             | (1,598,926)                   |
| 2027                             | (2,201,096)                   |
| Thereafter                       | <u>(2,947,961)</u>            |
|                                  | <u><b>\$ (11,540,559)</b></u> |

**HAMPTON COUNTY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 15 – OTHER POST EMPLOYMENT BENEFITS – OPEB (continued)**

**Actuarial Assumptions and Methods**

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

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

Additional information as of the latest actuarial valuation for SCRHITF:

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

**HAMPTON COUNTY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 15 – OTHER POST EMPLOYMENT BENEFITS – OPEB (continued)**

**Roll Forward Disclosures**

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

**Net OPEB Liability**

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

The following table represents the components of the net OPEB liability as of June 30, 2022:

| <u>OPEB Trust</u> | <u>Total OPEB Liability</u> | <u>Plan Fiduciary Net Position</u> | <u>Net OPEB Liability</u> | <u>Plan Fiduciary Net Position as a % of Total OPEB Liability</u> |
|-------------------|-----------------------------|------------------------------------|---------------------------|---|
| SCRHITF           | \$ 16,838,502,593           | \$ 1,623,661,403                   | \$ 15,211,841,190         | 9.64%   |

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

**Single Discount Rate**

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

**Long-Term Expected Rate of Return**

The long-term expected rate of return represents assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 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:

**HAMPTON COUNTY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 15 – OTHER POST EMPLOYMENT BENEFITS – OPEB (continued)**

**Long-Term Expected Rate of Return (continued)**

**SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND**

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

**Sensitivity Analysis**

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

|  | <b><u>1% Decrease<br/>2.69%</u></b> | <b><u>Current<br/>Discount Rate<br/>3.69%</u></b> | <b><u>1% Increase<br/>4.69%</u></b> |
|--|-------------------------------------|---|-------------------------------------|
| District Net OPEB Liability –<br>SCRHITF | \$ 28,837,263                       | \$ 24,391,427                                     | \$ 20,818,593                       |

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

|  | <b><u>1% Decrease</u></b> | <b><u>Current Healthcare<br/>Cost Trend Rate</u></b> | <b><u>1% Increase</u></b> |
|--|---------------------------|--|---------------------------|
| District Net OPEB Liability<br>SCRHITF | \$ 20,059,564             | \$ 24,391,427  | \$ 29,449,112             |

**Additional Financial and Actuarial Information**

Information in this note was compiled from the OPEB Trusts Funds' audited financial statement for the year ended June 30, 2022, and the accounting and financial reporting actuarial valuation as of June 30, 2022. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the OPEB Trusts Funds' audited financial statements.

**HAMPTON COUNTY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 15 – OTHER POST EMPLOYMENT BENEFITS – OPEB (continued)**

**Payables to the OPEB Plan**

As of June 30, 2023, the District had \$319,249 in payable outstanding to the OPEB Plans for its legally required contributions.

**On-Behalf Payments**

The State of South Carolina made payments of \$3,809 to PEBA on behalf of the District for the year ended June 30, 2023.

**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 specified 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 asked the courts for a temporary restraining order and a permanent injunction. This lawsuit was dismissed on March 21, 2024.

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. 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. The County subsequently paid the entire balance in two payments received by the School District in April, 2024 and May, 2024.

Another lawsuit is pending against the School District. Although the outcome of the pending lawsuit 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 – CONTINGENCIES**

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**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**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 business 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, 2023, is not known, as the County has not disclosed the amounts.

**NOTE 20 – PRIOR PERIOD ADJUSTMENTS**

Fund Balances/Net Position have been restated due to corrections to the amount Due from County in the General Fund and prior year corrections of receivables in the Special Projects and Food Service Special Revenue Funds and Capital Projects Fund.

|  | <u>General<br/>Fund</u>    | <u>Special<br/>Projects Fund</u> | <u>Food Service<br/>Fund</u> | <u>Capital<br/>Projects Fund</u>   |
|--|----------------------------|----------------------------------|------------------------------|------------------------------------|
| Fund Balance, June 30, 2022,<br>as previously reported | \$ 9,985,317               | \$ 701,358                       | \$ 43,875                    | \$ 2,094,363                       |
| Correction to receivables                              | -                          | (35,871)                         | 61,932                       | (31,225)                           |
| Restatement of amount due from County                  | <u>(203,385)</u>           | <u>-</u>                         | <u>-</u>                     | <u>-</u>                           |
| <b>Fund Balance, June 30, 2022,<br/>as restated</b>    | <b><u>\$ 9,781,932</u></b> | <b><u>\$ 665,487</u></b>         | <b><u>\$ 105,807</u></b>     | <b><u>\$ 2,063,138</u></b>         |
|  |                            |                                  |                              | <u>Governmental<br/>Activities</u> |
| Net Position, June 30, 2022,<br>as previously reported |                            |                                  |                              | \$(41,493,269)                     |
| Corrections to receivables                             |                            |                                  |                              | (5,164)                            |
| Restatement of amount due from County                  |                            |                                  |                              | <u>(203,385)</u>                   |
| <b>Net Position, June 30, 2022,<br/>as restated</b>    |                            |                                  |                              | <b><u>\$(41,701,818)</u></b>       |

**HAMPTON COUNTY SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 21 – COMMITMENTS**

The School District contracted for engineering fees related to the conversion of Estill High School into an elementary school and for the construction of Hampton County High School. The total price for the Estill High School conversion engineering contract was \$185,024 with \$59,208 spent through year end and a balance of \$125,816 remaining, and the total price for the Hampton County High School engineering contract was \$2,491,808 with \$53,545 spent to date and a balance of \$2,438,263 remaining.

In May of 2023, the School District also entered into contracts for the construction phase of both of these projects. No work commenced until after year end, and therefore, the full contract price for each still remain as a commitment which included a contract price of \$3,375,541 for the conversion of Estill High School and a contract price of \$72,903,521 for the Hampton County High School. See Note 22 for details of these two contracts.

**NOTE 22 – SUBSEQUENT EVENTS**

In February of 2022, the School District prevailed in an action against Hampton County for failing to set the proper tax millage. The amount due to the District was received in April and May of 2024. See note 16 for details on this matter.

In August of 2023, the School District issued a tax anticipation note in the amount of \$3,000,000. Terms of the note called for interest to be paid at 6.5%. Principal was paid in full in April, 2024, along with interest.

In June of 2024, the School District Board approved the issuance of a tax anticipation note not to exceed \$3,000,000. The anticipated issuance date of this debt is September, 2024.

In June of 2024, the School District Board approved the issuance of a general obligation bond not to exceed \$1,300,000. The anticipated issuance date of this debt is late August, 2024.

In November of 2023, the School District contracted for the roof replacement of Fennell Elementary School for \$671,230 which was completed in May of 2024.

In March and May of 2024, the School District incurred \$73,557 for improvements to the playground at Varnville Elementary School.

In May of 2024, the School District purchased 97.27 acres for \$644,070 for the new Hampton County High School athletic fields.

In March of 2024, the School District sold property which housed the former Fred's Building for \$617,450.

In May of 2023, the School District contracted to convert the existing Estill High School into an elementary school and to replace the roof. Work did not commence until after June 30, 2023. The contracted price for the conversion is \$3,375,541. The contracted price for the roof replacement is \$519,930.

In May of 2023, the School District contracted to construct a new Hampton County High School. Work did not commence until after June 30, 2023. The contracted price for the new school is \$72,903,521. In May of 2024, an additional contract for engineering fees was accepted in the amount of \$54,094 for the design of the athletic fields.

In February of 2024, the School District entered into a contract for \$4,732,174 for the HVAC at the new Estill Elementary School converted from the former Estill High School and to replace the HVAC at the Fennell Elementary.

## **REQUIRED SUPPLEMENTARY INFORMATION**



**HAMPTON COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
VARNVILLE, SOUTH CAROLINA  
BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

|  | <b>BUDGETED AMOUNTS</b> |                    | <b>ACTUAL</b>       | <b>VARIANCE WITH<br/>FINAL BUDGET -<br/>FAVORABLE<br/>(UNFAVORABLE)</b> |
|--|-------------------------|--------------------|---------------------|---|
|  | <b>ORIGINAL</b>         | <b>FINAL</b>       |                     |   |
| <b>REVENUES</b>  |                         |                    |                     |   |
| Local  | \$ 9,866,083            | \$ 9,866,083       | \$ 9,652,959        | \$ (213,124)  |
| State  | 18,825,980              | 16,987,462         | 16,357,167          | (630,295)   |
| <b>TOTAL REVENUES</b>  | <u>28,692,063</u>       | <u>26,853,545</u>  | <u>26,010,126</u>   | <u>(843,419)</u>  |
| <b>EXPENDITURES</b>  |                         |                    |                     |   |
| Current  |                         |                    |                     |   |
| Instruction  | 15,896,851              | 15,193,619         | 13,325,749          | 1,867,870   |
| Support Services   | 12,987,649              | 14,125,638         | 12,406,403          | 1,719,235   |
| Intergovernmental  | 500                     | 743                | -                   | 743   |
| Debt Service   |                         |                    |                     |   |
| Principal  | -                       | -                  | 304,774             | (304,774)   |
| Interest and Fees  | -                       | -                  | 116,258             | (116,258)   |
| <b>TOTAL EXPENDITURES</b>                                    | <u>28,885,000</u>       | <u>29,320,000</u>  | <u>26,153,184</u>   | <u>3,166,816</u>  |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER<br/>EXPENDITURES</b> | <u>(192,937)</u>        | <u>(2,466,455)</u> | <u>(143,058)</u>    | <u>2,323,397</u>  |
| <b>OTHER FINANCING SOURCES (USES):</b>                       |                         |                    |                     |   |
| Proceeds From Sale of Capital Assets                         | -                       | -                  | 3,600               | 3,600   |
| Operating Transfers In                                       | 627,937                 | 2,466,455          | 2,570,602           | 104,147   |
| Operating Transfers Out                                      | (435,000)               | -                  | (6,292,414)         | (6,292,414)   |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>                  | <u>192,937</u>          | <u>2,466,455</u>   | <u>(3,718,212)</u>  | <u>(6,184,667)</u>  |
| <b>NET CHANGE IN FUND BALANCE</b>                            | <u>\$ -</u>             | <u>\$ -</u>        | <u>(3,861,270)</u>  | <u>\$ (3,861,270)</u>   |
| <b>FUND BALANCE, JULY 1, 2022 - AS RESTATED</b>              |                         |                    | <u>9,781,932</u>    |   |
| <b>FUND BALANCE, JUNE 30, 2023</b>                           |                         |                    | <u>\$ 5,920,662</u> |   |

THE ACCOMPANYING NOTE TO THE REQUIRED SUPPLEMENTARY SCHEDULE IS AN INTEGRAL PART OF THIS SCHEDULE.

**HAMPTON COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
OF THE SOUTH CAROLINA RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS**

|   | Fiscal Year Ended June 30, |               |               |               |               |               |               |               |               |      |
|---|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------|
|   | 2023                       | 2022          | 2021          | 2020          | 2019          | 2018          | 2017          | 2016          | 2015          | 2014 |
| District's proportion of the net pension liability  | 0.105650%                  | 0.176400%     | 0.160008%     | 0.181839%     | 0.173916%     | 0.179835%     | 0.190140%     | 0.201799%     | 0.219803%     | N/A* |
| District's proportionate share of the net pension liability   | \$ 25,611,878              | \$ 38,162,324 | \$ 40,884,970 | \$ 41,521,421 | \$ 38,969,051 | \$ 40,483,751 | \$ 40,613,624 | \$ 38,189,063 | \$ 37,577,134 | N/A* |
| District's covered employee payroll   | \$ 19,152,828              | \$ 20,212,068 | \$ 17,897,627 | \$ 18,064,503 | \$ 18,212,841 | \$ 18,321,070 | \$ 18,640,920 | \$ 19,079,097 | \$ 19,958,651 | N/A* |
| District's proportionate share of the net pension liability as a percentage of its covered employee payroll | 133.72%                    | 188.81%       | 228.44%       | 229.85%       | 213.96%       | 220.97%       | 217.87%       | 200.16%       | 188.27%       | N/A* |
| Plan fiduciary net position as a percentage of the total pension liability                                  | 57.10%                     | 60.70%        | 50.70%        | 55.50%        | 54.10%        | 53.39%        | 52.91%        | 56.99%        | 59.90%        | N/A* |

N/A\* - The School Districts implemented GASB 68/71 during the year ended June 30, 2015. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**Notes to Required Supplementary Information:**

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

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

**Source:** Audit reports of employer allocations of the South Carolina Retirement System (SCRS) as administered by the SC Public Employee Benefit Authority.

**HAMPTON COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO THE SOUTH CAROLINA RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS**

|  | Fiscal Year Ended June 30, |               |               |               |               |               |               |               |               |      |
|--|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------|
|  | 2023                       | 2022          | 2021          | 2020          | 2019          | 2018          | 2017          | 2016          | 2015          | 2014 |
| Contractually required contribution                                  | \$ 3,103,224               | \$ 3,135,851  | \$ 2,907,836  | \$ 2,710,794  | \$ 2,600,193  | \$ 2,394,385  | \$ 2,097,324  | \$ 2,036,978  | \$ 2,030,801  | N/A* |
| Contributions in relation to the contractually required contribution | (3,103,224)                | (3,135,851)   | (2,907,836)   | (2,710,794)   | (2,600,193)   | (2,394,385)   | (2,097,324)   | (2,036,978)   | (2,030,801)   | N/A* |
| Contribution deficiency (excess)                                     | \$ -                       | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | N/A* |
| District's covered-employee payroll                                  | \$ 17,812,173              | \$ 19,152,828 | \$ 20,212,068 | \$ 17,897,627 | \$ 18,064,503 | \$ 18,212,841 | \$ 18,321,070 | \$ 18,640,920 | \$ 19,079,097 | N/A* |
| Contributions as a percentage of covered-employee payroll            | 17.42%                     | 16.37%        | 14.39%        | 15.15%        | 14.39%        | 13.15%        | 11.45%        | 10.93%        | 10.64%        | N/A* |

N/A\* - The School Districts implemented GASB 68/71 during the year ended June 30, 2015. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**Notes to Required Supplementary Information:**

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

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

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

**Source:** District quarterly retirement contribution reports.

**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 TEN FISCAL YEARS**

|  | Fiscal Year   |               |               |               |               |               |      |      |      |      |
|--|---------------|---------------|---------------|---------------|---------------|---------------|------|------|------|------|
|  | 2023          | 2022          | 2021          | 2020          | 2019          | 2018          | 2017 | 2016 | 2015 | 2014 |
| <b>SCRHITF</b>   |               |               |               |               |               |               |      |      |      |      |
| District's Proportion of Net OPEB Liability  | 0.105650%     | 0.216733%     | 0.194163%     | 0.221338%     | 0.211195%     | 0.217503%     | N/A* | N/A* | N/A* | N/A* |
| District's Proportionate Share of Net OPEB Liability   | \$ 24,391,427 | \$ 45,130,704 | \$ 35,049,230 | \$ 33,379,680 | \$ 29,927,567 | \$ 29,526,198 | N/A* | N/A* | N/A* | N/A* |
| District's Covered Payroll During the Measurement Period   | \$ 19,152,828 | \$ 20,212,068 | \$ 17,897,627 | \$ 18,064,503 | \$ 18,212,841 | \$ 18,321,070 | N/A* | N/A* | N/A* | N/A* |
| District's Proportionate Share of Net OPEB Liability as a Percentage of Its Covered Employee Payroll | 127.35%       | 223.29%       | 195.83%       | 184.78%       | 164.32%       | 161.16%       | N/A* | N/A* | N/A* | N/A* |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability                              | 9.64%         | 7.48%         | 8.39%         | 8.44%         | 7.91%         | 7.60%         | N/A* | N/A* | N/A* | N/A* |

N/A\* - The School Districts implemented GASB 75 during the year ended June 30, 2018. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**Notes to Required Supplementary Information:**

The amounts shown reflect the total amounts reported by the two consolidating districts for the years 2018 through 2022 which were calculated separately by the actuarial consultants.

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

**Source:**

Audit reports on the Schedules of Employer and Non-Employer/Entity Allocations and Other Post-Employment Benefit (OPEB) Amounts by Employer for the South Carolina Retiree Health Insurance Trust Fund, as administered by the SC Public Employee Benefit Authority.

**HAMPTON COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT CONTRIBUTIONS TO THE SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND  
LAST TEN FISCAL YEARS**

|                                     | Fiscal Year   |               |               |               |               |               |      |      |      |      |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|------|------|------|------|
|                                     | 2023          | 2022          | 2021          | 2020          | 2019          | 2018          | 2017 | 2016 | 2015 | 2014 |
| <b>SCRHITF</b>                      |               |               |               |               |               |               |      |      |      |      |
| Contractually Required Contribution | \$ 1,113,261  | \$ 1,197,052  | \$ 1,258,193  | \$ 1,096,320  | \$ 1,095,933  | \$ 995,389    | N/A* | N/A* | N/A* | N/A* |
| Contributions in Relation to the    |               |               |               |               |               |               |      |      |      |      |
| Contractually Required Contribution | (1,113,261)   | (1,197,052)   | (1,258,193)   | (1,096,320)   | (1,095,933)   | (995,389)     | N/A* | N/A* | N/A* | N/A* |
| Contribution Deficiency (Excess)    | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | N/A* | N/A* | N/A* | N/A* |
| District's Covered-Employee Payroll | \$ 17,812,173 | \$ 19,152,828 | \$ 20,212,068 | \$ 17,897,627 | \$ 18,064,503 | \$ 18,212,841 | N/A* | N/A* | N/A* | N/A* |
| Contributions as a Percentage of    |               |               |               |               |               |               |      |      |      |      |
| Covered-Employee Payroll            | 6.25%         | 6.25%         | 6.22%         | 6.13%         | 6.07%         | 5.47%         | N/A* | N/A* | N/A* | N/A* |

N/A\* - The School Districts implemented GASB 75 during the year ended June 30, 2018. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**Notes to Required Supplementary Information:**

The amounts shown reflect the total amounts reported by the two consolidating districts for the years 2018 through 2022 which were calculated separately by the actuarial consultants.

