

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

PREPARED BY:

OFFICE OF FINANCIAL SERVICES

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

TABLE OF CONTENTS

YEAR ENDED JUNE 30, 2024

	<u>Reference</u>	<u>Page</u>
<u>FINANCIAL SECTION</u>		
Independent Auditor's Report		1
Management's Discussion and Analysis		4
Basic Financial Statements		
<i>Government-Wide Financial Statements</i>		
Statement of Net Position		18
Statement of Activities		20
<i>Fund Financial Statements</i>		
Balance Sheet - Governmental Funds		22
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position		25
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds		26
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities		28
Notes to the Financial Statements		29
Required Supplementary Information		
<u>Budgetary Comparison Schedule - General Fund</u>		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgets and Actual	Schedule A-1	70
<u>Pension Schedules:</u>		
Schedule of the School District's Proportionate Share of the Net Pension Liability - South Carolina Retirement System		71
Schedule of the School District's Contributions - South Carolina Retirement System		72
Schedule of the School District's Proportionate Share of the Net Pension Liability - Police Officers Retirement System		73
Schedule of the School District's Contributions - Police Officers Retirement System		74

(Continued)

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

TABLE OF CONTENTS

YEAR ENDED JUNE 30, 2024

FINANCIAL SECTION (CONTINUED)

	<u>Reference</u>	<u>Page</u>
Required Supplementary Information (continued)		
<u>Other Postemployment Benefit Plan Schedules:</u>		
Schedule of the School District's Proportionate Share of the Net OPEB Liability - South Carolina Retiree Health Insurance Trust Fund		75
Schedule of the School District's Contributions - South Carolina Retiree Health Insurance Trust Fund		76
Supplementary Information		
<i>Combining and Individual Fund Financial Schedules</i>		
<u>General Fund</u>		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Revised Budget and Actual	Schedule A-2	78
<u>Special Revenue Funds</u>		
<i>Special Revenue Funds</i>		
Schedule of Revenues, Expenditures, and Changes in Fund Balance	Schedule B-1	88
Supplemental Listing of LEA Subfund Codes and Titles	Schedule B-2	100
Summary Schedule for Other Designated Restricted State Grants	Schedule B-3	101
<i>Education Improvement Act</i>		
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - All Programs	Schedule B-4	102
Summary Schedule by Program	Schedule B-5	105
<i>Other Schedules</i>		
Detailed Schedule of Due to State Department of Education/Federal Government	Schedule B-6	106
<i>Food Service Fund</i>		
Schedule of Revenues, Expenditures, and Changes in Fund Balance	Schedule B-7	107
<i>Educational Foundation</i>		
Schedule of Revenues, Expenditures, and Changes in Fund Balance	Schedule B-8	109
<u>Debt Service Funds</u>		
Schedule of Revenues, Expenditures, and Changes in Fund Balances	Schedule C-1	110

(Continued)

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

TABLE OF CONTENTS

YEAR ENDED JUNE 30, 2024

FINANCIAL SECTION (CONTINUED)

	<u>Reference</u>	<u>Page</u>
Supplementary Information (continued)		
<u>Capital Projects Fund</u>		
Schedule of Revenues, Expenditures, and Change in Fund Balance	Schedule D-1	111
Location Reconciliation Schedule		113

COMPLIANCE SECTION

	<u>Reference</u>	<u>Page</u>
Schedule of Expenditures of Federal Awards		116
Notes to the Schedule of Expenditures of Federal Awards		118
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		119
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance		121
Summary Schedule of Prior Audit Findings		124
Schedule of Findings and Questioned Costs		125
Corrective Action Plan		127

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Greene Finney Cauley, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Dorchester County School District Two
Summerville, South Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of Dorchester County School District Two, South Carolina (the "School District"), as of and for the year ended June 30, 2024, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School District as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 December 2, 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.

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
December 2, 2024

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

INTRODUCTION

The following management's discussion and analysis (MD&A) of Dorchester County School District Two (the "District" or "School District") offers a narrative overview and analysis of the District's financial position and results of operations for the fiscal year ended June 30, 2024. Its design and purpose is to (a) focus on significant financial issues, (b) provide an overview of the District's financial activity, (c) identify changes in the District's financial position, (d) identify any material deviations from the approved budget, and (e) identify individual fund issues or concerns. Readers should also review the District's financial statements and the notes to the financial statements to enhance their understanding of the District's financial performance as a whole.

FINANCIAL HIGHLIGHTS

Revenues. Total revenues for governmental activities increased \$31.0 million to \$393.5 million for fiscal year 2024. Major changes include an \$19.4 million increase in operating grants and contributions and a \$9.4 million increase in property taxes. The increase in operating grants and contributions is primarily the result of an \$16.5 million increase in state revenues as a result of an increase in student growth as well as changes in allocations and funding methods from the State. The \$9.4 million increase in property taxes is primarily due to an increase in assessed values.

Expenses. Total expenses for governmental activities increased \$26.8 million to \$341.7 million for fiscal year 2024. The major change is an increase of \$22.3 million in instruction expenses. The increases in instruction expenses are primarily due to increases in salaries and related benefits due to an increase in the teacher salary schedule as well as a step increase provided to all staff during fiscal year 2024 and continued increases in fringe benefit costs. In addition, expenses from net changes in the net pension and other postemployment benefit ("OPEB") liability and related deferred inflows and outflows of resources were approximately \$6.5 million and \$7.5 million, respectively.

Net Position. Net position for governmental activities for June 30, 2024 was a deficit of \$232.2 million, a decrease of \$51.9 million from the beginning deficit of \$284.1 million. The District's governmental activities have a \$166.2 million net investment in capital assets, \$27.9 million restricted for debt service, \$7.2 million restricted for Special Revenue Programs, \$266 thousand restricted for the Educational Foundation, and a deficit of \$433.8 million in unrestricted net position primarily due to the net pension liability of approximately \$279.8 million and the net OPEB liability of approximately \$189.8 million.

Capital Assets. The District's general capital assets for governmental activities showed a net increase of \$11.8 million. Net governmental activities capital assets on June 30, 2024 were \$407 million. The District's total additions of \$30.3 million included \$13.7 million in construction in progress, \$12.2 million in furniture, equipment, and vehicles, \$1.6 million in building improvements, and \$2.8 million in improvements other than buildings. Construction in progress additions were related to capital projects and referendum projects. The furniture, equipment and vehicles additions consisted primarily of the purchase of five buses and three vehicles. These additions were offset by \$18.5 million in depreciation expense.

Governmental Funds – Fund Balance. The District's combined fund balance for all governmental funds at the fund level report an ending balance of \$129.7 million, an increase of \$1.6 million from the prior year balance of \$128.1 million. The overall increase is due to increases of \$5.3 million in the General Fund and a \$3.5 million increase in Debt Service – District Fund partially offset by a \$7.4 million decrease in the Capital Projects – District Fund and a \$508 thousand decrease in the Special Revenue – Food Service Fund.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

FINANCIAL HIGHLIGHTS (CONTINUED)

General Fund – Fund Balance. The District's principal operating fund, the General Fund, showed an increase in its fund balance of \$5.3 million that provided a balance at year-end of \$70.3 million. This balance includes \$4.7 million in fiscal year 2025 budgeted planned use of fund balance, \$723 thousand in fund balance assigned for school carryovers and \$64.9 million in unassigned fund balance.

Revenues and Expenditures. Expenditures and other financing uses exceeded revenues and other financing sources for all governmental funds by \$1.6 million. Major changes in revenues and expenditures are discussed in detail in the Financial Analysis of the District's Funds section below.

Debt. The District retired \$137.7 million in long-term debt through principal payments and refunding's on General Obligation Bonds, \$86.6 million in principal payments and refunding's on installment purchase revenue bonds, and \$3.8 million through principal payments on equipment use acquisition agreements. The District borrowed \$127.3 million in General Obligation Bonds for the purpose of refunding, and \$77.7 million in installment purchase revenue bonds for the purpose of refunding. In addition, the District borrowed \$33.7 million in short-term General Obligation Bonds during the year that were fully repaid during the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This document consists of three parts: management's discussion and analysis (this section), the financial statements and supplementary information. The discussion and analysis serves as an introduction to the District's financial statements. The financial statements consist of three components: 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 financial statements themselves.

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the district-wide statements.
- The *governmental funds statements* tell how basic services were financed in the *short term* as well as what remains for future spending.
- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others. For the year ended June 30, 2024, the District had no fiduciary funds.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

MANAGEMENT’S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Figure A-1: Major Features of the District-Wide and Fund Financial Statements

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

DISTRICT-WIDE STATEMENTS

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies.

- The *statement of net position* includes all of the District’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, current and noncurrent.
- The *statement of activities* presents information showing how the District’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

DISTRICT-WIDE STATEMENTS (CONTINUED)

The two district-wide statements report the District's *net position* and how it has changed. Net position—the difference between the District's assets and deferred outflows and liabilities and deferred inflows—is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or diminishing, respectively.
- To assess the District's overall health, the reader also needs to consider additional non-financial factors such as changes in the District's property tax base, current property tax laws, the condition of school buildings and other facilities, and required educational programs and standards.

In the district-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities:* Most of the District's basic services are included here, such as instruction, including both regular and special education; support services, including administration, operation and maintenance of plant, and pupil transportation; community services and intergovernmental expenditures. These functions are principally supported by taxes and intergovernmental revenues.
- *Business-type activities:* These services are provided on a charge for goods and services basis to recover all of the expenses of the goods or services provided. The District does not have any business-type activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds—not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is in compliance with certain programs or sources of revenues (such as federal grants).
- **Governmental funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that 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 helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's education programs. Because this information does not encompass the additional long-term focus of the district-wide statements, both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to explain the relationship (or differences) between governmental funds and governmental activities.

The District maintains its accounting records in conformity with the South Carolina Department of Education's Financial Accounting Handbook. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General, Special Revenue, EIA, Food Service, Educational Foundation, Debt Service (District and GROWTH) and Capital Projects Fund (District), all of which are considered to be major funds.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

MANAGEMENT’S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

DISTRICT-WIDE STATEMENTS (CONTINUED)

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.

Supplementary Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information that further supports the financial statements with a comparison of the District’s General Fund budget for the fiscal year as well as information regarding the District’s pension and OPEB plans. Supplementary information schedules required by the South Carolina Department of Education are also included.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Figure A-2 provides a summary of the District’s net position for fiscal year 2024 compared to 2023.

Figure A-2: Condensed Statement of Net Position (rounded thousands)

	Governmental Activities	
	2023	2024
Current and other assets	\$ 169,615	\$ 177,232
Capital assets	395,175	406,999
Total assets	564,790	584,231
Deferred OPEB charges	72,289	57,536
Deferred pension charges	37,318	38,520
Advance refunding charges	14,737	9,548
Total deferred outflows	124,344	105,604
Long-term obligations	307,615	277,255
Net OPEB liability	228,006	189,826
Net pension liability	287,372	279,844
Other liabilities	41,306	48,062
Total liabilities	864,299	794,987
Deferred OPEB credits	103,295	119,201
Deferred pension credits	5,641	7,894
Total deferred inflows	108,936	127,095
Net position:		
Net investment in capital assets	136,047	166,173
Restricted	27,216	35,353
Unrestricted	(447,364)	(433,773)
Net Position, end of year	\$ (284,101)	\$ (232,247)

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Net Position

The District's net position totaled a deficit of \$232.2 million on June 30, 2024, a decrease of \$51.9 million from the beginning deficit of \$284.1 million.

Changes in the State's funding formula and increased assessed values resulted in increased state revenues and property tax revenues which had the most significant impact on the District during fiscal year 2024.

- Total assets increased \$19.4 million primarily due to an \$11.8 million increase in capital assets.
- Net capital assets increased approximately \$11.8 million. This is mainly due to current year additions of \$30.3 million exceeding current year depreciation expense of \$18.5 million.
- Total deferred outflows of resources decreased \$18.7 million primarily due to changes in the deferred pension and OPEB charges related to the School District's participation in the State's pension and OPEB plans.
- Total liabilities decreased \$69.3 million primarily due to decreases of \$30.4 million in long-term obligations, \$38.2 million in net OPEB liability, and \$7.5 million in net pension liability partially offset by a \$6.8 million increase in current liabilities. The decrease in the net pension liability is due to changes in the overall net pension liability of the State. The decrease in the net OPEB liability is primarily due to an increase in the discount rate assumption decreasing the liability. The decrease in long-term obligations is primarily due to principal payments exceeding new bond issuances in the current year. The increase in current liabilities is primarily due to an increase in accounts payable and accrued liabilities offset by a decrease in short-term obligations of \$7.7 million as of June 30, 2024 compared to June 30, 2023.
- Total deferred inflows of resources increased \$18.2 million due to changes in the actuarial valuation assumptions related to the School District's participation in the State's OPEB plan.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

MANAGEMENT’S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

The changes in net position for fiscal year 2024 compared to 2023 are shown in Figure A-3.

Figure A-3: Changes in Net Position from Operating Results (rounded thousands)

	Governmental Activities	
	2023	2024
Revenues:		
<u>Program revenues</u>		
Charges for sales and services	\$ 7,805	\$ 7,636
Operating grants and contributions	191,005	210,369
<u>General revenues</u>		
Property taxes	111,703	121,064
State revenue in lieu of taxes	42,531	46,084
Unrestricted investment earnings	4,817	7,460
Other	4,651	898
Total revenues	362,512	393,511
Expenses:		
Instruction	167,329	189,620
Support services	136,084	141,241
Community services	3,700	4,633
Intergovernmental	118	282
Interest and other charges	7,613	5,881
Total expenses	314,844	341,657
Changes in net position	47,668	51,854
Net position, beginning of year	(331,769)	(284,101)
Net position, end of year	(284,101)	(232,247)

Changes in Net Position

Revenues. Property taxes and operating grants and contributions account for most of the District’s revenue, with property taxes contributing 31% and operating grants contributing 53% for every dollar raised. The remaining 16% of revenues comes from fees charged for services, impact fees, state revenue in lieu of taxes, interest on investments and other miscellaneous sources. Total revenues increased \$31.0 million in fiscal year 2024 as discussed previously.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

MANAGEMENT’S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Changes in Net Position (Continued)

Expenses. Instruction expenses include a) salaries for teachers, teaching assistants and substitutes, b) pupil-use technology and software and c) classroom materials and supplies. Instruction expenses accounted for 56% of total District expenses. Salaries and fringe benefits of instructional staff constitute the largest cost area of the District’s total expenses with total salaries and fringe benefits expenses, including support and community services, accounting for 76% of the District’s total expenses.

Support services include support services, operations and school leadership. These categories include a) guidance and counseling, b) library and media, c) student health and psychological services, d) curriculum and staff development, e) pupil transportation, f) school security, g) building upkeep, utilities and maintenance, h) technology support, and i) business operations and administration. Support services accounted for 41% of total District expenses.

Total expenses for all programs and services increased by \$26.8 million in fiscal year 2024 as discussed previously.

GOVERNMENTAL ACTIVITIES

Figure A-4 presents the cost of the District’s governmental activities. The table also shows each activity’s net cost (total cost less fees generated by activities and operating grants and contributions provided for specific programs). The net cost is the cost of the activities that were funded by general revenues, i.e., property taxes and federal and state formula aid.

Figure A-4: Net Cost of Governmental Activities (rounded thousands)

	Total Cost of Services		Percent	Net Profit (Cost) of Services		Percent
	2023	2024	Change 2023-2024	2023	2024	Change 2023-2024
Instruction	\$ 167,329	189,620	13.32%	(62,213,190)	\$ 671,738	-101.08%
Support services	136,084	141,241	3.79%	(48,103,314)	(116,902,976)	143.02%
Community services	3,700	4,633	25.22%	2,013,334	(1,257,098)	-162.44%
Intergovernmental	118	282	138.98%	(117,674)	(281,446)	139.17%
Interest and other charges	7,613	5,881	-22.75%	(7,613,460)	(5,881,309)	-22.75%
Total governmental activities	\$ 314,844	341,657	8.52%	(116,034,304)	\$ (123,651,091)	6.56%

- The expenses of all governmental activities were \$341.7 million, an increase of \$26.8 million.
- Net cost of governmental activities was \$123.7 million, an increase \$7.6 million.
- Operating grants and contributions subsidized 53% of governmental activities.
- General revenues provided \$175.5 million towards the cost of governmental activities, an increase of \$10.9 million from 2023.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

On June 30, 2024 the District's governmental funds reported a combined fund balance of \$129.7 million, an increase of \$1.6 million from the prior year balance of \$128.1 million. Major changes were as follows:

- Fund balance for the General Fund increased \$5.3 million as a result of revenues and other financing sources of \$275.9 million exceeding expenditures and other financing uses of \$270.6 million. General Fund revenues increased \$21.4 million mainly due to a \$6.5 million increase in property taxes due to an increase in assessed values and operating millage and a \$14.2 million increase in state source revenue due to growth in student count and a formula change to State Aid to Classrooms. General Fund expenditures increased \$35.7 million due to a \$20.1 million increase in instruction expenses and a \$13.8 million increase in support services primarily related to increases in salaries and benefits as a result of a \$3,500 increase to each cell in the teacher salary schedule, as well as a step increase provided to all employees and continued increases in mandated fringe benefit rates.
- The Special Revenue Fund reports an ending fund balance of \$6.0 million, an increase of \$495 thousand compared to the prior year fund balance of \$5.5 million. Revenues for the Special Revenue fund increased \$978 thousand primarily due to a \$962 thousand increase in local revenues and an \$849 thousand increase in intergovernmental revenues, offset by a decrease in state source income of \$1.2 million. Special Revenue Fund expenditures increased \$2.6 million primarily due to an increase capital outlay offset by a decrease in instruction expenses.
- The Special Revenue – EIA Fund reports no ending fund balance as revenues and other financing sources of \$22.9 million were equal to expenditures and other financing uses of \$22.9 million. Revenues for the EIA fund increased \$3.2 million, expenditures decreased \$872 thousand, and transfers out increased \$4.0 million primarily due to the District utilizing carryover funds available from prior years.
- Fund balance for the Special Revenue – Food Service Fund decreased \$508 thousand as a result of expenditures of \$14.1 million exceeding revenues and other financing sources of \$13.5 million. Food Service fund revenues increased \$1.1 million due to a \$1.3 million increase in federal revenues. Expenditures increased \$2.6 million primarily due to increases in student counts and food costs.
- Fund balance for the Special Revenue – Educational Foundation Fund increased \$15 thousand as revenues of \$518 thousand exceeded expenditures of \$503 thousand. Revenues increased \$56 thousand due to several grants and contributions from local companies as well as additional revenues from fundraising. Expenditures increased \$44 thousand due to the expenditure of the increased grants and contributions received in the year ended June 30, 2024. The Educational Foundation completes an IRS form 990 annually, which can be obtained through various other sources and will provide more detail on the operations of the Educational Foundation.
- Fund balance for the Debt Service – District Fund increased \$3.5 million as a result of revenues of \$258.4 million exceeding expenditures and other financing uses of \$254.9 million. Debt Service – District fund revenues increased \$4.4 million primarily due to a \$3.8 million increase in property taxes as a result of an increase in assessed values. Expenditures increased \$203.1 million due to a \$202.8 million increase in principal payments. Other financing uses increased \$203.4 million primarily due to an increase of \$205 million in proceeds of debt issuance.
- Fund balance for the Debt Service – GROWTH Fund increased \$200 thousand as a result of expenditures of \$11.4 million being exceeded by revenues and other financing sources of \$11.6 million. Revenues for the Debt Service – GROWTH Fund increased \$35 thousand due to an increase in investment earnings. Expenditures increased \$1.4 million primarily due to changes in scheduled principal and interest payments. Other financing sources increased \$1.3 million primarily due to increased transfers from the Debt Service – District Fund to fund the principal and interest payments on GROWTH debt.
- Fund balance for the Capital Projects – District fund decreased \$7.4 million as a result of expenditures of \$28.9 million exceeding revenues and other financing sources of \$21.5 million. Revenues for the Capital Projects – District fund increased \$1.1 million primarily due to increases of \$966 thousand and \$153 thousand in investment earnings and impact fees, respectively. Net other financing sources increased \$45 thousand due to an increase in transfers in from Debt Service - District.
- The District has always maintained a lower-than-average (state-wide) per pupil cost for its operating expenditures yet has not sacrificed the quality of its instructional programs. Figure A-5 represents the per pupil expenditures for all governmental funds based on the Student Enrollment for fiscal year 2024.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

MANAGEMENT’S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS (CONTINUED)

Figure A-5 Per Pupil Expenditures for Governmental Funds (total expenditures in rounded thousands)

	Total Expenditures 2024	Expenditures Per Pupil 2024	Daily Per Pupil * 2024
Instruction	\$ 188,100	7,078	\$ 39
Support services	145,437	5,473	30
Community services	4,262	160	1
Intergovernmental	282	11	0
Sub-total operating expenditures	<u>338,081</u>	<u>12,722</u>	<u>71</u>
Debt service	236,185	8,888	49
Capital outlay	<u>23,417</u>	<u>881</u>	<u>5</u>
Total governmental funds	<u>\$ 597,683</u>	<u>22,491</u>	<u>\$ 125</u>

* Based on 180 days of instruction per year.

