

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

TABLE OF CONTENTS

YEAR ENDED JUNE 30, 2021

	<u>Reference</u>	<u>Page</u>
Board of Trustees and Administrative Staff		1
<u>FINANCIAL SECTION</u>		
Independent Auditor's Report		3
Management's Discussion and Analysis		5
Basic Financial Statements		
<i>Government-Wide Financial Statements</i>		
Statement of Net Position		16
Statement of Activities		17
<i>Fund Financial Statements</i>		
Balance Sheet - Governmental Funds		18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position		21
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds		22
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities		24
<i>Notes to the Financial Statements</i>		25
Required Supplementary Information		
<u>Budgetary Comparison Schedule</u>		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgets and Actual - General Fund	Schedule A-1	64
<u>Pension Plan Schedules</u>		
Schedule of the School District's Proportionate Share of the Net Pension Liability - South Carolina Retirement System		65
Schedule of Contributions - South Carolina Retirement System		66
<u>OPEB Plan Schedules</u>		
Schedule of the School District's Proportionate Share of the Net OPEB Liability - South Carolina Retiree Health Insurance Trust Fund		67
Schedule of the School District's Contributions - South Carolina Retiree Health Insurance Trust Fund		68

(Continued)

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

TABLE OF CONTENTS

YEAR ENDED JUNE 30, 2021

	<u>Reference</u>	<u>Page</u>
<u>FINANCIAL SECTION (CONTINUED)</u>		
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	70
<u>Special Revenue Fund</u>		
Schedule of Revenues, Expenditures, and Changes in Fund Balances	Schedule B-1	78
Supplemental Listing of LEA Subfund Codes and Titles	Schedule B-2	88
Summary Schedule for Other Designated Restricted State Grants	Schedule B-3	89
<u>Special Revenue - Education Improvement Act Fund</u>		
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - All Programs	Schedule B-4	90
Summary Schedule by Program	Schedule B-5	92
<u>Other Schedules</u>		
Detailed Schedule of Due to State Department of Education/Federal Government	Schedule B-6	93
<u>Special Revenue - Food Service Fund</u>		
Schedule of Revenues, Expenditures, and Changes in Fund Balance	Schedule B-7	94
<u>Debt Service Fund</u>		
Schedule of Revenues, Expenditures, and Changes in Fund Balance	Schedule C-1	95
<u>Capital Projects Fund</u>		
Schedule of Revenues, Expenditures, and Changes in Fund Balances	Schedule D-1	96
<i>Other Schedule</i>		
Location Reconciliation Schedule	Schedule F-1	97
<u>COMPLIANCE SECTION</u>		
Schedule of Expenditures of Federal Awards		100
Notes to the Schedule of Expenditures of Federal Awards		101
Independent Auditor's Report - 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>		103
Independent Auditor's Report - Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance		105
Summary Schedule of Prior Audit Findings		107
Schedule of Findings and Questioned Costs		108

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

Established in 1969

Board of Trustees

**Mrs. Phyllis Hughes, Chairman
Dr. Rosemary Simmons-Brown, Vice-Chairman
Dr. James Hodges, Secretary
Mr. Tony Folk
Dr. Kenneth Jenkins**

Senior Administrative Staff

**Gerald Wright, Interim Superintendent
Andrea Sturkey, Director of Human Resources
Tracy Jackson, Director of State/Federal Programs
Shelissa Bowman, Director of Elementary Curriculum and Education
Corey Prentiss, Chief Academic Officer
Stanley Brunson, Interim Chief Financial Officer
Nancy Stevens, Director of Student Support Services
Elijah DeLee, Director of Technology
Monica Tudder, Director of Exceptional Children**



Greene Finney, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Dorchester County School District Four
Saint George, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Dorchester County School District Four, South Carolina (the "School District"), as of and for the year ended June 30, 2021, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Dorchester County School District Four, South Carolina, as of June 30, 2021, 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.

Changes in Accounting Principles

As discussed in Note I.B to the financial statements, for the year ended June 30, 2021 the School District has elected to change its policy for accounting and reporting its food service program operations from an enterprise fund to a special revenue fund. Our opinion is not modified with respect to this matter.

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As also discussed in Note I.B to the financial statements, for the year ended June 30, 2021 the School District has adopted the provisions of Governmental Accounting Standards Board Statement No. 84 “*Fiduciary Activities*”. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management’s discussion and analysis, budgetary comparison schedule, pension plan schedules, and other postemployment benefit plan schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 and Other 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 and 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*, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements 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 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, 2021 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 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 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, LLP

Greene Finney, LLP
Mauldin, South Carolina
December 2, 2021

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2021

INTRODUCTION

This discussion and analysis of Dorchester County School District Four's (the "District" or "School District") financial performance provides an overview of the School District's financial activities for the fiscal year ended June 30, 2021 ("FY 21" or "2021") compared to fiscal year ended June 30, 2020 ("FY 20" or "2020"). The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the financial statements and the notes to the financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2021 are as follows:

- The liabilities and deferred inflows of resources of the School District exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by approximately \$42.7 million. The School District had a deficit in unrestricted net position of approximately \$59.7 million as a result of pension accounting standards that were implemented in 2015 and other postemployment benefit ("OPEB") accounting standards that were implemented in 2018.
- The School District's total net position decreased by approximately \$3.3 million.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of approximately \$8.5 million, an increase of approximately \$2.5 million from the prior year fund balance. The General Fund decreased approximately \$0.2 million. 100% of the total fund balance, or approximately \$4.0 million, is unassigned and available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was approximately \$4.0 million, which was approximately 14% of total General Fund expenditures.
- During 2021, the School District's governmental fund revenues were approximately \$36.7 million, compared to approximately \$33.4 million in the prior year. This increase is primarily due to an increase in property tax revenues and state revenues. The School District's governmental fund expenditures were approximately \$37.7 million, compared to approximately \$34.1 million in the prior year. This increase is primarily due to an increase in instructional and support services.
- The School District's total capital assets decreased approximately \$0.8 million (3%) during the current fiscal year to approximately \$28.0 million, as capital asset additions of approximately \$0.5 million were exceeded by depreciation expense of approximately \$1.3 million.
- The School District's total outstanding debt increased from approximately \$13.5 million at June 30, 2020 to approximately \$30.5 million at June 30, 2021. This is attributable to issuing approximately \$4.1 million in new long term debt and \$15.0 million in short term debt, offset partially by making principal payments on long-term debt of approximately \$2.1 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *Introductory Section*, *Financial Section*, (which includes management's discussion and analysis, the financial statements, and the combining and individual fund financial schedules), *Statistical Section*, and the *Compliance Section*.

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

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

The *Statement of Activities* presents information showing how the government'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, for some items, revenues and expenses are reported in this statement that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the School District include instruction, support services, and community services. The School District does not report any business type activities.

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The School District maintains six individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Special Revenue Fund, Special Revenue – Education Improvement Act ("EIA") Fund, Special Revenue – Food Service Fund, Debt Service Fund, and Capital Projects Fund, all of which are considered to be major funds.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as listed in the table of contents.

Other Information. The combining schedules and individual fund schedules can be found as listed in the table of contents.

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

MANAGEMENT’S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Required Supplementary Information. The School District adopts an annual appropriated budget only for its General Fund. A budgetary comparison schedule has been provided as required supplementary for this fund to demonstrate compliance with the budgets. Required pension plan schedules have been included which provide relevant information regarding the School District’s participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. Required OPEB plan schedules have been included which provide relevant information regarding the School District’s participation in the South Carolina Retiree Health Insurance Trust Fund. Required supplementary information can be found as listed in the table of contents.

Major Features of the School District’s Government-Wide and Fund Financial Statements		
	Government-Wide Financial Statements	Fund Financial Statements
	Entire School District	Governmental Funds The activities of the School District
Scope		
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

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the School District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by approximately \$42.7 million at the close of the current fiscal year. The following table provides a summary of the School District's net position as of June 30, 2021 compared to June 30, 2020.