**Sources:**

District Quarterly Retirement Contribution Reports

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
FINAL BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023**

|  | <b>FINAL<br/>BUDGET</b> | <b>ACTUAL</b>     | <b>VARIANCE<br/>FAVORABLE<br/>(UNFAVORABLE)</b> |
|--|-------------------------|-------------------|---|
| <b>Revenues</b>  |                         |                   |   |
| <b>1000 Revenue from Local Sources</b>   |                         |                   |   |
| 1200 Revenue From Local Governmental Units Other Than LEAs                     |                         |                   |   |
| 1210 Ad Valorem Taxes-Including Delinquent (Dependent)                         | \$ 9,360,140            | \$ 9,460,313      | \$ 100,173                                      |
| 1300 Tuition   |                         |                   |   |
| 1310 From Patrons for Regular Day School                                       | -                       | 2,773             | 2,773   |
| 1500 Earnings on Investments:  |                         |                   |   |
| 1510 Interest on Investments   | 505,943                 | 111,126           | (394,817)                                       |
| 1900 Other Revenue from Local Sources:   |                         |                   |   |
| 1999 Revenue from Other Local Sources  | -                       | 78,747            | 78,747  |
| <b>Total Local Sources</b>   | <b>9,866,083</b>        | <b>9,652,959</b>  | <b>(213,124)</b>                                |
| <b>3000 Revenue from State Sources</b>   |                         |                   |   |
| 3100 Restricted State Funding:   |                         |                   |   |
| 3103 State Aid to Classrooms   | 10,617,452              | 10,096,393        | (521,059)                                       |
| 3130 Special Programs:   |                         |                   |   |
| 3131 Handicapped Transportation  | -                       | 915               | 915   |
| 3160 School Bus Driver Salary (Includes Hazardous<br>Condition Transportation) | 233,321                 | 311,325           | 78,004  |
| 3161 EAA Bus Driver Salary and Fringe  | -                       | 855               | 855   |
| 3162 Transportation Workers' Compensation                                      | 13,085                  | 16,961            | 3,876   |
| 3181 Retiree Insurance (No Carryover Provision)                                | 1,070,402               | 787,741           | (282,661)                                       |
| 3330 Miscellaneous EFA Programs:   |                         |                   |   |
| 3392 NBC Excess EFA Formula  | -                       | 38,204            | 38,204  |
| 3800 State Revenue in Lieu of Taxes:   |                         |                   |   |
| 3810 Reimb Local Residential Property Tax Relief (Tier 1)                      | 1,332,528               | 1,332,528         | -   |
| 3820 Homestead Exemption (Tier 2)  | 663,111                 | 663,112           | 1   |
| 3825 Reimbursement for Property Tax Relief (Tier 3)                            | 2,105,365               | 2,250,000         | 144,635   |
| 3827 \$2.5 Million Bonus   | 478,694                 | -                 | (478,694)                                       |
| 3830 Merchant's Inventory Tax  | 135,623                 | 89,401            | (46,222)  |
| 3840 Manufacturers Depreciation Reimbursement                                  | 137,786                 | 354,637           | 216,851   |
| 3890 Other State Property Tax Revenues (Includes Motor<br>Carrier Vehicle Tax) | 10,000                  | 224,762           | 214,762   |
| 3900 Other State Revenue:  |                         |                   |   |
| 3993 PEBA on Behalf Payments   | 190,095                 | 190,333           | 238   |
| <b>Total State Sources</b>   | <b>16,987,462</b>       | <b>16,357,167</b> | <b>(630,295)</b>                                |
| <b>Total Revenues All Sources</b>  | <b>26,853,545</b>       | <b>26,010,126</b> | <b>(843,419)</b>                                |

**Expenditures**

**100 Instruction**

110 General Instruction

111 Kindergarten Programs:

|                            |         |         |        |
|----------------------------|---------|---------|--------|
| 100 Salaries               | 782,249 | 694,137 | 88,112 |
| 140 Terminal Leave         | 475     | 475     | -      |
| 200 Employee Benefits      | 386,907 | 353,698 | 33,209 |
| 300 Purchased Services     | 2,000   | -       | 2,000  |
| 400 Supplies and Materials | 25,404  | 11,364  | 14,040 |

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
FINAL BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023**

|   | <b>FINAL<br/>BUDGET</b> | <b>ACTUAL</b> | <b>VARIANCE<br/>FAVORABLE<br/>(UNFAVORABLE)</b> |
|---|-------------------------|---------------|---|
| <b>Expenditures (Continued):</b>              |                         |               |   |
| <b>100 Instruction (Continued):</b>           |                         |               |   |
| 112 Primary Programs:                         |                         |               |   |
| 100 Salaries                                  | 1,778,016               | 1,516,290     | 261,726   |
| 140 Terminal Leave                            | 1,038                   | 1,025         | 13  |
| 200 Employee Benefits                         | 840,985                 | 851,622       | (10,637)  |
| 300 Purchased Services                        | 2,449                   | 424           | 2,025   |
| 400 Supplies and Materials                    | 36,984                  | 14,728        | 22,256  |
| 113 Elementary Programs:                      |                         |               |   |
| 100 Salaries                                  | 3,599,402               | 3,321,986     | 277,416   |
| 140 Terminal Leave                            | 4,727                   | 4,727         | -   |
| 200 Employee Benefits                         | 1,557,629               | 1,421,067     | 136,562   |
| 300 Purchased Services                        | 199,016                 | 193,044       | 5,972   |
| 400 Supplies and Materials                    | 57,035                  | 46,069        | 10,966  |
| 114 High School Programs:                     |                         |               |   |
| 100 Salaries                                  | 1,791,547               | 1,450,748     | 340,799   |
| 140 Terminal Leave                            | 3,225                   | 3,225         | -   |
| 200 Employee Benefits                         | 821,057                 | 705,676       | 115,381   |
| 300 Purchased Services                        | 89,683                  | 91,823        | (2,140)   |
| 400 Supplies and Materials                    | 53,343                  | 19,159        | 34,184  |
| 115 Career and Technology Education Programs: |                         |               |   |
| 100 Salaries                                  | 637,324                 | 378,874       | 258,450   |
| 140 Terminal Leave                            | 1,400                   | 1,400         | -   |
| 200 Employee Benefits                         | 209,026                 | 169,953       | 39,073  |
| 300 Purchased Services - Other Than Tuition   | 10,000                  | 496           | 9,504   |
| 400 Supplies and Materials                    | 6,476                   | 2,193         | 4,283   |
| 120 Exceptional Programs                      |                         |               |   |
| 121 Educable Mentally Handicapped:            |                         |               |   |
| 100 Salaries                                  | 259,280                 | 254,574       | 4,706   |
| 140 Terminal Leave                            | 547                     | 547           | -   |
| 200 Employee Benefits                         | 143,218                 | 123,355       | 19,863  |
| 300 Purchased Services                        | 133                     | 133           | -   |
| 400 Supplies and Materials                    | 821                     | 821           | -   |
| 122 Trainable Mentally Handicapped:           |                         |               |   |
| 100 Salaries                                  | 102,063                 | 102,048       | 15  |
| 200 Employee Benefits                         | 55,333                  | 46,302        | 9,031   |
| 123 Orthopedically Handicapped:               |                         |               |   |
| 100 Salaries                                  | 130,053                 | 126,126       | 3,927   |
| 140 Terminal Leave                            | 1,147                   | 1,147         | -   |
| 200 Employee Benefits                         | 89,195                  | 69,680        | 19,515  |
| 124 Visually Handicapped:                     |                         |               |   |
| 300 Purchased Services                        | 28,689                  | 28,452        | 237   |
| 125 Hearing Handicapped:                      |                         |               |   |
| 300 Purchased Services                        | 32,920                  | 32,920        | -   |
| 126 Speech Handicapped:                       |                         |               |   |
| 100 Salaries                                  | 18,190                  | 18,190        | -   |
| 200 Employee Benefits                         | 10,797                  | 10,506        | 291   |
| 300 Purchased Services                        | 227,555                 | 227,555       | -   |
| 400 Supplies and Materials                    | 510                     | 510           | -   |
| 600 Other Objects                             | -                       | 1,156         | (1,156)   |

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
FINAL BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023**

|  | <b>FINAL<br/>BUDGET</b> | <b>ACTUAL</b>     | <b>VARIANCE<br/>FAVORABLE<br/>(UNFAVORABLE)</b> |
|--|-------------------------|-------------------|---|
| <b>Expenditures (Continued):</b>                             |                         |                   |   |
| <b>100 Instruction (Continued):</b>                          |                         |                   |   |
| 127 Learning Disabilities:                                   |                         |                   |   |
| 100 Salaries   | 519,972                 | 292,647           | 227,325   |
| 140 Terminal Leave   | 4,564                   | 4,564             | -   |
| 200 Employee Benefits  | 246,340                 | 149,742           | 96,598  |
| 300 Purchased Services                                       | 2,611                   | 2,611             | -   |
| 400 Supplies and Materials                                   | 5,977                   | 5,977             | -   |
| 130 Pre-School Programs                                      |                         |                   |   |
| 132 Pre-School Handicapped-Itinerant (5 year olds):          |                         |                   |   |
| 100 Salaries   | 11,090                  | 11,090            | -   |
| 200 Employee Benefits  | 8,371                   | 5,349             | 3,022   |
| 133 Pre-School Handicapped-Self-Contained (5 year olds):     |                         |                   |   |
| 100 Salaries   | 11,461                  | 11,169            | 292   |
| 200 Employee Benefits  | 20,708                  | 3,145             | 17,563  |
| 136 Pre-School Handicapped-Itinerant (3 & 4 year olds):      |                         |                   |   |
| 100 Salaries   | 11,090                  | 11,090            | -   |
| 200 Employee Benefits  | 8,470                   | 5,349             | 3,121   |
| 137 Pre-School Handicapped-Self-Contained (3 & 4 year olds): |                         |                   |   |
| 100 Salaries   | 11,379                  | 11,088            | 291   |
| 200 Employee Benefits  | 15,686                  | 3,138             | 12,548  |
| 140 Special Programs   |                         |                   |   |
| 145 Homebound:   |                         |                   |   |
| 100 Salaries   | 6,173                   | 6,348             | (175)   |
| 200 Employee Benefits  | 1,741                   | 1,766             | (25)  |
| 147 CDEPP:   |                         |                   |   |
| 100 Salaries   | 202,597                 | 202,168           | 429   |
| 140 Terminal Leave   | 300                     | 300               | -   |
| 200 Employee Benefits  | 82,907                  | 81,924            | 983   |
| 300 Purchased Services                                       | -                       | 194,852           | (194,852)                                       |
| 160 Other Exceptional Programs                               |                         |                   |   |
| 161 Autism:  |                         |                   |   |
| 100 Salaries   | 14,194                  | 14,144            | 50  |
| 140 Terminal Leave   | 547                     | 547               | -   |
| 200 Employee Benefits  | 6,436                   | 6,359             | 77  |
| 180 Adult/Continuing Education Programs                      |                         |                   |   |
| 188 Parenting/Family Literacy:                               |                         |                   |   |
| 100 Salaries   | 2,157                   | 2,157             | -   |
| 300 Purchased Services                                       | 1,000                   | -                 | 1,000   |
| <b>Total Instruction</b>                                     | <b>15,193,619</b>       | <b>13,325,749</b> | <b>1,867,870</b>                                |
| <b>200 Support Services</b>                                  |                         |                   |   |
| 210 Pupil Services   |                         |                   |   |
| 211 Attendance and Social Work Services:                     |                         |                   |   |
| 100 Salaries   | 305,303                 | 215,714           | 89,589  |
| 140 Terminal Leave   | 1,383                   | 1,383             | -   |
| 200 Employee Benefits  | 177,454                 | 122,066           | 55,388  |
| 300 Purchased Services                                       | 204                     | 204               | -   |
| 400 Supplies and Materials                                   | 1,500                   | 1,015             | 485   |



**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
FINAL BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023**

|  | <b>FINAL<br/>BUDGET</b> | <b>ACTUAL</b> | <b>VARIANCE<br/>FAVORABLE<br/>(UNFAVORABLE)</b> |
|--|-------------------------|---------------|---|
| <b>Expenditures (Continued):</b>                           |                         |               |   |
| <b>200 Support Services (Continued):</b>                   |                         |               |   |
| 212 Guidance Services:                                     |                         |               |   |
| 100 Salaries   | 581,720                 | 625,421       | (43,701)  |
| 140 Terminal Leave   | 800                     | 800           | -   |
| 200 Employee Benefits                                      | 247,180                 | 253,835       | (6,655)   |
| 300 Purchased Services                                     | 2,824                   | 3,093         | (269)   |
| 400 Supplies and Materials                                 | 22,460                  | 4,459         | 18,001  |
| 213 Health Services:                                       |                         |               |   |
| 100 Salaries   | 97,841                  | 39,731        | 58,110  |
| 200 Employee Benefits                                      | 55,336                  | 18,495        | 36,841  |
| 300 Purchased Services                                     | 210,942                 | 140,381       | 70,561  |
| 400 Supplies and Materials                                 | 18,000                  | -             | 18,000  |
| 214 Psychological Services:                                |                         |               |   |
| 300 Purchased Services                                     | 228,048                 | 228,048       | -   |
| 400 Supplies and Materials                                 | 1,428                   | 1,428         | -   |
| 215 Exceptional Program Services:                          |                         |               |   |
| 100 Salaries   | 7,796                   | 7,796         | -   |
| 200 Employee Benefits                                      | 4,503                   | 4,503         | -   |
| 217 Career Specialist Services:                            |                         |               |   |
| 100 Salaries   | -                       | 83,174        | (83,174)  |
| 200 Employee Benefits                                      | -                       | 19,999        | (19,999)  |
| 300 Purchased Services                                     | 4,358                   | 4,358         | -   |
| 400 Supplies and Materials                                 | 822                     | 822           | -   |
| 220 Instructional Staff Services                           |                         |               |   |
| 221 Improvement of Instruction-Curriculum:                 |                         |               |   |
| 100 Salaries   | 179,431                 | 120,506       | 58,925  |
| 140 Terminal Leave   | 363                     | 363           | -   |
| 200 Employee Benefits                                      | 90,241                  | 67,937        | 22,304  |
| 300 Purchased Services                                     | 4,489                   | 4,489         | -   |
| 400 Supplies and Materials                                 | 5,337                   | 2,000         | 3,337   |
| 600 Other Objects  | 351                     | 200           | 151   |
| 222 Library and Media Services:                            |                         |               |   |
| 100 Salaries   | 424,080                 | 279,506       | 144,574   |
| 200 Employee Benefits                                      | 193,481                 | 140,413       | 53,068  |
| 300 Purchased Services                                     | 19,214                  | 19,214        | -   |
| 400 Supplies and Materials                                 | 51,340                  | 16,484        | 34,856  |
| 223 Supervision of Special Programs:                       |                         |               |   |
| 100 Salaries   | 10,391                  | 10,391        | -   |
| 300 Purchased Services                                     | 8,899                   | 12,999        | (4,100)   |
| 400 Supplies and Materials                                 | 819                     | 819           | -   |
| 600 Other Objects  | 650                     | 450           | 200   |
| 224 Improvement of Instruction-Inserve and Staff Training: |                         |               |   |
| 300 Purchased Services                                     | 5,146                   | 1,351         | 3,795   |
| 400 Supplies and Materials                                 | 12,786                  | 706           | 12,080  |

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
FINAL BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023**

|   | <b>FINAL<br/>BUDGET</b> | <b>ACTUAL</b> | <b>VARIANCE<br/>FAVORABLE<br/>(UNFAVORABLE)</b> |
|---|-------------------------|---------------|---|
| <b>Expenditures (Continued):</b>                                      |                         |               |   |
| <b>200 Support Services (Continued):</b>                              |                         |               |   |
| 230 General Administration Services                                   |                         |               |   |
| 231 Board of Education:   |                         |               |   |
| 100 Salaries  | 23,900                  | 23,900        | -   |
| 200 Employee Benefits   | 47,967                  | 25,407        | 22,560  |
| 300 Purchased Services  | 143,351                 | 143,351       | -   |
| 318 Audit Services  | 99,693                  | 99,693        | -   |
| 400 Supplies and Materials  | 16,389                  | 14,547        | 1,842   |
| 600 Other Objects   | 79,444                  | 79,444        | -   |
| 232 Office of the Superintendent:                                     |                         |               |   |
| 100 Salaries  | 328,738                 | 327,557       | 1,181   |
| 200 Employee Benefits   | 129,348                 | 122,238       | 7,110   |
| 300 Purchased Services  | 18,048                  | 18,961        | (913)   |
| 400 Supplies and Materials  | 20,296                  | 16,210        | 4,086   |
| 600 Other Objects   | 4,839                   | 27,490        | (22,651)  |
| 233 School Administration:  |                         |               |   |
| 100 Salaries  | 1,920,662               | 1,919,674     | 988   |
| 140 Terminal Leave  | 2,712                   | 2,712         | -   |
| 200 Employee Benefits   | 857,191                 | 834,636       | 22,555  |
| 300 Purchased Services  | 9,052                   | 9,062         | (10)  |
| 400 Supplies and Materials  | 45,393                  | 18,954        | 26,439  |
| 600 Other Objects   | 5,650                   | 3,700         | 1,950   |
| 250 Finance and Operations Services                                   |                         |               |   |
| 251 Student Transportation (Federal/District Mandated):               |                         |               |   |
| 300 Purchased Services  | 475                     | 475           | -   |
| 252 Fiscal Services:  |                         |               |   |
| 100 Salaries  | 403,945                 | 293,404       | 110,541   |
| 140 Terminal Leave  | 2,896                   | 2,896         | -   |
| 200 Employee Benefits   | 138,684                 | 113,272       | 25,412  |
| 300 Purchased Services  | 76,584                  | 76,584        | -   |
| 400 Supplies and Materials  | 14,735                  | 28,908        | (14,173)  |
| 600 Other Objects   | 42,359                  | 65,388        | (23,029)  |
| 253 Facilities Acquisition and Construction:                          |                         |               |   |
| 520 Construction Services   | -                       | 56,227        | (56,227)  |
| 550 Vehicles  | 47,200                  | 1,098         | 46,102  |
| 254 Operation and Maintenance of Plant:                               |                         |               |   |
| 100 Salaries  | 925,605                 | 754,256       | 171,349   |
| 140 Terminal Leave  | 4,504                   | 4,504         | -   |
| 200 Employee Benefits   | 519,268                 | 376,281       | 142,987   |
| 300 Purchased Services  | 954,475                 | 911,444       | 43,031  |
| 321 Public Utilities (Excludes gas, oil, elec. & other heating fuels) | 146,276                 | 145,276       | 1,000   |
| 400 Supplies and Materials  | 250,724                 | 188,618       | 62,106  |
| 470 Energy (Include gas, oil, elec. & other heating fuels)            | 646,695                 | 592,566       | 54,129  |
| 500 Capital Outlay  | 32,500                  | -             | 32,500  |
| 255 Student Transportation (State Mandated):                          |                         |               |   |
| 100 Salaries  | 641,870                 | 628,924       | 12,946  |
| 140 Terminal Leave  | 5,147                   | 5,147         | -   |
| 200 Employee Benefits   | 301,551                 | 268,051       | 33,500  |
| 300 Purchased Services  | 12,154                  | 11,718        | 436   |
| 400 Supplies and Materials  | 6,272                   | 6,906         | (634)   |