General Fund Budgetary Highlights

The District amended its General Fund budget once during the fiscal year. The amendment reflected revisions in state and local funding and reclassifications in expenditures that had occurred up to the time of the amendment.

- Actual revenues were greater than budgeted at year-end by \$14.8 million primarily due to state revenues exceeding budget by \$3.3 million, tax revenues exceeding budget by \$7.0 million and interest revenues exceeding budget by \$2.9 million due to interest rates increasing at rates higher than anticipated. State revenues exceeded budget primarily due to changes made throughout the year by the SC Department of Education. Tax revenues exceeded budget primarily due to conservative budgeting information provided by Dorchester County.
- Actual expenditures were more than budgeted at year-end by \$2.9 million primarily due to support services expenditures coming in \$2.2 million over budget.
- Other financing sources were \$1.0 million less than budgeted primarily due to decreased transfers in as short-term debt proceeds were not transferred from the Debt Service – District Fund as budgeted.
- Other financing uses were \$1.2 million more than budgeted primarily due to higher transfers needed.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2024 the District had invested a net amount of \$407.0 million in capital assets for its governmental activities. These assets include land, construction in progress, school buildings and improvements, improvements other than buildings, modular classrooms, and equipment.

Total depreciation expense for the year was \$18.5 million in governmental activities. Figure A-6 presents capital asset balances, net of depreciation for the years ended June 30, 2024 and 2023.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

MANAGEMENT’S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Capital Assets (Continued)

Figure A-6 Capital Assets (Net of Depreciation, rounded thousands)

	Governmental Activities		Percent
	2023	2024	Change 2023-2024
Land	\$ 12,913	\$ 12,913	0%
Construction in progress	3,398	13,636	301%
Buildings & Improvements	358,300	349,624	-2%
Improvements Other than Buildings	6,352	8,000	26%
Modular Classrooms	509	450	-12%
Furniture, Equipment and Vehicles	6,803	15,733	131%
Aquatic center lease	6,900	6,644	-4%
Total	\$ 395,175	\$ 407,000	3%

More detailed information about the School District's capital assets can be found in Note III D. to the financial statements.

Long-Term Debt

At year-end the District has \$190.2 million in long-term general obligation bonds and equipment use acquisition obligations – a decrease of 5% from last year – as shown in Figure A-7. GROWTH, a blended component unit, has \$77.7 million in installment purchase revenue bonds outstanding, a decrease of 10% from last year.

Figure A-7 Outstanding Long-Term Debt for Total School District (rounded thousands)

	Long-Term Debt		Percentage
	2023	2024	Change 2023-2024
District:			
General obligation bonds	\$ 190,723	\$ 180,378	-5%
Equipment use acquisition obligations	13,640	9,847	-28%
Total District	\$ 204,363	\$ 190,225	-7%
GROWTH			
Installment purchase revenue bonds	\$ 86,550	\$ 77,652	-10%
Total GROWTH	\$ 86,550	\$ 77,652	-10%

- The District retired \$10.3 million in long-term debt through principal payments on General Obligation Bonds and \$9.3 million through principal payments on GROWTH’s Installment Purchase Revenue Bonds.
- The District borrowed \$127.3 million in General Obligation Bonds for the refunding of June 2021 Series 2021A General Obligation Bond
- The District borrowed \$77.7 million in GROWTH Installment purchase revenue bonds to refund the two previously outstanding GROWTH Installment purchase revenue bonds.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Long-Term Debt (Continued)

- In addition, the District borrowed \$7.7 million in fiscal year 2023 and \$33.7 million in fiscal year 2024 in short-term General Obligation Bonds; both of these bonds were fully repaid during the year.

More detailed information about the School District's debt and other long-term obligations is presented in Note III I. to the financial statements.

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared, the School District was aware of existing circumstances that could significantly affect its financial health in the future:

- The voters of Dorchester County in the District Two attendance zone passed a bond referendum, with no millage increase, in May 2024 authorizing the School District to issue up to \$200,000,000 for the construction of two new elementary schools, as well as to purchase safety and security upgrades, and perform various renovations and other necessary improvements to existing buildings across the district.
- While the cost of building new schools and capital upgrades will be funded with referendum monies, the operational costs to staff the buildings, run additional bus routes, pay for additional utilities, and other costs is challenging as the growth in State and Local monies does not match the growth in students. The District is continuing to work with state and local officials to express concerns and work on solutions to these challenges.
- The District has formed a Recruitment and Retention Task Force in response to the State 2023 Budget Proviso 1.114 to discuss various ways to bring necessary revisions for improving teacher recruitment, retention, and advancement. Staffing in all areas is affected by the District's salary levels being lower as compared to neighboring school districts. The Task Force is committed to providing valuable recommendations across all staff levels. The District and the Task Force are also focused on seeking additional funding sources to help to address this concern.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, Dorchester School District Two; 815 S. Main Street, Summerville, South Carolina 29483 (Telephone: 843-873-2901).

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BASIC FINANCIAL STATEMENTS

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

STATEMENT OF NET POSITION

JUNE 30, 2024

	PRIMARY GOVERNMENT Governmental Activities
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 99,232,055
Cash and Cash Equivalents, Restricted	28,421,820
Cash and Investments Held by County Treasurer	19,258,256
Investments, Restricted	9,119,835
Property Taxes Receivable, Net	4,722,752
Accounts Receivable, Net	73,865
Due from Other Governments	16,351,677
Inventories	51,533
Total Current Assets	<u>177,231,793</u>
Non-Current Assets:	
Capital Assets:	
Non-Depreciable	26,548,294
Depreciable, Net	380,450,751
Total Non-Current Assets	<u>406,999,045</u>
TOTAL ASSETS	<u>584,230,838</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred OPEB Charges	57,536,230
Deferred Pension Charges	38,519,719
Advance Refunding Charges	9,548,037
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>105,603,986</u>

(Continued)

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

STATEMENT OF NET POSITION

JUNE 30, 2024

	PRIMARY GOVERNMENT Governmental Activities
LIABILITIES	
Current Liabilities:	
Accounts Payable and Accrued Expenses	41,301,384
Accrued Interest Payable	2,015,367
Due to Other Governments	498,415
Unearned Revenue	4,246,306
Total Current Liabilities	<u>\$ 48,061,472</u>
Non-Current Liabilities:	
Net OPEB Liability	\$ 189,825,765
Net Pension Liability	279,844,385
Due Within One Year	40,502,402
Due in More than One Year	236,752,535
Total Non-Current Liabilities	<u>746,925,087</u>
TOTAL LIABILITIES	<u>794,986,559</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred OPEB Credits	119,200,829
Deferred Pension Credits	7,894,152
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>127,094,981</u>
NET POSITION	
Net Investment in Capital Assets	166,173,292
Restricted For:	
Special Revenue - Food Service	5,034,065
Special Revenue - Pupil Activities	2,059,678
Special Revenue - Other Programs	114,515
Debt Service	27,878,427
Educational Foundation	266,329
Unrestricted	(433,773,022)
TOTAL NET POSITION	<u>\$ (232,246,716)</u>

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

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
PRIMARY GOVERNMENT:					
Governmental Activities:					
Instruction	\$ 189,619,578	37,870	190,253,446	-	\$ 671,738
Support Services	141,241,221	4,222,740	20,115,505	-	(116,902,976)
Community Services	4,632,953	3,375,855	-	-	(1,257,098)
Intergovernmental	281,446	-	-	-	(281,446)
Interest and Other Charges	5,881,309	-	-	-	(5,881,309)
Total Governmental Activities	<u>341,656,507</u>	<u>7,636,465</u>	<u>210,368,951</u>	<u>-</u>	<u>(123,651,091)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 341,656,507</u>	<u>7,636,465</u>	<u>210,368,951</u>	<u>-</u>	<u>(123,651,091)</u>
GENERAL REVENUES:					
Property Taxes Levied for General Purposes					72,101,871
Property Taxes Levied for Debt Service					48,962,371
State Revenue in Lieu of Taxes					46,083,638
Unrestricted Investment Earnings					7,459,716
Miscellaneous					897,833
Total General Revenues					<u>175,505,429</u>
CHANGE IN NET POSITION					51,854,338
NET POSITION, Beginning of Year					<u>(284,101,054)</u>
NET POSITION, End of Year					<u>\$ (232,246,716)</u>

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

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**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2024

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>SPECIAL REVENUE - EIA</u>
ASSETS			
Cash and Cash Equivalents	\$ 99,219,466	12,589	-
Cash and Cash Equivalents, Restricted	-	-	-
Cash and Investments Held by County Treasurer	-	-	-
Investments, Restricted	-	-	-
Receivables, Net			
Taxes	3,405,522	-	-
Accounts	26,962	46,903	-
Due From:			
State Agencies	886,006	804,602	-
Federal Agencies	-	14,357,223	-
Other Funds	17,127,397	-	3,575,833
Inventories	-	-	-
TOTAL ASSETS	<u>\$ 120,665,353</u>	<u>15,221,317</u>	<u>3,575,833</u>
LIABILITIES			
Accounts Payable & Accrued Expenses	\$ 19,892,930	-	-
Accrued Salaries & Benefits	20,908,371	-	-
Due To:			
State Department of Education	-	493,436	4,979
Other Funds	8,498,452	8,289,500	-
Unearned Revenue	-	463,273	3,570,854
TOTAL LIABILITIES	<u>49,299,753</u>	<u>9,246,209</u>	<u>3,575,833</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	1,088,156	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,088,156</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>50,387,909</u>	<u>9,246,209</u>	<u>3,575,833</u>
FUND BALANCES			
Nonspendable:			
Inventories	-	-	-
Restricted for:			
Other Grants	-	77,299	-
Adult Education - GED Services	-	9,308	-
Robotics Program	-	26,908	-
Scholarships	-	1,000	-
Debt Service	-	-	-
Capital Projects	-	-	-
Pupil Activities	-	2,059,678	-
Food Service	-	-	-
Educational Foundation	-	102,254	-
Assigned for:			
Extended Day Program	-	3,698,661	-
Fiscal Year 2025 Budgeted Use of Fund Balance	4,659,579	-	-
School Carryover Balances	723,000	-	-
Unassigned	64,894,865	-	-
TOTAL FUND BALANCES	<u>70,277,444</u>	<u>5,975,108</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 120,665,353</u>	<u>15,221,317</u>	<u>3,575,833</u>

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

SPECIAL REVENUE - FOOD SERVICE	SPECIAL REVENUE - EDUCATIONAL FOUNDATION	DEBT SERVICE - DISTRICT	DEBT SERVICE - GROWTH	CAPITAL PROJECTS - DISTRICT	TOTAL GOVERNMENTAL FUNDS
-	-	-	-	-	\$ 99,232,055
-	164,221	-	204,481	28,053,118	28,421,820
-	-	19,226,299	-	31,957	19,258,256
-	-	9,119,835	-	-	9,119,835
-	-	1,317,230	-	-	4,722,752
-	-	-	-	-	73,865
-	-	31,754	-	-	1,722,362
272,092	-	-	-	-	14,629,315
4,922,619	-	-	-	-	25,625,849
51,533	-	-	-	-	51,533
5,246,244	164,221	29,695,118	204,481	28,085,075	\$ 202,857,642
-	-	-	-	500,083	\$ 20,393,013
-	-	-	-	-	20,908,371
-	-	-	-	-	498,415
-	146	5,805	-	8,831,946	25,625,849
212,179	-	-	-	-	4,246,306
212,179	146	5,805	-	9,332,029	71,671,954
-	-	372,238	-	-	1,460,394
-	-	372,238	-	-	1,460,394
212,179	146	378,043	-	9,332,029	73,132,348
51,533	-	-	-	-	51,533
-	-	-	-	-	77,299
-	-	-	-	-	9,308
-	-	-	-	-	26,908
-	-	-	-	-	1,000
-	-	29,317,075	204,481	-	29,521,556
-	-	-	-	18,753,046	18,753,046
4,982,532	-	-	-	-	2,059,678
-	164,075	-	-	-	4,982,532
-	-	-	-	-	266,329
-	-	-	-	-	3,698,661
-	-	-	-	-	4,659,579
-	-	-	-	-	723,000
-	-	-	-	-	64,894,865
5,034,065	164,075	29,317,075	204,481	18,753,046	129,725,294
5,246,244	164,221	29,695,118	204,481	28,085,075	\$ 202,857,642

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**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

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

JUNE 30, 2024

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$	129,725,294
Amounts reported for the governmental activities in the Statement of Net Position are different because:		
Property taxes in the funds include revenues that are not considered revenue in the Statement of Net Assets. In addition, property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.		1,460,394
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets was \$625,932,413 and the accumulated depreciation was \$218,933,368.		406,999,045
Advance refunding charges are amortized over the lives of the bonds; however, in governmental accounting, these charges are expenditures the year they are incurred.		9,548,037
Accrued interest on the outstanding bonds in governmental accounting is not due and payable in the current period and therefore is not reported as a liability in the funds.		(2,015,367)
The School District's proportionate shares of the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State OPEB plan are not recorded in the governmental funds but are recorded in the Statement of Net Position.		(251,490,364)
The School District's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State pension plans are not recorded in the governmental funds but are recorded in the Statement of Net Position.		(249,218,818)
Long-term obligations, including debt premiums and discounts, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consisted of the following:		
Long-Term Debt	(267,877,152)	
Long-Term Debt Premiums	(1,249,684)	
Compensated Absences	(8,128,101)	(277,254,937)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	\$	(232,246,716)

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

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2024

	GENERAL	SPECIAL REVENUE	SPECIAL REVENUE - EIA
REVENUES			
Local Sources:			
Taxes	\$ 72,505,471	-	-
Investment Earnings	3,308,884	13	-
Other Local Sources	903,139	9,721,086	-
State Sources	174,843,125	2,599,398	28,501,099
Federal Sources	164,064	31,156,459	-
Intergovernmental Revenue	-	849,241	-
TOTAL REVENUE ALL SOURCES	251,724,683	44,326,197	28,501,099
EXPENDITURES			
Current:			
Instruction	156,778,658	19,045,763	4,475,501
Support Services	109,646,861	15,785,698	1,033,890
Community Services	-	4,261,560	-
Intergovernmental	-	281,446	-
Capital Outlay	1,115,206	5,679,035	128,999
Debt Service:			
Principal Retirement	242,965	-	-
Interest and Fiscal Charges	129,259	-	-
TOTAL EXPENDITURES	267,912,949	45,053,502	5,638,390
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(16,188,266)	(727,305)	22,862,709
OTHER FINANCING SOURCES (USES)			
Premium on Issuance of Debt	-	-	-
Issuance of Refunding Debt	-	-	-
Transfers In	24,158,539	2,457,064	26,719
Transfers Out	(2,690,889)	(1,234,750)	(22,889,428)
TOTAL OTHER FINANCING SOURCES (USES)	21,467,650	1,222,314	(22,862,709)
NET CHANGES IN FUND BALANCES	5,279,384	495,009	-
FUND BALANCES, Beginning of Year	64,998,060	5,480,099	-
FUND BALANCES, End of Year	\$ 70,277,444	5,975,108	-

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

SPECIAL REVENUE - FOOD SERVICE	SPECIAL REVENUE - EDUCATIONAL FOUNDATION	DEBT SERVICE- DISTRICT	DEBT SERVICE- GROWTH	CAPITAL PROJECTS - DISTRICT	TOTAL GOVERNMENTAL FUNDS
-	-	49,096,262	-	-	\$ 121,601,733
286,808	-	1,736,745	91,671	2,035,595	7,459,716
1,678,507	518,107	47,867	-	297,601	13,166,307
-	-	2,219,435	-	-	208,163,057
11,487,238	-	-	-	-	42,807,761
-	-	-	-	-	849,241
13,452,553	518,107	53,100,309	91,671	2,333,196	394,047,815
-	-	-	-	6,015,930	186,315,852
13,701,864	502,672	-	-	6,787,359	147,221,175
-	-	-	-	-	4,261,560
-	-	-	-	-	281,446
356,283	-	-	-	15,900,215	23,416,907
-	-	218,420,894	9,295,000	75,000	228,033,859
-	-	5,816,800	2,030,856	174,540	8,151,455
14,058,147	502,672	224,237,694	11,325,856	28,953,044	597,682,254
(605,594)	15,435	(171,137,385)	(11,234,185)	(26,619,848)	(203,634,439)
-	-	199,983	-	-	199,983
-	-	204,997,671	-	-	204,997,671
199,264	-	96,653	11,530,918	19,201,122	57,670,279
(101,519)	-	(30,657,040)	(96,653)	-	(57,670,279)
97,745	-	174,637,267	11,434,265	19,201,122	205,197,654
(507,849)	15,435	3,499,882	200,080	(7,418,726)	1,563,215
5,541,914	148,640	25,817,193	4,401	26,171,772	128,162,079
5,034,065	164,075	29,317,075	204,481	18,753,046	\$ 129,725,294

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

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

YEAR ENDED JUNE 30, 2024

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ 1,563,215
Amounts reported for governmental activities in the Statement of Activities are different because:	
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This amount represents the change in unavailable revenues - property taxes for the year.	(537,491)
Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position.	228,033,859
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position.	(204,997,671)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This amount is the net change in accrued interest for the year.	(164,367)
Bond deferred losses are expenditures in the year they are incurred in governmental funds, but are amortized over the lives of the bonds in the Statement of Activities. This amount represents the amortization of deferred charges for the year.	(5,189,235)
Bond premiums are revenues the year they are received in governmental funds but are amortized over the lives of the bonds in the Statement of Activities. This amount represents the difference between the premiums received during the current year and the amortization of premiums.	7,423,765
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	(99,689)
Changes in the School District's proportionate share of the net OPEB liability, deferred outflows of resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the Statement of Activities	7,521,421
Changes in the School District's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the Statement of Activities	6,476,403
Governmental funds reported capital asset additions as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital asset additions of \$30,319,571 exceeded current year depreciation expense of \$18,495,443.	11,824,128
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 51,854,338

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

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

Dorchester County School District Two, South Carolina (the “School District” or “District”) is a school district created in 1952 by the South Carolina Legislature to provide public education services to students of a specified geographical district of Dorchester County, South Carolina. It contains an area of approximately 144 square miles and includes the Town of Summerville, which is the largest town in the County. The School District receives funding from local, state and federal sources and must comply with any requirements of the funding source entities. A seven member Board of Trustees (the “Board”) governs the School District.

The School District (the primary government) is the lowest level of government which has oversight responsibility and control over all activities related to public school education. The School District is not included in any other governmental reporting entity because it does not meet the financial accountability criteria for inclusion established by Governmental Accounting Standards Board Statement (“GASB”) No. 61. Board Members have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters.

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 GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. As required by GAAP, these financial statements present the School District and its component units, entities for which the School District is considered to be financially accountable or for which exclusion of a component unit would render the financial statements incomplete or misleading. Blended component units, although legally separate entities, are in substance, part of the government's operations and data from these units are combined with data of the primary government. The School District has two blended component units, as discussed below. Discretely presented component units, on the other hand, are reported in a separate column in the financial statements to emphasize that they are legally separate from the School District. The School District has no discretely presented component units.

Growth Remedy Opportunity Without Tax Hike (“GROWTH”), a blended component unit, is a not-for-profit 501(c)(3) organization created to provide funding for the School District’s capital improvement program through issuing installment purchase revenue bonds. The School District’s Board of Trustees appoints GROWTH board members, and GROWTH’s services are exclusively for the benefit of the School District. Because GROWTH is so closely related to the School District, it is, in effect, the same as the primary government. GROWTH’s financial information is presented in individual columns throughout the statements. Separate financial statements for GROWTH are not issued.