	Governmental Activities	
	2021	2020*
Current and other assets	\$ 28,889,447	\$ 10,289,243
Capital assets	28,033,910	28,871,584
Total assets	56,923,357	39,160,827
Deferred pension charges	6,145,087	3,883,519
Deferred OPEB charges	7,578,552	3,729,406
Total deferred outflows	13,723,639	7,612,925
Long-term obligations	12,783,269	12,446,933
Net pension liability	40,108,840	35,792,350
Net OPEB liability	34,686,938	28,914,926
Other liabilities	23,045,725	5,404,623
Total liabilities	110,624,772	82,558,832
Deferred gain on bond refunding	-	1,035
Deferred pension credits	279,958	769,777
Deferred OPEB credits	2,488,460	3,069,335
Total deferred inflows	2,768,418	3,840,147
Net position:		
Net investment in capital assets	14,960,645	16,061,703
Restricted	1,935,214	600,215
Unrestricted	(59,642,053)	(56,287,145)
Net Position, end of year	\$ (42,746,194)	\$ (39,625,227)

* Certain amounts have been restated to reflect the conversion of Food Service balances from business-type activities to governmental activities. See Note I.B in the notes to the financial statements for more information.

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Current and other assets increased approximately \$18.6 million primarily due to an increase in cash and investments. Capital assets decreased approximately \$0.8 million as capital asset additions of approximately \$0.5 million were exceeded by depreciation expense of approximately \$1.3 million. Liabilities increased approximately \$28.0 million from the prior year primarily due to an increase in the net OPEB and pension obligations, and an increase in other liabilities. The changes in the net pension liability and deferred outflows/inflows of resources was primarily due to differences between expected and actual liability/investment experience and changes in the percentage of the School District's share of the net pension liability in the State retirement plans.

The School District's government-wide net position decreased approximately \$3.3 million during 2021 as revenues were exceeded by expenses. See the discussion following the next table regarding this increase.

The largest positive portion of the School District's net position (approximately \$15.0 million) reflects its investment in capital assets (i.e., land, buildings, furniture and equipment, etc.) less any related outstanding debt obligations used to acquire those assets. The School District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt generally must be provided from other sources, since generally the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the School District's net position (approximately \$2.0 million) represents resources that are subject to external restrictions on how they may be used. These amounts are restricted primarily for debt service or by revenue source. The remaining portion of the School District's net position is negative and is approximately \$59.6 million primarily due to recording the School District's proportionate share of the net pension and OPEB liability and the related deferred balances related to the State retirement and OPEB plan.

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

	Changes in Net Position	
	Governmental Activities	
	2021	2020*
Revenues		
Program Revenues:		
Charges for Services	\$ 186,658	\$ 259,165
Operating Grants	16,688,402	16,092,217
Capital Grants	-	259,716
General Revenues:		
Taxes	15,704,278	12,561,977
State Revenue in Lieu of Taxes	3,993,892	5,933,633
Other	163,492	89,167
Total Revenues	<u>36,736,722</u>	<u>35,195,875</u>
Program Activities		
Instruction	19,679,873	18,287,630
Support Services	19,581,009	17,058,659
Intergovernmental	215,164	89,911
Community Services	58,463	15,815
Interest and Other Charges	507,044	508,560
Total Expenses	<u>40,041,553</u>	<u>35,960,575</u>
Change in Net Position	(3,304,831)	(764,700)
Net Position, Beginning of Year	(39,982,380)	(38,860,527)
Change in Accounting Principle - See Note I.B	541,017	-
Net Position, Beginning of Year, Restated	<u>(39,441,363)</u>	<u>(38,860,527)</u>
Net Position, End of Year	<u>\$ (42,746,194)</u>	<u>\$ (39,625,227)</u>

* Certain amounts have been restated to reflect the conversion of Food Service balances from business-type activities to governmental activities. See Note I.B in the notes to the financial statements for more information.

Governmental Activities: Net position for Governmental Activities decreased approximately \$3.3 million from the previous year, compared to a decrease of approximately \$0.7 million in 2020. Key elements are as follows:

- Total revenues increased approximately \$1.5 million (4%), which is primarily attributed to higher tax revenues (approximately \$3.1 million) partially offset by lower state revenues (approximately \$2.0 million) .
- Total expenses increased approximately \$4.1 million (11%), which is primarily attributed to an increase in instruction of approximately \$1.4 million (8%) and an increase in support services of approximately \$2.5 million (15%).

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2021

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

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

Governmental Funds

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

For the year ended June 30, 2021, the School District's governmental funds reported a *combined* fund balance of approximately \$8.5 million, compared to approximately \$6.0 million for the prior year. The increase of approximately \$2.5 million is primarily attributable to the increase in the capital projects fund of approximately \$17.5 million, partially offset by the decrease in the Debt Service Fund of approximately \$14.8 million, and the addition of the Food Service Fund of approximately \$0.4 million to the governmental funds section. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At June 30, 2021, the School District's unassigned fund balance was at a deficit of approximately \$11.0 million related to a deficit balance of approximately \$15.0 million in the Debt Service fund related to a BAN issued in February 2021 for \$15.0 million that was transferred to the Capital Projects fund. The General Fund has a fund balance of approximately \$4.0 million. The Special Revenue Funds, which includes Food Services, had a fund balance of approximately \$0.5 million. The remainder of fund balance for governmental funds is restricted primarily for capital projects for the School District's building plans of approximately \$17.5 million and debt service with a deficit of approximately \$13.5 million due to a transfer of bond proceeds to capital projects of \$15 million at year end.

The General Fund is the chief operating fund of the School District. At the end of the current fiscal year, the unassigned fund balance of the General Fund was approximately \$4.0 million. The fund balance decreased by approximately \$0.2 million, or approximately 5%, during the current fiscal year. The current year decrease is due to higher than expected expenditures associated with instruction and support services offsetting a gain in property taxes.

The Debt Service funds are used to account for the accumulation of funds for debt retirement. The fund balance for the School District's Debt Service Fund was a deficit of approximately \$13.5 million at June 30, 2021, a decrease of approximately \$14.8 million due to a \$15 million BAN issued in February 2021 that was transferred to the capital projects fund at year end. As this debt is scheduled to be repaid in February 2022, which is less than one year after its issuance, it is reflected on the Debt Service Fund's balance sheet at June 30, 2021 as a short-term obligation, as required by generally accepted accounting principles.

The fund balance for the School District's Capital Projects Fund was approximately \$17.5 million at June 30, 2021, an increase of approximately \$17.5 million due to unspent bond proceeds.

General Fund Budgetary Highlights

The School District's budget is prepared according to South Carolina law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The only budgeted fund is the General Fund. During the course of fiscal year 2021, there were no amendments to the School District's General Fund expenditure or revenue budgets. Actual revenues came in higher than budget by approximately \$0.5 million, due to lower local sources of approximately \$2.2 million higher property tax revenues of approximately \$2.5 million, and higher state revenues of approximately \$0.2 million. Actual expenditures exceeded budget by approximately \$0.1 million primarily due to support service expenditures.

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2021

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2021 and 2020, the School District had approximately \$28.0 million and \$28.8 million in capital assets, respectively. The following table shows the capital asset balances as of June 30, 2021 compared to June 30, 2020:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Capital Assets		
Land	\$ 310,640	\$ 310,640
Construction in Progress	414,653	-
Buildings	45,446,240	45,446,240
Furniture & Equipment	1,816,676	1,768,974
Vehicles	525,428	525,428
Less Accumulated Depreciation	(20,479,727)	(19,179,698)
Capital Assets, Net	<u>\$ 28,033,910</u>	<u>\$ 28,871,584</u>

The total decrease in the School District's capital assets was approximately \$0.8 million (3%), as capital asset additions of approximately \$0.5 million were exceeded by depreciation expense of approximately \$1.3 million. Major capital asset additions during the current fiscal year primarily included construction in process of approximately \$0.4 million.

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

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2021

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Debt Administration

The following table shows the outstanding long-term debt balances as of June 30, 2021 compared to June 30, 2020:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
General Obligation Bonds		
Series 2009 Refunding	\$ -	\$ 1,300,000
Series 2015A GO Bond	9,925,000	10,000,000
Series 2016A GO Bond	-	220,000
Series 2017A GO Bond	285,000	496,000
Series 2021A Improvement Refunding	4,127,000	-
Total General Obligation Bonds	<u>14,337,000</u>	<u>12,016,000</u>
Special Obligation Bonds		
Series 2017 Acquisition	376,000	559,000
Series 2018 Acquisition	328,977	340,861
Total Special Obligation Acquisition Bonds	<u>704,977</u>	<u>899,861</u>
Capital Leases		
Turf Lease	451,275	621,997
Total Special Obligation Acquisition Bonds	<u>451,275</u>	<u>621,997</u>
Total Long-term Debt	<u>\$ 15,493,252</u>	<u>\$ 13,537,858</u>

The School District issued an approximately \$0.7 million short-term general obligation bond in September 2020; this indebtedness was repaid in March 2021. The School District issued an approximately \$15.0 million short-term general obligation bond in February 2021 which is scheduled to be repaid in February 2022 and is to be used for the purpose of financing costs related to the construction of a new middle school. The School District also issued a long-term General Obligation Improvement and Refunding Bond, Series 2021 with a par amount of \$4,127,000 at a coupon rate of 2.46%. Principal and interest will be paid in full in December 2023. The GO Bond was issued for the purpose of fully refunding the outstanding 2009 General Obligation Bonds of \$665,000 and funding the acquisition and installation of certain capital projects. The School District made principal payments on long-term indebtedness totaling approximately \$1.5 million during 2021.