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
FINAL BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023**

|  | <b>FINAL<br/>BUDGET</b> | <b>ACTUAL</b>     | <b>VARIANCE<br/>FAVORABLE<br/>(UNFAVORABLE)</b> |
|--|-------------------------|-------------------|---|
| <b>Expenditures (Continued):</b>             |                         |                   |   |
| <b>200 Support Services (Continued):</b>     |                         |                   |   |
| 256 Food Service:                            |                         |                   |   |
| 200 Employee Benefits                        | -                       | 40,311            | (40,311)  |
| 257 Internal Services:                       |                         |                   |   |
| 300 Purchased Services                       | 408,009                 | 105,479           | 302,530   |
| 258 Security:                                |                         |                   |   |
| 100 Salaries                                 | 18,402                  | 16,282            | 2,120   |
| 200 Employee Benefits                        | 15,828                  | 8,770             | 7,058   |
| 300 Purchased Services                       | 140,817                 | 140,817           | -   |
| 400 Supplies and Materials                   | 1,000                   | -                 | 1,000   |
| 263 Information Services:                    |                         |                   |   |
| 200 Employee Benefits                        | 37,090                  | -                 | 37,090  |
| 264 Staff Services:                          |                         |                   |   |
| 100 Salaries                                 | 271,643                 | 270,783           | 860   |
| 140 Terminal Leave                           | 675                     | 675               | -   |
| 200 Employee Benefits                        | 79,296                  | 77,506            | 1,790   |
| 300 Purchased Services                       | 114,507                 | 114,507           | -   |
| 400 Supplies and Materials                   | 5,611                   | 5,130             | 481   |
| 600 Other Objects                            | 1,129                   | 1,129             | -   |
| 266 Technology and Data Processing Services: |                         |                   |   |
| 100 Salaries                                 | 270,403                 | 227,203           | 43,200  |
| 140 Terminal Leave                           | 275                     | 275               | -   |
| 200 Employee Benefits                        | 103,175                 | 85,207            | 17,968  |
| 300 Purchased Services                       | 201,041                 | 203,531           | (2,490)   |
| 400 Supplies and Materials                   | 57,546                  | 830               | 56,716  |
| 600 Other Objects                            | 400                     | 400               | -   |
| 270 Support Services Pupil Activity          |                         |                   |   |
| 271 Pupil Services Activities:               |                         |                   |   |
| 100 Salaries (optional)                      | 326,485                 | 263,303           | 63,182  |
| 200 Employee Benefits (optional)             | 73,628                  | 68,852            | 4,776   |
| 300 Purchased Services (optional)            | 4,221                   | 76,063            | (71,842)  |
| 400 Supplies and Materials (optional)        | 9,951                   | 4,843             | 5,108   |
| 600 Other Objects (optional)                 | 2,200                   | -                 | 2,200   |
| 660 Pupil Activity (optional)                | 78,794                  | 20,475            | 58,319  |
| <b>Total Support Services</b>                | <b>14,125,638</b>       | <b>12,406,403</b> | <b>1,719,235</b>                                |
| <b>400 Other Charges</b>                     |                         |                   |   |
| 412 Payments to Other Governmental Units     |                         |                   |   |
| 720 Transits                                 | 743                     | -                 | 743   |
| <b>Total Intergovernmental Expenditures</b>  | <b>743</b>              | <b>-</b>          | <b>743</b>                                      |
| <b>500 Debt Service</b>                      |                         |                   |   |
| 610 Principal                                | -                       | 304,774           | (304,774)                                       |
| 620 Interest                                 | -                       | 70,233            | (70,233)  |
| 690 Other Objects                            | -                       | 46,025            | (46,025)  |
| <b>Total Debt Service</b>                    | <b>-</b>                | <b>421,032</b>    | <b>(421,032)</b>                                |
| <b>Total Expenditures</b>                    | <b>29,320,000</b>       | <b>26,153,184</b> | <b>3,166,816</b>                                |

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
FINAL BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023**

|   | <b>FINAL<br/>BUDGET</b> | <b>ACTUAL</b>       | <b>VARIANCE<br/>FAVORABLE<br/>(UNFAVORABLE)</b> |
|---|-------------------------|---------------------|---|
| <b>Other Financing Sources (Uses)</b>   |                         |                     |   |
| 5300 Sale of Fixed Assets   | -                       | 3,600               | 3,600   |
| Interfund Transfers, From (To) Other Funds:   |                         |                     |   |
| 5220 Transfer from Special Revenue Fund (Excludes Indirect Cost)                              | -                       | 23,914              | 23,914  |
| 5230 Transfer from Special Revenue EIA Fund   | 1,838,518               | 1,747,328           | (91,190)  |
| 5250 Transfer from School Building Fund   | -                       | 171                 | 171   |
| 5280 Transfer from Other Funds Indirect Costs   | 627,937                 | 799,189             | 171,252   |
| 421-710 Transfer to Special Revenue Fund  | -                       | (35,871)            | (35,871)  |
| 423-710 Transfer to Debt Service Fund   | -                       | (264,210)           | (264,210)                                       |
| 424-710 Transfer to School Building Fund  | -                       | (5,318,950)         | (5,318,950)                                     |
| 425-710 Transfer to Food Service Fund   | -                       | (555,468)           | (555,468)                                       |
| 426-710 Transfer to Pupil Activity Fund   | -                       | (117,915)           | (117,915)                                       |
| <b>Total Other Financing Sources (Uses)</b>   | <u>2,466,455</u>        | <u>(3,718,212)</u>  | <u>(6,184,667)</u>                              |
| <b>Excess/Deficiency of Revenues over Expenditures<br/>and Other Financing Sources (Uses)</b> | <u>\$ -</u>             | <u>(3,861,270)</u>  | <u>\$ (3,861,270)</u>                           |
| <b>Fund Balance July 1, 2022 - as Restated</b>  |                         | <u>9,781,932</u>    |   |
| <b>Fund Balance June 30, 2023</b>   |                         | <u>\$ 5,920,662</u> |   |

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
SPECIAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2023**

|  | <b>TITLE I<br/>(201/202)</b> | <b>IDEA<br/>(203/204)</b> | <b>PRESCHOOL<br/>HANDICAPPED<br/>(205/206)</b> | <b>CATE<br/>(207/208)</b> | <b>ADULT<br/>EDUCATION<br/>(243)</b> | <b>OTHER<br/>DESIGNATED<br/>RESTRICTED<br/>STATE<br/>GRANTS<br/>(900s)</b> | <b>OTHER<br/>SPECIAL<br/>REVENUE<br/>PROGRAMS<br/>(200s/800s)</b> | <b>STUDENT<br/>ACTIVITY<br/>FUNDS<br/>(700's)</b> | <b>TOTAL</b>     |
|--|------------------------------|---------------------------|--|---------------------------|--------------------------------------|--|---|---|------------------|
| <b>Revenues</b>                                  |                              |                           |  |                           |                                      |  |   |   |                  |
| <b>1000 Revenues From Local Sources</b>          |                              |                           |  |                           |                                      |  |   |   |                  |
| 1500 Earnings On Investments:                    |                              |                           |  |                           |                                      |  |   |   |                  |
| 1510 Interest on Investments                     | \$ -                         | \$ -                      | \$ -   | \$ -                      | \$ -                                 | \$ 91  | \$ 488,583  | \$ 180  | \$ 488,854       |
| 1700 Pupil Activities:                           |                              |                           |  |                           |                                      |  |   |   |                  |
| 1710 Admissions                                  | -                            | -                         | -  | -                         | -                                    | -  | -   | 105,187   | 105,187          |
| 1730 Pupil Organization Membership Dues and Fees | -                            | -                         | -  | -                         | -                                    | -  | -   | 8,675   | 8,675            |
| 1740 Student Fees                                | -                            | -                         | -  | -                         | -                                    | -  | -   | 77,011  | 77,011           |
| 1790 Other Pupil Activity Income                 | -                            | -                         | -  | -                         | -                                    | -  | -   | 520,149   | 520,149          |
| 1900 Other Revenue From Local Sources:           |                              |                           |  |                           |                                      |  |   |   |                  |
| 1910 Rentals                                     | -                            | -                         | -  | -                         | -                                    | -  | -   | 2,462   | 2,462            |
| 1920 Contributions and Donations Private Sources | -                            | -                         | -  | -                         | -                                    | -  | -   | 830   | 830              |
| 1930 Medicaid                                    | -                            | -                         | -  | -                         | -                                    | -  | 124,722   | -   | 124,722          |
| 1999 Revenue from Other Local Sources            | -                            | -                         | -  | -                         | -                                    | -  | 329,918   | -   | 329,918          |
| <b>Total Local Sources</b>                       | <b>-</b>                     | <b>-</b>                  | <b>-</b>                                       | <b>-</b>                  | <b>-</b>                             | <b>91</b>  | <b>943,223</b>  | <b>714,494</b>                                    | <b>1,657,808</b> |
| <b>2000 Intergovernmental Revenue</b>            |                              |                           |  |                           |                                      |  |   |   |                  |
| 2100 Payments from Other Governmental Units      | -                            | -                         | -  | -                         | -                                    | -  | 92,112  | -   | 92,112           |
| <b>Total Intergovernmental Revenue</b>           | <b>-</b>                     | <b>-</b>                  | <b>-</b>                                       | <b>-</b>                  | <b>-</b>                             | <b>-</b>   | <b>92,112</b>   | <b>-</b>  | <b>92,112</b>    |
| <b>Revenues from State Sources</b>               |                              |                           |  |                           |                                      |  |   |   |                  |
| 3100 Restricted State Funding:                   |                              |                           |  |                           |                                      |  |   |   |                  |
| 3118 EEDA Career Specialist                      | -                            | -                         | -  | -                         | -                                    | 135,988  | -   | -   | 135,988          |
| 3127 Student Health and Fitness - PE Teachers    | -                            | -                         | -  | -                         | -                                    | 17,344   | -   | -   | 17,344           |
| 3130 Special Programs:                           |                              |                           |  |                           |                                      |  |   |   |                  |
| 3135 Reading Coaches                             | -                            | -                         | -  | -                         | -                                    | 355,563  | -   | -   | 355,563          |
| 3136 Student Health and Fitness - Nurses         | -                            | -                         | -  | -                         | -                                    | 180,395  | -   | -   | 180,395          |
| 3143 GEER CERDEP Summer                          | -                            | -                         | -  | -                         | -                                    | 10,699   | -   | -   | 10,699           |
| 3171 Consolidation and Capital Improvement       | -                            | -                         | -  | -                         | -                                    | 850,674  | -   | -   | 850,674          |
| 3190 Miscellaneous Restricted State Grants:      |                              |                           |  |                           |                                      |  |   |   |                  |
| 3193 Education License Plates                    | -                            | -                         | -  | -                         | -                                    | 722  | -   | -   | 722              |
| 3199 Other Restricted State Grants               | -                            | -                         | -  | -                         | -                                    | -  | 12,921  | -   | 12,921           |
| <b>Total State Sources</b>                       | <b>-</b>                     | <b>-</b>                  | <b>-</b>                                       | <b>-</b>                  | <b>-</b>                             | <b>1,551,385</b>   | <b>12,921</b>   | <b>-</b>  | <b>1,564,306</b> |

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
SPECIAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2023**

|  | <b>TITLE I<br/>(201/202)</b> | <b>IDEA<br/>(203/204)</b> | <b>PRESCHOOL<br/>HANDICAPPED<br/>(205/206)</b> | <b>CATE<br/>(207/208)</b> | <b>ADULT<br/>EDUCATION<br/>(243)</b> | <b>OTHER<br/>DESIGNATED<br/>RESTRICTED<br/>STATE<br/>GRANTS<br/>(900s)</b> | <b>OTHER<br/>SPECIAL<br/>REVENUE<br/>PROGRAMS<br/>(200s/800s)</b> | <b>STUDENT<br/>ACTIVITY<br/>FUNDS<br/>(700's)</b> | <b>TOTAL</b>      |
|--|------------------------------|---------------------------|--|---------------------------|--------------------------------------|--|---|---|-------------------|
| <b>Revenues (continued)</b>  |                              |                           |  |                           |                                      |  |   |   |                   |
| <b>4000 Revenues From Federal Sources</b>  |                              |                           |  |                           |                                      |  |   |   |                   |
| 4200 Occupational Education:   |                              |                           |  |                           |                                      |  |   |   |                   |
| 4210 Vocational Aid, Title I   | -                            | -                         | -  | 79,654                    | -                                    | -  | -   | -   | 79,654            |
| 4300 Elementary and Secondary Education Act of 1965 (ESEA):                              |                              |                           |  |                           |                                      |  |   |   |                   |
| 4310 Title I, Basic State Grant Programs (Carryover Provision)                           | 1,562,322                    | -                         | -  | -                         | -                                    | -  | 60,336  | -   | 1,622,658         |
| 4312 Rural and Low-Income School Program, Title VI<br>(Carryover Provision)              | -                            | -                         | -  | -                         | -                                    | -  | 46,582  | -   | 46,582            |
| 4343 McKinney-Vento  | -                            | -                         | -  | -                         | -                                    | -  | 3,041   | -   | 3,041             |
| 4351 Improving Teacher Quality (Carryover Provision)                                     | -                            | -                         | -  | -                         | -                                    | -  | 224,458   | -   | 224,458           |
| 4400 Adult Education:  |                              |                           |  |                           |                                      |  |   |   |                   |
| 4410 Basic, Adult Education  | -                            | -                         | -  | -                         | 176,294                              | -  | -   | -   | 176,294           |
| 4500 Programs for Children with Disabilities   |                              |                           |  |                           |                                      |  |   |   |                   |
| 4510 Individuals With Disabilities Education Act (IDEA)<br>(Carryover Provision)         | -                            | 1,056,945                 | -  | -                         | -                                    | -  | -   | -   | 1,056,945         |
| 4520 Preschool Grants (Carryover Provision)  | -                            | -                         | 101,545  | -                         | -                                    | -  | -   | -   | 101,545           |
| 4900 Other Federal Sources:  |                              |                           |  |                           |                                      |  |   |   |                   |
| 4924 21st Century Community Learning Center Program,<br>(Title IV, 21st Century Schools) | -                            | -                         | -  | -                         | -                                    | -  | 2,194   | -   | 2,194             |
| 4931 ARP IDEA  | -                            | -                         | -  | -                         | -                                    | -  | 37,592  | -   | 37,592            |
| 4933 ARP IDEA Preschool  | -                            | -                         | -  | -                         | -                                    | -  | 710   | -   | 710               |
| 4937 ARP Homeless Children and Youth   | -                            | -                         | -  | -                         | -                                    | -  | 21,299  | -   | 21,299            |
| 4974 ESSER III   | -                            | -                         | -  | -                         | -                                    | -  | 1,683,224   | -   | 1,683,224         |
| 4975 Coronavirus Aid, Relief, and Economic Security Act                                  | -                            | -                         | -  | -                         | -                                    | -  | 6,375   | -   | 6,375             |
| 4977 ESSER II  | -                            | -                         | -  | -                         | -                                    | -  | 2,444,026   | -   | 2,444,026         |
| 4990 Other Federal Revenue:  | -                            | -                         | -  | -                         | -                                    | -  | 459,429   | -   | 459,429           |
| 4997 Title IV SSAE   | -                            | -                         | -  | -                         | -                                    | -  | 56,843  | -   | 56,843            |
| <b>Total Federal Sources</b>   | <b>1,562,322</b>             | <b>1,056,945</b>          | <b>101,545</b>                                 | <b>79,654</b>             | <b>176,294</b>                       | <b>-</b>   | <b>5,046,109</b>  | <b>-</b>  | <b>8,022,869</b>  |
| <b>Total Revenue All Sources</b>   | <b>1,562,322</b>             | <b>1,056,945</b>          | <b>101,545</b>                                 | <b>79,654</b>             | <b>176,294</b>                       | <b>1,551,476</b>   | <b>6,094,365</b>  | <b>714,494</b>                                    | <b>11,337,095</b> |

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
SPECIAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2023**

|   | <b>TITLE I<br/>(201/202)</b> | <b>IDEA<br/>(203/204)</b> | <b>PRESCHOOL<br/>HANDICAPPED<br/>(205/206)</b> | <b>CATE<br/>(207/208)</b> | <b>ADULT<br/>EDUCATION<br/>(243)</b> | <b>OTHER<br/>DESIGNATED<br/>RESTRICTED<br/>STATE<br/>GRANTS<br/>(900s)</b> | <b>OTHER<br/>SPECIAL<br/>REVENUE<br/>PROGRAMS<br/>(200s/800s)</b> | <b>STUDENT<br/>ACTIVITY<br/>FUNDS<br/>(700's)</b> | <b>TOTAL</b> |
|---|------------------------------|---------------------------|--|---------------------------|--------------------------------------|--|---|---|--------------|
| <b>Expenditures</b>                           |                              |                           |  |                           |                                      |  |   |   |              |
| <b>100 Instruction</b>                        |                              |                           |  |                           |                                      |  |   |   |              |
| 110 General Instruction                       |                              |                           |  |                           |                                      |  |   |   |              |
| 111 Kindergarten Programs:                    |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries                                  | 108,255                      | -                         | -  | -                         | -                                    | -  | -   | -   | 108,255      |
| 200 Employee Benefits                         | 53,887                       | -                         | -  | -                         | -                                    | -  | -   | -   | 53,887       |
| 300 Purchased Services                        | -                            | -                         | -  | -                         | -                                    | -  | 3,782   | -   | 3,782        |
| 400 Supplies and Materials                    | 6,221                        | -                         | -  | -                         | -                                    | -  | 16,557  | -   | 22,778       |
| 112 Primary Programs:                         |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries                                  | 197,933                      | -                         | -  | -                         | -                                    | 7,445  | 89,095  | -   | 294,473      |
| 200 Employee Benefits                         | 88,107                       | -                         | -  | -                         | -                                    | 2,456  | 48,300  | -   | 138,863      |
| 300 Purchased Services                        | -                            | -                         | -  | -                         | -                                    | -  | 17,432  | -   | 17,432       |
| 400 Supplies and Materials                    | 33,480                       | -                         | -  | -                         | -                                    | -  | 44,853  | 33  | 78,366       |
| 113 Elementary Programs:                      |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries                                  | 121,199                      | -                         | -  | -                         | -                                    | 4,987  | 905   | -   | 127,091      |
| 200 Employee Benefits                         | 55,764                       | -                         | -  | -                         | -                                    | 2,456  | 138   | -   | 58,358       |
| 300 Purchased Services                        | -                            | -                         | -  | -                         | -                                    | -  | 156,328   | -   | 156,328      |
| 400 Supplies and Materials                    | 56,601                       | -                         | -  | -                         | -                                    | -  | 282,050   | 1,178   | 339,829      |
| 114 High School Programs:                     |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries                                  | -                            | -                         | -  | -                         | -                                    | -  | 191,375   | -   | 191,375      |
| 200 Employee Benefits                         | -                            | -                         | -  | -                         | -                                    | -  | 9,339   | -   | 9,339        |
| 300 Purchased Services                        | -                            | -                         | -  | -                         | -                                    | -  | 231,272   | -   | 231,272      |
| 400 Supplies and Materials                    | 46,845                       | -                         | -  | -                         | -                                    | 45,049   | 106,044   | -   | 197,938      |
| 115 Career and Technology Education Programs: |                              |                           |  |                           |                                      |  |   |   |              |
| 300 Purchased Services - Other Than Tuition   | -                            | -                         | -  | 8,937                     | -                                    | -  | -   | -   | 8,937        |
| 400 Supplies and Materials                    | -                            | -                         | -  | 30,627                    | -                                    | -  | 724   | -   | 31,351       |
| 120 Exceptional Programs:                     |                              |                           |  |                           |                                      |  |   |   |              |
| 121 Educable Mentally Handicapped:            |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries                                  | -                            | 30,338                    | -  | -                         | -                                    | -  | 24,466  | -   | 54,804       |
| 200 Employee Benefits                         | -                            | 36,053                    | -  | -                         | -                                    | -  | 91  | -   | 36,144       |
| 122 Trainable Mentally Handicapped:           |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries                                  | -                            | 95,196                    | -  | -                         | -                                    | -  | -   | -   | 95,196       |
| 200 Employee Benefits                         | -                            | 36,784                    | -  | -                         | -                                    | -  | -   | -   | 36,784       |
| 400 Supplies and Materials                    | -                            | 88                        | -  | -                         | -                                    | -  | -   | -   | 88           |