The School District established the Dorchester Two Educational Foundation (“Educational Foundation”) in June 2013. The Educational Foundation, a blended component unit, is a not-for-profit 501(c)(3) organization created for the benefit of the School District in providing public educational services, and specifically to (a) support, promote and enhance public education in Dorchester County, South Carolina; and (b) solicit, collect, receive, accumulate, administer and disburse gifts, funds and property in such manner as will, in the discretion of the board of directors, most effectively further such charitable and educational purposes. Because the Educational Foundation is so closely related to the School District, it is, in effect, the same as the primary government. The Educational Foundation’s financial information is presented as a special revenue fund in these statements. Separate financial statements for the Educational Foundation are not issued.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the School District (the primary government). For the most part, the effect of interfund activity (except for interfund services provided and used between functions) has been removed from these financial statements.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The School District does not have 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** (which exclude fiduciary activities) are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the Fiduciary Fund financial statements. Revenues are recognized/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 detail below). Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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 all revenues with the exception of grants to be available if they are collected within 60 days of the end of the current fiscal period. Grant related revenues are considered to be available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 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. The following major funds and fund types 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 liabilities (except for those accounted for in the Fiduciary Funds) 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 major governmental funds:

The *General Fund, a major fund* and a 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 four Special Revenue Funds:

- i.) **The Special Revenue Fund, a major fund** and an unbudgeted fund, is used to account for and report the financial resources provided by federal, state and local projects and grants that are restricted, committed or assigned for specific educational programs.
- ii.) **The Special Revenue – Education Improvement Act (EIA) Fund, a major fund** and an unbudgeted fund, is used to account for and report the restricted revenue from the South Carolina Education Improvement Act of 1984 (which is legally required by the state to be accounted for as a specific revenue source) which are restricted for specific programs authorized or mandated by EIA.
- iii.) **The Food Service Fund, a major fund** and an unbudgeted fund, is used to account for and report the financial resources received that are restricted for the cafeteria operations at school locations. These resources primarily consist of revenues received (a) from breakfast, lunch, and other food sales and (b) from the United States Department of Agriculture's ("USDA") approved school breakfast and lunch programs.
- iv.) **The Special Revenue – Educational Foundation Fund, a major fund** and an unbudgeted fund, is used to account for and report the financial resources received that are restricted for use by the Foundation, a blended component unit as discussed previously. These resources primarily consist of grant revenues and donations from private sources.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The *Debt Service Fund - District, a major fund* and an unbudgeted fund, is used to account for and report the accumulation of financial resources that are restricted for the payment of all long-term debt principal, interest, and related costs for the School District.

The *Debt Service Fund - GROWTH, a major fund* and an unbudgeted fund, is used to account for and report the accumulation of financial resources that are restricted for the payment of all long-term debt principal, interest, and related costs for GROWTH.

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

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

1. Cash, Cash Equivalents, and Investments

Cash and Cash Equivalents

The School District considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased, money market funds and investments in the South Carolina Local Government Investment Pool (“SCLGIP”) to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchased) are reported as investments. Restricted cash and cash equivalents include amounts legally restricted by bond covenants.

Investments

The School District’s 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 agencies thereof;
- (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 Corporations, 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 issued by at least two nationally recognized credit rating organizations;

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Investments (Continued)

- (c) General obligations of the State of South Carolina or any of its political units; or revenue obligations of the State of South Carolina if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories 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 and funds in deposit accounts with banking institutions provided that such certificates and funds in deposit accounts 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 or funds in deposit accounts 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) Collateralized repurchase agreements when collateralized by securities as set forth in (a) and (b) above and held by the governmental entity or a third party as escrow agent or custodian; and
- (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) above 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. All investments are reported at their fair values (which are normally determined by quoted market prices), with the exception of amounts invested in the guaranteed investment contracts and the SCLGIP. The SCLGIP operates in conformity with all of the requirements of the Securities and Exchange Commission's Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the Pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value).

Restricted Investments include amounts legally restricted by bond covenants and funding sources.

The School District currently or in the past year has used the following investments:

- Cash and investments held by the County Treasurer which are 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.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Investments (Continued)

- SCLGIP investments are invested with the South Carolina State Treasurer’s Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool 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 Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours’ notice. Financial statements for the Pool may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, P.O. Box 11778, Columbia, SC 29211-1960.
- A guaranteed investment contract that invests in various securities as described in (a), (b), and (c) above.

2. Interfund Receivables and Payables

Transactions between funds that are representative of reimbursement arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds."

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables.” These amounts are eliminated in the governmental activities column of the Statement of Net Position.

3. Inventories

Under the system of accounting for inventories, materials and supplies are carried in an inventory account at average cost, determined using the first-in, first-out method, and are subsequently charged to expenditures/expenses when consumed rather than when purchased. The Food Service Fund inventory includes food and supplies, including an amount for commodities received from the USDA, recorded at fair market value at the time of receipt, that have not been consumed at fiscal year end.

4. Capital Assets

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.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

4. Capital Assets (Continued)

All capital assets are capitalized at cost (or estimated historical cost). The capital asset system is updated for additions and retirements during the year. Donated capital assets are recorded at 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 individual assets and \$100,000 for group purchases. The School District does not possess any infrastructure assets. 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. Interest is not capitalized during the construction of capital assets.

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 complete costs of the project are transferred to the appropriate capital asset category. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Buildings and Improvements	15 - 20 Years
Improvements Other than Buildings	10 Years
Modular Classrooms	10 Years
Furniture and Equipment	3 - 10 Years
Vehicles	3 - 10 Years
Right-to-use Asset	30 Years

5. Compensated Absences

The School District reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. School District employees are granted vacation and sick leave in varying amounts. Upon termination of employment, an employee is reimbursed for up to 45 accumulated vacation days. Upon retirement, an employee is reimbursed for up to 90 accumulated sick leave days. The entire compensated absence liability and expense is reported on the government-wide financial statements.

6. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. If material, bond premiums, discounts, and deferred refunding charges are deferred and amortized over the life of the bonds using the straight-line method (as it approximates the effective interest method). Debt is reported net of applicable bond premiums and discounts. Bond issuance costs (if any) are expensed in the period incurred.

In the governmental fund financial statements, bond premiums, discounts, and bond issuance costs are recognized immediately. The face amount of debt or leases issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

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.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

However, claims and judgments, the non-current portion of debt and capital leases, compensated absences, contractually required pension contributions, and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources. 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.

7. *Fund Balance*

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

Nonspendable – includes amounts that inherently cannot be spent either because it is not in spendable form (i.e. prepaids, inventories, etc.) or because of legal or contractual requirements (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 Board of Trustees, which is the highest level of decision making authority, 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.

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. The Board is the only party that has the right to make assignments of fund balance for the District at this time. Assigned amounts for the District consist of unspent amounts approved by a majority vote of the Board of Trustees in the annual budget in previous years that are allowed to be carried over by the schools.

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.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

7. 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.

The School District's Board of Trustees has formally adopted a minimum fund balance policy that supports maintaining an unassigned fund balance in the General Fund of at least eight to fifteen percent, as measured at each fiscal year end, of the General Fund budgeted expenditures. The unassigned fund balance as of June 30, 2024 is approximately \$65,352,000, which represents approximately 22.6% of the fiscal year 2025 General Fund budget of approximately \$288,748,000.

8. Deferred Outflows and 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 three types of deferred outflows of resources: (1) The School District reports *advance refunding charges* in its government-wide Statement of Net Position. *Advance refunding charges*, which are the differences between the reacquisition price and the net carrying amounts of the defeased debt, are deferred and amortized over the life of the refunding bonds. (2) The School District reports *deferred pension charges* in its Statement of Net Position in connection with its participation in the South Carolina Retirement System. (3) The School District reports *deferred OPEB charges* in its Statement of Net Position in connection with its participation in the South Carolina Retiree Health Insurance Trust Fund. The *deferred pension and OPEB charges* are either (a) recognized in the subsequent period as a reduction of the net pension/OPEB liability (which includes contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension/OPEB expense in future periods in accordance with GAAP.

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 reports *deferred pension credits* in its Statement of Net Position in connection with its participation in the South Carolina Retirement System. (3) The School District reports *deferred OPEB credits* in its Statement of Net Position in connection with its participation in the South Carolina Retiree Health Insurance Trust Fund. The *deferred pension and OPEB credits* are amortized in a systematic and rational method and recognized as a reduction of pension/OPEB expense in future periods in accordance with GAAP.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

9. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows 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 the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

10. Pensions and Other Postemployment Benefits

In government-wide financial statements, pensions and other postemployment benefits (“OPEB”) are required to be recognized and disclosed using the accrual basis of accounting (see Notes IV.A and IV.B and the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amounts recognized as pension and OPEB expenditures on the modified accrual basis of accounting. The School District recognizes net pension and net OPEB liabilities for each plan in 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 five-year period beginning with the period in which the difference occurred.

11. Fair Value

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

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the 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.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

11. Fair Value (Continued)

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.

12. Accounting Estimates

The preparation of financial statements in conformity with GAAP 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

13. Comparative Data

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Budgetary Practices - Budgets are presented in the required supplementary information section for the General Fund. The budget is presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America. The 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.

In May of each year, the School District's management submits a proposed budget to the Board for the General Fund. The School District prepares its budget on a basis to conform with GAAP. The budget includes proposed expenditures and the means of financing the expenditures. After modifications are made, resulting from discussions between the Board and the School District's management, the Board recommends the General Fund budget to the Dorchester County Council. The School District's policies allow funds to be transferred between functions, but the total budget may not be increased without approval of the Board. The legal level of budgetary control is at the fund level. During the year, the Board revised the budget once.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

The School District’s management has the authority to overspend the budget within percentages established by the South Carolina State Department of Education for most state and federally funded projects. The School District may overspend in certain funds as long as funds are available from other areas.

No formally adopted annual budgets are prepared for the Special Revenue Funds; however, budgets are prepared on a grant-by-grant basis. The Capital Projects Fund’s revenues and expenditures are not legally adopted but are budgeted on a project-by-project basis. Budgets for the Debt Service Funds are not provided as the provisions of the bond indentures provide adequate control.

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A. Deposits and Investments

Deposits

Custodial Credit Risk for Deposits: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the School District’s deposits might not be recovered. The School District’s policy for custodial credit risk states that the School District will only use instruments that are collateralized by third parties or insured by the Federal Deposit Insurance Corporation. As of June 30, 2024, none of the School District’s total bank balances of approximately \$8,953,000 (with a carrying value of approximately \$5,772,000) were exposed to custodial credit risk.

Investments

As of June 30, 2024, the School District had the following investments and maturities:

Investment Type	Fair Value Level ⁽¹⁾	Credit Rating [^]	Fair Value	Investment Maturities in Years	
				< 1 yr	> 5 yrs
Cash and Investments Held by County Treasurer	N/A	NR, NR	\$ 19,258,256	19,258,256	\$ -
SC Local Government Investment Pool	N/A ⁽¹⁾	NR, NR	121,881,484	121,881,484	-
CitiGroup Guaranteed Investment Contract	N/A	A, A2	9,119,835	-	9,119,835
Total			\$ 150,259,575	141,139,740	\$ 9,119,835

[^] If available, credit ratings are for Standard & Poor’s and Moody’s Investors Service.

⁽¹⁾ See Note I.C.11 for details of the School District’s fair value hierarchy.

NR – Not rated.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

A. Deposits and Investments (Continued)

Investments (Continued)

Interest Rate Risk: The School District interest rate risk policy states that the School District will not invest in maturities exceeding 24 months in order to avoid fair value losses arising from increasing interest rates. The guaranteed investment contract shown above is exempt from this policy as the returns are guaranteed.

Custodial Credit Risk for Investments: Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District’s policy for custodial credit risk states that the School District will only use instruments that are collateralized by third parties or insured by the Federal Deposit Insurance Corporation. As of June 30, 2024, none of the School District’s investments were exposed to custodial credit risk.

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

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

The following table reconciles deposits and investments within the footnotes to the amounts in the financial statements:

	Financial Statements	
Statement of Net Position:		
Unrestricted Assets:		
Cash and Cash Equivalents	\$	99,232,055
Cash and Investments Held by County Treasurer		19,258,256
Restricted Assets:		
Cash and Cash Equivalents, Restricted		28,421,820
Investments, Restricted		9,119,835
Total	\$	156,031,966
Notes to the Financial Statements		
Deposits	\$	25,030,647
Investments		131,001,319
Total	\$	156,031,966

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

B. Property Taxes Receivable

Dorchester County, South Carolina (the “County”) is responsible for levying and collecting sufficient property taxes to meet its funding obligation for the School District. This obligation is established each year by the Dorchester County Council and does not necessarily represent actual taxes levied or collected. 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 or if they are collected within 60 days of the end of the fiscal year.

Property taxes are levied and billed by the County on real and personal properties on October 1 based on an assessed value as of the preceding December 31 of approximately \$782 million at rates of 183.6 mills and 65.0 mills for the General Fund and Debt Service – District Fund, respectively. These taxes are due without penalty through January 15.

Penalties are added to taxes depending on the date paid as follows:

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

Current year real and personal taxes become delinquent on March 16. 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. Taxes receivable include an allowance for uncollectibles of approximately \$1,029,000 and \$395,000 at June 30, 2024 for the General Fund and the Debt Service – District Fund, respectively. Significant allowances for uncollectibles were not necessary for the other receivable accounts.

C. Unearned Revenue and Deferred Inflows of Resources

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue in connection with resources that have been received, but not yet earned. At June 30, 2024, the various components of unearned revenue and deferred inflows of resources reported in the governmental funds are as follows:

Deferred Inflows of Resources:	
Unavailable Delinquent Property Taxes Receivable (General Fund)	\$ 1,088,156
Unavailable Delinquent Property Taxes Receivable (Debt Service - District Fund)	372,238
Total Deferred Inflows of Resources - Governmental Funds	<u>\$ 1,460,394</u>
Unearned Revenue:	
Unearned Revenue from Special Revenue Funds	\$ 463,273
Unearned Revenue from Special Revenue - EIA Funds	3,570,854
Unearned Revenue from Special Revenue - Food Service Fund	212,179
Total Unearned Revenue - Governmental Funds	<u>\$ 4,246,306</u>

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

D. Capital Assets

Capital asset activity for the School District for the year ended June 30, 2024, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, Non Depreciable:					
Land	\$ 12,912,760	-	-	-	\$ 12,912,760
Construction in Progress	3,398,412	13,713,684	-	(3,476,562)	13,635,534
Total Capital Assets, Non Depreciable	16,311,172	13,713,684	-	(3,476,562)	26,548,294
Capital Assets, Depreciable:					
Buildings and Improvements	522,832,265	1,650,391	-	1,876,854	526,359,510
Improvements Other than Buildings	18,748,997	2,784,544	-	113,998	21,647,539
Modular Classrooms	4,692,673	-	-	104,363	4,797,036
Furniture, Equipment and Vehicles	25,361,067	12,170,952	-	1,381,347	38,913,366
Right-to-use Lease Assets	7,666,668	-	-	-	7,666,668
Total Capital Assets, Depreciable	579,301,670	16,605,887	-	3,476,562	599,384,119
Less: Accumulated Depreciation:					
Buildings and Improvements	164,532,453	12,203,100	-	-	176,735,553
Improvements Other than Buildings	12,396,700	1,251,710	-	-	13,648,410
Modular Classrooms	4,183,833	162,940	-	-	4,346,773
Furniture, Equipment and Vehicles	18,558,271	4,622,137	-	-	23,180,408
Leased Assets	766,668	255,556	-	-	1,022,224
Total Accumulated Depreciation	200,437,925	18,495,443	-	-	218,933,368
Total Capital Assets, Depreciable, Net	378,863,745	(1,889,556)	-	3,476,562	380,450,751
Total Governmental Activities Capital Assets, Net	\$ 395,174,917	11,824,128	-	-	\$ 406,999,045

In the year ended June 30, 2024, depreciation expense for governmental activities of approximately \$18,495,000 were charged to the following functions for governmental activities:

Instruction	10,542,402
Support Services	7,768,086
Community Services	184,955
	<u>18,495,443</u>

E. Aquatic Center Lease

In January 2017, the School District entered into an agreement with the City of North Charleston (the "City") regarding the construction and operation of an aquatic center. As part of the agreement, the School District conveyed approximately 5.5 acres of land to the City where the aquatic center is located which had an estimated value of approximately \$167,000. In addition to contributing the land, the School District also made a defined contribution of \$7.5 million, which was issued as General Obligation Bonds, Series 2017 in March 2017. The City contributed land and the balance of the construction funds needed to finish the aquatic center. The aquatic center is owned and operated by the City with the City providing all necessary staffing, maintenance, insurance, operation and management of the aquatic center. In addition, the City will retain all revenues associated with the aquatic center.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

E. Aquatic Center Lease (Continued)

An operations period lease (“lease”) of 30 years was executed between the City and the School District in July 2020 upon substantial completion of the aquatic center with the sole rental payment for the lease being the contribution of the land and \$7.5 million from the School District discussed above. At least one year prior to expiration of the lease, the City and the School District will negotiate a possible extension or renewal of the lease.

The estimated value of the contributed land of approximately \$167,000 plus the total cash contributions of approximately \$7.5 million are reported as a right-to-use asset within the capital assets in the government-wide financial statements. The right-to-use asset is amortized on a straight-line basis over the 30-year term of the lease. Amortization expense for the year ended June 30, 2024 was \$255,556, which is included in with depreciation expense. As the lease payment was paid in full at the beginning of the lease, there is no related lease liability as of June 30, 2024 in the government-wide financial statements.

F. Interfund Receivables and Payables

Interfund balances at June 30, 2024 (which are expected to be received or paid within one year), consisted of the following individual fund receivables and payables:

Fund	Receivables	Payables
Primary Government:		
General Fund	\$ 17,127,397	\$ 8,498,452
Special Revenue Funds:		
Special Revenue	-	8,289,500
EIA	3,575,833	-
Food Service	4,922,619	-
Education Foundation	-	5,805
Debt Service Fund - District	-	146
Capital Projects Fund - District	-	8,831,946
Total Primary Government	<u>\$ 25,625,849</u>	<u>\$ 25,625,849</u>

The General Fund net receivable is a result of General Fund financing salaries and other expenditures for Special Revenue Funds, including the Capital Projects Fund – District, and the Debt Service Fund – District. These monies will be reimbursed to the General Fund as claims are filed and reimbursements received.

The Special Revenue Funds, Debt Service Fund – District, and Capital Projects Fund – District net payables are a result of payments made by the General Fund for salaries and other expenditures. Reimbursement to the General Fund will be made as revenue is received from claims that have been submitted.

The Special Revenue - EIA Fund and Food Service Fund net receivables are a result of EIA allocations received and cash receipts deposited into the General Fund central depository that have not yet been spent.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

G. Transfers In and (Out)

Transfers from (to) other funds for the year ended June 30, 2024 consisted of the following:

Transfers from	Amount	Transfers to	Amount
General Fund			
Special Revenue - Special Projects	\$ -	Special Revenue - Special Projects	\$ 2,457,064
Special Revenue - EIA	22,889,428	Special Revenue - EIA	26,719
Special Revenue - Special Projects - Indirect Costs	1,167,592	Special Revenue - Food Service	199,264
Special Revenue - Food Service - Indirect Costs	101,519	Capital Projects - District	7,842
	<u>24,158,539</u>		<u>2,690,889</u>
Special Revenue Funds			
<u>Special Revenue - Special Projects</u>			
General Fund	2,457,064	Capital Projects - District	67,158
	-	General Fund - Indirect Costs	1,167,592
	<u>2,457,064</u>		<u>1,234,750</u>
<u>Special Revenue - EIA</u>			
General Fund	26,719	General Fund	22,889,428
	<u>26,719</u>		<u>22,889,428</u>
<u>Food Service</u>			
General Fund	199,264	General Fund - Indirect Costs	101,519
	<u>199,264</u>		<u>101,519</u>
Debt Service Funds			
<u>District</u>			
Debt Service Funds	96,653	Debt Service - GROWTH	11,530,918
	-	Capital Projects - District	19,126,122
	<u>96,653</u>		<u>30,657,040</u>
<u>GROWTH</u>			
Debt Service - District	11,530,918	None	96,653
	<u>11,530,918</u>		<u>96,653</u>
Capital Projects Fund			
<u>District</u>			
General Fund	7,842		-
Special Revenue - Special Projects	67,158		-
Debt Service - District	19,126,122	None	-
	<u>19,201,122</u>		<u>-</u>

Interfund transfers typically include funding allowed for indirect costs, required matches, supplemental funding, state cuts, and accounting practice. The transfers for the year ended June 30, 2024 consisted of the following:

General Fund

Transfers from: Funds were transferred into the General Fund from the Special Revenue Funds for EIA and Special Revenue flexibility and for indirect costs.