The State limits the amount of general obligation debt that school districts can issue to 8% of the assessed value of all taxable property within the School District's corporate limits. The School District is authorized by state statute to exceed the legal debt margin of 8%, if citizens of the School District approve such additional debt through a School District-wide referendum. The School District had approximately \$3.7 million outstanding debt against its legal debt limit of \$6.6 million at June 30, 2021.

Other long-term obligations include bond premiums and accrued compensated absences. More detailed information about the School District's debt and other long-term obligations is presented in Note III.G and III.H in the notes to the financial statements.

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2021

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Dorchester County School District Four passed a balanced budget for fiscal year 2021-2022. The COVID-19 pandemic affected the District in many ways. The District's student count initially declined because of the pandemic but is expected to return to pre-pandemic levels in the 2021-2022 school year. The District has, however, received federal awards through the CARES Act, Education Stabilization Fund (ESSER I - \$561,695), CRRSA, – Education Stabilization Fund II (ESSER II - \$3,667,649), and the American Rescue Plan, Education Stabilization Fund III (ESSER III - \$8,237,017). These federal allocations will be used to address the impact of the pandemic. The District must reserve at least 20% of the ESSER III allocation to address learning loss.

The District participated in the SCAGO Tax Anticipation Note (TAN) program for the 2021-2022 school year in the amount of \$1,516,648.

A facility study was conducted for the school board to determine what the district's facility needs may be in the next 5-10 years. It appears that there is the likelihood of growth in our district as a result of new industries possibly locating here. As a result, the district's constituents passed a referendum in November 2020 to authorize the school board to issue general obligation bonds not to exceed \$34,000,000 for the land acquisition and construction of a district wide middle school.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the School District's citizens, investors and creditors with a general overview of the School 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 Four; 500 Ridge Street, St. George, South Carolina 29477.

BASIC FINANCIAL STATEMENTS

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

STATEMENT OF NET POSITION

JUNE 30, 2021

	PRIMARY GOVERNMENT
	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 22,880,278
Property Taxes Receivable, Net	3,026,722
Due from Other Governments	2,933,513
Prepaid Items and Inventories	48,934
Capital Assets:	
Non-Depreciable	725,293
Depreciable, Net	27,308,617
TOTAL ASSETS	56,923,357
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Charges	6,145,087
Deferred Other Postemployment Benefit Plan Charges	7,578,552
TOTAL DEFERRED OUTFLOWS OF RESOURCES	13,723,639
LIABILITIES	
Accounts Payable	570,951
Accrued Salaries & Benefits	2,683,965
Accrued Interest Payable	174,803
Due to Other Governments	89,278
Unearned Revenue	1,234,742
Short-Term Debt - Bond Payable	15,000,000
Long-Term Obligations:	
Net Pension Liability - Due in More than One Year	40,108,840
Net Other Postemployment Benefit Plan Liability - Due in More than One Year	34,686,938
Long-Term Obligations - Due Within One Year	3,508,191
Long-Term Obligations - Due in More than One Year	12,567,064
TOTAL LIABILITIES	110,624,772
DEFERRED INFLOWS OF RESOURCES	
Deferred Pension Credits	279,958
Deferred Other Postemployment Benefit Plan Credits	2,488,460
TOTAL DEFERRED INFLOWS OF RESOURCES	2,768,418
NET POSITION	
Net Investment in Capital Assets	14,960,644
Restricted For:	
Debt Service	1,378,776
Special Revenue - Food Service	327,060
Special Revenue - Student Activities	156,382
Special Revenue - Other	72,996
Unrestricted	(59,642,052)
TOTAL NET POSITION	\$ (42,746,194)

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

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

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 Governmental Activities
PRIMARY GOVERNMENT:					
Governmental Activities:					
Instruction	\$ 19,679,873	-	14,786,093	-	\$ (4,893,780)
Support Services	19,581,009	186,658	1,902,309	-	(17,492,042)
Community Services	58,463	-	-	-	(58,463)
Intergovernmental	215,164	-	-	-	(215,164)
Interest and Other Charges	507,044	-	-	-	(507,044)
Total Governmental Activities	40,041,553	186,658	16,688,402	-	(23,166,493)
TOTAL PRIMARY GOVERNMENT	\$ 40,041,553	186,658	16,688,402	-	(23,166,493)

GENERAL REVENUES

General Revenues:

Property Taxes Levied for General Purposes	13,441,027
Property Taxes Levied for Debt Service	2,263,251
State Revenue in Lieu of Taxes	3,993,892
Investment Earnings	15,204
Intergovernmental Revenue	47,368
Miscellaneous	100,920
Total General Revenues	19,861,662

CHANGE IN NET POSITION

(3,304,831)

NET POSITION, Beginning of Year, as Previously Reported	(39,982,380)
Cumulative Changes in Accounting Principle - See Note I.B	541,017
NET POSITION, Beginning of Year	(39,441,363)
NET POSITION, End of Year	\$ (42,746,194)

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

DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2021

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>
ASSETS		
Cash and Cash Equivalents	\$ 4,429,648	156,382
Receivables, Net:		
Taxes	2,650,222	-
Due From:		
County Treasurer	109,868	-
State Agencies	264,929	-
Federal Agencies	-	1,167,683
Other Funds	1,989,615	-
Inventories	-	-
TOTAL ASSETS	\$ 9,444,282	1,324,065
LIABILITIES		
LIABILITIES:		
Accounts Payable	\$ 570,951	-
Accrued Salaries & Benefits	2,683,965	-
Due To:		
State Department of Education	-	87,628
Other Funds	1,491,607	820,648
Short-Term Debt - Bond Payable	-	-
Unearned Revenue	-	186,411
TOTAL LIABILITIES	4,746,523	1,094,687
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue - Property Taxes	657,254	-
TOTAL DEFERRED INFLOWS OF RESOURCES	657,254	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	5,403,777	1,094,687
FUND BALANCES		
Nonspendable - Inventories	-	-
Restricted For:		
Debt Service	-	-
Capital Projects	-	-
Special Revenue	-	72,996
Student Activities	-	156,382
Food Service	-	-
Unassigned	4,040,505	-
TOTAL FUND BALANCES	4,040,505	229,378
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 9,444,282	1,324,065

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

SPECIAL REVENUE - EIA	SPECIAL REVENUE - FOOD SERVICE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
-	3,176	-	18,291,072	\$ 22,880,278
-	-	376,500	-	3,026,722
-	-	1,363,717	810	1,474,395
26,000	-	506	-	291,435
-	-	-	-	1,167,683
1,023,981	274,950	-	-	3,288,546
-	48,934	-	-	48,934
1,049,981	327,060	1,740,723	18,291,882	\$ 32,177,993
-	-	-	-	\$ 570,951
-	-	-	-	2,683,965
1,650	-	-	-	89,278
-	-	187,144	789,147	3,288,546
-	-	15,000,000	-	15,000,000
1,048,331	-	-	-	1,234,742
1,049,981	-	15,187,144	789,147	22,867,482
-	-	89,907	-	747,161
-	-	89,907	-	747,161
1,049,981	-	15,277,051	789,147	23,614,643
-	48,934	-	-	48,934
-	-	1,463,672	-	1,463,672
-	-	-	17,502,735	17,502,735
-	-	-	-	72,996
-	-	-	-	156,382
-	278,126	-	-	278,126
-	-	(15,000,000)	-	(10,959,495)
-	327,060	(13,536,328)	17,502,735	8,563,350
1,049,981	327,060	1,740,723	18,291,882	\$ 32,177,993

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**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