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
SPECIAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2023**

|   | <b>TITLE I<br/>(201/202)</b> | <b>IDEA<br/>(203/204)</b> | <b>PRESCHOOL<br/>HANDICAPPED<br/>(205/206)</b> | <b>CATE<br/>(207/208)</b> | <b>ADULT<br/>EDUCATION<br/>(243)</b> | <b>OTHER<br/>DESIGNATED<br/>RESTRICTED<br/>STATE<br/>GRANTS<br/>(900s)</b> | <b>OTHER<br/>SPECIAL<br/>REVENUE<br/>PROGRAMS<br/>(200s/800s)</b> | <b>STUDENT<br/>ACTIVITY<br/>FUNDS<br/>(700's)</b> | <b>TOTAL</b> |
|---|------------------------------|---------------------------|--|---------------------------|--------------------------------------|--|---|---|--------------|
| <b>Expenditures (continued)</b>                             |                              |                           |  |                           |                                      |  |   |   |              |
| <b>100 Instruction (continued)</b>                          |                              |                           |  |                           |                                      |  |   |   |              |
| 120 Exceptional Programs (continued):                       |                              |                           |  |                           |                                      |  |   |   |              |
| 123 Orthopedically Handicapped:                             |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries  | -                            | 20,267                    | -  | -                         | -                                    | -  | 758   | -   | 21,025       |
| 200 Employee Benefits                                       | -                            | 6,660                     | -  | -                         | -                                    | -  | 167   | -   | 6,827        |
| 126 Speech Handicapped:                                     |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries  | -                            | -                         | -  | -                         | -                                    | -  | 5,000   | -   | 5,000        |
| 200 Employee Benefits                                       | -                            | -                         | -  | -                         | -                                    | -  | 1,635   | -   | 1,635        |
| 300 Purchased Services                                      | -                            | -                         | -  | -                         | -                                    | -  | 452   | -   | 452          |
| 400 Supplies and Materials                                  | -                            | 337                       | -  | -                         | -                                    | -  | -   | -   | 337          |
| 600 Other Objects   | -                            | -                         | -  | -                         | -                                    | -  | 253   | -   | 253          |
| 127 Learning Disabilities:                                  |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries  | -                            | 255,814                   | -  | -                         | -                                    | -  | -   | -   | 255,814      |
| 200 Employee Benefits                                       | -                            | 104,812                   | -  | -                         | -                                    | -  | -   | -   | 104,812      |
| 400 Supplies and Materials                                  | -                            | 888                       | -  | -                         | -                                    | -  | -   | -   | 888          |
| 130 Preschool Programs                                      |                              |                           |  |                           |                                      |  |   |   |              |
| 131 Preschool Handicapped Speech (5-Yr. Olds):              |                              |                           |  |                           |                                      |  |   |   |              |
| 400 Supplies and Materials                                  | -                            | -                         | 516  | -                         | -                                    | -  | -   | -   | 516          |
| 133 Preschool Handicapped Self-Contained (5-Yr. Olds):      |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries  | -                            | -                         | 33,307   | -                         | -                                    | -  | -   | -   | 33,307       |
| 200 Employee Benefits                                       | -                            | -                         | 16,572   | -                         | -                                    | -  | -   | -   | 16,572       |
| 300 Purchased Services                                      | -                            | -                         | -  | -                         | -                                    | -  | 710   | -   | 710          |
| 136 Preschool Handicapped Itinerant (3 & 4 -Yr. Olds):      |                              |                           |  |                           |                                      |  |   |   |              |
| 400 Supplies and Materials                                  | -                            | -                         | 90   | -                         | -                                    | -  | -   | -   | 90           |
| 137 Preschool Handicapped Self-Contained (3 & 4 -Yr. Olds): |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries  | -                            | -                         | 33,306   | -                         | -                                    | -  | -   | -   | 33,306       |
| 200 Employee Benefits                                       | -                            | -                         | 16,572   | -                         | -                                    | -  | -   | -   | 16,572       |
| 139 Early Childhood Programs:                               |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries  | -                            | -                         | -  | -                         | -                                    | -  | 63,886  | -   | 63,886       |
| 200 Employee Benefits                                       | -                            | -                         | -  | -                         | -                                    | -  | 28,226  | -   | 28,226       |
| 140 Special Programs  |                              |                           |  |                           |                                      |  |   |   |              |
| 147 CDEPP:  |                              |                           |  |                           |                                      |  |   |   |              |
| 300 Purchased Services                                      | -                            | -                         | -  | -                         | -                                    | 1,382  | -   | -   | 1,382        |
| 400 Supplies and Materials                                  | -                            | -                         | -  | -                         | -                                    | 9,317  | -   | -   | 9,317        |



**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
SPECIAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2023**

|   | <b>TITLE I<br/>(201/202)</b> | <b>IDEA<br/>(203/204)</b> | <b>PRESCHOOL<br/>HANDICAPPED<br/>(205/206)</b> | <b>CATE<br/>(207/208)</b> | <b>ADULT<br/>EDUCATION<br/>(243)</b> | <b>OTHER<br/>DESIGNATED<br/>RESTRICTED<br/>STATE<br/>GRANTS<br/>(900s)</b> | <b>OTHER<br/>SPECIAL<br/>REVENUE<br/>PROGRAMS<br/>(200s/800s)</b> | <b>STUDENT<br/>ACTIVITY<br/>FUNDS<br/>(700's)</b> | <b>TOTAL</b> |
|---|------------------------------|---------------------------|--|---------------------------|--------------------------------------|--|---|---|--------------|
| <b>Expenditures (Continued):</b>                      |                              |                           |  |                           |                                      |  |   |   |              |
| <b>100 Instruction (Continued):</b>                   |                              |                           |  |                           |                                      |  |   |   |              |
| 140 Special Programs (continued)                      |                              |                           |  |                           |                                      |  |   |   |              |
| 149 Other Special Programs:                           |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries  | -                            | 32,360                    | -  | -                         | -                                    | -  | 2,870   | -   | 35,230       |
| 200 Employee Benefits                                 | -                            | 15,701                    | -  | -                         | -                                    | -  | 2,286   | -   | 17,987       |
| 300 Purchased Services                                | -                            | 4,879                     | 1,182  | -                         | -                                    | -  | 8,856   | -   | 14,917       |
| 170 Summer School Programs                            |                              |                           |  |                           |                                      |  |   |   |              |
| 171 Primary Summer School:                            |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries  | -                            | -                         | -  | -                         | -                                    | -  | 1,715   | -   | 1,715        |
| 200 Employee Benefits                                 | -                            | -                         | -  | -                         | -                                    | -  | 683   | -   | 683          |
| 300 Purchased Services                                | -                            | -                         | -  | -                         | -                                    | -  | 7,221   | -   | 7,221        |
| 173 High School Summer School:                        |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries  | -                            | -                         | -  | -                         | -                                    | -  | 6,395   | -   | 6,395        |
| 200 Employee Benefits                                 | -                            | -                         | -  | -                         | -                                    | -  | 1,547   | -   | 1,547        |
| 175 Instructional Programs Beyond Regular School Day: |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries  | -                            | -                         | -  | -                         | -                                    | -  | 416,512   | -   | 416,512      |
| 200 Employee Benefits                                 | -                            | -                         | -  | -                         | -                                    | -  | 131,966   | -   | 131,966      |
| 300 Purchased Services                                | -                            | -                         | -  | -                         | -                                    | -  | 9,966   | -   | 9,966        |
| 400 Supplies and Materials                            | -                            | -                         | -  | -                         | -                                    | -  | 5,591   | -   | 5,591        |
| 180 Adult/Continuing Educational Programs             |                              |                           |  |                           |                                      |  |   |   |              |
| 181 Adult Basic Education Programs:                   |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries  | -                            | -                         | -  | -                         | 60,671                               | -  | -   | -   | 60,671       |
| 200 Employee Benefits                                 | -                            | -                         | -  | -                         | 21,018                               | -  | -   | -   | 21,018       |
| 300 Purchased Services                                | -                            | -                         | -  | -                         | 454                                  | -  | -   | -   | 454          |
| 400 Supplies and Materials                            | -                            | -                         | -  | -                         | 273                                  | -  | -   | -   | 273          |
| 182 Adult Secondary Education Programs:               |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries  | -                            | -                         | -  | -                         | 19,007                               | -  | -   | -   | 19,007       |
| 200 Employee Benefits                                 | -                            | -                         | -  | -                         | 8,328                                | -  | -   | -   | 8,328        |
| 300 Purchased Services                                | -                            | -                         | -  | -                         | 3,576                                | -  | -   | -   | 3,576        |
| 183 Adult English Literacy (ESL):                     |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries  | -                            | -                         | -  | -                         | 20,489                               | -  | 3,563   | -   | 24,052       |
| 200 Employee Benefits                                 | -                            | -                         | -  | -                         | 5,765                                | -  | 327   | -   | 6,092        |
| 300 Purchased Services                                | -                            | -                         | -  | -                         | 514                                  | -  | -   | -   | 514          |
| 188 Parenting/Family Literacy:                        |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries  | 21,737                       | -                         | -  | -                         | -                                    | -  | -   | -   | 21,737       |
| 200 Employee Benefits                                 | 18,728                       | -                         | -  | -                         | -                                    | -  | -   | -   | 18,728       |
| 400 Supplies and Materials                            | -                            | -                         | -  | -                         | -                                    | -  | 19,053  | -   | 19,053       |

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
SPECIAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2023**

|  | <b>TITLE I<br/>(201/202)</b> | <b>IDEA<br/>(203/204)</b> | <b>PRESCHOOL<br/>HANDICAPPED<br/>(205/206)</b> | <b>CATE<br/>(207/208)</b> | <b>ADULT<br/>EDUCATION<br/>(243)</b> | <b>OTHER<br/>DESIGNATED<br/>RESTRICTED<br/>STATE<br/>GRANTS<br/>(900s)</b> | <b>OTHER<br/>SPECIAL<br/>REVENUE<br/>PROGRAMS<br/>(200s/800s)</b> | <b>STUDENT<br/>ACTIVITY<br/>FUNDS<br/>(700's)</b> | <b>TOTAL</b> |
|--|------------------------------|---------------------------|--|---------------------------|--------------------------------------|--|---|---|--------------|
| <b>Expenditures (Continued):</b>                         |                              |                           |  |                           |                                      |  |   |   |              |
| <b>100 Instruction (Continued):</b>                      |                              |                           |  |                           |                                      |  |   |   |              |
| 190 Instructional Pupil Activity:                        |                              |                           |  |                           |                                      |  |   |   |              |
| 300 Purchased Services                                   | -                            | -                         | -  | 8,236                     | -                                    | -  | -   | -   | 8,236        |
| <b>Total Instruction</b>                                 | 808,757                      | 640,177                   | 101,545  | 47,800                    | 140,095                              | 73,092   | 1,942,389   | 1,211   | 3,755,066    |
| <b>200 Support Services</b>                              |                              |                           |  |                           |                                      |  |   |   |              |
| 210 Pupil Services                                       |                              |                           |  |                           |                                      |  |   |   |              |
| 211 Attendance and Social Work Services:                 |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries   | -                            | 12,365                    | -  | -                         | -                                    | -  | 83,398  | -   | 95,763       |
| 200 Employee Benefits                                    | -                            | 5,763                     | -  | -                         | -                                    | -  | 42,773  | -   | 48,536       |
| 212 Guidance Services:                                   |                              |                           |  |                           |                                      |  |   |   |              |
| 200 Employee Benefits                                    | -                            | -                         | -  | -                         | -                                    | 10,841   | -   | -   | 10,841       |
| 300 Purchased Services                                   | -                            | -                         | -  | -                         | -                                    | -  | -   | 512   | 512          |
| 213 Health Services:                                     |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries   | -                            | -                         | -  | -                         | -                                    | 116,616  | 171,471   | -   | 288,087      |
| 200 Employee Benefits                                    | -                            | -                         | -  | -                         | -                                    | 63,779   | 84,324  | -   | 148,103      |
| 300 Purchased Services                                   | -                            | 8,383                     | -  | -                         | -                                    | -  | 48,490  | -   | 56,873       |
| 400 Supplies and Materials                               | -                            | 249                       | -  | -                         | -                                    | -  | 1,410   | -   | 1,659        |
| 214 Psychological Services:                              |                              |                           |  |                           |                                      |  |   |   |              |
| 400 Supplies and Materials                               | -                            | 2,455                     | -  | -                         | -                                    | -  | -   | -   | 2,455        |
| 215 Exceptional Program Services:                        |                              |                           |  |                           |                                      |  |   |   |              |
| 400 Supplies and Materials                               | -                            | 4,463                     | -  | -                         | -                                    | -  | -   | -   | 4,463        |
| 216 Vocational Placement Services:                       |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries   | -                            | -                         | -  | 12,022                    | -                                    | -  | -   | -   | 12,022       |
| 200 Employee Benefits                                    | -                            | -                         | -  | 3,983                     | -                                    | -  | -   | -   | 3,983        |
| 217 Career Specialist Services:                          |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries   | -                            | -                         | -  | -                         | -                                    | 75,341   | -   | -   | 75,341       |
| 140 Terminal Leave                                       | -                            | -                         | -  | -                         | -                                    | 688  | -   | -   | 688          |
| 200 Employee Benefits                                    | -                            | -                         | -  | -                         | -                                    | 49,119   | -   | -   | 49,119       |
| 220 Instructional Staff Services                         |                              |                           |  |                           |                                      |  |   |   |              |
| 221 Improvement of Instruction - Curriculum Development: |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries   | 361,417                      | 63,013                    | -  | 6,011                     | -                                    | 245,724  | 118,024   | -   | 794,189      |
| 140 Terminal Leave                                       | 49                           | -                         | -  | -                         | -                                    | 700  | -   | -   | 749          |
| 200 Employee Benefits                                    | 157,358                      | 29,346                    | -  | 1,992                     | -                                    | 109,139  | 55,074  | -   | 352,909      |
| 300 Purchased Services                                   | -                            | 18                        | -  | -                         | -                                    | -  | -   | -   | 18           |
| 400 Supplies and Materials                               | -                            | -                         | -  | -                         | 3                                    | -  | -   | -   | 3            |

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
SPECIAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2023**

|  | <b>TITLE I<br/>(201/202)</b> | <b>IDEA<br/>(203/204)</b> | <b>PRESCHOOL<br/>HANDICAPPED<br/>(205/206)</b> | <b>CATE<br/>(207/208)</b> | <b>ADULT<br/>EDUCATION<br/>(243)</b> | <b>OTHER<br/>DESIGNATED<br/>RESTRICTED<br/>STATE<br/>GRANTS<br/>(900s)</b> | <b>OTHER<br/>SPECIAL<br/>REVENUE<br/>PROGRAMS<br/>(200s/800s)</b> | <b>STUDENT<br/>ACTIVITY<br/>FUNDS<br/>(700's)</b> | <b>TOTAL</b> |
|--|------------------------------|---------------------------|--|---------------------------|--------------------------------------|--|---|---|--------------|
| <b>Expenditures (Continued):</b>                             |                              |                           |  |                           |                                      |  |   |   |              |
| <b>200 Support Services (continued)</b>                      |                              |                           |  |                           |                                      |  |   |   |              |
| 220 Instructional Staff Services (continued)                 |                              |                           |  |                           |                                      |  |   |   |              |
| 222 Library and Media:                                       |                              |                           |  |                           |                                      |  |   |   |              |
| 300 Purchased Services                                       | -                            | -                         | -  | -                         | -                                    | 2,205  | -   | -   | 2,205        |
| 400 Supplies and Materials                                   | -                            | -                         | -  | -                         | -                                    | -  | -   | 210   | 210          |
| 223 Supervision of Special Programs:                         |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries   | 121,292                      | 144,597                   | -  | -                         | 7,780                                | -  | 61,447  | -   | 335,116      |
| 140 Terminal Leave   | -                            | 725                       | -  | -                         | -                                    | -  | -   | -   | 725          |
| 200 Employee Benefits  | 50,423                       | 53,350                    | -  | -                         | 763                                  | -  | 20,594  | -   | 125,130      |
| 300 Purchased Services                                       | 6,717                        | 6,899                     | -  | 2,460                     | -                                    | -  | 4,031   | -   | 20,107       |
| 400 Supplies and Materials                                   | 2,304                        | 4,500                     | -  | 1,667                     | -                                    | -  | -   | -   | 8,471        |
| 600 Other Objects  | -                            | 150                       | -  | -                         | -                                    | -  | -   | -   | 150          |
| 224 Improvement of Instruction-Inservice and Staff Training: |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries   | -                            | -                         | -  | -                         | -                                    | -  | 35,403  | -   | 35,403       |
| 200 Employee Benefits  | -                            | -                         | -  | -                         | -                                    | -  | 14,313  | -   | 14,313       |
| 300 Purchased Services                                       | -                            | 33,424                    | -  | 3,719                     | -                                    | -  | 254,205   | -   | 291,348      |
| 400 Supplies and Materials                                   | -                            | 109                       | -  | -                         | -                                    | -  | -   | -   | 109          |
| 230 General Administration Services                          |                              |                           |  |                           |                                      |  |   |   |              |
| 233 School Administration:                                   |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries   | -                            | -                         | -  | -                         | -                                    | -  | 1,076   | -   | 1,076        |
| 200 Employee Benefits  | -                            | -                         | -  | -                         | -                                    | -  | 99  | -   | 99           |
| 300 Purchased Services                                       | -                            | -                         | -  | -                         | -                                    | -  | 863   | -   | 863          |
| 400 Supplies and Materials                                   | -                            | -                         | -  | -                         | -                                    | -  | 3,878   | 41  | 3,919        |
| 250 Finance and Operations Services                          |                              |                           |  |                           |                                      |  |   |   |              |
| 251 Student Transportation (Federal/District Mandated):      |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries   | -                            | -                         | -  | -                         | -                                    | -  | 19,499  | -   | 19,499       |
| 200 Employee Benefits  | -                            | -                         | -  | -                         | -                                    | -  | 5,138   | -   | 5,138        |
| 300 Purchased Services                                       | -                            | -                         | -  | -                         | -                                    | -  | 680   | -   | 680          |
| 252 Fiscal Services:   |                              |                           |  |                           |                                      |  |   |   |              |
| 200 Employee Benefits  | -                            | -                         | -  | -                         | -                                    | -  | 77,052  | -   | 77,052       |
| 400 Supplies and Materials                                   | -                            | -                         | -  | -                         | -                                    | -  | 30,523  | -   | 30,523       |
| 253 Facilities Acquisition and Construction:                 |                              |                           |  |                           |                                      |  |   |   |              |
| 500 Capital Outlay   |                              |                           |  |                           |                                      |  |   |   |              |
| 510 Land   | -                            | -                         | -  | -                         | -                                    | 417,113  | -   | -   | 417,113      |
| 520 Construction Services                                    | -                            | -                         | -  | -                         | -                                    | 374,121  | -   | -   | 374,121      |
| 530 Improvements Other Than Buildings                        | -                            | -                         | -  | -                         | -                                    | 6,600  | -   | -   | 6,600        |
| 550 Vehicles   | -                            | -                         | -  | -                         | -                                    | -  | 53,397  | -   | 53,397       |