Transfers to: Funds were transferred from the General Fund into other funds to cover shortfalls in federal or state Special Revenue and EIA programs and state mandated employee benefit costs for the Food Service Fund, and to fund a portion of the lease payment in the Capital Projects – District Fund.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

G. Transfers In and (Out) (Continued)

Special Revenue Funds

Transfers from: Funds are transferred into the Special Revenue Funds to cover shortfalls in federal or state Special Revenue and EIA programs. Funds were transferred into the Special Revenue – Food Service Fund to cover the state mandated employee benefit costs.

Transfers to: The Special Revenue Funds’ transfers out are primarily related to Special Revenue and EIA flexibility transfers and indirect costs for the Special Revenue Fund.

Debt Service Funds

Transfers from: Funds were transferred into the Debt Service – GROWTH Fund from the Debt Service – District Fund to make the acquisition payments to GROWTH.

Transfers to: The Debt Service – District Fund transferred a portion of the proceeds from short-term General Obligation Bond issues to the Debt Service – GROWTH Fund to make the acquisition payments to GROWTH and to the Capital Projects – District Fund to partially fund ongoing construction projects.

Capital Projects Fund

Transfers from: Funds were transferred into the Capital Projects – District Fund from the Debt Service – District Fund to partially fund ongoing construction projects. Funds were also transferred from the General Fund and Special Revenue Fund to fund lease payments for the current year.

H. Short-Term Obligations

The following is a summary of the changes in the School District’s short-term obligations for the year ended June 30, 2024:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance
May 2023 GO Bonds, Series 2023A	\$ 7,726,000	-	7,726,000	\$ -
September 2023 GO Bonds, Series 2023B	-	33,724,000	33,724,000	-
Total Governmental Activities	<u>\$ 7,726,000</u>	<u>33,724,000</u>	<u>41,450,000</u>	<u>\$ -</u>

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

H. Short-Term Obligations (Continued)

The School District issued one series of short-term General Obligation bonds in fiscal year 2024. Series 2023B was issued in September 2023 with a par amount of \$33,724,000 and receiving a premium of approximately \$206,000 for the purpose of providing funds to cover base payments as defined in the Installment Purchase and Use Agreements. The Series 2023B bonds were repaid in March 2024, including interest of approximately \$749,000. The School District also repaid the \$7,726,000 Series 2023A bonds (issued in May 2023) in March 2024, including interest of approximately \$305,000.

I. Long-Term Obligations

The School District issues bonds to provide funds for the acquisition and construction of major capital facilities for its governmental activities. General Obligation Bonds are direct obligations and pledge the full faith and credit of the School District. Capital Lease obligations are special obligations of the School District payable from the general revenues of the School District. Equipment Use Acquisition Agreements and Installment Purchase Revenue Bonds are issued through a trustee of the District and annual payments are subject to annual appropriation. The full faith, credit, and taxing powers of the School District are not pledged for the payment of equipment use acquisition agreements or the installment purchase revenue bonds nor the interest thereon.

General Obligation and Installment Purchase Revenue bonds at June 30, 2024, were comprised of the following:

<u>Issue</u>	<u>Interest Rates</u>	<u>Maturity</u>	<u>Original Issue</u>	<u>Outstanding at June 30, 2024</u>
<u>General Obligation Bonds</u>				
December 2009; Series D*	1.60%	2025	\$ 10,000,000	\$ 10,000,000
August 2015; Series B	2.00-5.00%	2033	39,910,000	32,405,000
March 2017; Series A	3.00-5.00%	2033	6,945,000	4,705,000
July 2021; Series B*	1.15%	2031	10,058,087	5,922,030
February 2024; Series A	1.53%	2033	127,345,671	127,345,671
<u>Equipment Use Acquisition Agreements</u>				
February 2020; Equipment	1.67%	2024	16,074,613	1,449,181
June 2021; Equipment	1.30%	2030	7,048,573	4,991,235
June 2023; Equipment	3.47%	2033	3,725,000	3,407,035
<u>Installment Purchase Revenue Bonds</u>				
December 2023; GROWTH Refunding	1.70-1.85%	2030	77,652,000	77,652,000
			<u>\$ 298,758,944</u>	<u>\$ 267,877,152</u>

*Applicable to the 8% Debt Limit

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

I. Long-Term Obligations (Continued)

The following is a summary of changes in the School District’s governmental activities long-term obligations for the year ended June 30, 2024:

Long-Term Obligations	Beginning of Year	Additions	Reductions	End of Year	Due Within One Year
Governmental Activities:					
Debt:					
General Obligation Bonds					
December 2009: Series D	\$ 10,000,000	-	-	10,000,000	\$ 10,000,000
February 2014: Series A	5,680,000	-	5,680,000	-	-
August 2015: Series B	33,925,000	-	1,520,000	32,405,000	1,655,000
March 2017: Series A	5,120,000	-	415,000	4,705,000	440,000
June 2021; Series A	129,268,744	-	129,268,744	-	-
July 2021; Series B	6,729,688	-	807,658	5,922,030	817,024
February 2024; Series A	-	127,345,671	-	127,345,671	8,910,613
Installment Purchase Revenue Bonds					
June 2013: GROWTH Refunding	50,570,000	-	50,570,000	-	-
April 2015: GROWTH Refunding	35,980,000	-	35,980,000	-	-
December 2023; GROWTH Refunding	-	77,652,000	-	77,652,000	10,526,000
Equipment Use Acquisition Agreements ¹					
February 2020; Equipment	2,874,563	-	1,425,382	1,449,181	1,449,181
April 2021; Equipment	1,372,179	-	1,372,179	-	-
June 2021; Equipment	5,668,166	-	676,931	4,991,235	685,725
June 2023; Equipment	3,725,000	-	317,965	3,407,035	328,998
Total Debt	290,913,340	204,997,671	228,033,859	267,877,152	34,812,541
Premiums					
June 2013: GROWTH Refunding	4,518,987	-	4,518,987	-	-
February 2014: Series A	773,316	-	773,316	-	-
April 2015: GROWTH Refunding	1,990,252	-	1,990,252	-	-
August 2015: Series B	987,315	-	99,461	887,854	-
March 2017: Series A	403,579	-	41,749	361,830	-
Total Premiums	8,673,449	-	7,423,765	1,249,684	-
Total Net Debt	299,586,789	204,997,671	235,457,624	269,126,836	34,812,541
Compensated Absences	8,028,412	5,917,779	5,818,090	8,128,101	5,689,861
Governmental Activities Long-Term Obligations	\$ 307,615,201	210,915,450	241,275,714	277,254,937	\$ 40,502,402

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

I. Long-Term Obligations (Continued)

The General Fund, Debt Service Funds, and Capital Projects – District Fund have been used to service all long-term obligations. The General Fund and Food Service Fund have been used in prior years to liquidate compensated absences.

In December 2023, the School District issued \$77,652,200 through a Series 2023 GROWTH Installment Purchase Revenue Refunding with an interest rate of 1.70-1.85%. Principal and interest is paid annually in December, through December 2030. This obligation was used to fully refund the outstanding Series 2013B and 2015 GROWTH Installment Purchase Revenue Refunding Bonds. The School District refunded the bonds to reduce its debt service payments over 7 years by approximately \$7,444,000 and to obtain an economic gain of approximately \$6,993,000.

In February 2024, the School District issued \$127,345,671 through a Series 2024 General Obligation Refunding Bond at an interest rate of 1.530%. Principal is paid annually in March and interest payments on the obligation are due in semi-annually in March and September, through March 2033. This obligation was used to fully refund the outstanding Series 2021A General Obligation Refunding Bonds. The acquisition price exceeded the net carrying amount of the previous debt by approximately \$13,107,000. This amount is being amortized over the life of the new debt, which is the same as the life of the old debt. The School District refunded the bonds to reduce its debt service payments over 10 years by approximately \$2,626,000 and to obtain an economic gain of approximately \$2,230,000.

The GROWTH bonds were issued pursuant to a School Facilities Purchase and Occupancy Agreement (the “Facilities Agreement”) and evidence proportionate interests of the owners in certain rental payments to be made by the School District under the terms of a Base Lease Agreement between the School District and GROWTH dated March 15, 2004. The School District will purchase the Capital Projects from GROWTH pursuant to the Facilities Agreement, which will obligate the School District to make semiannual installment payments to GROWTH in amounts calculated to be sufficient to enable GROWTH to pay the principal and interest on the outstanding bonds. The School District’s obligations under the Facilities Agreement are from year to year only and do not constitute a mandatory payment obligation of the School District in any fiscal year in which funds are not appropriated by the School District to pay the installment payments of purchase price due in such fiscal year. However, the School District would forfeit possession of the Facilities for the remainder of the term of the Lease. It is anticipated that the payments will be funded by the School District by the future issuance of short-term general obligation bonds. Upon the termination/completion of the School Facilities Purchase and Occupancy Agreements, the School District will own all of the capital assets financed by the Installment Purchase Revenue Bonds.

The GROWTH bonds are not a debt of the School District; however, as GROWTH is blended with the operations of the School District, the debt of GROWTH is included with the School District’s other obligations as required by GAAP.

Section 15 of Article X of the South Carolina State Constitution allows school districts to incur a legal debt limit not to exceed 8% of the assessed value of all property in the School District (as of the date of debt issuance), unless approved by a majority vote in a referendum authorized by law. As of June 30, 2024, the School District had approximately \$15,992,000 of bonded debt subject to the 8% limit of approximately \$62,560,000 resulting in an unused legal debt margin of approximately \$46,568,000.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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

I. Long-Term Obligations (Continued)

Qualified School Construction Bonds

The School District issued \$10,000,000 in Qualified School Construction Bonds (“QSCB”) in December 2009 for the purpose of providing funds to pay the cost of acquisition and construction of a new elementary school and to pay the costs of issuance of the QSCBs. The full \$10,000,000 in principal on this QSCB is due on March 15, 2025. The School District entered into an Escrow and Paying Agent Agreement with Regions Bank in December 2010 for the purpose of establishing a sinking fund to accumulate assets to be used for the retirement of this debt at maturity. In accordance with the terms of this agreement, the District will make annual deposits to Regions Bank to be held by them in a sinking fund until maturity. The funds on deposit have been invested with Citigroup Global Markets Inc. (“Citi”) pursuant to a Master Repurchase Agreement between Regions Bank and Citi, with the Bank of New York Mellon as custodian. The first deposit of \$50,000 was made in March 2011 and the District began making annual deposits of \$560,876 in March 2012 which will continue through March 2025. The School District anticipates that amounts on deposit plus the expected yield (investment earnings) of these funds on deposit will produce an amount equal to the required principal payment due in March 2025 of \$10,000,000. The balance in the escrow sinking fund account at June 30, 2024 was approximately \$9,120,000 and is included in with the School District’s Restricted Investments in the Financial Statements.

Annual debt service requirements to maturity for all governmental activities long-term debt as of June 30, 2024 are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 34,812,541	5,115,853	\$ 39,928,394
2026	24,749,163	4,481,888	29,231,051
2027	26,185,129	4,022,831	30,207,960
2028	27,664,839	3,532,704	31,197,543
2029	29,195,822	3,014,971	32,210,793
2030-2034	125,269,658	6,374,089	131,643,747
Totals	<u>\$ 267,877,152</u>	<u>26,542,336</u>	<u>\$ 294,419,488</u>

J. Food Service

Federal Guidelines

The School District's Food Service Fund administers the breakfast and lunch programs in accordance with United States Department of Agriculture (“USDA”) guidelines. Revenues are provided from USDA reimbursements and cash collections. Within the Food Service Fund, meals served to pupils are classified as regular, reduced or free. The type of meal served determines the amount of reimbursement from the USDA. Reimbursements may be in the form of cash or commodities. The Food Service expenses are inclusive of approximately \$1,143,000 of commodities consumed during the year ended June 30, 2024.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

IV. OTHER INFORMATION

A. Retirement Plans

State Retirement Plans

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

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

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

Plan Description

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

The State Optional Retirement Program (“State ORP”) is a defined contribution plan that is offered as an alternative to the SCRS to newly hired state, public higher education institution and public school district employees, as well as individuals first elected to the South Carolina General Assembly at or after the general election in November 2012. State ORP participants direct the investment of their funds into an account administered by one of four third party service providers. The PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party service providers. For this reason, State ORP assets are not part of the retirement systems’ trust funds for financial statement purposes.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Description (Continued)

The South Carolina Police Officers Retirement System (“PORS”), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. The PORS also covers peace officers, coroners, probate judges, and magistrates.

Plan Membership

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

- SCRS – Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals first elected to the South Carolina General Assembly at or after the general election in November 2012. A member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.
- State ORP – As an alternative to membership in the SCRS, newly hired state, public school and higher education employees, as well as individuals first elected to the South Carolina General Assembly at or after the general election in November 2012 have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as the SCRS. A direct remittance is required from the 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 the SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by the SCRS.
- PORS – To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner in a full-time permanent position; or be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in the PORS. Magistrates are required to participate in the PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. A member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Plan Benefits

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

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Benefits (Continued)

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

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

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

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

Plan Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, the SCRS and PORS (“Plans”) contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (“UAAL”) over a period that does not exceed the number of years scheduled in state statute. Effective July 1, 2017, employee rates were increased and capped at 9.00 percent for the SCRS and 9.75 percent for the PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both the SCRS and PORS until reaching 18.56 percent for the SCRS and 21.24 percent for the PORS. The legislation included a further provision that if the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA Board would increase the employer contribution rates as necessary to meet the funding periods set for the applicable year.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Contributions (Continued)

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

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

	SCRS and State ORP Rates	PORS Rates
	2024	2024
Employer Contribution Rate: [^]		
Retirement*	18.41%	20.84%
Incidental Death Benefit	0.15%	0.20%
Accidental Death Contributions	0.00%	0.20%
	<u>18.56%</u>	<u>21.24%</u>
Employee Contribution Rate [^]	<u>9.00%</u>	<u>9.75%</u>

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

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

The actual and required contributions to the SCRS, ORP, and PORS were approximately \$26,997,000, \$2,936,000, and \$164,000, respectively, for the year ended June 30, 2024 and include the nonemployer contributions noted below.

Nonemployer Contributions

In an effort to help offset a portion of the burden of the increased contribution requirement for employers, the State General Assembly (“State”) funded 1 percent of the SCRS and PORS contribution increases for the year ended June 30, 2024. The State’s budget appropriated these funds directly to the PEBA for the South Carolina Retirement System Trust Fund and the Police Officers Retirement System Trust Fund. The amount of funds appropriated by the State (nonemployer contributing entity) for the year ended June 30, 2024 were approximately \$1,247,000 and \$5,000 for the SCRS and PORS, respectively. These contributions (on-behalf benefits) from the State were recognized as intergovernmental revenues and pension expenditures in the District’s governmental fund financial statements.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Actuarial Assumptions and Methods

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

The June 30, 2023 total pension liability (“TPL”), net pension liability (“NPL”), and sensitivity information shown in this report were determined by the consulting actuary, Gabriel, Roeder, Smith and Company, and are based on an actuarial valuation performed as of July 1, 2022. The TPL was rolled-forward from the valuation date to the Plans' fiscal year end, June 30, 2023, using generally accepted actuarial principles. There was no legislation enacted during the 2023 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, 2023 (measurement date) for the SCRS and PORS.

	SCRS	PORS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Investment Rate of Return*	7.00%	7.00%
Projected Salary Increases*	3.0% to 11.0% (varies by service)	3.5% to 10.5% (varies by service)
Benefit Adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

* Includes inflation at 2.25%.

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

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

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Long-Term Expected Rate of Return

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2023 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the following table. For actuarial purposes, the 7.00 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

Allocation/Exposure	Target Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.62%	3.04%
Bonds	26.0%	0.31%	0.08%
Private Equity	9.0%	10.91%	0.98%
Private Debt	7.0%	6.16%	0.43%
Real Assets	12.0%		
Real Estate	9.0%	6.41%	0.58%
Infrastructure	3.0%	6.62%	0.20%
Total Expected Real Return	100.0%		5.31%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.56%

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

The NPL is calculated separately for each System and represents that particular System's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of the June 30, 2023 measurement date, for the SCRS and PORS, are presented in the following table:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 58,464,402,454	34,286,961,942	\$ 24,177,440,512	58.6%
PORS	\$ 9,450,021,576	6,405,925,370	\$ 3,044,096,206	67.8%

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

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

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

At June 30, 2024, the District reported liabilities of approximately \$278,658,000 and \$1,187,000 for its proportionate share of the NPL for the SCRS and PORS, respectively. The NPL were measured as of June 30, 2023, and the TPL for the Plans used to calculate the NPL were determined based on the most recent actuarial valuation report of July 1, 2022 that was projected forward to the measurement date. The District's proportion of the NPL were based on a projection of the District's long-term share of contributions to the Plans relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2023 measurement date, the District's SCRS proportion was 1.152553 percent, which was a decrease of 0.028297 from its proportion measured as of June 30, 2022. At the June 30, 2023 measurement date, the District's PORS proportion was 0.038980 percent, which was an increase of 0.002024 from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized pension expense of approximately \$23,524,000 and \$124,000 for the SCRS and PORS, respectively. At June 30, 2024, the District reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences Between Expected and Actual Experience	\$ 4,837,982	\$ 772,759
Change in Assumptions	4,269,439	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	381,421
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	353,110	6,701,720
Employer Contributions Subsequent to the Measurement Date	28,685,211	-
Total SCRS	38,145,742	7,855,900
PORS		
Differences Between Expected and Actual Experience	55,842	14,628
Change in Assumptions	25,825	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	2,036
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	133,233	21,588
Employer Contributions Subsequent to the Measurement Date	159,077	-
Total PORS	373,977	38,252
Total SCRS and PORS	\$ 38,519,719	\$ 7,894,152

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

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

Approximately \$28,658,000 and \$159,000 that were reported as deferred outflows of resources related to the District’s contributions subsequent to the measurement date to the SCRS and PORS, respectively, will be recognized as a reduction of the NPL in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS and PORS will increase (decrease) pension expense as follows:

Year Ended June 30,	SCRS	PORS	Total
2025	\$ 1,643,243	77,610	\$ 1,720,853
2026	(6,844,168)	30,795	(6,813,373)
2027	6,968,998	69,483	7,038,481
2028	(163,442)	(1,240)	(164,682)
Total	<u>\$ 1,604,631</u>	<u>176,648</u>	<u>\$ 1,781,279</u>

Discount Rate

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

Sensitivity Analysis

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

System	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
The School District’s proportionate share of the net pension liability of the SCRS	\$ 360,052,452	278,657,802	\$ 211,005,380
The School District’s proportionate share of the net pension liability of the PORS	1,673,855	1,186,583	787,447
Total	<u>\$ 361,726,307</u>	<u>279,844,385</u>	<u>\$ 211,792,827</u>

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plans Fiduciary Net Position

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

Payable to Plans

The District reported a payable of approximately \$3,725,000 to the PEBA as of June 30, 2024, representing required employer and employee contributions for the month of June 2024 for the SCRS and PORS. This amount is included in Accrued Salaries and Benefits on the financial statements and was paid in July 2024.

B. Other Postemployment Benefits

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

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

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

Plan Descriptions

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

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

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits (Continued)

Plan Descriptions (Continued)

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

Plan Benefits

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

The SCLTDITF is a long-term disability plan that covers employees of the State of South Carolina, including all agencies and public school districts and all participating local governmental entities. The SCLTDITF provides disability payments to eligible employees that have been approved for disability. Since the employer contribution/premium paid and the proportionate share of the net OPEB liability 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 nonemployer and employer contributions for active employees and retirees to the PEBA – Insurance Benefits. Nonemployer contributions may consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits reserves.

The SCRHITF is funded through participating employers that are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The covered payroll surcharge for the year ended June 30, 2023 was 6.25 percent. The South Carolina Retirement System collects the monthly covered payroll surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF also include implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Nonemployer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits reserves. However, due to the COVID-19 pandemic and the impact it has had on the PEBA – Insurance Benefits reserves, the General Assembly has indefinitely suspended the statutorily required transfer until further notice. It is also funded through investment income.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits (Continued)

Plan Contributions and Funding Policies (Continued)

The covered payroll surcharge rate for the year ended June 30, 2024 was 6.35% and was calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws. The actual and required contributions to the SCRHITF were approximately \$10,660,000 for the year ended June 30, 2024.