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

JUNE 30, 2021

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 8,563,350
Amounts reported for the governmental activities in the Statement of Net Position are different because:	
Property taxes receivable will be collected in the future, but are not available soon enough to pay for the current period's expenditures and therefore are unavailable in the governmental funds.	747,161
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$48,513,637 and the accumulated depreciation is \$20,479,727.	28,033,910
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.	(34,243,711)
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.	(29,596,846)
Accrued interest on debt in governmental accounting is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.	(174,803)
Long-term obligations are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities consisted of the following:	
Long-Term Debt	(15,576,001)
Compensated Absences	(499,254)
	(16,075,255)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	<u>\$ (42,746,194)</u>

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

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2021

	GENERAL	SPECIAL REVENUE
REVENUES		
Local Sources:		
Taxes	\$ 13,413,742	-
Investment Earnings	6,413	39
Other Local Sources	112,763	283,401
State Sources	14,019,609	874,717
Federal Sources	-	2,737,258
Intergovernmental Revenue	47,368	181,425
TOTAL REVENUE ALL SOURCES	27,599,895	4,076,840
EXPENDITURES		
Current:		
Instruction	14,695,023	1,821,829
Support Services	13,534,499	2,078,823
Community Services	55	17,148
Intergovernmental	55,000	159,776
Capital Outlay	96,458	-
Debt Service:		
Principal Retirement	107,403	-
Interest and Fiscal Charges	32,704	-
TOTAL EXPENDITURES	28,521,142	4,077,576
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(921,247)	(736)
OTHER FINANCING SOURCES (USES)		
Premium on Bonds Sold	-	-
Proceeds of Refunding Debt	-	-
Payment to Refunding Debt Escrow Agent	-	-
Transfers In	778,566	90,325
Transfers Out	(90,325)	(44,075)
TOTAL OTHER FINANCING SOURCES (USES)	688,241	46,250
NET CHANGES IN FUND BALANCES	(233,006)	45,514
FUND BALANCES, Beginning of Year, as Previously Reported	4,273,511	-
Cumulative Changes in Accounting Principle - See Note I.B	-	183,864
FUND BALANCE, Beginning of Year, as Restated	4,273,511	183,864
FUND BALANCES, End of Year	\$ 4,040,505	229,378

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

SPECIAL REVENUE - EIA	SPECIAL REVENUE - FOOD SERVICE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
-	-	2,262,324	-	\$ 15,676,066
-	-	1,329	7,423	15,204
-	11,497	-	-	407,661
1,044,355	81,123	197,680	-	16,217,484
-	1,445,515	-	-	4,182,773
-	-	-	-	228,793
1,044,355	1,538,135	2,461,333	7,423	36,727,981
225,605	-	-	-	16,742,457
84,259	1,492,540	-	941,236	18,131,357
-	-	-	-	17,203
-	388	-	-	215,164
-	-	-	438,386	534,844
-	-	1,399,203	-	1,506,606
-	-	500,252	-	532,956
309,864	1,492,928	1,899,455	1,379,622	37,680,587
734,491	45,207	561,878	(1,372,199)	(952,606)
-	-	5,709	-	5,709
-	-	704,353	3,422,647	4,127,000
-	-	(667,217)	-	(667,217)
-	-	-	15,414,588	16,283,479
(734,491)	-	(15,414,588)	-	(16,283,479)
(734,491)	-	(15,371,743)	18,837,235	3,465,492
-	45,207	(14,809,865)	17,465,036	2,512,886
-	357,153	1,273,537	37,699	5,941,900
-	(75,300)	-	-	108,564
-	281,853	1,273,537	37,699	6,050,464
-	327,060	(13,536,328)	17,502,735	\$ 8,563,350

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, 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, 2021

TOTAL NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS **\$ 2,512,886**

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

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds. They are considered revenues in the Statement of Activities.	28,212
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position.	1,506,606
Payment to refunded debt escrow agent is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the Statement of Net Position.	665,000
Interest on long-term obligations in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the governmental funds when it is due and payable, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due and payable.	6,074
Changes in the School District's proportionate shares 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 governmental funds but are reported in the Statement of Activities.	(1,565,103)
Changes in the School District's proportionate shares 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 governmental funds but are reported in the Statement of Activities.	(1,338,803)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position.	(4,127,000)
Bond premiums are revenues the year they are received in governmental funds but amortized over the lives of the bonds in the Statement of Activities.	22,055
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.	(177,084)
Governmental funds report capital asset additions as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation. This is the amount by which depreciation expense of \$1,300,029 exceeded capital asset additions of \$462,355 in the current period.	<u>(837,674)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ (3,304,831)**

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

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

Dorchester County School District Four (the “School District” or “District”) is a school district created in 1969 by merging Districts 1 and 3 to provide public education services to students of a specified geographical district of Dorchester County, South Carolina. The School District receives funding from local, state and federal sources and must comply with any requirements of the funding source entities. A five member Board of Trustees (the “Board”) governs the School District.

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

The School District is controlled by a Board of Trustees (the “Board”), which has oversight responsibility over the public school education activities in the School District. The Board is not included in any other governmental “reporting entity” as defined in the GASB Sec. 2100.108 since Board members are elected by the public and have decision making authority, the power to designate management, the ability to significantly influence operations and the primary accountability for fiscal matters. For these reasons, the School District is recognized as a primary government in accordance with GAAP.

The School District’s financial statements include the accounts of all School District operations and activities for which the Board exercises oversight responsibility, including, but not limited to, general operations and support services, food service operations, capital projects, and debt service activities.

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

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

Blended component units, although legally separate entities, are in substance, part of the government's operations and data from these units are combined with data of the primary government in the fund financial statements. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the School District.

Based on the criteria above, the School District does not have any component units.

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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 has no business-type activities.

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

The **government-wide financial statements** are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recognized/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 FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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 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 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 three Special Revenue Funds:

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

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

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

Change in Accounting Principle

Effective July 1, 2020, the School District converted its food service operations from an enterprise fund to a special revenue fund. This change in accounting principle resulted in a decrease in beginning fund balance of the Special Revenue Fund of \$75,300, representing the book value of capital assets. On its government-wide financial statements, the School District recognized an increase to beginning net position for governmental activities and corresponding decrease to beginning net position for business-type activities in the amount of approximately \$357,000. There was no change in total net position for the School District as a result of these changes.

Management believes that this new treatment is preferable because they plan to internally report the food service program operations in the same manner as they do for all other governmental activities, using the modified accrual basis of accounting. In addition, the food service program revenues are received from grants and fees that are restricted or assigned to the operations of the program; thus, this new treatment would be comparable with the School District's treatment of other similar programs.

The School District adopted GASB Statement No. 84 "*Fiduciary Activities*" ("Statement" or "GASB #84") for the year ended June 30, 2021. The primary objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement made it clear that pupil/student activity funds (due to administrative involvement) should be reported by the School District in either the General Fund or a special revenue fund. The balances and activities were previously recorded in a fiduciary fund (agency fund).

The adoption of GASB #84 has resulted in the restatement of the School District's fund balance and net position as of July 1, 2020 for its governmental fund and government-wide financial statements to reflect the reporting of the pupil/student activity funds in the Special Revenue Fund. Fund balance of the School District's governmental funds and net position of the School District's governmental activities as of July 1, 2020 were increased by approximately \$184,000, reflecting the cumulative change in accounting principle related to the adoption of GASB #84.

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.

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The 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.

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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)

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.
- 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.
- An Open-Ended Money Market Mutual Fund which invests in obligations of the United States and repurchase agreements collateralized by U.S. Government obligations.

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.

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

3. *Inventories and Prepaid Items*

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 Special Revenue - 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.

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

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

4. Capital Assets

Capital assets, which include land, buildings and improvements, furniture, equipment and vehicles, generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets are 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. The School District's practice is not to capitalize purchases of a large quantity of items that individually fall under the capitalization threshold (i.e. bulk computer purchases, etc.). The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	10 - 40 years
Machinery and Equipment	3 - 12 years
Vehicles	5 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 accumulated leave days that are over 90 days but do not exceed the maximum amount of 135 days at the School District's substitute rate of pay. An employee who retires under the guidelines for the retirement as prescribed by the South Carolina Retirement System is eligible to receive up to 45 days of their accumulated leave at their daily rate of pay. 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 and discounts 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 capital 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 FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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 School 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 School 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.

The School District generally uses restricted amounts 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.