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
SPECIAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2023**

|   | <b>TITLE I<br/>(201/202)</b> | <b>IDEA<br/>(203/204)</b> | <b>PRESCHOOL<br/>HANDICAPPED<br/>(205/206)</b> | <b>CATE<br/>(207/208)</b> | <b>ADULT<br/>EDUCATION<br/>(243)</b> | <b>OTHER<br/>DESIGNATED<br/>RESTRICTED<br/>STATE<br/>GRANTS<br/>(900s)</b> | <b>OTHER<br/>SPECIAL<br/>REVENUE<br/>PROGRAMS<br/>(200s/800s)</b> | <b>STUDENT<br/>ACTIVITY<br/>FUNDS<br/>(700's)</b> | <b>TOTAL</b> |
|---|------------------------------|---------------------------|--|---------------------------|--------------------------------------|--|---|---|--------------|
| <b>Expenditures (Continued):</b>                |                              |                           |  |                           |                                      |  |   |   |              |
| <b>200 Support Services (continued)</b>         |                              |                           |  |                           |                                      |  |   |   |              |
| 250 Finance and Operations Services (continued) |                              |                           |  |                           |                                      |  |   |   |              |
| 254 Operation and Maintenance of Plant:         |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries                                    | -                            | -                         | -  | -                         | 8,286                                | -  | 189,531   | 604   | 198,421      |
| 140 Terminal Leave                              | -                            | -                         | -  | -                         | -                                    | -  | 1,250   | -   | 1,250        |
| 200 Employee Benefits                           | -                            | -                         | -  | -                         | 4,443                                | -  | 87,774  | 205   | 92,422       |
| 300 Purchased Services                          | -                            | -                         | -  | -                         | 5,512                                | 2,883  | 10,988  | 6,334   | 25,717       |
| 400 Supplies and Materials                      | -                            | -                         | -  | -                         | 1,296                                | -  | 16,829  | -   | 18,125       |
| 500 Capital Outlay                              | -                            | -                         | -  | -                         | -                                    | -  | 137,582   | -   | 137,582      |
| 255 Student Transportation (State Mandated):    |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries                                    | -                            | 168                       | -  | -                         | -                                    | -  | 35,965  | -   | 36,133       |
| 200 Employee Benefits                           | -                            | 46                        | -  | -                         | -                                    | -  | 4,456   | -   | 4,502        |
| 300 Purchased Services                          | -                            | -                         | -  | -                         | -                                    | -  | 435   | -   | 435          |
| 256 Food Service:                               |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries                                    | -                            | -                         | -  | -                         | -                                    | -  | 21,689  | 735   | 22,424       |
| 200 Employee Benefits                           | -                            | -                         | -  | -                         | -                                    | -  | 9,482   | 242   | 9,724        |
| 400 Supplies and Materials (Include Energy)     | -                            | -                         | -  | -                         | -                                    | -  | 5,197   | -   | 5,197        |
| 257 Internal Services:                          |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries                                    | -                            | -                         | -  | -                         | -                                    | -  | 480   | -   | 480          |
| 200 Employee Benefits                           | -                            | -                         | -  | -                         | -                                    | -  | 172   | -   | 172          |
| 260 Central Support Services                    |                              |                           |  |                           |                                      |  |   |   |              |
| 262 Planning:                                   |                              |                           |  |                           |                                      |  |   |   |              |
| 300 Purchased Services                          | -                            | -                         | -  | -                         | -                                    | 2,795  | -   | -   | 2,795        |
| 263 Information Services:                       |                              |                           |  |                           |                                      |  |   |   |              |
| 100 Salaries                                    | -                            | -                         | -  | -                         | -                                    | -  | 88,825  | -   | 88,825       |
| 140 Terminal Leave                              | -                            | -                         | -  | -                         | -                                    | -  | 500   | -   | 500          |
| 200 Employee Benefits                           | -                            | -                         | -  | -                         | -                                    | -  | 34,757  | -   | 34,757       |
| 400 Supplies and Materials                      | -                            | -                         | -  | -                         | -                                    | -  | 2,447   | -   | 2,447        |

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
SPECIAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2023**

|  | <b>TITLE I<br/>(201/202)</b> | <b>IDEA<br/>(203/204)</b> | <b>PRESCHOOL<br/>HANDICAPPED<br/>(205/206)</b> | <b>CATE<br/>(207/208)</b> | <b>ADULT<br/>EDUCATION<br/>(243)</b> | <b>OTHER<br/>DESIGNATED<br/>RESTRICTED<br/>STATE<br/>GRANTS<br/>(900s)</b> | <b>OTHER<br/>SPECIAL<br/>REVENUE<br/>PROGRAMS<br/>(200s/800s)</b> | <b>STUDENT<br/>ACTIVITY<br/>FUNDS<br/>(700's)</b> | <b>TOTAL</b>     |
|--|------------------------------|---------------------------|--|---------------------------|--------------------------------------|--|---|---|------------------|
| <b>Expenditures (Continued):</b>             |                              |                           |  |                           |                                      |  |   |   |                  |
| <b>200 Support Services (continued)</b>      |                              |                           |  |                           |                                      |  |   |   |                  |
| 260 Central Support Services (continued)     |                              |                           |  |                           |                                      |  |   |   |                  |
| 264 Staff Services:                          |                              |                           |  |                           |                                      |  |   |   |                  |
| 100 Salaries                                 | -                            | -                         | -  | -                         | -                                    | -  | 335,900   | -   | 335,900          |
| 200 Employee Benefits                        | -                            | -                         | -  | -                         | -                                    | -  | 27,152  | -   | 27,152           |
| 300 Purchased Services                       | -                            | -                         | -  | -                         | -                                    | -  | 16,482  | -   | 16,482           |
| 400 Supplies and Materials                   | -                            | -                         | -  | -                         | -                                    | -  | 15,687  | -   | 15,687           |
| 266 Technology and Data Processing Services: |                              |                           |  |                           |                                      |  |   |   |                  |
| 100 Salaries                                 | -                            | -                         | -  | -                         | -                                    | -  | 61,768  | -   | 61,768           |
| 200 Employee Benefits                        | -                            | -                         | -  | -                         | -                                    | -  | 20,958  | -   | 20,958           |
| 400 Supplies and Materials                   | -                            | -                         | -  | -                         | -                                    | 720  | 713,190   | -   | 713,910          |
| 500 Capital Outlay                           | -                            | -                         | -  | -                         | -                                    | -  | 33,341  | -   | 33,341           |
| 270 Support Services - Pupil Activity        |                              |                           |  |                           |                                      |  |   |   |                  |
| 271 Pupil Service Activities:                |                              |                           |  |                           |                                      |  |   |   |                  |
| 100 Salaries (optional)                      | -                            | -                         | -  | -                         | -                                    | -  | 210   | 36,631  | 36,841           |
| 200 Employee Benefits (optional)             | -                            | -                         | -  | -                         | -                                    | -  | 75  | 13,241  | 13,316           |
| 300 Purchased Services (optional)            | -                            | -                         | -  | -                         | -                                    | -  | 3,000   | 20,348  | 23,348           |
| 400 Supplies and Materials (optional)        | -                            | -                         | -  | -                         | -                                    | -  | 2,646   | 96,292  | 98,938           |
| 600 Other Objects (optional)                 | -                            | -                         | -  | -                         | -                                    | -  | -   | 4,976   | 4,976            |
| 660 Pupil Activity                           | -                            | -                         | -  | -                         | -                                    | -  | 8,116   | 615,838   | 623,954          |
| 273 Trust and Agency Activities:             |                              |                           |  |                           |                                      |  |   |   |                  |
| 660 Pupil Activity                           | -                            | -                         | -  | -                         | -                                    | -  | -   | 1,000   | 1,000            |
| <b>Total Support Services</b>                | <b>699,560</b>               | <b>370,023</b>            | <b>-</b>                                       | <b>31,854</b>             | <b>28,083</b>                        | <b>1,478,384</b>   | <b>3,074,046</b>  | <b>797,209</b>                                    | <b>6,479,159</b> |
| <b>300 Community Services</b>                |                              |                           |  |                           |                                      |  |   |   |                  |
| 360 Welfare Services:                        |                              |                           |  |                           |                                      |  |   |   |                  |
| 100 Salaries                                 | -                            | -                         | -  | -                         | -                                    | -  | 3,418   | -   | 3,418            |
| 200 Employee Benefits                        | -                            | -                         | -  | -                         | -                                    | -  | 449   | -   | 449              |
| 400 Supplies and Materials                   | 896                          | -                         | -  | -                         | -                                    | -  | 12,655  | -   | 13,551           |
| 600 Other Objects                            | -                            | -                         | -  | -                         | -                                    | -  | 330   | -   | 330              |
| <b>Total Community Services</b>              | <b>896</b>                   | <b>-</b>                  | <b>-</b>                                       | <b>-</b>                  | <b>-</b>                             | <b>-</b>   | <b>16,852</b>   | <b>-</b>  | <b>17,748</b>    |

HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
SPECIAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2023

|   | TITLE I<br>(201/202) | IDEA<br>(203/204) | PRESCHOOL<br>HANDICAPPED<br>(205/206) | CATE<br>(207/208) | ADULT<br>EDUCATION<br>(243) | OTHER<br>DESIGNATED<br>RESTRICTED<br>STATE<br>GRANTS<br>(900s) | OTHER<br>SPECIAL<br>REVENUE<br>PROGRAMS<br>(200s/800s) | STUDENT<br>ACTIVITY<br>FUNDS<br>(700's) | TOTAL        |
|---|----------------------|-------------------|---------------------------------------|-------------------|-----------------------------|--|--|---|--------------|
| <b>410 Intergovernmental Expenditures</b>   |                      |                   |                                       |                   |                             |  |  |   |              |
| 414 Medicaid Payments to SCDE   |                      |                   |                                       |                   |                             |  |  |   |              |
| 720 Transits  | -                    | -                 | -                                     | -                 | -                           | -  | 41,954   | -                                       | 41,954       |
| <b>Total Intergovernmental Expenditures</b>   | -                    | -                 | -                                     | -                 | -                           | -  | 41,954   | -                                       | 41,954       |
| <b>Total Expenditures</b>   | 1,509,213            | 1,010,200         | 101,545                               | 79,654            | 168,178                     | 1,551,476  | 5,075,241  | 798,420                                 | 10,293,927   |
| <b>Other Financing Sources (Uses)</b>   |                      |                   |                                       |                   |                             |  |  |   |              |
| Interfund Transfers, From (To) Other Funds:   |                      |                   |                                       |                   |                             |  |  |   |              |
| 5210 Transfer from General Fund   | -                    | -                 | -                                     | -                 | -                           | -  | 35,871   | 117,915                                 | 153,786      |
| 5270 Transfer from Pupil Activity Fund  | -                    | -                 | -                                     | -                 | -                           | -  | 12,551   | 593,155                                 | 605,706      |
| 420-710 Transfer to General Fund (Exclude Indirect Costs)                                 | -                    | -                 | -                                     | -                 | -                           | -  | (23,914)   | -                                       | (23,914)     |
| 421-710 Transfer to Special Revenue Fund  | -                    | -                 | -                                     | -                 | -                           | -  | -  | (12,551)                                | (12,551)     |
| 426-710 Transfer to Pupil Activity Fund   | -                    | -                 | -                                     | -                 | -                           | -  | -  | (593,155)                               | (593,155)    |
| 431-791 Special Revenue Fund Indirect Costs   | (53,109)             | (46,745)          | -                                     | -                 | (8,116)                     | -  | (691,219)  | -                                       | (799,189)    |
| <b>Total Other Financing Sources (Uses)</b>   | (53,109)             | (46,745)          | -                                     | -                 | (8,116)                     | -  | (666,711)  | 105,364                                 | (669,317)    |
| <b>Excess/Deficiency of Revenues over Expenditures and Other Financing Sources (Uses)</b> | -                    | -                 | -                                     | -                 | -                           | -  | 352,413  | 21,438                                  | 373,851      |
| <b>Fund Balance June 30, 2022 - as Restated</b>   | -                    | -                 | -                                     | -                 | -                           | -  | 192,053  | 473,434                                 | 665,487      |
| <b>Fund Balance June 30, 2023</b>   | \$ -                 | \$ -              | \$ -                                  | \$ -              | \$ -                        | \$ -   | \$ 544,466   | \$ 494,872                              | \$ 1,039,338 |

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS  
FOR THE YEAR ENDED JUNE 30, 2023**

| <b>Subfund</b> | <b>Revenue</b> | <b>Programs</b>                          | <b>Revenues</b>     | <b>Expenditures</b> | <b>Special<br/>Revenue<br/>Other Fund<br/>Transfers<br/>In/(Out)</b> | <b>Special<br/>Revenue<br/>Fund<br/>Unearned</b> |
|----------------|----------------|--|---------------------|---------------------|--|--|
| 919            | 3193           | Education License Plates                 | \$ 722              | \$ 722              | \$ -   | \$ 555   |
| 924            | 3143           | GEER CERDEP Summer                       | 10,699              | 10,699              | -  | 11,573   |
| 928            | 3118           | EEDA Career Specialists                  | 135,988             | 135,988             | -  | 8,024  |
| 935            | 3135           | Reading Coaches                          | 355,563             | 355,563             | -  | -  |
| 936            | 3136           | Student Health and Fitness - Nurses      | 180,395             | 180,395             | -  | -  |
| 937            | 3127           | Student Health and Fitness - PE Teachers | 17,344              | 17,344              | -  | -  |
| 971            | 3171           | Consolidation and Capital Improvement    | 59,531              | 59,531              | -  | 138,190  |
| 972            | 3171           | Consolidation and Capital Improvement    | 791,234             | 791,234             | -  | 19,708,766                                       |
|                |                |  | <u>\$ 1,551,476</u> | <u>\$ 1,551,476</u> | <u>\$ -</u>  | <u>\$ 19,867,108</u>                             |

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
SPECIAL REVENUE FUNDS  
SUPPLEMENTAL LISTING OF OTHER SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

| <b>Fund</b> | <b>Description</b>                                 |
|-------------|--|
| 210         | Title IV SSAE                                      |
| 212         | Extended School Year (ESY)                         |
| 218         | ESSER III  |
| 220         | Coronavirus Aid, Relief, and Economic Security Act |
| 224         | 21st Century Schools                               |
| 225         | ESSER II   |
| 230         | ARP IDEA   |
| 232         | McKinney-Vento Homeless Education                  |
| 233         | American Rescue Plan - IDEA Preschool              |
| 237         | School Improvement - Title 1                       |
| 251         | Title VI Rural and Low Income Program              |
| 263         | ARP Homeless                                       |
| 267         | Improving Teacher Quality                          |
| 283/812/815 | Medicaid   |
| 800         | Profound Mentally Disabled                         |
| 802         | Palmetto Electric Grants                           |
| 803         | Extended School Year                               |
| 808         | Laptop Insurance                                   |
| 809         | Career Tech - Culinary Arts                        |
| 814         | ROTC   |
| 825         | Coastal Community Foundation                       |
| 828         | Ceres Foundation                                   |
| 832         | SCSBIT Risk Control Grant                          |
| 840         | Extended School Year                               |
| 844         | MUSC Wellness grant                                |
| 845         | JAG Programs                                       |
| 848         | LGIP Interest                                      |
| 851         | Nurse Coordinapt Grant                             |
| 852         | Nurse Retirntion Grant                             |
| 862         | Adult Education                                    |
| 882         | Winthrop CERRA Grant                               |
| 884         | TLI - Clemson University Reading Recovery          |
| 886         | The Betty Crosby - Pearls Early Childhood          |
| 888         | Centurylink Clarke M William Foundation            |
| 895         | TCL Grant  |
| 899         | USDA Grants  |
| 990         | First Steps  |



**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
EDUCATION IMPROVEMENT ACT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
ALL PROGRAMS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Revenues**

**3000 Revenue From State Sources**

3500 Education Improvement Act:

|  |           |
|--|-----------|
| 3502 ADEPT   | \$ 526    |
| 3503 State Aid to Classrooms   | 1,747,328 |
| 3519 Grade 10 Assessments  | 7,913     |
| 3528 Industry Certificates   | 27,000    |
| 3529 Career and Technology Education   | 64,231    |
| 3532 National Board Certification (NBC) Salary Supplement (No Carryover Provision) | 70,660    |
| 3533 Teacher of the Year Awards  | 1,077     |
| 3538 Students At Risk of School Failure  | 187,637   |
| 3541 Child Development Education Pilot Program (CDEPP)                             | 677,129   |
| 3556 Adult Education   | 134,455   |
| 3557 Summer Reading Program  | 46,186    |
| 3571 Palmetto Priority Technical Assistance  | 119,000   |
| 3577 Teacher Supplies (No Carryover Provision)                                     | 49,200    |
| 3595 EEDA - Supplies and Materials - Career Awareness                              | 4,356     |
| 3597 Aid to Districts  | 64,692    |
| 3599 Other EIA   | 1,500     |

**Total State Sources**

3,202,890

**Total Revenue All Sources**

3,202,890

**Expenditures**

**100 Instruction**

110 General Instruction

111 Kindergarten Programs:

|                            |       |
|----------------------------|-------|
| 100 Salaries               | 7,500 |
| 200 Employee Benefits      | 2,438 |
| 400 Supplies and Materials | 4,500 |

112 Primary Programs:

|                            |        |
|----------------------------|--------|
| 100 Salaries               | 17,505 |
| 200 Employee Benefits      | 5,673  |
| 400 Supplies and Materials | 8,100  |

113 Elementary Programs:

|                            |        |
|----------------------------|--------|
| 100 Salaries               | 82,472 |
| 200 Employee Benefits      | 33,166 |
| 400 Supplies and Materials | 11,400 |

114 High School Programs:

|                            |        |
|----------------------------|--------|
| 100 Salaries               | 80,784 |
| 200 Employee Benefits      | 36,037 |
| 300 Purchased Services     | 3,250  |
| 400 Supplies and Materials | 7,500  |

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
EDUCATION IMPROVEMENT ACT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
ALL PROGRAMS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Expenditures (Continued):**

**100 Instruction (Continued):**

|   |         |
|---|---------|
| 115 Career and Technology Education Programs:                 |         |
| 100 Salaries  | 2,000   |
| 200 Employee Benefits   | 184     |
| 300 Purchased Services - Other Than Tuition                   | 32,446  |
| 400 Supplies and Materials                                    | 47,329  |
| 120 Exceptional Programs                                      |         |
| 121 Educable Mentally Handicapped:                            |         |
| 100 Salaries  | 7,500   |
| 200 Employee Benefits   | 2,446   |
| 400 Supplies and Materials                                    | 1,500   |
| 122 Trainable Mentally Handicapped:                           |         |
| 400 Supplies and Materials                                    | 300     |
| 123 Orthopedically Handicapped:                               |         |
| 400 Supplies and Materials                                    | 900     |
| 126 Speech Handicapped:                                       |         |
| 400 Supplies and Materials                                    | 300     |
| 127 Learning Disabilities:                                    |         |
| 100 Salaries  | 2,750   |
| 200 Employee Benefits   | 907     |
| 400 Supplies and Materials                                    | 3,300   |
| 130 Preschool Programs  |         |
| 132 Preschool Handicapped Itinerant (5-Yr. -Olds)::           |         |
| 400 Supplies and Materials                                    | 300     |
| 133 Preschool Handicapped Self-Contained (5-Yr. -Olds)::      |         |
| 400 Supplies and Materials                                    | 300     |
| 136 Preschool Handicapped Itinerant (3- and 4- Yr. -Olds)::   |         |
| 400 Supplies and Materials                                    | 300     |
| 137 Preschool Handicapped Self-Contained (3- and 4- Yr. Olds) |         |
| 400 Supplies and Materials                                    | 300     |
| 140 Special Programs  |         |
| 147 CDEPP:  |         |
| 100 Salaries  | 434,400 |
| 140 Terminal Leave  | 2,705   |
| 200 Employee Benefits   | 192,585 |
| 300 Purchased Services  | 83,817  |
| 400 Supplies and Materials                                    | 3,000   |
| 149 Other Special Programs:                                   |         |
| 400 Supplies and Materials                                    | 300     |