Actuarial Assumptions and Methods

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

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

The total OPEB liability ("TOL"), NOL, and sensitivity information were determined by the consulting actuary and are based on the June 30, 2022 actuarial valuation. The TOL was rolled-forward from the valuation date to the OPEB Plan's fiscal year ended June 30, 2023 using generally accepted actuarial principles.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits (Continued)

Actuarial Assumptions and Methods (Continued)

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

Valuation Date:	June 30, 2022
Actuarial Cost Method:	Entry Age Normal
Actuarial Assumptions:	
Inflation:	2.25%
Investment Rate of Return:	2.75%, net of plan investment expense: including inflation
Single Discount Rate:	3.86% as of June 30, 2023
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement System for the five-year period ending June 30, 2019
Mortality:	For healthy retirees, the gender-distinct 2020 South Carolina Retirees 2020 Mortality Tables are used with multipliers based on plan experience; the rates are projected on a fully generational basis using 80% of the ultimate rates of Scale MP-2019 to account for future mortality improvements.
Health Care Trend Rate:	Initial trend starting at 6.00% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 13 years
Retiree Participation:	79% for retirees who are eligible for funded premiums 59% for retirees who are eligible for partial funded premiums 20% for retirees who are eligible for non-funded premiums
Notes:	The single discount rate changed from 3.69% as of June 30, 2022 to 3.86% as of June 30, 2023.

Long-Term Expected Rate of Return

The long-term expected rate of returns represents assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2018 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation. This information is summarized in the following table:

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

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits (Continued)

Single Discount Rate

The Single Discount Rate of 3.86% was used to measure the TOL for the SCRHITF. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the SCRHITF's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

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

The NOL is calculated separately for each system and represents that particular system's TOL determined in accordance with GASB No. 74 less its fiduciary net position. NOL totals, as of the June 30, 2023 measurement date for the SCRHITF, are presented in the following table:

System	Total OPEB Liability	OPEB Plan Fiduciary Net Position	Net OPEB Liability (Asset)	OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
SCRHITF	\$ 14,749,639,155	1,658,152,923	\$ 13,091,486,232	11.24%

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

At June 30, 2024, the District reported a liability of approximately \$189,826,000 for its proportionate share of the NOL for the SCRHITF. The NOL was measured as of June 30, 2023, and the TOL for the SCRHITF used to calculate the NOL was determined based on the most recent actuarial valuation report of June 30, 2022 that was projected forward to the measurement date. The District's proportion of the NOL was based on a projection of the District's long-term share of contributions to the SCRHITF relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2023 measurement date, the District's proportion was 1.449994 percent, which was a decrease of 0.047974 from its proportion measured as of June 30, 2022.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits (Continued)

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

For the year ended June 30, 2024, the District recognized OPEB expense of approximately \$2,289,000 for the SCRHITF. At June 30, 2024, the District reported deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to OPEBs from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 3,358,354	\$ 43,256,971
Change in Assumptions	38,081,258	60,988,706
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	1,906,402	-
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	3,529,960	14,955,152
Employer Contributions Subsequent to the Measurement Date	10,660,256	-
Total	\$ 57,536,230	\$ 119,200,829

Approximately \$10,660,000 that was reported as deferred outflows of resources related to the District's contributions subsequent to the measurement date to the SCRHITF, will be recognized as a reduction of the NOL in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to the SCRHITF will increase (decrease) OPEB expense as follows:

Year Ended June 30,	Increase (Decrease) OPEB Expense
2025	\$ (10,618,555)
2026	(10,157,034)
2027	(11,125,157)
2028	(16,170,545)
2029	(18,554,308)
Thereafter	(5,699,256)
Total	\$ (72,324,855)

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits (Continued)

Sensitivity Analysis

The following table presents the sensitivity of the District’s NOL for the SCRHITF to changes in the discount rate, calculated using the discount rate of 3.86%, as well as what it would be if it were calculated using a discount rate that is 1% point lower (2.86%) or 1% point higher (4.86%) than the current rate:

	1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
Net OPEB Liability	\$ 224,081,626	189,825,765	\$ 162,198,135

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

	1% Decrease (5.00% decreasing to 3.00%)	Current Healthcare Cost Trend Rate (6.00% decreasing to 4.00%)	1% Increase (7.00% decreasing to 5.00%)
Net OPEB Liability	\$ 157,620,035	189,825,765	\$ 231,203,160

OPEB Plans’ Fiduciary Net Position

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

Payable to SCRHITF

The District reported a payable of approximately \$917,000 to the PEBA as of June 30, 2024, representing required employer contributions for the month of June 2024 for the SCRHITF. This amount is included in Accrued Salaries and Benefits on the financial statements and was paid in July 2024.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

IV. OTHER INFORMATION (CONTINUED)

C. 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 employee health and dental coverage and is partially self-insured for workers' compensation and general liability, auto, and property and casualty. Because of the high cost of insurance purchased from commercial insurers, the School District has chosen to participate with other school districts in the State in the South Carolina School Boards Insurance Trust/Property and Casualty Pool ("SCSBIT/PCP") and the South Carolina School Board Insurance Trust/Workers' Compensation Pool ("SCSBIT/WCP"). These public entity risk pools operate as common risk management and insurance programs for member school districts. The School District pays annual premiums to the public entity risk pools for its property liability insurance coverage based upon property values of the School District for the plan year and for its workers' compensation insurance coverage based upon the total payroll of the School District for each plan year. The agreement for formation of the public entity risk pools provide that SCSBIT/PCP and SCSBIT/WCP will be self-sustaining through member premiums and any deficiencies can be charged back to the member school districts in the event that a fund deficit arises. As of the latest available audited financial statements, June 30, 2023, the SCSBIT/PCP had retained earnings of approximately \$58,459,000 and SCSBIT/WCP had retained earnings of approximately \$61,406,000. 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.

As noted above, the School District is partially self-insured related to risks associated with workers' compensation. The School District has a \$100,000 per claim deductible with the insurance provider paying claims that are in excess of \$100,000 per claim. The School District has recorded an estimated liability of approximately \$675,000 for incurred but unpaid claims at June 30, 2024, which is based on GASB Statement No. 10 which requires that a liability for claims be recorded if information prior to the issuance of the financial statements indicate that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. This amount is included in Accounts Payable and Accrued Expenses in the Statement of Net Position.

Changes in the balances of estimated unpaid claims for workers' compensation during the years ended June 30, 2024 and 2023 are as follows:

Year ending June 30,	Unpaid Claims at Beginning of Fiscal Year	Current-Year Claims and Changes in Estimates	Claim Payments	Unpaid Claims at End of Fiscal Year
2023	\$ 1,049,093	810,684	(681,919)	\$ 1,177,858
2024	\$ 1,177,858	819,937	(1,322,345)	\$ 675,450

The School District is also partially self-insured related to risks associated with general liability, auto, and property and casualty. The School District has a \$100,000 per claim deductible for property insurance and a \$25,000 deductible for general liability insurance with the insurance provider paying claims that are in excess of these amounts per claim. The School District has recorded an estimated liability of approximately \$67,000 for incurred but unpaid claims at June 30, 2024. This amount is included in Accounts Payable and Accrued Expenses in the Statement of Net Position.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

IV. OTHER INFORMATION (CONTINUED)

C. Risk Management (Continued)

Changes in the balances of estimated unpaid claims for property damage and general liability claims during the years ended June 30, 2024 and 2023, are as follows:

Year ending June 30,	Unpaid Claims at Beginning of Fiscal Year	Current-Year Claims and Changes in Estimates	Claim Payments	Unpaid Claims at End of Fiscal Year
2023	\$ 221,864	595,359	(450,691)	\$ 366,532
2024	\$ 366,532	281,392	(581,108)	\$ 66,816

D. Contingencies and Commitments

Litigation:

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

Commitments:

As of June 30, 2024, the School District had remaining construction commitments of approximately \$2,014,000 primarily related to HVAC replacements, school renovation projects, and roof replacements.

E. Grants

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

F. Arbitrage Rebate

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of (1) the amount earned on investments purchased with bond proceeds over (2) the amount that such investments would have earned had such investments been invested at a rate equal to the yield of the bond issue. In order to comply with the arbitrage rebate requirement, positive arbitrage must be paid to the U.S. Treasury at the end of each five-year anniversary date of the bond issue. As of June 30, 2024, there was no arbitrage rebate liability.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

IV. OTHER INFORMATION (CONTINUED)

G. Tax Abatements

The District is subject to tax abatements entered into by Dorchester County. The County enters into property tax abatement agreements with local businesses through the Fee in Lieu of Ad Valorem Tax (FILOT) program under Title 12, Chapter 44 “Fee in Lieu of Tax Simplification Act” and the related Special Source Revenue Credit (SSRC) program under Title 4, Chapter 29 “Industrial Development Projects” of the Code of Laws of South Carolina 1976, as amended. Under the FILOT program, taxpayers are eligible to receive a reduction in property taxes, through reduced assessed values and locked millage rates, if they enter into an agreement with the County and invest at least \$2.5 million in taxable property (or some other negotiated investment floor) in the County within a five-year period. The amount of the tax abatement is determined by applying the reduced assessment rate and locked millage rate to the total taxable values of the taxpayer.

Under the SSRC program, taxpayers are eligible to receive a reduction in property taxes, through bill credits, if the taxpayer is located in a Multi-County Industrial Park (MCIP), and infrastructure credits are granted as part of the FILOT program agreements. The amount of the tax abatement may be granted to businesses located within or promising to relocate to the County.

For the fiscal year ended June 30, 2024, the School District’s property taxes abated by agreements entered into by the County totaled approximately \$5,948,000.

H. Subsequent Events

The School District issued short-term General Obligation Bonds, Series 2024B, in September 2024. The bonds were issued at a par amount of \$34,793,000 with a premium of approximately \$255,000 and a 5% coupon rate for the purpose of making the base lease payments to GROWTH, making the principal and interest payments on equipment leases, partially funding ongoing construction projects, and to pay the costs of issuance of the bonds. The principal and interest are due in full on February 28, 2025.

The School District issued a short-term Bond Anticipation Note (“BAN”) in October 2024. The note was issued for \$57,000,000 with a coupon rate of 3.73% for the purpose of funding the first year of planned referendum projects prior to the issuance of GO Bonds, and to pay the costs of issuance of the bonds. The principal and interest are due in full on October 15, 2025.

**REQUIRED SUPPLEMENTARY
INFORMATION**

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

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

YEAR ENDED JUNE 30, 2024

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Local Sources:				
Taxes	\$ 65,492,979	65,492,979	72,505,471	\$ 7,012,492
Investment Earnings	500,000	500,000	3,308,884	2,808,884
Other Local Sources	1,016,792	1,016,792	903,139	(113,653)
State Sources	169,841,857	169,841,857	174,843,125	5,001,268
Federal Sources	85,000	85,000	164,064	79,064
TOTAL REVENUE ALL SOURCES	236,936,628	236,936,628	251,724,683	14,788,055
EXPENDITURES				
Current:				
Instruction	159,007,501	159,007,501	156,778,658	2,228,843
Support Services	105,637,828	105,637,828	109,646,861	(4,009,033)
Capital Outlay	372,000	372,000	1,115,206	(743,206)
Debt Service:				
Principal Retirement	-	-	242,965	(242,965)
Interest and Fiscal Charges	-	-	129,259	(129,259)
TOTAL EXPENDITURES	265,017,329	265,017,329	267,912,949	(2,895,620)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(28,080,701)	(28,080,701)	(16,188,266)	11,892,435
OTHER FINANCING SOURCES (USES)				
Transfers In	25,121,187	25,121,187	24,158,539	(962,648)
Transfers Out	(1,458,114)	(1,458,114)	(2,690,889)	(1,232,775)
TOTAL OTHER FINANCING SOURCES (USES)	23,663,073	23,663,073	21,467,650	(2,195,423)
NET CHANGE IN FUND BALANCE	(4,417,628)	(4,417,628)	5,279,384	9,697,012
FUND BALANCES, Beginning of Year	64,998,060	64,998,060	64,998,060	-
FUND BALANCES, End of Year	\$ 60,580,432	60,580,432	70,277,444	\$ 9,697,012

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

DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERSVILLE, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
The School District's Proportion of the Net Pension Liability	1.15255%	1.18085%	1.17756%	1.21185%	1.21729%	1.23491%	1.21750%	1.17945%	1.13615%	1.15353%
The School District's Proportionate Share of the Net Pension Liability	\$278,657,802	286,263,355	254,839,453	309,647,963	277,957,918	276,704,350	\$274,078,605	251,927,925	215,476,705	\$198,600,312
The School District's Covered Payroll	\$151,174,734	146,650,104	139,436,054	141,337,102	135,054,380	134,653,252	\$130,739,789	122,293,516	114,187,969	\$111,825,439
The School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	184.33%	195.20%	182.76%	219.08%	205.81%	205.49%	209.64%	206.00%	188.70%	177.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.65%	57.06%	60.75%	50.71%	54.40%	54.10%	53.338%	52.906%	56.992%	59.919%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year. The discount rate was lowered from (a) 7.25% to 7.00% beginning with the year ended June 30, 2021 measurement date and (b) 7.50% to 7.25% beginning with the year ended June 30, 2017 measurement date.

DORCHESTER COUNTY SCHOOL DISTRICT TWO
 SUMMERVILLE, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS - SOUTH CAROLINA RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

	Year Ended, June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contributor	\$ 29,932,657	25,560,983	22,037,385	19,465,099	19,789,316	18,311,318	\$ 17,354,955	14,198,421	12,632,027	\$ 11,607,088
Contributions in Relation to the Contractually Required Contribution:										
Contributions from the District	28,685,211	24,313,537	22,037,385	19,465,099	19,789,316	18,311,318	17,354,955	14,198,421	12,632,027	11,607,088
Contributions from the State	1,247,446	1,247,446	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	-	-	\$ -
The School District's Covered Payroll	\$ 167,379,685	151,174,734	146,650,104	139,436,054	141,337,102	135,054,380	\$ 134,653,252	130,739,789	122,293,516	\$ 114,187,969
Contributions as a Percentage of Covered Payroll	17.88%	16.91%	15.03%	13.96%	14.00%	13.56%	12.89%	10.86%	10.33%	10.16%

DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
The School District's Proportion of the Net Pension Liability	0.03898%	0.03696%	0.03042%	0.03164%	0.04219%	0.04521%	0.03417%	0.03459%	0.03032%	0.02671%
The School District's Proportionate Share of the Net Pension Liability	\$ 1,186,583	1,108,314	782,591	1,049,092	1,209,264	1,281,036	935,998	877,265	660,910	\$ 511,363
The School District's Covered Payroll	\$ 682,963	584,870	457,370	477,897	612,011	625,770	460,107	440,918	372,317	\$ 321,267
The School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	173.74%	189.50%	171.11%	219.52%	197.59%	204.71%	203.43%	198.96%	177.51%	159.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.79%	66.45%	70.37%	58.79%	62.69%	61.73%	60.94%	60.44%	64.57%	67.55%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year. The discount rate was lowered from (a) 7.25% to 7.00% beginning with the year ended June 30, 2021 measurement date and (b) 7.50% to 7.25% beginning with the year ended June 30, 2017 measurement date.

DORCHESTER COUNTY SCHOOL DISTRICT TWO
 SUMMERVILLE, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS - POLICE OFFICERS RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contributor	\$ 163,630	\$ 138,251	107,996	78,891	82,635	105,510	101,625	65,519	60,582	49,928
Contributions in Relation to the Contractually Required Contribution:										
Contributions from the District	159,077	133,698	107,996	78,891	82,635	105,510	101,625	65,519	60,582	49,928
Contributions from the State	4,553	4,553	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)	\$ -	\$ -	-	-	-	-	-	-	-	-
The School District's Covered Payroll	\$ 770,385	\$ 682,963	584,870	457,370	477,897	612,011	625,770	460,107	440,918	372,317
Contributions as a Percentage of Covered Payroll	21.24%	20.24%	18.46%	17.25%	17.29%	17.24%	16.24%	14.24%	13.74%	13.41%

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES

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

LAST EIGHT FISCAL YEARS

	Year Ended June 30,							
	2024	2023	2022	2021	2020	2019	2018	2017
School District's Proportion of the Net OPEB Liability	1.44999%	1.49797%	1.47162%	1.53848%	1.55121%	1.56869%	1.55582%	1.55582%
School District's Proportionate Share of the Net OPEB Liability	\$189,825,765	227,868,513	306,439,137	277,718,796	234,566,904	222,291,982	210,733,271	\$225,105,854
School District's Covered Payroll	\$151,857,697	147,234,974	139,893,424	141,814,999	135,666,391	135,276,022	131,199,896	\$122,734,433
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	125.0%	154.8%	219.1%	195.8%	172.9%	164.3%	160.6%	183.4%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	11.2%	9.6%	7.5%	8.4%	8.4%	7.9%	7.6%	6.6%

Notes to Schedule:

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

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

The discount rates used by year were as follows:

3.86%	3.69%	1.92%	2.45%	3.13%	3.62%	3.56%	2.92%
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**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES

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

LAST EIGHT FISCAL YEARS

	Year Ended June 30,							
	2024	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contribution	\$ 10,660,256	9,547,717	9,249,882	8,580,890	8,251,978	8,183,200	7,440,346	\$ 6,992,954
Contributions in Relation to the Contractually Required Contribution	10,660,256	9,547,717	9,249,882	8,580,890	8,251,978	8,183,200	7,440,346	6,992,954
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	\$ -
School District's Covered Payroll	\$ 168,148,046	151,857,697	147,234,974	139,893,424	141,814,999	135,666,391	135,276,022	\$ 131,199,896
Contributions as a Percentage of Covered Payroll	6.34%	6.29%	6.28%	6.13%	5.82%	6.03%	5.50%	5.33%

Notes to Schedule:

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

SUPPLEMENTARY INFORMATION

GENERAL FUND

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

YEAR ENDED JUNE 30, 2024

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
1000 Revenue from Local Sources:			
1100 Taxes:			
1110 Ad Valorem Taxes-Including Delinquent (Independent)	\$ 62,392,755	68,712,146	\$ 6,319,391
1200 Revenue from Local Governmental Units Other than LEAs:			
1280 Revenue in Lieu of Taxes (Independent and Dependent)	3,100,224	3,793,325	693,101
1300 Tuition:			
1330 From Patrons for Adult/Continuing Ed	10,500	37,870	27,370
1500 Earnings on Investments:			
1510 Interest on Investments	500,000	3,308,884	2,808,884
1900 Other Revenue from Local Sources:			
1920 Contributions & Donations Private Sources	-	9,920	9,920
1990 Miscellaneous Local Revenue:			
1995 Drivers' Education and Student Parking Fees	290,000	313,245	23,245
1999 Revenue from Other Local Sources	716,292	542,104	(174,188)
Total Revenue from Local Sources	<u>67,009,771</u>	<u>76,717,494</u>	<u>9,707,723</u>
3000 Revenue from State Sources:			
3100 Restricted State Funding:			
3130 Special Programs:			
3130 State Aid to Classrooms	117,522,638	119,202,387	1,679,749
3131 Handicapped Transportation - Bus Driver Aides	-	2,722	2,722
3160 School Bus Driver's Salary (Includes Hazardous Condition Transportation)	1,900,000	2,164,840	264,840
3161 EAA Bus Driver Salary and Fringe	-	4,716	4,716
3162 Transportation Workers' Compensation	88,208	76,254	(11,954)
3181 Retiree Insurance (No Carryover Provision)	\$ 7,557,081	7,493,568	\$ (63,513)

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2024

	REVISED BUDGET	ACTUAL	VARIANCE
3330 Miscellaneous EFA Programs:			
3350 Residential Treatment Facilities (RTF)	\$ -	344,459	\$ 344,459
3392 NBC Excess EFA Formula	-	439,158	439,158
3800 State Revenue in Lieu of Taxes:			
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	6,165,265	6,165,265	-
3820 Homestead Exemption (Tier 2)	1,228,485	1,228,485	-
3825 Reimbursement for Property Tax Relief (Tier 3)	32,949,137	33,807,787	858,650
3830 Merchant's Inventory Tax	179,064	179,064	-
3840 Manufacturers Depreciation Reimbursement	800,000	1,992,332	1,192,332
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	200,000	491,271	291,271
3900 Other State Revenue:			
3993 PEBA On-Behalf	1,251,979	1,250,817	(1,162)
Total Revenue from State Sources	<u>169,841,857</u>	<u>174,843,125</u>	<u>5,001,268</u>
4000 Revenue from Federal Sources:			
4100 Federally Impacted Areas:			
4110 Maintenance & Operations (P.L. 874)	85,000	164,064	79,064
Total Revenue from Federal Sources	<u>85,000</u>	<u>164,064</u>	<u>79,064</u>
TOTAL REVENUE ALL SOURCES	<u>\$ 236,936,628</u>	<u>251,724,683</u>	<u>\$ 14,788,055</u>