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School District currently has two types of deferred outflows of resources: (1) The School District reports deferred pension charges in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. (2) The School District reports deferred other postemployment benefit (“OPEB”) charges in its Statement of Net Position in connection with its participation in the South Carolina Retiree Health Insurance Trust Fund. 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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School District currently has three types of deferred inflows of resources: (1) The School District reports unavailable revenue for property taxes only in the governmental funds Balance Sheet; it is deferred and recognized as an inflow of resources (revenues) in the period the amounts become available. (2) The School District also reports deferred pension credits in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and South Carolina Police Officers Retirement System. (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.

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.

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

10. Pensions and Other Postemployment Benefits

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

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

11. Fair Value (Continued)

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The 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 fall 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.

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.

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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, 2021, none of the School District’s total bank balances of approximately \$1,462,000 (with a carrying value of approximately \$515,000) were exposed to custodial credit risk.

Investments

As of June 30, 2021, the School District had the following investments and maturities:

Investment Type	Fair Value Level ⁽¹⁾	Credit Rating [^]	Fair Value	Investment Maturities in Years <u>< 1 yr</u>
SC Local Government Investment Pool	N/A ⁽²⁾	NR, NR	\$ 22,365,216	\$ 22,365,216
Total			<u>\$ 22,365,216</u>	<u>\$ 22,365,216</u>

[^] 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.

⁽²⁾ Investments that have a net asset value are not subject to the fair value hierarchy.

NR – Not rated.

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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

A. Deposits and Investments (Continued)

Investments (Continued)

Interest Rate Risk: The School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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, 2021, 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	\$ 22,880,278
Total	<u>\$ 22,880,278</u>
Notes to the Financial Statements	
Deposits	\$ 515,062
Investments	22,365,216
Total	<u>\$ 22,880,278</u>

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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

B. Property Taxes and Other Receivables

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 \$82.6 million at rates of 210 mills and 51 mills for operating and debt service, respectively. These taxes are due without penalty through January 15.

Penalties are added to taxes when paid after January 15 depending on the period of time the tax is delinquent.

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. Significant allowances for uncollectibles were not necessary for the 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, 2021, the various components of unearned revenue and deferred inflows of resources reported in the governmental funds are as follows:

Unearned Revenue:	
Unearned Revenue from Special Revenue Funds	\$ 186,411
Unearned Revenue from Special Revenue - EIA Funds	1,048,331
Total Unearned Revenue - Governmental Funds	<u>\$ 1,234,742</u>
Unavailable Revenue:	
Property Taxes Receivable - General Fund	\$ 657,254
Property Taxes Receivable - Debt Service Fund	89,907
Total Unavailable Revenue - Governmental Funds	<u>\$ 747,161</u>

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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, 2021, is as follows:

	Beginning Balance*	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, Non Depreciable:					
Land	\$ 310,640	-	-	-	\$ 310,640
Construction in Progress	-	414,653	-	-	414,653
Total Capital Assets, Non Depreciable	310,640	414,653	-	-	725,293
Capital Assets, Depreciable:					
Buildings	45,446,240	-	-	-	45,446,240
Furniture & Equipment	1,768,974	47,702	-	-	1,816,676
Vehicles	525,428	-	-	-	525,428
Total Capital Assets, Depreciable	47,740,642	47,702	-	-	47,788,344
Less: Accumulated Depreciation for:					
Buildings	17,523,412	1,111,843	-	-	18,635,255
Furniture & Equipment	1,291,454	143,453	-	-	1,434,907
Vehicles	364,832	44,733	-	-	409,565
Total Accumulated Depreciation	19,179,698	1,300,029	-	-	20,479,727
Total Capital Assets, Depreciable, Net	28,560,944	(1,252,327)	-	-	27,308,617
Total Governmental Activities Capital Assets, Net	\$ 28,871,584	(837,674)	-	-	\$ 28,033,910

* Restated to include net food service capital assets of \$75,300 in governmental activities as of July 1, 2020.

In the year ended June 30, 2021, depreciation expense of approximately \$1,113,000, \$146,000 and \$41,000 was charged to Instruction, Support Services, and Community Services, respectively.

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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

E. Interfund Receivables and Payables

Interfund balances at June 30, 2021 (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	\$ 1,989,615	\$ 1,491,607
Special Revenue Funds:		
Special Revenue	-	820,648
EIA	1,023,981	-
Food Service	274,950	-
Debt Service Fund	-	187,144
Capital Projects Fund	-	789,147
Total Primary Government	<u>\$ 3,288,546</u>	<u>\$ 3,288,546</u>

The General Fund receivable is a result of the General Fund central depository account making payments of salaries and other expenditures for other funds. These amounts will be reimbursed as revenue is received from claims that have been submitted. The General Fund payable is a result of the cash receipts deposited into the General Fund central depository account that have not yet been spent.

The Special Revenue, Food Service Fund, Debt Service Fund, and Capital Projects Fund 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 Funds net receivable are a result of cash receipts deposited into the central depository in the General Fund that have not yet been spent.

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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

F. Transfers In and (Out)

Transfers from (to) other funds for the year ended June 30, 2021 consisted of the following:

	Transfers In	Transfers Out
<u>Governmental Funds:</u>		
General Fund	\$ 778,566	\$ 90,325
Special Revenue Fund	90,325	44,075
Special Revenue - EIA Fund	-	734,491
Debt Service Fund	-	15,414,588
Capital Projects Fund	15,414,588	-
Totals	<u>\$ 16,283,479</u>	<u>\$ 16,283,479</u>

During the course of normal operations, the School District has transactions between funds to provide services, construct assets, service debt, etc. These transactions are generally reflected as transfers. Funds are transferred into the General Fund from other funds to cover Education Improvement Act raises for teachers, indirect costs for federal programs and the required Medicaid match. Proceeds from the issuance of debt were transferred from the Debt Service Fund to the Capital Projects fund for capital needs.

G. 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, 2021:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance
SCAGO Series 2020C	\$ -	692,000	692,000	\$ -
2021 BAN	-	15,000,000	-	15,000,000
Total Governmental Activities	<u>\$ -</u>	<u>15,692,000</u>	<u>692,000</u>	<u>\$ 15,000,000</u>

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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

G. Short-Term Obligations (Continued)

In September 2020, the School District issued a short-term General Obligation Bond, Series 2020 with a par amount of \$692,000 at a coupon rate of 2.00%. Principal and interest were paid in full in March 2021. The GO Bond was issued for the purpose of funding the acquisition and installation of certain capital projects. In February 2021, the School District issued a short-term General Obligation Bond Anticipation Note, Series 2021 with a par amount of \$15,000,000 at a coupon rate of 0.770%. Principal and Interest will be paid in full upon maturity in February 2022. The GO Bond was issued for the purpose of funding the acquisition and installation of certain capital projects.

H. 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. The full faith, credit, and taxing powers of the School District are not pledged for the payment of capital lease obligations, special obligation bonds, installment purchase revenue bonds nor the interest thereon.

General Obligation and Special Obligation bonds at June 30, 2021 were comprised of the following:

<u>Issue</u>	<u>Interest Rates</u>	<u>Maturity</u>	<u>Original Issue</u>	<u>Outstanding at June 30, 2021</u>
<u>General Obligation Bonds</u>				
Series 2015A GO Bond	2.25% to 5.00%	2035	\$ 10,000,000	\$ 9,925,000
Series 2017A GO Bond	1.625%	2022	900,000	285,000
Series 2021A Improvement Refunding	0.840%	2023	4,127,000	4,127,000
<u>Special Obligation Bonds</u>				
Series 2017 Acquisition	1.856%	2022	1,100,000	376,000
Series 2018 Acquisition	3.090%	2022	550,235	328,977
			<u>\$ 24,677,235</u>	<u>\$ 15,041,977</u>

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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