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
EDUCATION IMPROVEMENT ACT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
ALL PROGRAMS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Expenditures (Continued):**

**100 Instruction (Continued):**

160 Other Exceptional Programs

161 Autism:

|                            |     |
|----------------------------|-----|
| 400 Supplies and Materials | 300 |
|----------------------------|-----|

170 Summer School Program

171 Primary Summer School:

|                        |       |
|------------------------|-------|
| 300 Purchased Services | 7,379 |
|------------------------|-------|

|                            |        |
|----------------------------|--------|
| 400 Supplies and Materials | 20,184 |
|----------------------------|--------|

172 Elementary Summer School:

|                            |        |
|----------------------------|--------|
| 400 Supplies and Materials | 18,624 |
|----------------------------|--------|

180 Adult/Continuing Educational Programs

181 Adult Basic Education Programs:

|              |        |
|--------------|--------|
| 100 Salaries | 11,753 |
|--------------|--------|

|                       |       |
|-----------------------|-------|
| 200 Employee Benefits | 4,313 |
|-----------------------|-------|

|                        |     |
|------------------------|-----|
| 300 Purchased Services | 665 |
|------------------------|-----|

|                            |     |
|----------------------------|-----|
| 400 Supplies and Materials | 686 |
|----------------------------|-----|

182 Adult Secondary Education Programs:

|              |        |
|--------------|--------|
| 100 Salaries | 11,558 |
|--------------|--------|

|                       |       |
|-----------------------|-------|
| 200 Employee Benefits | 2,970 |
|-----------------------|-------|

|                            |     |
|----------------------------|-----|
| 400 Supplies and Materials | 300 |
|----------------------------|-----|

183 Adult English Literacy (ESL):

|              |       |
|--------------|-------|
| 100 Salaries | 4,379 |
|--------------|-------|

|                       |       |
|-----------------------|-------|
| 200 Employee Benefits | 1,980 |
|-----------------------|-------|

|                            |     |
|----------------------------|-----|
| 400 Supplies and Materials | 300 |
|----------------------------|-----|

184 Post-Secondary Education Programs:

|              |       |
|--------------|-------|
| 100 Salaries | 6,568 |
|--------------|-------|

|                       |       |
|-----------------------|-------|
| 200 Employee Benefits | 2,970 |
|-----------------------|-------|

|                            |     |
|----------------------------|-----|
| 400 Supplies and Materials | 300 |
|----------------------------|-----|

188 Parenting/Family Literacy:

|                            |     |
|----------------------------|-----|
| 400 Supplies and Materials | 600 |
|----------------------------|-----|

190 Instructional Pupil Activity

|                        |    |
|------------------------|----|
| 300 Purchased Services | 76 |
|------------------------|----|

|                   |    |
|-------------------|----|
| 600 Other Objects | 80 |
|-------------------|----|

**Total Instruction**

|  |           |
|--|-----------|
|  | 1,216,179 |
|--|-----------|

**200 Support Services**

210 Pupil Services

212 Guidance Services:

|              |       |
|--------------|-------|
| 100 Salaries | 2,500 |
|--------------|-------|

|                       |     |
|-----------------------|-----|
| 200 Employee Benefits | 587 |
|-----------------------|-----|

|                            |        |
|----------------------------|--------|
| 400 Supplies and Materials | 10,817 |
|----------------------------|--------|

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
EDUCATION IMPROVEMENT ACT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
ALL PROGRAMS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Expenditures (Continued):**

**200 Support Services (Continued):**

220 Instructional Staff Services

221 Improvement of Instruction - Curriculum Development

|                            |       |
|----------------------------|-------|
| 100 Salaries               | 2,500 |
| 200 Employee Benefits      | 825   |
| 300 Purchased Services     | 5,409 |
| 400 Supplies and Materials | 1,635 |
| 600 Other Objects          | 155   |

222 Library and Media:

|                            |       |
|----------------------------|-------|
| 100 Salaries               | 1,000 |
| 200 Employee Benefits      | 330   |
| 400 Supplies and Materials | 1,200 |

223 Supervision of Special Programs:

|                            |        |
|----------------------------|--------|
| 100 Salaries               | 48,613 |
| 200 Employee Benefits      | 34,877 |
| 300 Purchased Services     | 3,756  |
| 400 Supplies and Materials | 1,694  |
| 600 Other Objects          | 200    |

224 Improvement of Instruction-Inservice and Staff Training:

|                            |        |
|----------------------------|--------|
| 300 Purchased Services     | 28,443 |
| 400 Supplies and Materials | 29,507 |
| 600 Other Objects          | 105    |

230 General Administration Services

233 School Administration:

|                            |        |
|----------------------------|--------|
| 100 Salaries               | 8,500  |
| 200 Employee Benefits      | 2,699  |
| 300 Purchased Services     | 32,267 |
| 400 Supplies and Materials | 4,155  |

250 Finance and Operations Services

254 Operation and Maintenance of Plant:

|                        |     |
|------------------------|-----|
| 100 Salaries           | 990 |
| 200 Employee Benefits  | 538 |
| 300 Purchased Services | 312 |

260 Central Support Services

264 Staff Services:

|                            |     |
|----------------------------|-----|
| 400 Supplies and Materials | 526 |
|----------------------------|-----|

266 Technology and Data Processing Services:

|                            |       |
|----------------------------|-------|
| 300 Purchased Services     | 1,500 |
| 400 Supplies and Materials | 6,482 |

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
EDUCATION IMPROVEMENT ACT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
ALL PROGRAMS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Expenditures (Continued):**

**200 Support Services (Continued):**

270 Support Services - Pupil Activity

271 Pupil Services Activities:

600 Other Objects (Optional)

7,261

**Total Support Services**

239,383

**Total Expenditures**

1,455,562

**Other Financing Sources (Uses)**

Interfund Transfers, From (To) Other Funds:

420-710 Transfer to General Fund (Exclude Indirect Costs)

(1,747,328)

**Total Other Financing Sources (Uses)**

(1,747,328)

**Excess/Deficiency of Revenues over Expenditures and Other Financing Sources (Uses)**

-

**Fund Balance July 1, 2022**

-

**Fund Balance June 30, 2023**

\$ -

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
EDUCATION IMPROVEMENT ACT  
SUMMARY SCHEDULE BY PROGRAM  
FOR THE YEAR ENDED JUNE 30, 2023**

| <b>Program</b>  | <b>Revenues</b>     | <b>Expenditures</b> | <b>Other Fund<br/>Transfers<br/>In/(Out)</b> | <b>EIA Fund<br/>Unearned</b> |
|---|---------------------|---------------------|--|------------------------------|
| 3500 Education Improvement Act:                           |                     |                     |  |                              |
| 3502 ADEPT  | \$ 526              | \$ 526              | \$ -   | \$ -                         |
| 3503 State Aid to Classrooms                              | 1,747,328           | -                   | (1,747,328)                                  | -                            |
| 3518 Formative Assessment                                 | -                   | -                   | -  | 10,342                       |
| 3519 Grade 10 Assessments                                 | 7,913               | 7,913               | -  | 2,050                        |
| 3526 Refurbishment of K-8 Science Kits                    | -                   | -                   | -  | 81,962                       |
| 3528 Industry Certificates                                | 27,000              | 27,000              | -  | 6,483                        |
| 3529 Career and Technology Education                      | 64,231              | 64,231              | -  | 45,737                       |
| 3532 National Board Certification (NBC) Salary Supplement | 70,660              | 70,660              | -  | -                            |
| 3533 Teacher of the Year Awards                           | 1,077               | 1,077               | -  | -                            |
| 3538 Students At Risk of School Failure                   | 187,637             | 187,637             | -  | -                            |
| 3541 Child Development Education Pilot Program (CDEPP)    | 677,129             | 677,129             | -  | -                            |
| 3556 Adult Education                                      | 134,455             | 134,455             | -  | 63,118                       |
| 3557 Summer Reading Program                               | 46,186              | 46,186              | -  | 38,853                       |
| 3571 Palmetto Priority Technical Assistance               | 119,000             | 119,000             | -  | -                            |
| 3577 Teacher Supplies (No Carryover Provision)            | 49,200              | 49,200              | -  | -                            |
| 3595 EEDA - Supplies and Materials - Career Awareness     | 4,356               | 4,356               | -  | 5,025                        |
| 3597 Aid to Districts                                     | 64,692              | 64,692              | -  | -                            |
| 3599 Other EIA  | 1,500               | 1,500               | -  | -                            |
| <b>Totals</b>   | <b>\$ 3,202,890</b> | <b>\$ 1,455,562</b> | <b>\$ (1,747,328)</b>                        | <b>\$ 253,570</b>            |

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
FOOD SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2023**

**Revenues**

**1000 Revenue From Local Sources**

1600 Food Service:

|                                |        |
|--------------------------------|--------|
| 1610 Lunch Sales to Pupils     | \$ 53  |
| 1630 Special Sales to Pupils   | 16,808 |
| 1640 Lunch Sales to Adults     | 23,095 |
| 1650 Breakfast Sales to Adults | 593    |
| 1660 Special Sales to Adults   | 11,527 |

1900 Other Revenue from Local Sources:

|                                       |        |
|---------------------------------------|--------|
| 1999 Revenue from Other Local Sources | 15,134 |
|---------------------------------------|--------|

**Total Local Sources**

67,210

**4000 Revenue From Federal Sources**

4800 USDA Reimbursement:

|   |           |
|---|-----------|
| 4810 School Lunch and After School Snacks Program                 | 1,247,385 |
| 4820 Supply Chain Assistance Funding                              | 76,806    |
| 4830 School Breakfast Program                                     | 427,764   |
| 4860 Fresh Fruit & Vegetable Program (FFVP) (Carryover Provision) | 32,992    |
| 4899 Miscellaneous Food Service                                   | 5,331     |

4900 Other Federal Sources:

|   |         |
|---|---------|
| 4991 USDA Commodities (Food Distribution Program) (Carryover Provision) | 134,985 |
|---|---------|

**Total Federal Sources**

1,925,263

**Total Revenues All Sources**

1,992,473

**Expenditures**

**200 Support Services**

256 Food Service:

|   |           |
|---|-----------|
| 100 Salaries                                      | 780,392   |
| 140 Terminal Leave                                | 775       |
| 200 Employee Benefits                             | 330,330   |
| 300 Purchased Services (Exclude Energy Costs)     | 117,384   |
| 400 Supplies and Materials (Include Energy Costs) | 1,281,682 |
| 500 Capital Outlay                                | 28,826    |
| 600 Other Objects                                 | 8,552     |

**Total Support Services**

2,547,941

**Total Expenditures**

2,547,941

**Other Financing Sources (Uses)**

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

|   |         |
|---|---------|
| 5210 Transfer from General Fund (Excludes Indirect Costs) | 555,468 |
|---|---------|

**Total Other Financing Sources (Uses)**

555,468

**Excess/Deficiency of Revenues over Expenditures and Other Financing Sources (Uses)**

-

**Fund Balance July 1, 2022 - As Restated**

105,807

**Fund Balance June 30, 2023**

\$ 105,807

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

**Revenues**

**1000 Revenues From Local Sources**

|   |                  |
|---|------------------|
| 1200 Revenue from Local Governmental Units Other than LEAs:         |                  |
| 1210 Ad Valorem Taxes-Including Delinquent (Fiscally Dependent LEA) | \$ 2,286,201     |
| 1500 Earnings on Investments:                                       |                  |
| 1510 Interest on Investments  | 660              |
| <b>Total Local Sources</b>  | <u>2,286,861</u> |

**3000 Revenues From State Sources**

|   |                |
|---|----------------|
| 3800 State Revenue in Lieu of Taxes:  |                |
| 3820 Homestead Exemption (Tier 2)   | 169,150        |
| 3830 Merchant's Inventory Tax   | 24,975         |
| 3840 Manufacturers Depreciation Reimbursement                               | 69,199         |
| 3890 Other State Property Tax Revenues (includes Motor Carrier Vehicle Tax) | 60,336         |
| <b>Total State Sources</b>  | <u>323,660</u> |

**4000 Revenue from Federal Sources**

|   |           |
|---|-----------|
| 4999 Revenues from Other Federal Sources (QSCB/BAB Subsidies) | 1,242,164 |
|---|-----------|

|                                   |                  |
|-----------------------------------|------------------|
| <b>Total Revenues All Sources</b> | <u>3,852,685</u> |
|-----------------------------------|------------------|

**Expenditures**

**500 Debt Service**

|   |           |
|---|-----------|
| 319 Legal Services                                    | 13,749    |
| 610 Redemption of Principal                           | 1,692,584 |
| 620 Interest  | 1,351,322 |
| 690 Other Objects (Includes Fees For Servicing Bonds) | 4,823     |

|                           |                  |
|---------------------------|------------------|
| <b>Total Debt Service</b> | <u>3,062,478</u> |
|---------------------------|------------------|

|                           |                  |
|---------------------------|------------------|
| <b>Total Expenditures</b> | <u>3,062,478</u> |
|---------------------------|------------------|

**Other Financing Sources (Uses)**

**5100 Sale of Bonds:**

|                            |        |
|----------------------------|--------|
| 5110 Premium on Bonds Sold | 11,306 |
|----------------------------|--------|

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

|                                      |           |
|--------------------------------------|-----------|
| 5210 Transfer from General Fund      | 264,210   |
| 5230 Transfer from Debt Service Fund | 862,003   |
| 423-710 Transfer to Debt Service     | (862,003) |

|   |                |
|---|----------------|
| <b>Total Other Financing Sources (Uses)</b> | <u>275,516</u> |
|---|----------------|

|   |           |
|---|-----------|
| <b>Excess/Deficiency of Revenues over Expenditures and Other Financing Sources (Uses)</b> | 1,065,723 |
|---|-----------|

|                                  |                |
|----------------------------------|----------------|
| <b>Fund Balance July 1, 2022</b> | <u>281,975</u> |
|----------------------------------|----------------|

|                                   |                            |
|-----------------------------------|----------------------------|
| <b>Fund Balance June 30, 2023</b> | <u><u>\$ 1,347,698</u></u> |
|-----------------------------------|----------------------------|



**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2023**

**Revenues**

**1000 Revenue From Local Sources**

|                               |          |
|-------------------------------|----------|
| 1500 Earnings on Investments: |          |
| 1510 Interest on Investments  | \$ 3,332 |

|                            |              |
|----------------------------|--------------|
| <b>Total Local Sources</b> | <u>3,332</u> |
|----------------------------|--------------|

|                       |              |
|-----------------------|--------------|
| <b>Total Revenues</b> | <u>3,332</u> |
|-----------------------|--------------|

**Expenditures**

200 Support Services

250 Finance and Operations Services

|  |        |
|--|--------|
| 253 Facilities Acquisition & Construction: |        |
| 500 Capital Outlay                         |        |
| 520 Construction Services                  | 26,448 |

|   |         |
|---|---------|
| 254 Operation and Maintenance of Plant: |         |
| 300 Purchased Services                  | 23,788  |
| 500 Capital Outlay                      | 106,950 |

|  |               |
|--|---------------|
| 266 Technology and Data Processing Services: |               |
| 500 Capital Outlay                           | <u>11,117</u> |

|                               |                |
|-------------------------------|----------------|
| <b>Total Support Services</b> | <u>168,303</u> |
|-------------------------------|----------------|

|                           |                |
|---------------------------|----------------|
| <b>Total Expenditures</b> | <u>168,303</u> |
|---------------------------|----------------|

**Other Financing Sources (Uses)**

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

|  |              |
|--|--------------|
| 5210 Transfer from General Fund (Exclude Indirect Costs) | 5,318,950    |
| 420-710 Transfer to General Fund (Exclude Indirect Cost) | <u>(171)</u> |

|   |                  |
|---|------------------|
| <b>Total Other Financing Sources (Uses)</b> | <u>5,318,779</u> |
|---|------------------|

|   |           |
|---|-----------|
| <b>Excess/Deficiency of Revenues over Expenditures and Other Financing Sources (Uses)</b> | 5,153,808 |
|---|-----------|

|   |                  |
|---|------------------|
| <b>Fund Balance June 30, 2022 - as Restated</b> | <u>2,063,138</u> |
|---|------------------|

|                                   |                            |
|-----------------------------------|----------------------------|
| <b>Fund Balance June 30, 2023</b> | <u><u>\$ 7,216,946</u></u> |
|-----------------------------------|----------------------------|

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
DETAILED SCHEDULE OF AMOUNTS  
DUE TO SOUTH CAROLINA DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT  
FOR THE YEAR ENDED JUNE 30, 2023**

| <b>PROGRAM</b>  | <b>REVENUE<br/>&amp; SUBFUND<br/>CODE</b> | <b>DESCRIPTION</b> | <b>AMOUNT DUE TO<br/>SDE/FEDERAL<br/>GOVERNMENT</b> | <b>STATUS OF<br/>AMOUNTS DUE<br/>TO GRANTORS</b> |
|---|---|--------------------|---|--|
| <b>Due to South Carolina Department of Education:</b> |   |                    |   |  |
| Extended School Year                                  | 3199/840                                  | Unexpended Funds   | \$ 3,353.23   | Unpaid   |
| Teacher Supply  | 3187/917                                  | Unexpended Funds   | 3,600.00  | Unpaid   |
| Teacher Supply  | 3577/377                                  | Unexpended Funds   | <u>15,600.00</u>                                    | Unpaid   |
| Total Due to South Carolina Department of Education   |   |                    | <u><u>\$ 22,553.23</u></u>                          |  |
| <b>Due to Federal Government:</b>                     |   |                    |   |  |
| IDEA - Carryover                                      | 45100/212                                 | Unexpended Funds   | \$ 25,175.86  | Unpaid   |
| NJROTC  | 4999/814                                  | Overclaimed Funds  | <u>9,958.64</u>                                     | Unpaid   |
| Total Due to Federal Government                       |   |                    | <u><u>\$ 35,134.50</u></u>                          |  |

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
LOCATION RECONCILIATION SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2023**

| <b>LOCATION</b>                                       |                                    |                               | <b>COST</b>        | <b>TOTAL</b>               |
|---|------------------------------------|-------------------------------|--------------------|----------------------------|
| <b><u>ID</u></b>                                      | <b><u>LOCATION DESCRIPTION</u></b> | <b><u>EDUCATION LEVEL</u></b> | <b><u>TYPE</u></b> | <b><u>EXPENDITURES</u></b> |
| 01  | Estill High School                 | High School                   | School             | \$ 2,796,369               |
| 02  | Wade Hampton High School           | High School                   | School             | 4,945,200                  |
| 03  | North District Middle School       | Middle School                 | School             | 3,143,578                  |
| 04  | Estill Middle School               | Middle School                 | School             | 1,199,327                  |
| 05  | Hampton Elementary School          | Elementary School             | School             | 3,355,977                  |
| 06  | Brunson Elementary School          | Elementary School             | School             | 1,746,031                  |
| 07  | Fennell Elementary School          | Elementary School             | School             | 1,778,880                  |
| 08  | Estill Elementary School           | Elementary School             | School             | 2,759,052                  |
| 09  | Varnville Elementary School        | Elementary School             | School             | 2,507,332                  |
| 10  | Ben Hazel Elementary School        | Elementary School             | School             | 2,524,296                  |
| 11  | USDA Commodities                   | District Wide                 | Central            | 134,985                    |
| 12  | CATE                               | CATE                          | School             | 671,155                    |
| 15  | District Office                    | District Wide                 | Central            | 14,692,888                 |
| 17  | Alternative School                 | High School                   | School             | 82,200                     |
| 19  | Adult Education                    | Adult Education               | School             | 322,948                    |
| 20  | Athletics                          | Non-School                    | Central            | 223,343                    |
| 22  | Hampton County High School         | High School                   | School             | 797,834                    |
| <b>Total Expenditures/Disbursements for all Funds</b> |                                    |                               |                    | <b>\$ 43,681,395</b>       |