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2024

EXPENDITURES	REVISED BUDGET	ACTUAL	VARIANCE
100 Instruction:			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	\$ 6,651,459	5,914,067	\$ 737,392
200 Employee Benefits	3,130,154	2,822,042	308,112
300 Purchased Services	35,414	29,138	6,276
400 Supplies and Materials	96,677	45,958	50,719
112 Primary Programs:			
100 Salaries	23,924,638	23,500,490	424,148
200 Employee Benefits	10,067,051	10,607,539	(540,488)
300 Purchased Services	121,042	97,866	23,176
400 Supplies and Materials	629,606	708,200	(78,594)
113 Elementary Programs:			
100 Salaries	29,977,867	29,299,367	678,500
200 Employee Benefits	13,153,813	13,043,249	110,564
300 Purchased Services	288,907	541,278	(252,371)
400 Supplies and Materials	973,977	701,339	272,638
114 High School Programs:			
100 Salaries	22,454,738	22,016,515	438,223
200 Employee Benefits	9,313,899	9,642,716	(328,817)
300 Purchased Services	1,014,951	1,218,208	(203,257)
400 Supplies and Materials	1,086,146	531,471	554,675
115 Career and Technology Education Programs:			
100 Salaries	2,247,447	2,501,796	(254,349)
200 Employee Benefits	1,058,340	1,128,642	(70,302)
300 Purchased Services - Other Than Tuition	3,000	1,527	1,473
400 Supplies and Materials	78,402	76,785	1,617
116 Career and Technology Education (Vocational) Programs-Middle School:			
100 Salaries	486,870	176,107	310,763
200 Employee Benefits	225,913	80,642	145,271
400 Supplies and Materials	\$ 7,800	3,289	\$ 4,511

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2024

	REVISED BUDGET	ACTUAL	VARIANCE
120 Exceptional Programs:			
121 Educable Mentally-Handicapped:			
100 Salaries	\$ 9,518,476	7,733,645	\$ 1,784,831
200 Employee Benefits	4,222,048	3,724,692	497,356
300 Purchased Services	4,500	1,045	3,455
400 Supplies and Materials	8,300	12,516	(4,216)
122 Trainable Mentally Handicapped:			
100 Salaries	1,205,112	1,027,801	177,311
200 Employee Benefits	545,717	484,494	61,223
400 Supplies and Materials	19,000	6,338	12,662
123 Orthopedically Handicapped:			
100 Salaries	26,414	32,886	(6,472)
200 Employee Benefits	7,396	10,438	(3,042)
400 Supplies and Materials	2,000	84	1,916
124 Visually Handicapped:			
100 Salaries	71,780	120,741	(48,961)
200 Employee Benefits	34,542	52,546	(18,004)
300 Purchased Services	30,000	134	29,866
400 Supplies and Materials	5,700	4,408	1,292
125 Hearing Handicapped:			
100 Salaries	190,519	197,161	(6,642)
200 Employee Benefits	96,596	93,234	3,362
300 Purchased Services	45,000	64,139	(19,139)
400 Supplies and Materials	5,400	2,518	2,882
126 Speech Handicapped:			
100 Salaries	1,403,649	1,152,897	250,752
200 Employee Benefits	654,533	544,914	109,619
300 Purchased Services	1,321,035	1,959,860	(638,825)
400 Supplies and Materials	11,360	12,531	(1,171)
600 Other Objects	4,065	8,214	(4,149)
127 Learning Disabilities:			
100 Salaries	4,088,967	4,052,189	36,778
200 Employee Benefits	1,672,192	1,785,771	(113,579)
300 Purchased Services	400,270	283,892	116,378
400 Supplies and Materials	67,431	65,525	1,906
128 Emotionally Handicapped:			
100 Salaries	309,771	436,765	(126,994)
200 Employee Benefits	149,412	210,514	(61,102)
400 Supplies and Materials	\$ 2,100	1,694	\$ 406

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2024

	REVISED BUDGET	ACTUAL	VARIANCE
130 Pre-School Programs:			
131 Pre-School Handicapped-Speech (5-Yr. Olds):			
100 Salaries	\$ 53,248	26,367	\$ 26,881
200 Employee Benefits	34,694	8,728	25,966
400 Supplies and Materials	250	96	154
133 Pre-School Handicapped-Self-Contained (5-Yr. Olds)			
100 Salaries	634,387	387,327	247,060
200 Employee Benefits	266,986	178,251	88,735
400 Supplies and Materials	3,200	2,153	1,047
136 Pre-School Handicapped-Itinerant (3 & 4-Yr. Olds)			
100 Salaries	3,450	-	3,450
200 Employee Benefits	1,004	-	1,004
137 Pre-School Handicapped-Self-Contained (3 & 4-Yr. Olds):			
100 Salaries	220,407	389,497	(169,090)
200 Employee Benefits	52,382	172,048	(119,666)
139 Early Childhood Programs:			
100 Salaries	-	25,842	(25,842)
200 Employee Benefits	-	8,651	(8,651)
140 Special Programs:			
141 Gifted and Talented - Academic:			
100 Salaries	563	2,010	(1,447)
200 Employee Benefits	189	755	(566)
300 Purchased Services	31,000	18,499	12,501
400 Supplies and Materials	20,000	30,728	(10,728)
143 Advanced Placement:			
100 Salaries	-	129	(129)
200 Employee Benefits	-	45	(45)
300 Purchased Services	15,000	10,966	4,034
400 Supplies and Materials	15,000	5,352	9,648
145 Homebound:			
100 Salaries	413,090	375,061	38,029
200 Employee Benefits	166,068	102,163	63,905
300 Purchased Services	50,000	24,847	25,153
147 CDEPP:			
100 Salaries	1,120,261	1,162,131	(41,870)
200 Employee Benefits	538,128	559,106	(20,978)
400 Supplies and Materials	8,400	11,331	(2,931)
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	1,171,550	1,326,742	(155,192)
200 Employee Benefits	581,411	706,057	(124,646)
300 Purchased Services	1,750	32,163	(30,413)
400 Supplies and Materials	\$ 8,250	41,454	\$ (33,204)
162 Limited English Proficiency:			
100 Salaries	-	1,477,731	(1,477,731)
200 Employee Benefits	-	644,250	(644,250)

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2024

	REVISED BUDGET	ACTUAL	VARIANCE
170 Summer School Programs:			
172 Elementary Summer School:			
100 Salaries	\$ 58,355	-	\$ 58,355
400 Supplies and Materials	3,000	-	3,000
173 High School Summer School:			
100 Salaries	33,252	-	33,252
200 Employee Benefits	125	-	125
400 Supplies and Materials	3,000	114	2,886
180 Adult/Continuing Educational Programs:			
181 Adult Basic Education Programs:			
100 Salaries	222,887	200,988	21,899
200 Employee Benefits	94,759	56,683	38,076
300 Purchased Services	3,325	2,186	1,139
400 Supplies and Materials	26,734	16,190	10,544
188 Parenting/Family Literacy:			
100 Salaries	-	150	(150)
200 Employee Benefits	-	50	(50)
Total Instruction	<u>159,007,501</u>	<u>156,778,658</u>	<u>2,228,843</u>
200 Support Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
300 Purchased Services	-	14,078	(14,078)
400 Supplies and Materials	-	229	(229)
212 Guidance Services:			
100 Salaries	6,343,472	5,885,291	458,181
200 Employee Benefits	2,114,859	2,620,154	(505,295)
300 Purchased Services	1,000	186	814
400 Supplies and Materials	10,100	1,331	8,769
600 Other Objects	-	293	(293)
213 Health Services:			
100 Salaries	1,997,679	2,213,510	(215,831)
200 Employee Benefits	960,877	1,037,044	(76,167)
300 Purchased Services	275,200	181,584	93,616
400 Supplies and Materials	109,999	31,286	78,713
600 Other Objects	1,000	1,100	(100)
214 Psychological Services:			
100 Salaries	711,807	739,438	(27,631)
200 Employee Benefits	329,336	341,633	(12,297)
300 Purchased Services	4,000	20,339	(16,339)
400 Supplies and Materials	\$ 30,000	35,208	\$ (5,208)

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2024

	REVISED BUDGET	ACTUAL	VARIANCE
220 Instructional Staff Services:			
221 Improvement of Instruction-Curriculum Development:			
100 Salaries	\$ 4,184,884	2,247,575	\$ 1,937,309
200 Employee Benefits	1,727,470	931,578	795,892
300 Purchased Services	236,638	395,748	(159,110)
400 Supplies and Materials	664,916	324,115	340,801
600 Other Objects	65,500	75,741	(10,241)
222 Library and Media Services:			
100 Salaries	2,584,401	2,508,528	75,873
200 Employee Benefits	1,227,458	1,226,175	1,283
400 Supplies and Materials	275,542	280,453	(4,911)
223 Supervision of Special Programs:			
100 Salaries	671,571	804,315	(132,744)
200 Employee Benefits	241,931	331,377	(89,446)
400 Supplies and Materials	-	29	(29)
224 Improvement of Instruction-Inservice and Staff Training:			
100 Salaries	159,723	385,308	(225,585)
200 Employee Benefits	42,744	168,305	(125,561)
300 Purchased Services	161,569	93,203	68,366
400 Supplies and Materials	17,500	32,609	(15,109)
230 General Administrative Services:			
231 Board of Education:			
100 Salaries	169,219	156,855	12,364
200 Employee Benefits	57,223	52,707	4,516
300 Purchased Services	157,000	222,053	(65,053)
318 Audit Services	76,500	91,705	(15,205)
400 Supplies and Materials	27,000	18,041	8,959
600 Other Objects	77,000	111,046	(34,046)
232 Office of Superintendent:			
100 Salaries	1,291,964	1,061,420	230,544
200 Employee Benefits	461,676	440,003	21,673
300 Purchased Services	48,000	86,020	(38,020)
400 Supplies and Materials	75,000	52,205	22,795
600 Other Objects	12,000	6,636	5,364
233 School Administration:			
100 Salaries	13,267,422	14,156,931	(889,509)
200 Employee Benefits	6,181,387	6,235,763	(54,376)
300 Purchased Services	14,000	-	14,000
400 Supplies and Materials	4,000	-	4,000
600 Other Objects	\$ 12,000	10,000	\$ 2,000

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2024

	REVISED BUDGET	ACTUAL	VARIANCE
250 Finance and Operations Services:			
252 Fiscal Services:			
100 Salaries	\$ 1,247,648	1,068,484	\$ 179,164
200 Employee Benefits	556,406	492,814	63,592
300 Purchased Services	75,000	84,870	(9,870)
400 Supplies and Materials	106,000	98,065	7,935
500 Capital Outlay	800,000	343,395	456,605
600 Other Objects	5,000	1,304	3,696
254 Operation and Maintenance of Plant:			
100 Salaries	9,162,408	10,640,259	(1,477,851)
200 Employee Benefits	4,146,700	4,515,914	(369,214)
300 Purchased Services	7,838,700	10,279,123	(2,440,423)
400 Supplies and Materials	7,045,000	7,224,241	(179,241)
500 Capital Outlay	682,501	601,628	80,873
600 Other Objects	200	-	200
255 Student Transportation (State Mandated):			
100 Salaries	7,890,543	9,280,491	(1,389,948)
200 Employee Benefits	3,621,593	3,807,951	(186,358)
300 Purchased Services	635,000	827,927	(192,927)
400 Supplies and Materials	65,000	465,219	(400,219)
500 Capital Outlay	750,000	1,053	748,947
258 Security:			
100 Salaries	1,639,216	2,067,054	(427,838)
200 Employee Benefits	615,505	791,069	(175,564)
300 Purchased Services	3,386,042	3,719,467	(333,425)
400 Supplies and Materials	115,000	75,643	39,357
500 Capital Outlay	-	92,051	(92,051)
260 Central Support Services:			
263 Information Services:			
100 Salaries	446,968	213,555	233,413
200 Employee Benefits	135,272	90,398	44,874
300 Purchased Services	9,000	2,831	6,169
400 Supplies and Materials	71,500	124,521	(53,021)
600 Other Objects	700	2,500	(1,800)
264 Staff Services:			
100 Salaries	1,069,829	1,126,515	(56,686)
200 Employee Benefits	457,554	489,157	(31,603)
300 Purchased Services	180,000	120,694	59,306
400 Supplies and Materials	\$ 70,000	115,855	\$ (45,855)

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2024

	REVISED BUDGET	ACTUAL	VARIANCE
266 Technology and Data Processing Services:			
100 Salaries	\$ 1,588,884	1,595,326	\$ (6,442)
200 Employee Benefits	670,467	675,878	(5,411)
300 Purchased Services	916,000	1,154,004	(238,004)
400 Supplies and Materials	1,112,000	2,141,790	(1,029,790)
500 Capital Outlay	-	77,080	(77,080)
270 Support Services Pupil Activity:			
271 Pupil Services Activities:			
100 Salaries (Optional)	644,397	486,562	157,835
200 Employee Benefits (Optional)	199,228	227,507	(28,279)
300 Purchased Services (Optional)	250,000	6,964	243,036
400 Supplies and Materials (Optional)	350,000	3,760	346,240
Total Support Services	<u>105,637,828</u>	<u>110,762,067</u>	<u>(5,124,239)</u>
500 Debt Service:			
610 Redemption of Principal	372,000	242,965	129,035
620 Interest	-	129,259	(129,259)
Total Debt Service	<u>372,000</u>	<u>372,224</u>	<u>(224)</u>
TOTAL EXPENDITURES	<u>265,017,329</u>	<u>267,912,949</u>	<u>(2,895,620)</u>
OTHER FINANCING SOURCES (USES)			
Interfund Transfers, From (To) Other Funds:			
5230 Transfer from Special Revenue EIA Fund	23,521,187	22,889,428	(631,759)
5280 Transfer from Other Funds Indirect Costs	1,600,000	1,269,111	(330,889)
421-710 Transfer to Special Revenue Fund	(464,163)	(1,332,463)	(868,300)
422-710 Transfer to Special Revenue EIA Fund	-	(26,719)	(26,719)
424-710 Transfer to Capital Projects Fund	-	(7,842)	(7,842)
425-710 Transfer to Food Service Fund	(200,000)	(199,264)	736
426-710 Transfer to Pupil Activity Fund	(793,951)	(1,124,601)	(330,650)
TOTAL OTHER FINANCING SOURCES (USES)	<u>23,663,073</u>	<u>21,467,650</u>	<u>(2,195,423)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,417,628)	5,279,384	9,697,012
FUND BALANCE, Beginning of Year	64,998,060	64,998,060	-
FUND BALANCE, End of Year	<u>\$ 60,580,432</u>	<u>70,277,444</u>	<u>\$ 9,697,012</u>

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DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA

SPECIAL REVENUE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2024

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)
REVENUES			
1000 Revenue from Local Sources:			
1300 Tuition:			
1330 From Patrons for Adult/Continuing Education	\$ -	-	-
1500 Earnings on Investments:			
1510 Interest on Investments	-	-	-
1700 Pupil Activities:			
1710 Admissions	-	-	-
1740 Student Fees	-	-	-
1790 Other Pupil Activity Income	-	-	-
1900 Other Revenue from Local Sources:			
1910 Rentals	-	-	-
1920 Contributions and Donations Private Sources	-	-	-
1930 Special Needs Transportation - Medicaid	-	-	-
1990 Miscellaneous Local Revenue:			
1999 Revenue from Other Local Sources	-	-	-
Total Revenue from Local Sources	<u>-</u>	<u>-</u>	<u>-</u>
2000 Intergovernmental Revenue:			
2100 Payments from Other Governmental Units	-	-	-
Total Intergovernmental Revenue	<u>-</u>	<u>-</u>	<u>-</u>
3000 Revenue from State Sources:			
3130 Special Programs:			
3134 CDEP Expansion	-	-	-
3135 Reading Coaches	-	-	-
3156 Adult Education	-	-	-
3190 Miscellaneous Restricted State Grants:			
3193 Education License Plates	-	-	-
3199 Other Restricted State Grants	-	-	-
3600 Education Lottery Act Revenue:			
3699 Other State Lottery Programs	-	-	-
Total Revenue from State Sources	<u>-</u>	<u>-</u>	<u>-</u>
4000 Revenue from Federal Sources:			
4200 Occupational Education:			
4210 Perkins Aid, Title I - Vocational Education - Basic Grants to States	-	-	-
4300 Elementary and Secondary Education Act of 1965 (ESEA):			
4310 Title I, Basic State Grant Programs (Carryover Provision)	\$ 7,494,128	-	-

CATE (VA Projects) (207/208)	Adult Education* (243)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Student Activity Funds (700s)	Totals
-	-	-	3,140	-	\$ 3,140
-	-	-	-	13	13
-	-	-	-	702,685	702,685
-	-	-	-	284,352	284,352
-	-	-	-	1,555,192	1,555,192
-	-	-	-	311,500	311,500
-	-	-	55,746	8,190	63,936
-	-	-	1,121,697	-	1,121,697
-	-	-	3,834,553	1,844,031	5,678,584
-	-	-	5,015,136	4,705,963	9,721,099
-	-	-	849,241	-	849,241
-	-	-	849,241	-	849,241
-	-	72,929	-	-	72,929
-	-	838,172	-	-	838,172
-	-	16,126	-	-	16,126
-	-	1,370	-	-	1,370
-	-	-	1,669,649	-	1,669,649
-	-	1,152	-	-	1,152
-	-	929,749	1,669,649	-	2,599,398
301,699	-	-	-	-	301,699
-	-	-	849,309	-	\$ 8,343,437

(Continued)

DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA

SPECIAL REVENUE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2024

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III	\$ -	-	-
4351 Improving Teacher Quality (Carryover Provision)	-	-	-
4400 Adult Education:			
4410 Basic Adult Education	-	-	-
4500 Programs for Children with Disabilities:			
4510 Individuals with Disabilities Education Act (IDEA)	-	5,431,997	-
4520 Preschool Grants for Children with Disabilities (IDEA)	-	-	197,914
4900 Other Federal Sources:			
4931 ARP IDEA	-	-	-
4933 ARP IDEA Preschool	-	-	-
4937 ARP Homeless Children & Youth	-	-	-
4974 ESSER III	-	-	-
4977 ESSER II	-	-	-
4997 Title IV - SSAE	-	-	-
4999 Revenue from Other Federal Sources	-	-	-
Total Revenue from Federal Sources	<u>7,494,128</u>	<u>5,431,997</u>	<u>197,914</u>
TOTAL REVENUE ALL SOURCES	<u>7,494,128</u>	<u>5,431,997</u>	<u>197,914</u>

EXPENDITURES

100 Instruction:			
110 General Instruction:			
111 Kindergarten Program:			
400 Supplies and Materials	-	-	-
112 Primary Programs:			
100 Salaries	660,571	-	-
200 Employee Benefits	304,703	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	415,185	-	-
113 Elementary Programs:			
100 Salaries	553,870	-	-
200 Employee Benefits	266,936	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	926,478	-	-
114 High School Programs:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
115 Career and Technology Education Programs:			
100 Salaries	-	-	-
300 Purchased Services - Other Than Tuition	-	-	-
400 Supplies and Materials	-	-	-
500 Capital Outlay	\$ -	-	-