H. 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, 2021:

Long-Term Obligations	Beginning of Year	Additions	Reductions	End of Year	Due Within One Year
Governmental Activities:					
Direct Borrowings and Direct Placements:					
Debt:					
General Obligation Bonds					
Series 2009 Refunding	\$ 1,300,000	-	1,300,000	-	\$ -
Series 2015 A GO Bond	10,000,000	-	75,000	9,925,000	75,000
Series 2016 GO Bond	220,000	-	220,000	-	-
Series 2017A GO Bond	496,000	-	211,000	285,000	285,000
Series 2021A Improvement Refunding	-	4,127,000	-	4,127,000	2,584,000
Total General Obligation Bonds	<u>12,016,000</u>	<u>4,127,000</u>	<u>1,806,000</u>	<u>14,337,000</u>	<u>2,944,000</u>
Public:					
Debt:					
Special Obligation Bonds					
Series 2017 Acquisition	559,000	-	183,000	376,000	186,000
Series 2018 Acquisition	340,861	-	11,884	328,977	161,986
Total Bonded Debt	<u>12,915,861</u>	<u>4,127,000</u>	<u>2,000,884</u>	<u>15,041,977</u>	<u>3,291,986</u>
Premiums					
Series 2009 Refunding	14,725	-	14,725	-	-
Series 2015 A GO Bond	88,695	-	5,946	82,749	-
Total Premiums	<u>103,420</u>	<u>-</u>	<u>20,671</u>	<u>82,749</u>	<u>-</u>
Capital Lease					
Turf Lease	621,997	-	170,722	451,275	106,878
	<u>621,997</u>	<u>-</u>	<u>170,722</u>	<u>451,275</u>	<u>106,878</u>
Total Net Debt	<u>13,641,278</u>	<u>4,127,000</u>	<u>2,192,277</u>	<u>15,576,001</u>	<u>3,398,864</u>
Compensated Absences	322,170	247,633	70,549	499,254	109,327
Governmental Activities Long-Term Obligations	<u>\$ 13,963,448</u>	<u>4,374,633</u>	<u>2,262,826</u>	<u>16,075,255</u>	<u>\$ 3,508,191</u>

In April 2021, the School District issued a long-term General Obligation Improvement and Refunding Bond, Series 2021 with a par amount of \$4,127,000 at a coupon rate of 2.46%. Principal and interest will be paid in full in December 2023. The GO Bond was issued for the purpose of current refunding the outstanding 2009 General Obligation Bonds of \$665,000 and funding the acquisition and installation of certain capital projects.

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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

H. Long-Term Obligations (Continued)

The General Fund has been used in prior years to liquidate compensated absences. The General Fund and Debt Service Fund have been used to service all other long-term obligations.

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, 2021, the School District had approximately \$3,739,000 of bonded debt subject to the 8% limit of approximately \$6,611,000 resulting in an unused legal debt margin of approximately \$2,872,000.

Annual debt service requirements to maturity for all governmental activities long-term debt as of June 30, 2021 are as follows:

Year Ending June 30,	Public Offering		Direct Placement - Special Obligation		Capital Lease Obligations		Total		Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2022	\$ 2,944,000	403,422	347,986	17,144	106,878	23,630	3,398,864	444,196	\$ 3,843,060
2023	2,138,000	378,098	356,991	8,686	112,351	18,157	2,607,342	404,941	3,012,283
2024	625,000	335,387	-	-	118,104	12,404	743,104	347,791	1,090,895
2025	655,000	304,137	-	-	113,942	6,357	768,942	310,494	1,079,436
2026	680,000	277,938	-	-	-	-	680,000	277,938	957,938
2027-2031	3,770,000	1,025,575	-	-	-	-	3,770,000	1,025,575	4,795,575
2032-2036	3,525,000	328,769	-	-	-	-	3,525,000	328,769	3,853,769
Totals	\$ 14,337,000	3,053,326	704,977	25,830	451,275	60,548	15,493,252	3,139,704	\$ 18,632,956

I. Food Service

Federal Guidelines

The School District's Food Service Fund administers the meal programs in accordance with United States Department of Agriculture ("USDA") guidelines. Revenues are provided from USDA reimbursements and cash collections. Reimbursements may be in the form of cash or commodities. The Food Service expenditures are inclusive of approximately \$102,000 of commodities consumed during the year ended June 30, 2021.

J. Deficit Fund Balance

As of June 30, 2021, the Debt Service Fund had a deficit fund balance of approximately \$13,536,000. The deficit in the Debt Service Fund is a result of the School District's short-term debt issuances, the related payment of outstanding debt, and transfers to fund capital projects being in excess of the proceeds from new bond issuances and the levy of local property taxes by the fund. The short-term debt was issued in February 2021 to fund capital projects and will be retired in February 2022 using proceeds of additional debt.

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

IV. OTHER INFORMATION

A. 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 various retirement systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state’s employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems’ (“Systems”) five defined benefit 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 a Comprehensive Annual Financial Report (“Annual Report”) containing financial statements and required supplementary information for the System’ Pension Trust Funds. The Annual Report is publicly available through the PEBA’s website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. 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 comprehensive annual financial report of the state.

Plan Description

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

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

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Membership

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

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

Plan Benefits

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

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

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

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS (“Plan”) contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (“UAAL”) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent. The legislation also increased employer contribution rates beginning July 1, 2017 for SCRS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA Board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

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

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

	SCRS and State ORP Rates		
	2019	2020	2021
Employer Contribution Rate: [^]			
Retirement*	14.41%	15.41%	15.41%
Incidental Death Benefit	0.15%	0.15%	0.15%
Accidental Death Contributions	0.00%	0.00%	0.00%
	<u>14.56%</u>	<u>15.56%</u>	<u>15.56%</u>
Employee Contribution Rate	<u>9.00%</u>	<u>9.00%</u>	<u>9.00%</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.

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Contributions (Continued)

The required contributions and percentages of amounts contributed by the School District to the Plans for the past three years were as follows:

Year Ended June 30,	SCRS Contributions		State ORP Contributions	
	Required	% Contributed	Required	% Contributed
2021	\$ 2,563,935	100%	\$ 72,379	100%
2020	2,659,534	100%	65,525	100%
2019	\$ 2,363,327	100%	\$ 47,024	100%

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 contribution increases for the year ended June 30, 2020. The State’s budget appropriated these funds directly to the PEBA for the South Carolina Retirement System Trust Fund. The amount of funds appropriated by the State (nonemployer contributing entity) for the year ended June 30, 2020 (measurement date) to the School District were approximately \$163,000 for the SCRS.

The School District recognized contributions (on-behalf benefits) from the State of approximately \$163,000 for the year ended June 30, 2021. These contributions by the State are recognized as intergovernmental revenues and pension expenditures in the School District’s governmental fund financial statements.

Eligible payrolls covered under the Plans for the past three years were as follows:

Year Ended June 30,	SCRS Payroll	State ORP Payroll	Total Payroll
2021	\$ 16,477,731	685,406	\$ 17,163,137
2020	17,092,118	620,506	17,712,624
2019	\$ 16,231,640	491,882	\$ 16,723,522

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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 for first use in the July 1, 2021 actuarial valuation (previous report was issued for the period ending June 30, 2015).

The June 30, 2020 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, 2019. The TPL was rolled-forward from the valuation date to the Plans' fiscal year end, June 30, 2020, using generally accepted actuarial principles.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2020 (measurement date) for the SCRS.

	<u>SCRS</u>
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return*	7.25%
Projected Salary Increases*	3.0% to 12.5% (varies by service)
Benefit Adjustments	Lesser of 1% or \$500 annually

* Includes inflation at 2.25%.

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Actuarial Assumptions and Methods (Continued)

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina Mortality table ("2016 PRSC"), were developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

Former Job Class	Males	Females
Educators	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

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.

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Long-Term Expected Rate of Return (Continued)

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2020 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 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Global Equity	51.0%		
Global Public Equity	35.0%	7.81%	2.73%
Private Equity	9.0%	8.91%	0.80%
Equity Options Strategies	7.0%	5.09%	0.36%
Real Assets	12.0%		
Real Estate (Private)	8.0%	5.55%	0.44%
Real Estate (REITs)	1.0%	7.78%	0.08%
Infrastructure (Private)	2.0%	4.88%	0.10%
Infrastructure (Public)	1.0%	7.05%	0.07%
Opportunistic	8.0%		
Global Tactical Asset Allocation	7.0%	3.56%	0.25%
Other Opportunistic Strategies	1.0%	4.41%	0.04%
Diversified Credit	15.0%		
High Yield Bonds/Bank Loans	4.0%	4.21%	0.17%
Emerging Markets Debt	4.0%	3.44%	0.14%
Private Debt	7.0%	5.79%	0.40%
Conservative Fixed Income	14.0%		
Core Fixed Income	13.0%	1.60%	0.21%
Cash and Short Duration (Net)	1.0%	0.56%	0.01%
Total Expected Real Return	100.0%		5.80%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			8.05%

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, 2020 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	\$ 51,844,187,763	26,292,418,682	\$ 25,551,769,081	50.7%