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

|   |                      |
|---|----------------------|
| General Fund (Subfund 100's)  | \$ 26,153,184        |
| Special Revenue - Special Projects Fund (Subfunds 200's, 700's, 800's, 900's) | 10,293,927           |
| Special Revenue - EIA Fund (Subfund 300's)                                    | 1,455,562            |
| Special Revenue - Food Service Fund (Subfund 600's)                           | 2,547,941            |
| Debt Service Fund   | 3,062,478            |
| Capital Projects Fund   | 168,303              |
| <b>Total Expenditures/Disbursements for all Funds</b>                         | <b>\$ 43,681,395</b> |

## **COMPLIANCE SECTION**

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

| LEA<br>Subfund<br>Code   | Federal Grantor/Pass-Through<br>Grantor/Program Title | Assistance<br>Listing<br>Number | Pass-Through<br>Grantor's<br>Identifying<br>Number | Total<br>Expenditures |
|--|---|---------------------------------|--|-----------------------|
| <b>U.S. DEPARTMENT OF AGRICULTURE</b>                              |   |                                 |  |                       |
| <b>Passed Through S. C. Department of Education:</b>               |   |                                 |  |                       |
| Child Nutrition Cluster:   |   |                                 |  |                       |
| Non-Cash Assistance (Commodities):                                 |   |                                 |  |                       |
| 600  | National School Lunch Program                         | 10.555                          | N/A  | \$ 134,985            |
| Cash Assistance:   |   |                                 |  |                       |
| 600  | School Breakfast Program                              | 10.553                          | H63010103222                                       | 89,193                |
| 600  | School Breakfast Program                              | 10.553                          | H63010103223                                       | 338,571               |
| 600  | National School Lunch Program                         | 10.555                          | H63010103222                                       | 272,414               |
| 600  | National School Lunch Program                         | 10.555                          | H63010103223                                       | 974,971               |
| 600  | Supply Chain Assistance Funding                       | 10.555                          | H63010765523                                       | 76,806                |
| 600  | Fresh Fruit and Vegetable Program                     | 10.582                          | H63010002122                                       | 7,333                 |
| 600  | Fresh Fruit and Vegetable Program                     | 10.582                          | H63010002123                                       | 25,659                |
| Non-Cash Assistance Subtotal                                       |   |                                 |  | 1,784,947             |
| <b>Total Child Nutrition Cluster</b>                               |   |                                 |  | 1,919,932             |
| 600  | Transportation Rebate                                 | 10.560                          | H63010003023                                       | 5,331                 |
| <b>Total Passed Through S. C. Department of Education</b>          |   |                                 |  | 1,925,263             |
| <b>Direct Programs</b>   |   |                                 |  |                       |
| 899  | Community Facilities Loans and Grants                 | 10.766                          | N/A  | 53,397                |
| 899  | Community Facilities Loans and Grants                 | 10.766                          | N/A  | 33,341                |
| 899  | Community Facilities Loans and Grants                 | 10.766                          | N/A  | 102,379               |
| 899  | Community Facilities Loans and Grants                 | 10.766                          | N/A  | 87,358                |
| <b>Total Community Facilities Loans and Grants (Major Program)</b> |   |                                 |  | 276,475               |
| <b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>                        |   |                                 |  | 2,201,738             |
| <b>US DEPARTMENT OF EDUCATION</b>                                  |   |                                 |  |                       |
| <b>Passed Through S. C. Department of Education:</b>               |   |                                 |  |                       |
| 201  | Title I - Regular                                     | 84.010                          | H63010100120                                       | 1,097                 |
| 201  | Title I - Regular                                     | 84.010                          | H63010100121                                       | 164,377               |
| 201  | Title I - Regular                                     | 84.010                          | H63010100122                                       | 306,662               |
| 201  | Title I - Regular                                     | 84.010                          | H63010100123                                       | 1,090,186             |
| 237  | Title I   | 84.010                          | H63010100120                                       | 14,727                |
| 237  | Title I   | 84.010                          | H63010100121                                       | 27,347                |
| 237  | Title I   | 84.010                          | H63010100122                                       | 18,262                |
| <b>Total Title I (Major Program)</b>                               |   |                                 |  | 1,622,658             |
| 203  | IDEA - Children with Disabilities                     | 84.027A                         | H63010100921                                       | 4,079                 |
| 203  | IDEA - Children with Disabilities                     | 84.027A                         | H63010100922                                       | 167,198               |
| 203  | IDEA - Children with Disabilities                     | 84.027A                         | H63010100923                                       | 885,668               |
| 230  | American Rescue Plan - IDEA                           | 84.027X                         | H63010ARP922                                       | 37,592                |
| 205  | IDEA - Handicapped Preschool Grants                   | 84.173                          | H63010100821                                       | 2,258                 |
| 205  | IDEA - Handicapped Preschool Grants                   | 84.173                          | H63010100822                                       | 49,297                |
| 205  | IDEA - Handicapped Preschool Grants                   | 84.173                          | H63010100823                                       | 49,990                |
| 233  | American Rescue Plan - IDEA Preschool                 | 84.173X                         | H63010ARP822                                       | 710                   |
| <b>Total Special Education Cluster</b>                             |   |                                 |  | 1,196,792             |

The accompanying notes are an integral part of this schedule.

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

| <b>LEA<br/>Subfund<br/>Code</b>   | <b>Federal Grantor/Pass-Through<br/>Grantor/Program Title</b>   | <b>Assistance<br/>Listing<br/>Number</b> | <b>Pass-Through<br/>Grantor's<br/>Identifying<br/>Number</b> | <b>Total<br/>Expenditures</b> |
|---|---|--|--|-------------------------------|
| <b>US DEPARTMENT OF EDUCATION (Continued)</b>   |   |  |  |                               |
| <b>Passed Through S. C. Department of Education (Continued):</b>                        |   |  |  |                               |
| 224   | 21st Century  | 84.287                                   | H63010006922   | 2,194                         |
|   | <b>Total 21st Century</b>                                       |  |  | <u>2,194</u>                  |
| 243   | Adult Education Grant   | 84.002                                   | H63010101021   | 5,427                         |
| 243   | Adult Education Grant   | 84.002                                   | H63010101023   | 170,867                       |
|   | <b>Total Adult Education</b>                                    |  |  | <u>176,294</u>                |
| 207   | Vocational Education (Subprogram 03)                            | 84.048                                   | H63010107122   | 334                           |
| 207   | Vocational Education (Subprogram 01)                            | 84.048                                   | H63010107123   | 62,870                        |
| 207   | Vocational Education (Subprogram 03)                            | 84.048                                   | H63010107123   | 8,604                         |
| 207   | Vocational Education (Subprogram 04)                            | 84.048                                   | H63010107123   | 3,719                         |
| 207   | Vocational Education (Subprogram 15)                            | 84.048                                   | H63010107123   | 4,127                         |
|   | <b>Total Vocational Education</b>                               |  |  | <u>79,654</u>                 |
| 251   | Rural & Low Income Schools                                      | 84.358                                   | H63010007020   | 21,894                        |
| 251   | Rural & Low Income Schools                                      | 84.358                                   | H63010007021   | 13,762                        |
| 251   | Rural & Low Income Schools                                      | 84.358                                   | H63010007022   | 10,926                        |
|   | <b>Total Rural Education</b>                                    |  |  | <u>46,582</u>                 |
| 267   | Improving Teacher Quality                                       | 84.367                                   | H63010006820   | 6,782                         |
| 267   | Improving Teacher Quality                                       | 84.367                                   | H63010006821   | 29,368                        |
| 267   | Improving Teacher Quality                                       | 84.367                                   | H63010006822   | 151,394                       |
| 267   | Improving Teacher Quality                                       | 84.367                                   | H63010006823   | 36,913                        |
|   | <b>Total Improving Teacher Quality</b>                          |  |  | <u>224,457</u>                |
| 210   | Student Support and Academic Enrichment                         | 84.424                                   | H63010100321   | 34,966                        |
| 210   | Student Support and Academic Enrichment                         | 84.424                                   | H63010100322   | 21,877                        |
|   | <b>Total Title IV - Student Support and Academic Enrichment</b> |  |  | <u>56,843</u>                 |
| 218   | ARP - ESSER III   | 84.425U                                  | H63010497523   | 1,683,224                     |
| 220   | ARP - SC CARES (Covid-19 Emergency Funding)                     | 84.425D                                  | H63010497520   | 6,375                         |
| 225   | ARP - Elementary and Secondary School Emergency Relief          | 84.425D                                  | H63010497522   | 111,089                       |
| 225   | ARP - Elementary and Secondary School Emergency Relief          | 84.425D                                  | H63010497523   | 2,332,938                     |
| 263   | ARP - Homeless I  | 84.425W                                  | H63010HCY721   | 21,299                        |
|   | <b>Total ESSER Funding (Major Program)</b>                      |  |  | <u>4,154,925</u>              |
| 232   | McKinney Vento Homeless   | 84.196                                   | H63010108920   | 3,041                         |
|   | <b>Total McKinney Vento Homeless</b>                            |  |  | <u>3,041</u>                  |
| <b>TOTAL U.S. DEPARTMENT OF EDUCATION (Passed Through S.C. Department of Education)</b> |   |  |  | <u>7,563,440</u>              |

The accompanying notes are an integral part of this schedule.

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

| <b>LEA<br/>Subfund<br/>Code</b>             | <b>Federal Grantor/Pass-Through<br/>Grantor/Program Title</b> | <b>Assistance<br/>Listing<br/>Number</b> | <b>Pass-Through<br/>Grantor's<br/>Identifying<br/>Number</b> | <b>Total<br/>Expenditures</b> |
|---|---|--|--|-------------------------------|
| <b>U.S. DEPARTMENT OF DEFENSE</b>           |   |  |  |                               |
| <b>Direct Programs</b>                      |   |  |  |                               |
| 814   | NJROTC  | N/A                                      | N/A  | 113,278                       |
| 814   | US Army ROTC  | N/A                                      | N/A  | 69,676                        |
| <b>TOTAL U.S. DEPARTMENT OF DEFENSE</b>     |   |  |  | <u>182,954</u>                |
| <b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b> |   |  |  | <u><u>\$ 9,948,132</u></u>    |

**Notes:**

**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, 2023. All federal awards received directly from the federal agencies, as well as those passed through other government agencies, are included on the Schedule.

**B – Basis of Accounting**

The accompanying Schedule is presented using the modified accrual basis of accounting.

**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. The federal interest subsidy assistance received from Qualified School Construction Bonds of \$1,242,164 reported in the Debt Service Fund is excluded from the SEFA reporting.

**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.

The accompanying notes are an integral part of this schedule.

## PARTNERS

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1906–1968

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C.L.T. Valentine, CPA  
C.B. Gamble, CPA  
L.A. Wetherell, CPA

\*Active Retired

## 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  
Varnville, 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, 2023, 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 August 8, 2024.

### 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 deficiencies described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, 2023-003, 2023-004, 2023-005, and 2023-006 to be a material weaknesses.

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 in the accompanying schedule of findings and questioned costs as item 2023-007 to be a significant deficiency.



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

**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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2023-006 and 2023-008.

**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  
August 8, 2024

## PARTNERS

|                                 |  |  |
|---------------------------------|--|--|
| C.C. McGregor, CPA<br>1906–1968 | G.D. Skipper, CPA<br>L.R. Leaphart, Jr, CPA<br>M.J. Binnicker, CPA<br>D.L. Richardson, CPA<br>E.C. Inabinet, CPA | S.S. Luoma, CPA<br>T.M. McCall, CPA<br>H.D. Brown, Jr, CPA<br>L.B. Salley, CPA<br>D.K. Strickland, CPA |
|---------------------------------|--|--|

\*W.C. Stevenson, CPA  
\*B.T. Kight, CPA

## ASSOCIATES

|   |  |  |
|---|--|--|
| V.K. Laroche, CPA<br>G.N. Mundy, CPA<br>M.L. Layman, CPA<br>P.A. Betette, Jr, CPA | H.S. Mims, CPA<br>C.W. Bolen, CPA<br>W.C. Sanders, CPA | C.L.T. Valentine, CPA<br>C.B. Gamble, CPA<br>L.A. Wetherell, CPA |
|---|--|--|

\*Active Retired

## 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  
Varnville, South Carolina

### Report on Compliance for Each Major Federal Program

#### Qualified and Unmodified Opinions

We have audited Hampton County School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Hampton County School District's major federal programs for the year ended June 30, 2023. 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.

#### Qualified Opinion on Assistance Listing 10.766 USDA Community Facilities Loans and Grants

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, Hampton County School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Assistance Listing 10.766 USDA Community Facilities Loans and Grants for the year ended June 30, 2023.

#### Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion the Hampton County School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2023.

#### Basis for Qualified and Unmodified Opinions

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 State; 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 Responsibility 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.

#### COLUMBIA

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#### BARNWELL

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(803) 259-1163 | FAX (803) 259-5469

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

*Responsibilities of Management for Compliance*

As described in the accompanying schedule of findings and questioned costs, the Hampton County School District did not comply with requirements regarding Assistance Listing No. 10.766 USDA Community Facilities Loans and Grants, as described in finding number 2023-009 Allowable Costs/Cost Principles.

Compliance with such requirements is necessary, in our opinion, for the Hampton County School District to comply with the requirements applicable to the program.

***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.

***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 requirement 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 judgement 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**

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

*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,

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

or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-010, 2023-011, and 2023-012 to be material weaknesses.

*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 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.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Hampton County School District's response to the internal control over compliance findings identified in our compliance audit 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 compliance and, accordingly, we express no opinion on the response.

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  
August 8, 2024

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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**Part I Summary of Auditor's Results**

**Financial Statements**

|  |                    |
|--|--------------------|
| Type of auditor's report issued:   | Unmodified Opinion |
| Internal controls over financial reporting:                                      |                    |
| Material weakness(es) identified?  | Yes                |
| Significant deficiency(ies) identified not considered to be material weaknesses? | Yes                |
| Noncompliance material to financial statements noted?                            | Yes                |

**Federal Awards**

|  |               |
|--|---------------|
| Internal control over major programs:  |               |
| Material weakness(es) identified?  | Yes           |
| Significant deficiency(ies) identified not considered to be material weaknesses? | None Reported |

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

| <u>Assistance Listing Number</u> | <u>Name of Federal Program</u>                            | <u>Type of Auditor's Report on Compliance</u> |
|----------------------------------|---|---|
| 10.766                           | USDA Community Facilities Loans and Grants                | Qualified                                     |
| 84.010                           | Title 1, Basic State Grant Programs                       | Unmodified                                    |
| 84.425D, 84.425U, 84.425W        | Elementary and Secondary School Emergency Program (ESSER) | Unmodified                                    |

|  |     |
|--|-----|
| Audit findings disclosed that are required to be reported in accordance with Uniform Guidance? | Yes |
|--|-----|

**Identification of Major Federal Programs:**

| <u>Assistance Listing Number</u> | <u>Name of Federal Program</u>                                |
|----------------------------------|---|
| 10.766                           | USDA Community Facilities Loans and Grants                    |
| 84.010                           | Title I, State Basic Grant Programs                           |
| 84.425D, 84.425U, 84.425W        | ARP-Elementary and Secondary School Emergency Program (ESSER) |

|  |           |
|--|-----------|
| Dollar Threshold used to distinguish between Type A and Type B programs? | \$750,000 |
|--|-----------|

|   |    |
|---|----|
| Auditee qualified as a low-risk auditee under Uniform Guidance? | No |
|---|----|

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**2023-001 General Ledger Deficiencies and Material Audit Adjustments**

**Criteria:** The general ledger should provide a basis for proper reporting and analysis and a clear audit trail of transactions. The identification by the auditor of a material misstatement to be corrected through one or more proposed journal entries is indicative of a material weakness in internal control.

**Condition and context:** The District's general ledger contained numerous reversing and reclassing journal entries that were often recorded and reversed multiple times within the same general ledger account. The movement of financial data among accounts in this manner prohibits a clear audit trail of activity. The District's unadjusted financial statements reported material misstatements in certain financial statement accounts for the period under audit. These misstatements included the following:

- Debt issuance was recorded in the debt service fund and the same debt issuance was recorded again in the capital projects fund requiring an entry of \$800,557 to remove the duplicate from the capital projects fund.
- Principal repayment of short-term bonds (\$850,000) was incorrectly recorded as a debt service expenditure. A correcting entry was necessary to remove this item from expenditures and record as changes in short-term liabilities.
- Material adjustments were necessary to record debt repayments (\$116,233) in the proper fund and to correct a related entry made to cash in error (\$46,000).
- Material adjustments were necessary to adjust for prior year receivables recorded as current year revenues (\$468,896)
- Material adjustments were necessary to reclass tax revenue from the County to proper accounts. Revenue accounts were misstated in the General Fund by \$546,365 and in the Debt Service Fund by \$90,777
- The balances due from County in various funds required material adjustments. The Debt Service and Capital Projects Funds were understated by \$505,276 and \$116,377, respectively, and the General Fund was overstated by \$825,038 resulting in a correction to fund balances of \$203,385 (net).
- Material adjustments were necessary to the Special Revenue Funds to correct the unearned portion of revenues and record amounts due back to the state or federal government. Liabilities were understated by \$130,229 and revenues were overstated by \$130,229.
- Prior year receivable balances for several items were incorrect which also resulted in a correction to fund balances. Special Revenue Funds fund balance decreased by \$35,870, Food Service Fund balance increased by \$61,932, and Capital Projects Fund balance decreased by \$31,225.
- The District's general ledger reflected transfers between funds that were out of balance by \$23,914 and amounts due to or from funds were out of balance by \$1,016,396 which required material adjustments to correct.

**Cause:** Turnover of staff during and following the consolidation of the former two school districts carried forward into the beginning of the 2022-2023 fiscal year which contributed to the lack of oversight by management to review the general ledgers for proper classifications and reporting.

**Effect:** Without the proposed entries being made, the financial statements would have been materially misstated as of and for the year ended June 30, 2023. A clear trail of financial activity was not evident in many general ledger accounts due to the volume of journal entries and reversing journal entries in the District's accounting system.

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

---

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

**Recommendation:** We recommend reviewing the details of the balances in the general ledger monthly and comparing to supporting information for proper recording.

**Auditee Response:** HCSD hired a new CFO on August 1, 2022 ending the recurring turnover in the head position. The district is also overcoming a decision made during consolidation to change the financial software. All of staff in the Finance department had to receive extensive training on the new software. Positions were added to the department and all of staff have received needed training that is ongoing. The district does agree that as training continues to be provided to the finance staff by the CFO, the monthly transactions to the general ledger should be reviewed for accuracy and correctly reported to minimize misclassifications. All these efforts will help to eliminate the deficiencies in the general ledger.