CATE (VA Projects) (207/208)	Adult Education* (243)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Student Activity Funds (700s)	Totals
-	-	-	75,643	-	\$ 75,643
-	-	-	921,504	-	921,504
-	200,254	-	-	-	200,254
-	-	-	-	-	5,431,997
-	-	-	-	-	197,914
-	-	-	432,195	-	432,195
-	-	-	101,077	-	101,077
-	-	-	80,456	-	80,456
-	-	-	12,170,059	-	12,170,059
-	-	-	2,172,122	-	2,172,122
-	-	-	411,469	-	411,469
-	-	-	316,633	-	316,633
301,699	200,254	-	17,530,467	-	31,156,459
301,699	200,254	929,749	25,064,493	4,705,963	44,326,197
-	-	-	2,882	-	2,882
-	-	565,748	70,167	-	1,296,486
-	-	272,424	34,198	-	611,325
-	-	-	28,952	-	28,952
-	-	-	520,211	-	935,396
-	-	-	661,961	91,035	1,306,866
-	-	-	296,538	30,416	593,890
-	-	-	408,279	9,188	417,467
-	-	1,370	1,598,269	14,257	2,540,374
-	-	-	2,129,036	-	2,129,036
-	-	-	729,555	-	729,555
-	-	-	295,648	-	295,648
-	-	-	23,099	-	23,099
29,450	-	-	827	-	30,277
22,296	-	-	189,420	-	211,716
20,000	-	-	-	-	\$ 20,000

(Continued)

DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA

SPECIAL REVENUE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2024

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)
120 Exceptional Programs:			
121 Educable Mentally Handicapped:			
100 Salaries	\$ 10,468	220,567	-
200 Employee Benefits	3,513	112,593	-
400 Supplies and Materials	-	-	-
122 Trainable Mentally Handicapped:			
100 Salaries	-	74,311	-
200 Employee Benefits	-	25,128	-
123 Orthopedically Handicapped:			
300 Purchased Services	-	-	-
124 Visually Handicapped:			
300 Purchased Services	-	-	-
125 Hearing Handicapped:			
300 Purchased Services	-	-	-
126 Speech Handicapped:			
100 Salaries	-	363,707	-
200 Employee Benefits	-	166,913	-
300 Purchased Services	-	30,771	-
400 Supplies and Materials	-	-	-
127 Learning Disabilities:			
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
129 Coordinated Early Intervening Services (CEIS):			
100 Salaries	-	1,392	-
130 Pre-School Programs:			
131 Pre-School Handicapped Speech (5-Yr. Olds):			
400 Supplies and Materials	-	-	-
133 Pre-School Handicapped Self-Contained (5-Yr. Olds):			
100 Salaries	-	-	69,156
200 Employee Benefits	-	-	32,745
136 Pre-School Handicapped Itinerant (3 & 4-Yr. Olds):			
100 Salaries	-	66,344	-
200 Employee Benefits	-	31,728	-
137 Pre-School Handicapped Self-Contained (3 & 4-Yr. Olds):			
100 Salaries	-	-	60,116
140 Special Programs:			
147 CDEPP:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
149 Other Special Programs:			
100 Salaries	-	7,547	-
200 Employee Benefits	-	5,362	-
300 Purchased Services	-	34,454	593
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
500 Capital Outlay	-	-	-
163 Comprehensive Coordinated Early Intervening Services (CCEIS):			
100 Salaries	-	544,176	-
200 Employee Benefits	\$ -	270,289	-

CATE (VA Projects) (207/208)	Adult Education* (243)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Student Activity Funds (700s)	Totals
-	-	-	106,404	-	\$ 337,439
-	-	-	43,298	-	159,404
-	-	-	314,658	-	314,658
-	-	-	-	-	74,311
-	-	-	-	-	25,128
-	-	-	53	-	53
-	-	-	540	-	540
-	-	-	11,797	-	11,797
-	-	-	52,360	-	416,067
-	-	-	17,422	-	184,335
-	-	-	2,498	-	33,269
-	-	-	13,480	-	13,480
-	-	-	266,815	-	266,815
-	-	-	333,424	-	333,424
-	-	-	-	-	1,392
-	-	-	101,077	-	101,077
-	-	-	-	-	69,156
-	-	-	-	-	32,745
-	-	-	-	-	66,344
-	-	-	-	-	31,728
-	-	-	-	-	60,116
-	-	50,929	-	-	50,929
-	-	22,000	-	-	22,000
-	-	-	-	-	7,547
-	-	-	-	-	5,362
-	-	-	-	-	35,047
-	-	-	500	-	500
-	-	-	165	-	165
-	-	-	290,083	-	290,083
-	-	-	50,908	-	50,908
-	-	-	-	-	544,176
-	-	-	-	-	\$ 270,289

(Continued)

DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA

SPECIAL REVENUE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2024

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)
170 Summer School Programs:			
173 High School Summer School:			
100 Salaries	\$ -	-	-
200 Employee Benefits	-	-	-
175 Instructional Programs Beyond Regular School Day:			
100 Salaries	121,237	-	-
200 Employee Benefits	39,352	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	13,814	-	-
180 Adult/Continuing Educational Programs:			
181 Adult Basic Education Programs:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
183 Adult English Literacy (ESL):			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
188 Parenting/Family Literacy:			
100 Salaries	201,019	-	-
200 Employee Benefits	151,544	-	-
300 Purchased Services	37,126	-	-
400 Supplies and Materials	119,116	-	-
190 Instructional Pupil Activity:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
600 Other Objects	-	-	-
Total Instruction	3,824,932	1,955,282	197,914
200 Support Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	261,277	-	-
400 Supplies and Materials	7,318	-	-
213 Health Services:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
214 Psychological Services:			
100 Salaries	-	1,654,981	-
200 Employee Benefits	-	803,863	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
220 Instructional Staff Services:			
221 Improvement of Instruction - Curriculum Development:			
100 Salaries	-	137,873	-
200 Employee Benefits	-	66,736	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
223 Supervision of Special Programs:			
100 Salaries	684,722	565,329	-
200 Employee Benefits	311,644	247,933	-
300 Purchased Services	26,907	-	-
400 Supplies and Materials	\$ 7,283	-	-

CATE (VA Projects) (207/208)	Adult Education* (243)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Student Activity Funds (700s)	Totals
-	-	-	2,323	-	\$ 2,323
-	-	-	775	-	775
-	-	-	963,184	-	1,084,421
-	-	-	308,390	-	347,742
-	-	-	5,089	-	5,089
-	-	-	105,557	-	119,371
-	86,568	-	-	-	86,568
-	45,235	-	-	-	45,235
-	-	13,555	-	-	13,555
-	48,112	-	-	-	48,112
-	20,339	-	-	-	20,339
-	-	-	-	-	201,019
-	-	-	-	-	151,544
-	-	-	-	-	37,126
-	-	-	1,185	-	120,301
-	-	-	-	28,004	28,004
-	-	-	-	8,363	8,363
-	-	-	-	1,373	1,373
-	-	-	-	86,325	86,325
-	-	-	-	1,690,529	1,690,529
<u>71,746</u>	<u>200,254</u>	<u>926,026</u>	<u>9,981,027</u>	<u>1,959,490</u>	<u>19,116,671</u>
-	-	-	542,386	-	542,386
-	-	-	263,375	-	263,375
-	-	-	410,505	-	671,782
-	-	-	1,642	-	8,960
-	-	-	556,299	-	556,299
-	-	-	321,801	-	321,801
-	-	-	54,603	-	54,603
-	-	-	56,138	-	56,138
-	-	-	85,060	-	1,740,041
-	-	-	28,231	-	832,094
-	-	-	540,830	-	540,830
-	-	-	26,383	-	26,383
90,609	-	-	22,775	-	251,257
45,837	-	-	7,727	-	120,300
93,507	-	-	34,532	-	128,039
-	-	-	20,388	-	20,388
-	-	-	125,720	-	1,375,771
-	-	-	59,301	-	618,878
-	-	3,723	2,381	-	33,011
-	-	-	-	-	\$ 7,283

(Continued)

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

SPECIAL REVENUE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2024

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)
224 Improvement of Instruction - Inservice and Staff Training:			
100 Salaries	\$ 1,168,769	-	-
200 Employee Benefits	546,343	-	-
300 Purchased Services	493,284	-	-
400 Supplies and Materials	1,784	-	-
230 General Administration Services:			
233 School Administration:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
250 Finance and Operations Services:			
254 Operation and Maintenance of Plant:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
500 Capital Outlay	-	-	-
255 Student Transportation (State Mandated):			
500 Capital Outlay	-	-	-
258 Security:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
260 Central Support Services:			
266 Technology and Data Processing Services:			
300 Purchased Services	-	-	-
270 Support Services - Pupil Activity:			
271 Pupil Services Activities:			
100 Salaries (Optional)	-	-	-
200 Employee Benefits (Optional)	-	-	-
300 Purchased Services (Optional)	-	-	-
400 Supplies and Materials (Optional)	-	-	-
500 Capital Outlay (Optional)	-	-	-
600 Other Objects (Optional)	-	-	-
660 Pupil Activity	-	-	-
273 Trust and Agency Activities:			
300 Purchased Services (Optional)	-	-	-
400 Supplies and Materials (Optional)	-	-	-
600 Other Objects (Optional)	-	-	-
Total Support Services	\$ 3,509,331	3,476,715	-

CATE (VA Projects) (207/208)	Adult Education* (243)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Student Activity Funds (700s)	Totals
-	-	-	621,364	-	\$ 1,790,133
-	-	-	255,522	-	801,865
-	-	-	409,212	-	902,496
-	-	-	4,069	-	5,853
-	-	-	7,632	-	7,632
-	-	-	3,354	-	3,354
-	-	-	-	54,840	54,840
-	-	-	-	18,494	18,494
-	-	-	-	20,849	20,849
-	-	-	253,345	8,347	261,692
-	-	-	4,857,543	-	4,857,543
-	-	-	379,197	-	379,197
-	-	-	-	800	800
-	-	-	-	268	268
-	-	-	12,678	-	12,678
-	-	-	175,324	-	175,324
-	-	-	250	286,850	287,100
-	-	-	84	93,069	93,153
-	-	-	-	262,699	262,699
-	-	-	6,536	884,183	890,719
-	-	-	-	92,851	92,851
-	-	-	-	1,924,110	1,924,110
-	-	-	2,000	-	2,000
-	-	-	-	1,212	1,212
-	-	-	-	1,957	1,957
-	-	-	-	4,000	4,000
229,953	-	3,723	10,148,187	3,654,529	\$ 21,022,438

(Continued)

DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA

SPECIAL REVENUE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2024

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)
300 Community Services:			
350 Custody and Care of Children:			
100 Salaries	\$ -	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
500 Capital Outlay	-	-	-
370 Non-Public School Services:			
300 Purchased Services	-	-	-
Total Community Services	<u>-</u>	<u>-</u>	<u>-</u>
410 Intergovernmental Expenditures:			
411 Payments to SDE			
720 Transits	-	-	-
Total Intergovernmental Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>7,334,263</u>	<u>5,431,997</u>	<u>197,914</u>
OTHER FINANCING SOURCES (USES)			
Interfund Transfers, From (To) Other Funds:			
5210 Transfer from General Fund (Exclude Indirect Costs)	-	-	-
424-710 Transfer to Capital Projects Fund	-	-	-
431-791 Special Revenue Fund Indirect Costs (Use Only for Transfer of Indirect Costs to General Fund)	(159,865)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(159,865)</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCE, Beginning of Year, As Previously Reported	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>

CATE (VA Projects) (207/208)	Adult Education* (243)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Student Activity Funds (700s)	Totals
-	-	-	2,826,815	-	\$ 2,826,815
-	-	-	916,855	-	916,855
-	-	-	200,388	-	200,388
-	-	-	297,374	-	297,374
-	-	-	371,388	-	371,388
-	-	-	20,128	-	20,128
-	-	-	4,632,948	-	4,632,948
-	-	-	281,446	-	281,446
-	-	-	281,446	-	281,446
301,699	200,254	929,749	25,043,608	5,614,019	45,053,503
-	-	-	1,332,463	1,124,601	2,457,064
-	-	-	-	(67,158)	(67,158)
-	-	-	(1,007,727)	-	(1,167,592)
-	-	-	324,736	1,057,443	1,222,314
-	-	-	345,621	149,387	495,008
-	-	-	3,569,808	1,910,291	5,480,099
-	-	-	3,915,429	2,059,678	\$ 5,975,107

SPECIAL REVENUE FUND

SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES

YEAR ENDED JUNE 30, 2024

OTHER DESIGNATED RESTRICTED STATE GRANTS

919	Education License Plates
924	CERDEP
935	Reading Coaches
956	Adult Education
969	Miscellaneous

OTHER SPECIAL REVENUE PROGRAMS

210	Title IV - SSAE
218	ESSER III ARP
221	Title I - Neglected and Delinquent
225	ESSER II
230	ARP IDEA
233	ARP IDEA Preschool
237	Title I Focus Schools
243	ATSI - Carryover
263	ARP Homeless Children & Youth
264	Title III - English Language Acquisition - ESOL
267	Improving Teacher Quality (Carryover Provision)
271	ROTC
278	Medicaid Reimbursement
299	USDA Farm to School Grant
805	DSS/Adult Education
808	Larry Barnfield Scholarship
819	Extended Day Program
821	Educational Foundation Grants Passed Through to the District
859	Dorchester County Showdown
860	Unified Track
898	Payments from other Governments
899	Other Miscellaneous Grants

SPECIAL REVENUE FUND

SUMMARY SCHEDULE FOR OTHER DESIGNATED RESTRICTED STATE GRANTS

YEAR ENDED JUNE 30, 2024

Subfund	Revenue	Programs	Revenues	Expenditures	Special Revenue		Special Revenue Fund Unearned Revenue
					Interfund Transfers In (Out)	Other Fund Transfers In (Out)	
919	3193	Education License Plates	\$ 1,370	1,370	-	-	\$ -
924	3134	CERDEP	72,929	72,929	-	-	-
935	3135	Reading Coaches	838,172	838,172	-	-	457,886
956	3156	Adult Education	16,126	16,126	-	-	4,679
969	3699	Miscellaneous	1,152	1,152	-	-	708
Totals			\$ 929,749	929,749	-	-	\$ 463,273

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

Schedule B-4

EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2024

REVENUES	ACTUAL
3000 Revenue from State Sources:	
3500 Education Improvement Act:	
3502 ADEPT	\$ 32,287
3503 State Aid to Classrooms	23,663,294
3509 Arts in Education	39,434
3518 Formative Assessment	252,902
3519 Grade 10 Assessments	132,272
3526 Refurbishment of Science Kits	270,901
3528 Industry Certifications/Credentials	53,178
3529 Career and Technolgy Education	535,230
3532 National Board Salary Supplement (No Carryover Provision)	664,449
3533 Teacher of the Year Awards (No Carryover Provision)	1,077
3541 CDEPP (Child Development Education Pilot Program)	1,599,500
3556 Adult Education	425,064
3557 Summer Reading Program	156,044
3577 Teacher Supplies (No Carryover Provision)	584,500
3595 EEDA - Supplies and Materials	69,720
3597 Aid to Districts	20,000
3599 Other EIA	1,247
Total Revenue from State Sources	<u>28,501,099</u>
TOTAL REVENUE ALL SOURCES	<u>28,501,099</u>

EXPENDITURES

100 Instruction:	
110 General Instruction:	
112 Primary Programs:	
100 Salaries	70,712
200 Employee Benefits	33,745
300 Purchased Services	13,362
400 Supplies and Materials	311,349
113 Elementary Programs:	
100 Salaries	401,322
200 Employee Benefits	135,996
300 Purchased Services	992
400 Supplies and Materials	\$ 734,544

(Continued)

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

Schedule B-4

EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2024

	<u>ACTUAL</u>
114 High School Programs:	
100 Salaries	\$ 136,581
200 Employee Benefits	45,414
300 Purchased Services	132,272
400 Supplies and Materials	191,952
115 Career and Technology Education Programs:	
100 Salaries	15,942
200 Employee Benefits	5,376
300 Purchased Services - Other Than Tuition	7,473
400 Supplies and Materials	415,077
500 Capital Outlay	128,999
140 Special Programs:	
147 CDEPP:	
100 Salaries	1,085,537
200 Employee Benefits	502,453
400 Supplies and Materials	11,510
170 Summer School Programs:	
171 Primary Summer School:	
100 Salaries	110,188
200 Employee Benefits	37,936
175 Instructional Programs Beyond Regular School Day:	
100 Salaries	5,120
200 Employee Benefits	1,703
400 Supplies and Materials	7,921
180 Adult/Continuing Educational Programs:	
181 Adult Basic Education Programs:	
100 Salaries	17,280
200 Employee Benefits	5,790
400 Supplies and Materials	16,086
182 Adult Secondary Education Programs:	
100 Salaries	9,219
200 Employee Benefits	3,093
188 Parenting/Family Literacy:	
400 Supplies and Materials	3,556
190 Instructional Pupil Activity:	
300 Purchased Services	6,000
Total Instruction	<u>\$ 4,604,500</u>

(Continued)

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

Schedule B-4

EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2024

	<u>ACTUAL</u>
200 Support Services:	
210 Pupil Services:	
211 Attendance and Social Work Services:	
200 Employee Benefits	\$ 332
212 Guidance Services:	
100 Salaries	1,000
200 Employee Benefits	1,000
300 Purchased Services	64,724
400 Supplies and Materials	2,872
220 Instructional Staff Services:	
221 Improvement of Instruction-Curriculum Development:	
100 Salaries	69,332
200 Employee Benefits	27,252
300 Purchased Services	3,627
400 Supplies and Materials	1,381
223 Supervision of Special Programs:	
100 Salaries	261,538
200 Employee Benefits	112,058
224 Improvement of Instruction - Inservice and Staff Training:	
100 Salaries	25,850
200 Employee Benefits	9,470
300 Purchased Services	435,682
400 Supplies and Materials	16,526
260 Central Support Services:	
266 Technology and Data Processing Services:	
400 Supplies and Materials	1,246
Total Support Services	<u>1,033,890</u>
TOTAL EXPENDITURES	<u>5,638,390</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
5210 Transfer from General Fund (Excludes Indirect Costs)	26,719
420-710 Transfer to General Fund (Exclude Indirect Costs)	(22,889,428)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(22,862,709)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-
FUND BALANCES, Beginning of Year	<u>-</u>
FUND BALANCES, End of Year	<u>\$ -</u>

EDUCATION IMPROVEMENT ACT

SUMMARY SCHEDULE BY PROGRAM

YEAR ENDED JUNE 30, 2024

Program	Revenues	Expenditures	EIA Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	EIA Fund Unearned Revenue
3500 Education Improvement Act:					
3502 ADEPT	\$ 32,287	32,287	-	-	\$ 25,554
3503 State Aid to Classrooms	23,663,294	773,866	-	(22,889,428)	2,402,591
3509 Arts in Education	39,434	39,434	-	-	-
3518 Adoption List of Formative Assessment	252,902	279,621	-	26,719	-
3519 Grade 10 Assessments	132,272	132,272	-	-	2,779
3526 Refurbishment of Science Kits	270,901	270,901	-	-	154,971
3528 Industry Certifications/Credentials	53,178	53,178	-	-	-
3529 Career and Technology Education	535,230	535,230	-	-	501,093
3532 National Board Salary Supplement*	664,449	664,449	-	-	-
3533 Teacher of the Year Awards*	1,077	1,077	-	-	-
3541 CERDEP - Full Day 4K	1,599,500	1,599,500	-	-	394,662
3556 Adult Education	425,064	425,064	-	-	7,249
3557 Summer Reading Program	156,044	156,044	-	-	-
3577 Teacher Supplies*	584,500	584,500	-	-	-
3595 EEDA - Supplies and Materials	69,720	69,720	-	-	81,955
3597 Aid to Districts	20,000	20,000	-	-	-
3599 Other EIA	1,247	1,247	-	-	-
Totals	\$ 28,501,099	5,638,390	-	(22,862,709)	\$ 3,570,854

*No carryover provision for Fiscal Year 2024.