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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, 2021, the School District reported a liability of approximately \$40,109,000 for its proportionate share of the NPL for the SCRS. The NPL was measured as of June 30, 2020, and the TPL for the Plan used to calculate the NPL was determined based on the most recent actuarial valuation report of July 1, 2019 that was projected forward to the measurement date. The School District's proportion of the NPL was based on a projection of the School District's long-term share of contributions to the Plan relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2020 measurement date, the School District's SCRS proportion was 0.156971 percent, which was an increase of 0.00022 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized pension expense of approximately \$4,201,000 for the SCRS. At June 30, 2021, the School District reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences Between Expected and Actual Experience	\$ 462,803	\$ 151,669
Change in Assumptions	49,140	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,950,341	-
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	209,495	128,289
Employer Contributions Subsequent to the Measurement Date	2,473,308	-
Total SCRS	<u>\$ 6,145,087</u>	<u>\$ 279,958</u>

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

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

Approximately \$2,473,300 that were reported as deferred outflows of resources related to the School District’s contributions subsequent to the measurement date to the SCRS, will be recognized as a reduction of the NPL in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS will increase (decrease) pension expense as follows:

Year Ended June 30,	SCRS
2022	\$ 576,061
2023	1,021,907
2024	1,040,992
2025	752,861
Total	<u>\$ 3,391,821</u>

Discount Rate

The discount rate used to measure the TPL was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in the SCRS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, each System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Sensitivity Analysis

The following table presents the sensitivity of the School District’s proportionate share of the NPL of the Plans to changes in the discount rate, calculated using the discount rate of 7.25 percent, as well as what it would be if it were calculated using a discount rate that is 1% point lower (6.25 percent) or 1% point higher (8.25 percent) than the current rate:

System	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District’s proportionate share of the net pension liability of the SCRS	\$ 49,709,989	40,108,840	\$ 32,091,764

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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 Annual Report containing financial statements and required supplementary information for the SCRS. The Annual Report is publicly available through the PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

Payable to Plans

The School District reported a payable of approximately \$382,000 to the PEBA as of June 30, 2021, representing required employer and employee contributions for the month of June 2021 for the SCRS. This amount is included in Accrued Salaries and Benefits on the financial statements and was paid in July 2021.

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.B for more details on the PEBA and the SFAA.

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

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 Comprehensive Annual Financial Report of the state.

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits (Continued)

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 (“BLTD”) Income Benefit Plan.

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

The OPEB Trusts are cost-sharing multiple-employer defined benefit OPEB plans. Article 5 of the State Code of Laws defines the two plans and authorizes the Trustee to at any time adjust the plans, including 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 SCRHITF is a healthcare plan that covers retired employees of the State of South Carolina, including all agencies, and public school districts. The SCRHITF provides health and dental insurance benefits to eligible retirees. Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires beginning employment May 2, 2008 and after, retirees are eligible for benefits if they have established 25 years of service for 100% employer funding and 15-24 years of service for 50% employer funding.

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

Plan Contributions and Funding Policies

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

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits (Continued)

Plan Contributions and Funding Policies (Continued)

The SCRHITF is funded through participating employers that are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The 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 include the mandatory transfer of accumulated PEBA – Insurance Benefits’ reserves and the annual appropriation budgeted by the General Assembly. It is also funded through investment income.

The covered payroll surcharge rates for the past three years were as follows:

	Year Ended June 30,		
	2019	2020	2021
Employer Contribution Rate [^]	6.05%	6.25%	6.25%

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

The required payroll surcharge, percentages of amounts contributed, and eligible payroll covered by the SCRHITF for the past three years were as follows:

Year Ended June 30,	Contributions		Eligible Payroll
	Required	% Contributed	
2021	\$ 1,072,696	100%	\$ 17,163,137
2020	1,107,039	100%	17,712,624
2019	\$ 1,011,773	100%	\$ 16,723,522

The State (via state appropriations) and the PEBA – Insurance Benefits (via state statute to transfer amounts above 140% of incurred but not reported claims) contributed to the SCRHITF on behalf of the District approximately \$256,000 for the year ended June 30, 2020 (measurement period).

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

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits (Continued)

Plan Contributions and Funding Policies (Continued)

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

Actuarial Assumptions and Methods

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of the School District's Proportionate Share of the Net OPEB Liability and the Schedule of the District's Contributions, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about the School District's net OPEB liability, 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, net OPEB liability, and sensitivity information were determined by the consulting actuary and are based on the June 30, 2019 actuarial valuation. The total OPEB liability was rolled-forward from the valuation date to the OPEB plan's fiscal year ended June 30, 2020 using generally accepted actuarial principles.

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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, 2019
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:	2.45% as of June 30, 2020
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the five-year period ending June 30, 2015
Mortality:	For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. Multipliers are applied to the based tables based on gender and employment type.
Health Care Trend Rate:	Initial trend starting at 6.40% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 14 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:	There were no benefit changes during the current year. The discount rate changed from 3.13% as of June 30, 2019 to 2.45% as of June 30, 2020.

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 Allocation	Long-Term Expected Real Rate of Return	Allocation-Weighted Long-Term Expected Real Rate of Return
US Domestic Fixed Income	80.0%	0.60%	0.48%
Cash	20.0%	0.35%	0.07%
Total	100.0%		0.55%
Expected Inflation			2.25%
Total Return			2.80%
Investment Return Assumption			2.75%

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits (Continued)

Single Discount Rate

The Single Discount Rate of 2.45% was used to measure the total OPEB liability for the SCRHITF. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the 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 net OPEB liability (“NOL”) is calculated separately for each system and represents that particular system’s total OPEB liability determined in accordance with GASB No. 74 less its fiduciary net position. NOL totals, as of the June 30, 2020 measurement date for the SCRHITF, are presented in the following table:

System	Total OPEB Liability	OPEB Plan Fiduciary Net Position	Employers' Net OPEB Liability (Asset)	OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
SCRHITF	\$ 19,703,745,672	1,652,299,185	\$ 18,051,446,487	8.39%

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

At June 30, 2021, the School District reported a liability of approximately \$34,687,000 for its proportionate share of the net OPEB liability for the SCRHITF. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability for the SCRHITF used to calculate the net OPEB liability was determined based on the most recent actuarial valuation report of June 30, 2019 that was projected forward to the measurement date. The School District’s proportion of the net OPEB liability was based on a projection of the School District’s long-term share of contributions to the SCRHITF relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2020 measurement date, the School District’s proportion was 0.192156 percent, which was an increase of 0.000939 percent from its proportion measured as of June 30, 2019.

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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, 2021, the School District recognized OPEB expense of approximately \$2,648,000 for the SCRHITF. At June 30, 2021, the School District reported deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to OPEBs from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 992,078	\$ 789,946
Change in Assumptions	5,161,849	1,381,411
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	80,906
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	351,929	236,197
Employer Contributions Subsequent to the Measurement Date	1,072,696	-
Total	\$ 7,578,552	\$ 2,488,460

Approximately \$1,073,000 that was reported as deferred outflows of resources related to the School District's contributions subsequent to the measurement date to the SCRHITF, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. 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
2022	\$ 504,993
2023	493,812
2024	476,095
2025	783,530
2025	917,485
Thereafter	841,481
Total	\$ 4,017,396

Sensitivity Analysis

The following table presents the sensitivity of the School District's net OPEB liability for the SCRHITF to changes in the discount rate, calculated using the discount rate of 2.45%, as well as what it would be if it were calculated using a discount rate that is 1% point lower (1.45%) or 1% point higher (3.45%) than the current rate:

	1% Decrease (1.45%)	Current Discount Rate (2.45%)	1% Increase (3.45%)
Net OPEB Liability	\$ 41,388,479	34,686,938	\$ 29,331,905

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits (Continued)

Sensitivity Analysis (Continued)

The following table presents the sensitivity of the District’s net OPEB liability to changes in the healthcare cost trend rate, calculated using the healthcare cost trend rate of 6.40% 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 (5.40% decreasing to 3.00%) or 1% point higher (7.40% decreasing to 5.00%) than the current rate:

	1% Decrease (5.40% decreasing to 3.00%)	Current Healthcare Cost Trend Rate (6.40% decreasing to 4.00%)	1% Increase (7.40% decreasing to 5.00%)
Net OPEB Liability	\$ 28,075,746	34,686,938	\$ 43,369,334

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 School District reported a payable of approximately \$99,000 to the PEBA as of June 30, 2021, representing required employer contributions for the month of June 2021 for the SCRHITF. This amount is included in Accrued Salaries and Benefits on the financial statements and was paid in July 2021.