**2023-002 Retirement Quarterly Reporting**

**Criteria:** The District calculates employee and employer contributions to the South Carolina Retirement System (SCRS) based on prescribed rates applied to covered employee salaries. These contributions are required to be reported and remitted monthly to the SCRS and a reconciling report submitted to the SCRS at each quarter end.

**Condition and context:** Through our audit procedures, we noted the District failed to include approximately \$757,000 of covered member salaries on the retirement quarterly report for the quarter ending December 31, 2022 which resulted in \$235,189 of contributions not being reported or paid. These contributions included both employee contributions which had been withheld from wages and employer contributions which had been recorded as District expenditures in the general ledger. As of the end of June, 2024, the District had not paid this amount and was awaiting the calculation of interest and penalties assessed for late payment.

**Cause:** Although the employee contributions were correctly calculated and withheld from employee salaries, and the employer contributions were correctly calculated and reported as District expenditures as each payroll was processed, this payroll data was not reconciled to the quarterly returns filed. Such review and reconciliation would have noted the error.

**Effect:** Employee and employer retirement contributions of \$235,189 from December, 2022 were not reported or remitted.

**Recommendation:** We recommend the monthly and quarterly payroll reports be reviewed and compared to the actual underlying payroll data for accuracy and completeness.

**Auditee Response:** The District agrees with the recommendation and has put the necessary steps in place, so the retirement quarterly reports are reported accurately and completely. The district has paid the amount due the retirement system

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**2023-003 Payroll Liabilities and Payroll Cash Account Discrepancies**

**Criteria:** As each payroll is processed, employee withholdings and employer portions due for various payroll taxes and benefits are recorded as payroll liabilities of the District. When the liability is paid to the various vendors, the obligation is reduced by the amount of cash paid.

**Condition and context:** When initiating the drafts to pay payroll related withholdings and expenses, the District haphazardly selects the vendors and pay periods being paid into one combined draft from the bank account. The District staff does not retain a listing of what is being paid with each draft in order to reconcile to the payroll records. The posting to the general ledger for the payment of payroll related withholdings and expenditures is also handled in a haphazard manner by combining various items over several pay periods and vendors into a "direct voucher posting" entry and cannot easily be reconciled to the actual drafts from the bank account. These "direct voucher posting" entries are also recorded as outstanding items even though the drafts have not been initiated until after the month end of the bank reconciliation date which incorrectly reduces the cash balance and payroll liability balances. The combination of lack of records for initiating the drafts from the bank account and lack of detailed records for posting items as paid in the general ledger resulted in no accounting trail which prevents a correct reconciliation.

**Cause:** Lack of oversight by management to review and reconcile payroll liabilities and the subsequent payment of these liabilities.

**Effect:** Handling the payment of payroll items in this manner has resulted in duplicate outstanding items, unpaid withholdings, and errors in the amounts for various other outstanding items along with no accounting trail to reconcile the payroll bank account to the general ledger properly nor to report the payroll withholding liability accounts properly. General fund assets were understated by \$4,097,814 and liabilities were understated by \$4,302,209.

**Recommendation:** We recommend drafts of payroll items from the bank be grouped by pay period in a manner that can easily be traced to the payroll journals. The entries in the general ledger for the payment of these drafts should also be recorded in the same manner so they may be traced to clearing the bank and reducing the respective payroll liability accounts in the general ledger. Each payroll liability account should be reviewed at least monthly for accuracy.

**Auditee Response:** The District agrees with the recommendation and has put the necessary steps in place so payroll items can be easily traced to the payroll journals and to clearing the bank. Payroll vouchers are being recorded in a timely manner and the bank reconciliations are completed monthly and accurately to the general ledger.



**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

---

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

**2023-004 Recording of Accounts Payable**

**Criteria:** As an expenditure is incurred, the District records an expenditure and corresponding accounts payable liability. As the checks are written and issued to satisfy the liability, the accounts payable is reduced by the amount of check and recorded in the general ledger as of the date of the check.

**Condition and context:** At fiscal year-end, the District's general ledger reflected checks dated and issued after June 30, 2023 as issued at year-end whereby the checks reduced cash by being recorded as an outstanding cash item and the accounts payable liability was removed. The expenditure was recorded in the proper year. Therefore, assets (cash) and liabilities (accounts payable) were understated by \$1,281,784. Our procedures also indicated an additional invoice for \$26,448 needed to be added to accounts payable in the Capital Projects Fund.

**Cause:** Lack of oversight by management.

**Effect:** By recording checks written and issued after year end as issued on June 30, 2023, cash and accounts payable of the General Fund were both understated by \$1,281,784. The additional invoice to be recorded resulted in accounts payable and expenditures of the Capital Projects Fund being understated by \$26,448.

**Recommendation:** We recommend accounts payable balances be reviewed and checks be dated and recorded in the general ledger as of the date issued by the District so accurate cash and accounts payable balances may be reflected in the general ledger.

**Auditee Response:** The District agrees with the recommendation, we have corrected this process and rolled our Cash to the correct year to accurately reflect in the general ledger. Proper oversight is given to this process.

**2023-005 Reporting in Compliance with SC Department of Education Account Guidelines**

**Criteria:** The SC Department of Education established a statewide accounting system which provides uniform account codes and types of revenues and expenditures allowed to be reported in specific funds. This accounting system must be used to report each school district's financial information to the SC Department of Education.

**Condition and context:** The SC Department of Education's accounting system utilizes specific function and location codes and specific transfer accounts in their approved general account structure. The District's unadjusted general ledger contained various generic function codes. Adjusting journal entries were necessary to correct the function for some expenditures. Of these necessary adjusting journal entries, \$48,000 was a material adjustment to the EIA Special Revenue Fund for correcting functions and \$271,889 and \$43,545 were material adjustments to the Debt Service Fund and Special Projects-Special Revenue Fund, respectively, for correcting locations. Since federal revenues are not allowed to be reported in capital project funds under the SC Department of Education's accounting system, material adjustments of \$276,475 were necessary to move federal grant activity to a special revenue fund.

**Cause:** Lack of oversight by management.

**Effect:** Material adjustments were necessary in order for the financial information to be reported in compliance with the SC Department of Education guidelines.

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

---

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

**Recommendation:** We recommend all new and existing accounts and funds be reviewed by management for compliance with SC Department of Education guidelines.

**Auditee Response:** The District agrees that new and existing accounts and funds should be in compliance with SC Department of Education guidelines. The district uses the audit firm not only to complete the audit but to provide guidance during the fiscal year as requested in this instance with regards to the proper recording of USDA Grants. In the district's opinion, this incident was simply a reallocation of expenses to the correct fund account.

**2023-006 FDIC Insured and Collateralized Cash Deposits**

**Criteria:** South Carolina state law requires all deposits consisting of public funds in a financial institution to be secured adequately. Any deposits in excess of FDIC coverage (\$250,000) must be secured with letters of credit or pledged collateral securities.

**Condition and context:** During our audit procedures to verify the FDIC coverage and collateral pledged for the bank accounts, we determined many bank accounts are still held under federal identification numbers (FEIN) of former schools or individual schools rather than under the consolidated school district's FEIN. Some are still under the former District One FEIN and former District Two FEIN and three additional FEINs for individual schools are also being used. At June 30, 2023, \$12,593.50 was not insured by FDIC nor collateralized by pledged securities. This was corrected by October 31, 2023.

**Cause:** Lack of oversight by management.

**Effect:** Several bank accounts holding the District's funds are not in the actual FEIN of the District. At June 30, 2023, \$12,593.50 of cash deposits held with one financial institution were not insured by FDIC nor collateralized by pledged securities.

**Recommendation:** We recommend the District review all bank accounts with the respective financial institutions to ensure the funds are held under the District's FEIN and agreements are in place to provide adequate collateral for deposits held in excess of the FDIC limits. Continuous monitoring should be performed to ensure the deposits are properly covered as the bank balances fluctuate.

**Auditee Response:** The District agrees with the recommendation that all deposits in excess of FDIC coverage should be secured adequately. The district has put these measures in place.

As stated previously, consolidation of the two districts took place on July 1, 2021. Both former districts still had bank accounts that were functional and collected Federal ROTC, Erate, JAG and other revenues under different FEINs. The consolidation legislation conveyed all assets of the prior two districts to the newly consolidated district and to close all these bank accounts immediately upon consolidation would have been impractical and reckless. The district has closed bank accounts as fast as practical and moved all bank accounts under the consolidated district's FEIN in a manner that did not cause harm to the district. In the opinion of management this, finding is unwarranted.

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**2023-007 Documentation of Pupil Activity Receipts and Disbursements**

**Criteria:** All pupil activity funds collected by the schools should be receipted, recorded in the general ledger, and deposited intact. All disbursements of pupil activity funds should be documented by approved invoices or other supporting information that are retained by the school. An accounting trail should be evident for both receipts and disbursements.

**Condition and context:** We selected a sample of pupil activity receipts and disbursements from various schools to test. In one school selected for testing, one receipt lacked documentation to be able to trace from receipting the funds to recording and depositing intact into the bank account and two disbursements lacked documentation retained to support the expenditure. In another school selected for testing, we were unable to trace the receipts selected due to no trail of documentation from receipting to recording to depositing into the bank account existing.

**Cause:** Lack of oversight by management and lack of training of pupil activity staff.

**Effect:** Internal controls over receipting and disbursing pupil activity funds in two schools selected for testing did not provide adequate documentation to substantiate the transactions.

**Recommendation:** We recommend training for staff tasked with handling pupil activity funds be provided to include steps of accountability. These transactions should be reviewed by management to ensure proper documentation is retained and recording and reconciling of transactions are being performed.

**Auditee Response:** The Finance Department has put measures in place for staff training, oversight, and accountability for the School Pupil Activity funds. Internal controls have been implemented to centralize the school bookkeeping expenditures and revenues. Unfortunately, this is an area where we continue to have turnover or reassignments. Training will be provided ongoing as needed.

**2023-008 Failure to Comply with Audit Submission Requirements**

**Criteria:** The District's financial audit reporting package was required to be submitted to the SC Department of Education by December 1, 2023. Additionally, the District was required to submit its audit to the Federal Audit Clearinghouse the earlier of 30 days after receipt of the auditor's report or within nine months of the fiscal period end date.

**Condition and context:** The District's financial audit reporting package was not submitted to the SC Department of Education by the due date, nor was its submission to the Federal Audit Clearinghouse completed within the required time frame.

**Cause:** Turnover of staff during and following the consolidation of the former two school districts carried forward into the beginning of the 2022-2023 fiscal year. A full-time finance director was hired in August, 2022 who was tasked with closing out the first year of consolidation while overseeing the 2022-2023 ongoing activity. This resulted in a delay in turning over the financial information to the auditors for audit, without District personnel completing a thorough review of the financial data prior to presenting for audit.

**Effect:** The District is not in compliance with state and federal laws regarding timely submission of its audits.

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**Recommendation:** We recommend the Finance staff review the general ledger thoroughly prior to submitting the financial data for audit with an emphasis on thorough monthly reviews to maintain complete and accurate financial data.

**Auditee Response:** The District agrees the audit was due to the SC Department of Education by December 1, 2023. Management accepts responsibility for the financial information turned over to the auditor and worked closely with the auditor to correct them. However, in regard to the length of the delay, the auditor refused to work on the audit for months, during "tax season." Completing the audit via email was cumbersome and impeded the timeliness of the audit process. Having the auditor on site would have been a more efficient process.

Management does not agree there should be eight audit findings as the auditor explained the condition of many findings related to the school consolidation. Management has taken extensive measures to address all the findings included in this audit report to include staffing, training, internal controls, timely reporting and reconciliations, management oversight and the selection of a new audit firm for the FY23-24 audit.

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

**2023-009 Unallowable Expenditure for USDA Community Facilities Grant**

**U.S. Department of Education  
Passed through the S.C. Department of Education**

**Program Name:** USDA Community Facilities Loans and Grants  
**CFDA Number:** 10.766

**Criteria:** The District submitted invoices to USDA Rural Development for reimbursement from the USDA Community Facilities Grant for allowable expenditures for the purpose of the grant funding.

**Condition and context:** In reviewing the invoices submitted for 75% reimbursement under a USDA Facilities Grant, we noted a \$16,876.64 invoice submitted was actually previously reimbursed with other state grant funds in the prior year. This invoice had been moved through journal entries in the general ledger from its original posting as an expenditure. When the invoice was submitted for reimbursement to the USDA Rural Development office, the District did not review the general ledger to verify it was still available to be reimbursed. Journal entries had been made to move it to another fund as other grant funds were used for reimbursement. Therefore, these expenditures were not allowed to be reimbursed again. The District contacted the USDA grant office. They have allowed invoices for other applicable expenditures as a replacement so that no funds will be requested to be paid back to USDA.

**Cause:** Lack of oversight by management.

**Effect:** The same expenditures were submitted and reimbursed under two separate grants.

**Recommendation:** We recommend invoices submitted for reimbursement be reviewed and traced in the general ledger to their final expenditure account to ensure against duplicate requests for reimbursement.

**Auditee Response:** Management believes this was an error and not an intended material finding as the correct vendor was claimed but the wrong invoice was attached to the request. The correct invoices were submitted and approved by USDA.

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**2023-010 Retirement Quarterly Reporting**

**U.S. Department of Education**  
**Passed through the S.C. Department of Education**

**Program Name:** Title I, State Basic Grant Programs  
**CFDA Number:** 84.010

**Program Name:** Elementary and Secondary School Emergency Program (ESSER)  
**CFDA Number:** 84.425

See Finding 2023-002 above for details related to this finding.

**2023-011 Payroll Liabilities and Payroll Cash Account Discrepancies**

**U.S. Department of Education**  
**Passed through the S.C. Department of Education**

**Program Name:** Title I, State Basic Grant Programs  
**CFDA Number:** 84.010

**Program Name:** Elementary and Secondary School Emergency Program (ESSER)  
**CFDA Number:** 84.425

See Finding 2023-003 above for details related to this finding.

**2023-012 Reporting in Compliance with SC Department of Education Account Guidelines**

**U.S. Department of Education**  
**Passed through the S.C. Department of Education**

**Program Name:** USDA Community Facilities Loans and Grants  
**CFDA Number:** 10.766

See Finding 2023-005 above for details related to this finding.

**Condition related to federal program:** Since federal revenues are not allowed to be reported in capital project funds under the SC Department of Education's accounting system, material adjustments of \$276,475 were necessary to move federal grant activity to a special revenue fund.

**HAMPTON COUNTY SCHOOL DISTRICT  
VARNVILLE, SOUTH CAROLINA  
SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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**Financial Statement Findings**

**Finding 2022-001 – 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, 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.

**Auditor's 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.

**Current Status:** This finding is sustained in the current year. See finding 2023-006.

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

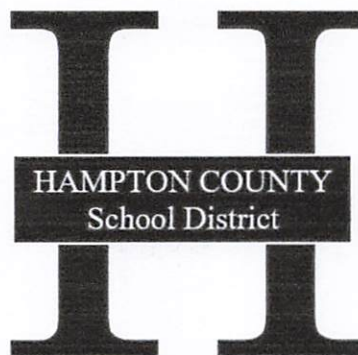
**Condition:** The District's unadjusted financial statements reported material misstatements in certain financial statement accounts for the period under audit. The internal controls of the District did not prevent these material misstatements of certain assets, liabilities, revenues, and expenditures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

**Auditor's 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 all individuals within the department performing her duties.

**Current Status:** This finding is sustained in the current year. See finding 2023-001.

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Ronald Wilcox, Ed.D.,  
Superintendent of Schools



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

Hampton County School District  
Varnville, South Carolina

Corrective Action Plan

Year Ended June 30, 2023

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## Section II – Current Year Financial Statement Findings

**Finding :** 2023-001

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

**Corrective Action** District has written internal policies and provided 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. Transaction review processes have been put in place to minimize misclassifications.

### Proposed Completion

**Date:** Prior to June 30, 2024

## Section II – Current Year Financial Statement Findings

**Finding :** 2023-002

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

**Corrective Action:** District has written internal policies and 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. Transaction review processes have been put in place to minimize misclassifications.

**Proposed Completion**

Date: Prior to June 30, 2024

**Section II – Current Year Financial Statement Findings**

**Finding :** 2023-003

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

**Corrective Action** District has written internal policies and provided 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. Transaction review processes have been put in place to minimize misclassifications.

**Proposed Completion**

Date: Prior to June 30, 2024

**Section II – Current Year Financial Statement Findings**

**Finding :** 2023-004

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

**Corrective Action** District has written internal policies and provided 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. Transaction review processes have been put in place to minimize misclassifications.

**Proposed Completion**

Date: Prior to June 30, 2024

**Section II – Current Year Financial Statement Findings**

**Finding :** 2023-005

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

**Corrective Action** District has written internal policies and provided 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. Transaction review processes have been put in place to minimize misclassifications.

**Proposed Completion**

**Date:** Prior to June 30, 2024

**Section II – Current Year Financial Statement Findings**

**Finding :** 2023-006

**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 June 2024. Bank accounts for Hampton One and Hampton Two will continue to be closed when most effective for Hampton County School District.

**Proposed Completion**

**Date:** June 2024

**Section II – Current Year Financial Statement Findings**

**Finding :** 2023-007

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

**Corrective Action** District has written internal policies and provided 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. Transaction review processes have been put in place to minimize misclassifications.

**Proposed Completion**

**Date:** Prior to June 30, 2024

**Section II – Current Year Financial Statement Findings**

**Finding :** 2023-008

**Contact Person:** Kathy Culclasure

[kculclosure@hcsdsc.org](mailto:kculclosure@hcsdsc.org)

**Corrective Action** District has written internal policies and provided 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. Transaction review processes have been put in place to minimize misclassifications to meet the requirements of state, federal and local regulations to meet deadlines. The District has selected a new audit firm for the FY23-24 audit.

**Proposed Completion**

**Date:** November 2024

**Section III – Findings and Questioned Cost Related to Expenditures of Federal Awards**

**Finding :** 2023-009

**Contact Person:** Kathy Culclosure  
[kculclosure@hcsdsc.org](mailto:kculclosure@hcsdsc.org)

**Corrective Action** District has written internal policies and provided 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. Transaction review processes have been put in place to minimize misclassifications.

**Proposed Completion**

**Date:** Prior to June 30, 2024

**Section III – Findings and Questioned Cost Related to Expenditures of Federal Awards**

**Finding :** 2023-010

**Contact Person:** Kathy Culclosure  
[kculclosure@hcsdsc.org](mailto:kculclosure@hcsdsc.org)

**Corrective Action** District has written internal policies and provided 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. Transaction review processes have been put in place to minimize misclassifications.

**Proposed Completion**

**Date:** Prior to June 30, 2024

### Section III – Findings and Questioned Cost Related to Expenditures of Federal Awards

**Finding :** 2023-011

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

**Corrective Action** District has written internal policies and provided 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. Transaction review processes have been put in place to minimize misclassifications.

**Proposed Completion**

**Date:** Prior to June 30, 2024

### Section III – Findings and Questioned Cost Related to Expenditures of Federal Awards

**Finding :** 2023-012

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

**Corrective Action** District has written internal policies and provided 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. Transaction review processes have been put in place to minimize misclassifications.

**Proposed Completion**

**Date:** Prior to June 30, 2024