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

YEAR ENDED JUNE 30, 2024

Program	Project/Grant Number	Revenue & Subfund Code	Description	Amount Due to State Department of Education or Federal Government	Status of Amount Due to Grantors
National Board Salary Supplement	N/A	332/3532	Unspent allocation	\$ 4,979.30	Will be paid after year-end
IDEA	N/A	4510	Reallocation between function codes for amounts previously claimed	493,436.48	Will be paid after year-end
				<u>\$ 498,415.78</u>	

FOOD SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2024

	<u>Food Service</u>
REVENUES	
1000 Revenue from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 286,808
1600 Food Service:	
1610 Lunch Sales to Pupils	976,828
1620 Breakfast Sales to Pupils	211,913
1630 Special Sales to Pupils	454,966
1640 Lunch Sales to Adults	4,877
1650 Breakfast Sales to Adults	424
1660 Special Sales to Adults	19,504
1900 Other Revenue from Local Sources:	
1999 Revenue from Other Local Sources	9,995
Total Revenue from Local Sources	<u>1,965,315</u>
4000 Revenue from Federal Sources:	
4800 USDA Reimbursement:	
4810 School Lunch and After School Snacks Program, and Special Milk Program (Carryover Provision)	7,092,851
4820 Supply Chain Assistance Funding	640,620
4830 School Breakfast Program	2,369,037
4880 Summer Feeding Programs (SFSP)	209,627
4899 Miscellaneous Food Service	32,590
4900 Other Federal Sources:	
4991 USDA Commodities (Food Distribution Program) (Carryover Provision)	1,142,513
Total Revenue from Federal Sources	<u>11,487,238</u>
TOTAL REVENUE ALL SOURCES	<u>13,452,553</u>
EXPENDITURES	
256 Food Service:	
100 Salaries	243,774
200 Employee Benefits	123,227
300 Purchased Services (Exclude Gas, Oil, Electricity, Other Heating Fuels, and Direct Purchased Services)	11,561,351
400 Supplies and Materials (Include Gas, Oil, Electricity and Other Heating Fuels)	1,772,168
500 Capital Outlay	356,283
600 Other Objects	1,344
Total Support Services	<u>14,058,147</u>
TOTAL EXPENDITURES	<u>\$ 14,058,147</u>

(Continued)

FOOD SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2024

	<u>Food Service</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
5210 Transfer from General Fund (Excludes Indirect Costs)	\$ 199,264
432-791 Food Service Fund Indirect Costs	(101,519)
TOTAL OTHER FINANCING SOURCES (USES)	<u>97,745</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(507,849)
FUND BALANCE, Beginning of Year	<u>5,541,914</u>
FUND BALANCE, End of Year	<u>\$ 5,034,065</u>

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

Schedule B-8

EDUCATIONAL FOUNDATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2024

	Educational Foundation
REVENUES	
1000 Revenue from Local Sources:	
1900 Other Revenue from Local Sources:	
1910 Rentals	\$ 1,851
1920 Contributions & Donations Private Sources	516,256
Total Revenue from Local Sources	<u>518,107</u>
TOTAL REVENUE ALL SOURCES	<u>518,107</u>
EXPENDITURES	
200 Support Services:	
220 Instructional Staff Services:	
221 Improvement of Instruction-Curriculum Development:	
300 Purchased Services	13,949
400 Supplies and Materials	8,454
600 Other Objects	480,269
Total Support Services	<u>502,672</u>
TOTAL EXPENDITURES	<u>502,672</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	15,435
FUND BALANCE, Beginning of Year	<u>148,640</u>
FUND BALANCE, End of Year	<u><u>\$ 164,075</u></u>

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

Schedule C-1

DEBT SERVICE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2024

	<u>District</u>	<u>GROWTH</u>
REVENUES		
1000 Revenue from Local Sources:		
1100 Taxes:		
1110 Ad Valorem Taxes-Including Delinquent (Fiscally Independent LEA)	\$ 47,753,309	\$ -
1200 Revenue from Local Governmental Units Other than LEAs:		
1280 Revenue in Lieu of Taxes (Dependent and Independent)	1,342,953	-
1500 Earnings on Investments:		
1510 Interest on Investments	1,736,745	91,671
1999 Revenue from Other Local Sources	47,867	-
Total Revenue from Local Sources	<u>50,880,874</u>	<u>91,671</u>
3000 Revenue from State Sources:		
3800 State Revenue in Lieu of Taxes:		
3820 Homestead Exemption	1,272,042	-
3830 Merchant's Inventory Tax	68,122	-
3840 Manufacturers Depreciation Reimbursement	705,346	-
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	173,925	-
Total Revenue from State Sources	<u>2,219,435</u>	<u>-</u>
TOTAL REVENUE ALL SOURCES	<u>53,100,309</u>	<u>91,671</u>
EXPENDITURES		
500 Debt Service:		
610 Redemption of Principal	218,420,894	9,295,000
620 Interest	5,545,299	1,838,339
690 Other Objects (Includes Fees for Servicing Bonds)	271,501	192,517
Total Debt Service	<u>224,237,694</u>	<u>11,325,856</u>
TOTAL EXPENDITURES	<u>224,237,694</u>	<u>11,325,856</u>
OTHER FINANCING SOURCES (USES)		
5110 Premium on Bonds Sold	199,983	-
5130 Proceeds of Refunding Debt	204,997,671	-
Interfund Transfers, From (To) Other Funds:		
5240 Transfer from Debt Service - District fund	96,653	11,530,918
423-710 Transfer to Debt Service - GROWTH Fund	(11,530,918)	(96,653)
424-710 Transfer to Capital Projects Fund -District	(19,126,122)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>174,637,267</u>	<u>11,434,265</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,499,882	200,080
FUND BALANCE, Beginning of Year	<u>25,817,193</u>	<u>4,401</u>
FUND BALANCE, End of Year	<u>\$ 29,317,075</u>	<u>\$ 204,481</u>

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

Schedule D-1

CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE

YEAR ENDED JUNE 30, 2024

	<u>District</u>
REVENUES	
1000 Revenue from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 2,035,595
1900 Other Revenue from Local Sources:	
1910 Rentals	18,700
1920 Contributions & Donations Private Sources	12,000
1999 Revenue from Other Local Sources	266,901
Total Revenue from Local Sources	<u>2,333,196</u>
TOTAL REVENUE ALL SOURCES	<u>2,333,196</u>
EXPENDITURES	
100 Instruction:	
110 General Instruction:	
113 Elementary Programs:	
300 Purchased Services	6,422
114 High School Programs:	
300 Purchased Services	8,513
400 Supplies and Materials	6,000,995
Total Instruction	<u>6,015,930</u>
200 Support Services:	
250 Finance and Operations:	
253 Facilities Acquisition & Construction:	
100 Salaries	92,278
200 Employee Benefits	40,558
300 Purchased Services	924,767
400 Supplies and Materials	5,690,312
500 Capital Outlay:	
520 Construction Services	5,599,535
530 Improvements Other Than Buildings	4,415,553
540 Equipment	877,322
545 Technology, Equipment and Software	4,403,752
550 Vehicles	522,390
580 Mobile Classrooms	81,663
600 Other Objects:	
690 Other Objects	39,444
Total Support Services	<u>\$ 22,687,574</u>

(Continued)

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

Schedule D-1

CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE

YEAR ENDED JUNE 30, 2024

	<u>District</u>
500 Debt Service:	
610 Redemption of Principal	\$ 75,000
690 Other Objects	174,540
Total Debt Service	<u>249,540</u>
TOTAL EXPENDITURES	<u>28,953,044</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
5210 Transfer from General Fund (Exclude Indirect Costs)	7,842
5220 Transfer from Special Revenue Fund (Exclude Indirect Costs)	67,158
5240 Transfer from Debt Service Fund - District	19,126,122
TOTAL OTHER FINANCING SOURCES (USES)	<u>19,201,122</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(7,418,726)
FUND BALANCE, Beginning of Year	<u>26,171,772</u>
FUND BALANCE, End of Year	<u>\$ 18,753,046</u>

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

LOCATION RECONCILIATION SCHEDULE

YEAR ENDED JUNE 30, 2024

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
000	Districtwide	Non-Schools	Central	\$ 336,659,185
002	Knightsville Elementary	Elementary Schools	School	8,041,409
004	Summerville Elementary	Elementary Schools	School	6,911,095
005	Spann Elementary	Elementary Schools	School	7,112,459
006	Rollings School of the Arts	Middle Schools	School	8,091,956
007	Alston Middle	Middle Schools	School	8,009,046
008	Summerville High	High Schools	School	25,659,622
009	Gregg Middle	Middle Schools	School	8,725,020
010	Newington Elementary	Elementary Schools	School	7,965,462
011	Flowertown Elementary	Elementary Schools	School	8,298,002
012	DuBose Middle	Middle Schools	School	8,505,910
013	Oakbrook Elementary	Elementary Schools	School	6,715,439
014	Oakbrook Middle	Middle Schools	School	8,770,195
015	Windsor Hill Elementary	Elementary Schools	School	7,598,203
016	Fort Dorchester High	High Schools	School	21,609,742
017	Beech Hill Elementary	Elementary Schools	School	10,348,462
018	Fort Dorchester Elementary	Elementary Schools	School	9,320,323
020	Psychological Services	Non-Schools	Central	5,113,394
023	Transportation	Non-Schools	Central	1,634
025	Adult and Community Education	Middle Schools	School	1,492,515
026	Delivery Services	Non-Schools	Central	68,958
027	Development Center	Non-Schools	Central	8,207
028	Technology	Non-Schools	Central	5,314
030	St. George Adult Education	Non-Schools	Central	22,531
033	Dorchester County Career School	Other School	School	93,392
038	Private Schools	Non-Schools	Central	141,003
039	Givhans Alternative School	Alternative School	School	2,103,095
041	Eagle Nest Elementary	Elementary Schools	School	7,109,826
042	William Reeves Elementary	Elementary Schools	School	9,116,255
043	River Oaks Middle	Middle Schools	School	8,169,351
044	Ashley Ridge High	High Schools	School	20,803,614
045	Joseph Pye Elementary	Elementary Schools	School	7,861,407
046	Sires Elementary	Elementary Schools	School	8,047,812
047	Sand Hill Elementary	Elementary Schools	School	9,203,528
048	Alston-Bailey Elementary	Elementary Schools	School	6,326,259
049	New Middle School of the Arts	Middle Schools	School	161,028
050	Community Learning Center	Non-Schools	Central	111,807
052	East Edisto Middle School	Middle Schools	School	12,920,901
550	Education Foundation Projects	Non-Schools	Central	119,247
500	Education Foundation Projects	Non-Schools	Central	5,728
600	Education Foundation Projects	Non-Schools	Central	189,755
650	Education Foundation Projects	Non-Schools	Central	144,163
				\$ 597,682,254

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

General Fund (subfund 100's)	\$ 267,912,949
Special Revenue Fund (subfunds 200's, 700's, 800's and 900's, excluding 820)	45,053,502
Special Revenue - EIA Fund (subfund 300's)	5,638,390
Special Revenue - Food Service Fund (subfund 600, 601 and 602)	14,058,147
Special Revenue - Education Foundation Fund (subfund 820)	502,672
Debt Service Fund - District (subfund 400)	224,237,694
Debt Service Fund - GROWTH (subfund 401)	11,325,856
Capital Projects Fund - District (School Building) (subfund 500's excluding 506)	28,953,044
Total Expenditures/Disbursements For All Funds	\$ 597,682,254

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COMPLIANCE SECTION

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2024

LEA Subfund Code	Federal Grantor/ Pass-through Grantor/ Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Federal Share Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Passed-through S.C. Department of Education:				
Child Nutrition Cluster:				
600	National School Breakfast Program	10.553	N/A	2,369,037
600	National School Lunch Program	10.555	N/A	7,092,851
600	National School Lunch Program - Non-cash Assistance	10.555	N/A	1,142,513
600	Summer Food Service Program for Children	10.559	N/A	209,627
600	Supply Chain Assistance	10.555	N/A	640,620
600	Operational Costs Reimbursement	10.555	N/A	32,590
Total Child Nutrition Cluster and Passed-through S.C. Department of Education				<u>11,487,238</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE				<u>11,487,238</u>
U.S. DEPARTMENT OF EDUCATION				
Direct Programs:				
100	Impact Aid	84.041	N/A	164,064
Total Direct Programs				<u>164,064</u>
Passed-through S.C. Department of Education:				
201	Title I, Part A - Grants to LEA's	84.010	22 Title I Carryover	4,746
201	Title I, Part A - Grants to LEA's	84.010	23 Title I Carryover	1,470,850
201	Title I, Part A - Grants to LEA's	84.010	24 Title I	6,018,532
237	Title I, Targeted School Impact	84.010A	24 Title I Focus	655,851
Total Title I				<u>8,149,979</u>
IDEA Cluster:				
203	Individuals with Disabilities Education Act	84.027A	24 IDEA	4,990,169
203	Individuals with Disabilities Education Act	84.027A	23 IDEA Carryover	157,468
203	Individuals with Disabilities Education Act - ESY	84.027	Extended School Year	284,360
205	Preschool Handicapped	84.173	24 IDEA Preschool	189,846
205	Preschool Handicapped, Carryover	84.173	23 IDEA Preschool Carryover	8,068
230	COVID-19: ARP IDEA	84.027X	ARP IDEA	432,195
230	COVID-19: ARP IDEA Pre-School	84.173X	ARP IDEA Pre-School	101,077
Total IDEA Cluster				<u>\$ 6,163,183</u>
207	Subprogram 14	84.048	18 CATE Federal	\$ 300,625
207	Subprogram 15	84.048	18 CATE Federal	1,074
Total Occupational Education				<u>301,699</u>

(Continued)

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2024

LEA Subfund Code	Federal Grantor/ Pass-through Grantor/ Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Federal Share Expenditures
U.S. DEPARTMENT OF EDUCATION (CONTINUED)				
Passed-through S.C. Department of Education: (Continued)				
221	Title I, Neglected & Delinquent	84.013	24 Title I N&D	108,633
221	Title I, Neglected & Delinquent	84.013	23 Title I N&D Prior Year	62,619
221	Title I, Neglected & Delinquent	84.013	22 Title I N&D Prior Year	22,206
Total Title I, Neglected & Delinquent				<u>193,458</u>
210	Title IV SSAE	84.424A	23/24 Title IV SSAE	406,418
210	Title IV SSAE	84.424A	22/23 Title IV SSAE	5,051
Total Title IV				<u>411,469</u>
225	COVID-19: SC CARES ESSER II	84.425D	H63010497522	2,172,122
218	COVID-19: SC ARPA ESSER III	84.425U	H63010497522	12,170,059
263	COVID-19: ARP HOMELESS II	84.425W	H63010HCY721	80,456
Total ESSER				<u>14,422,637</u>
Adult Education Cluster:				
243	Adult Education	84.002	18 Adult Ed	167,921
243	Adult Education - Family Literacy	84.002	18AE - Adult Ed Reverted	32,333
Total Adult Education Cluster				<u>200,254</u>
Title III, English Language Acquisition:				
264	Title III, English Language Acquisition	84.365	24 Title III	22,387
264	Title III, English Language Acquisition Carryover	84.365	23 Title III Carryover	49,796
264	Title III, Part A Immigrant Carryover	84.365	24 Title III Part A carryover	3,460
Total Title III, English Language Acquisition				<u>75,643</u>
Improving Teacher Quality:				
267	Improving Teacher Quality	84.367	24 Title II	692,923
267	Improving Teacher Quality Carryover	84.367	23 Title II Carryover	228,581
Total Improving Teacher Quality				<u>921,504</u>
Total U.S. Department of Education Passed-through S.C. Department of Education				<u>30,839,826</u>
TOTAL U.S. DEPARTMENT OF EDUCATION				<u>\$ 31,003,890</u>
U.S. DEPARTMENT OF DEFENSE				
Direct Programs:				
271	U.S. Department of Defense - ROTC	12.000	N/A	316,633
TOTAL U.S. DEPARTMENT OF DEFENSE				<u>316,633</u>
TOTAL FEDERAL EXPENDITURES				<u>\$ 42,807,761</u>

Note: There were no federal awards disbursed to subrecipients in the year ended June 30, 2024.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2024

A – General

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) presents the activity of all federal award programs of Dorchester County School District Two (the “School District”) for the year ended June 30, 2024. All federal awards received directly from the federal agencies, as well as those passed through other government agencies, are included on the Schedule.

B – Basis of Accounting

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

C – Relationship to Financial Statements

Federal award expenditures are reported in the School District’s financial statements as expenditures in the General Fund, Special Revenue Fund, and Special Revenue – Food Service Fund.

D – Relationship to Federal Financial Reports

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

E – Indirect Costs

The School District elected not to use the *de minimis* indirect cost rate of 10%.



Greene Finney Cauley, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Dorchester County School District Two
Summerville, 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 Dorchester County School District Two, South Carolina (the "School District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 2, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
December 2, 2024



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

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Dorchester County School District Two
Summerville, South Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Dorchester County School District Two, South Carolina's (the "School District") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2024. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the 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 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the School District's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The 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.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a significant deficiency.

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 School District's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The 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.

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
December 2, 2024

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2024

Section II – Prior Year Financial Statement Findings

2023-001: Bus Driver Testing

Condition: The South Carolina Department of Education (“SCDE”) requires that a percentage of the School District’s bus drivers are tested each calendar year for alcohol based on the minimum annual percentage rate established by the Federal Motor Carrier Safety Administration (“FMCSA”). For the calendar year ended December 31, 2022, the minimum annual percentage was 10%.

Criteria: During the audit of the School District’s financial statements, it was identified that less than 10% of the School District’s bus drivers were tested for alcohol during the calendar year ended December 31, 2022.

Status: The School District has addressed this finding as there were no similar issues in the current year.

Section III - Findings and Questioned Costs - Major Federal Awards Programs Audit

None

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____ X _____ Yes	_____ No
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Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027, 84.027A, 84.173, 84.173X	IDEA Cluster
84.425D, 84.425U, 84.425W	Elementary and Secondary School Emergency Relief Program

Dollar threshold used to distinguish between type A and type B programs:	\$ <u>1,284,233</u>
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Auditee qualified as low-risk auditee?	_____ X _____ Yes	_____ No
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Section II - Findings - Current Year Financial Statement Audit

No matters to report.

**DORCHESTER COUNTY SCHOOL DISTRICT TWO
SUMMERVILLE, SOUTH CAROLINA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2024

Section III – Current Year Federal Award Findings and Questioned Costs

Federal Agency: U.S. Department of Education

Pass-Through Agency: South Carolina Department of Education

IDEA Cluster: CFDA # 84.027, 84.027A, 84.027X, 84.173, 84.173X

Federal Award Information Number: H027A220081, H173A220085, H027A230081, H173A230085, H027X210081, H173X210085

Repeat Finding from Prior Year? No

2024-001: ALLOWABLE COSTS (PAYROLL DISBURSEMENTS)

Questioned Costs

\$ 179,000

Condition: The School District did not obtain proper documentation of time and effort to support payroll expenditures charged to the IDEA programs on a timely basis for the year ended June 30, 2024.

Criteria: The Uniform Guidance requires documentation of time and effort as support for payroll expenditures charged to federal programs. This documentation can be in the form of semiannual certifications for those employees charged 100% to a federal program or the documentation must show a daily breakdown of the employee's time if the employee is allocated between programs.

Context, Cause, and Effect: The District did not obtain the documentation of time and effort on a timely basis for three employees whose payroll costs were charged to the IDEA program as a result of management oversight. One of the three employees did not qualify to be charged to the IDEA program, resulting in known questioned costs of \$37,000. The District's auditors tested approximately \$211,000 in key items related to the IDEA program and noted no exceptions. The District's auditors tested a random sample of 25 other IDEA payroll expenditures and noted one employee totaling approximately \$37,000 that were improperly charged to the IDEA program. This known questioned costs extrapolated to the remaining population resulted in estimated questioned costs of approximately \$179,000.

Recommendation: We recommend that the School District prepare/obtain sufficient documentation of time and effort for all employees paid using federal funds, as required by the Uniform Guidance, in order to ensure that only eligible payroll expenditures are charged to the program.

Response: The School District agrees with this finding and will ensure sufficient documentation of time and effort is obtained in the future.

**Dorchester County School District Two
Corrective Action Plan
June 30, 2024**

Dorchester County School District Two (the “School District”) respectfully submits the following **corrective action plan** for the year ended June 30, 2024.

Name and address of independent public accounting firm:

Greene Finney Cauley, LLP
Charleston, South Carolina

Audit period:

July 1, 2023 to June 30, 2024

The finding from the June 30, 2024 schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the numbers assigned in the schedule.

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

**Finding 2024-001 Allowable Costs (Payroll Disbursements)
IDEA Cluster - CFDA No 84.027, 84.173**

Recommendations: Enhance the School District’s procedures to obtain sufficient documentation of time and effort for all employees paid using federal funds, as required by the Uniform Guidance, in order to ensure that only eligible payroll expenditures are charged to the program.

Corrective Action Plan:

The School District has implemented additional procedures for the correct reporting of time and effort to include the Director of Financial Services to review the documentation prior to the signing by the Executive Director of Special Services of the semi-annual certification.

Anticipated Completion Date: The School District has implemented this corrective action beginning with the first semi-annual certification for the new fiscal year of 2025.

Contact/Responsible Party: Tina Meunier, CPA, CFO
Contact Information: kmeunier@dorchester2.k12.sc.us