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 is a member of the South Carolina School Board Insurance Trust/Workers’ Compensation Pool (“SCSBIT/WCP”). This public entity risk pool operates as common risk management and insurance programs for local governments. The School District pays annual premiums to the public entity risk pool 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 pool provides that SCSBIT/WCP will be self-sustaining through member premiums and any deficiencies can be charged back to the members in the event that a fund deficit arises. As of the latest available audited financial statements, June 30, 2020, the SCSBIT/WCP had retained earnings of approximately \$57,104,000. 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.

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

IV. OTHER INFORMATION (CONTINUED)

D. Contingencies and Commitments

Commitments – As of June 30, 2021, the School District had commitments of approximately \$1,200,000 primarily related to copier lease agreements.

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. November 2020 Referendum

The voters of Dorchester County passed a bond referendum in November 2020 authorizing the School District to issue up to \$34,000,000 in general obligation bonds for the construction of a new middle school. The School District issued \$15,000,000 in General Obligation Bond Anticipation Notes under this referendum in February 2021.

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.

The District’s property tax revenues were reduced by \$7,929,944 for operations (210.0 mills) and \$1,057,326 for debt service (28.0 mills) for the fiscal year ended June 30, 2021 as a result of tax abatement agreements entered into by the County. Information was not available regarding the specific agreements or if amounts were received or are receivable from other governments in association with the forgone tax revenues.

H. Subsequent Events

The School District issued short-term General Obligation Bonds, Series 2021B, in September 2021. The bonds were issued at a par amount of \$368,000 with a 3.00% coupon rate for the purpose of making principal and interest payments on the District’s capital leases and to pay the cost of issuance of the bonds. The principal and interest are due in full on March 1, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE

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

YEAR ENDED JUNE 30, 2021

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES				
Local Sources:				
Taxes	\$ 10,829,465	10,829,465	13,413,742	\$ 2,584,277
Investment Earnings	30,000	30,000	6,413	(23,587)
Other Local Sources	2,345,308	2,345,308	112,763	(2,232,545)
State Sources	13,838,328	13,838,328	14,019,609	181,281
Intergovernmental Revenue	66,629	66,629	47,368	(19,261)
TOTAL REVENUE ALL SOURCES	27,109,730	27,109,730	27,599,895	490,165
EXPENDITURES				
Current:				
Instruction	14,807,231	14,807,231	14,695,023	112,208
Support Services	13,403,678	13,403,678	13,534,499	(130,821)
Community Services	-	-	55	(55)
Intergovernmental	55,000	55,000	55,000	-
Capital Outlay	85,800	85,800	96,458	(10,658)
Debt Service:				
Principal Retirement	95,000	95,000	107,403	(12,403)
Interest and Fiscal Charges	10,000	10,000	32,704	(22,704)
TOTAL EXPENDITURES	28,456,709	28,456,709	28,521,142	(64,433)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,346,979)	(1,346,979)	(921,247)	425,732
OTHER FINANCING SOURCES (USES)				
Transfers In	799,006	799,006	778,566	(20,440)
Transfers Out	-	-	(90,325)	(90,325)
TOTAL OTHER FINANCING SOURCES (USES)	799,006	799,006	688,241	(110,765)
NET CHANGE IN FUND BALANCE	(547,973)	(547,973)	(233,006)	314,967
FUND BALANCE, Beginning of Year	4,273,511	4,273,511	4,273,511	-
FUND BALANCE, End of Year	\$ 3,725,538	3,725,538	4,040,505	\$ 314,967

Note: 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.

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST. GEORGE, SOUTH CAROLINA**

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

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

LAST SEVEN FISCAL YEARS

	Year Ended June 30,						
	2021	2020	2019	2018	2017	2016	2015
School District's Proportion of the Net Pension Liability	0.156971%	0.156749%	0.155120%	0.157167%	0.161080%	0.170832%	0.174528%
School District's Proportionate Share of the Net Pension Liability	\$ 40,108,840	35,792,350	34,757,422	35,380,819	34,626,030	32,399,112	\$ 30,047,936
School District's Covered Payroll	\$ 17,712,624	16,723,522	16,304,839	16,174,960	15,958,933	16,226,184	\$ 15,667,698
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	226.44%	214.02%	213.17%	218.74%	216.97%	199.67%	191.78%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	50.71%	54.40%	54.10%	53.34%	52.91%	56.99%	59.92%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year. The School District implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available. The discount rate was lowered from 7.50% to 7.25% beginning with the year ended June 30, 2017 measurement date.

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST. GEORGE, SOUTH CAROLINA**

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

**SCHEDULE OF CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM**

LAST SEVEN FISCAL YEARS

	Year Ended June 30,						
	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 2,636,314	2,725,059	2,410,351	2,179,733	1,832,847	1,736,201	\$ 1,744,832
Contributions in Relation to the Contractually Required Contribution:							
Contributions from the School District	2,473,308	2,562,271	2,247,563	2,094,902	1,935,900	1,736,201	1,744,832
Contributions from the State	163,006	162,788	162,788	162,788	-	-	-
Contribution Deficiency (Excess)	\$ -	-	-	84,831	(103,053)	-	\$ -
School District's Covered Payroll	\$ 17,163,137	17,712,624	16,723,522	16,304,839	16,174,960	15,958,933	\$ 16,226,184
Contributions as a Percentage of Covered Payroll	15.36%	15.38%	14.41%	12.85%	11.97%	10.88%	10.75%

Notes to Schedule:

The School District implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available.

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST. GEORGE, 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 FOUR FISCAL YEARS

	Year Ended June 30,		
	2021	2020	2019
School District's Proportion of the Net OPEB Liability	0.192156%	0.191217%	0.189070%
School District's Proportionate Share of the Net OPEB Liability	\$ 34,686,938	28,914,926	26,792,325
School District's Covered Payroll	\$ 17,712,624	16,723,522	16,304,839
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	195.8%	172.9%	164.3%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	8.4%	8.4%	7.9%

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 before 2017 is not available.
The discount rates used by year were as follows:

2.45	3.13%	3.62%	3.56%
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**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST. GEORGE, SOUTH CAROLINA**

REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES

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

LAST FOUR FISCAL YEARS

	Year Ended June 30,		
	2021	2020	2018
Contractually Required Contribution	\$ 1,072,696	1,107,039	1,011,773
Contributions in Relation to the Contractually Required Contribution	1,072,696	1,107,039	1,011,773
Contribution Deficiency (Excess)	\$ -	-	\$ -
School District's Covered Payroll	\$ 17,163,137	17,715,624	16,723,522
Contributions as a Percentage of Covered Payroll	6.25%	6.25%	6.05%
			5.50%

Notes to Schedule:

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

SUPPLEMENTARY INFORMATION

GENERAL FUND

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

YEAR ENDED JUNE 30, 2021

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
1000 Revenue from Local Sources:			
1100 Taxes Levied/Assessed by the LEA:			
1110 Ad Valorem Taxes-Including Delinquent (Independent)	\$ 9,489,828	11,820,100	\$ 2,330,272
1131 Bus Driver Aides	656	-	(656)
1200 Revenue from Local Governmental Units Other than LEAs:			
1280 Revenue in Lieu of Taxes (Independent and Dependent)	1,339,637	1,593,642	254,005
1300 Tuition:			
1310 From Patrons for Regular Day School	53,000	19,500	(33,500)
1500 Earnings on Investments:			
1510 Interest on Investments	30,000	6,413	(23,587)
1900 Other Revenue from Local Sources:			
1990 Miscellaneous Local Revenue:			
1999 Revenue from Other Local Sources	2,291,652	93,263	(2,198,389)
Total Revenue from Local Sources	<u>13,204,773</u>	<u>13,532,918</u>	<u>328,145</u>
2000 Intergovernmental Revenue:			
2100 Payments from Other Governmental Units	66,629	47,368	(19,261)
Total Intergovernmental Revenues	<u>66,629</u>	<u>47,368</u>	<u>(19,261)</u>
3000 Revenue from State Sources:			
3100 Restricted State Funding:			
3130 Special Programs:			
3131 Handicapped Transportation	1,522	2,178	656
3160 School Bus Driver's Salary (Includes Hazardous Condition Transportation)	283,606	289,294	5,688
3161 EAA Bus Driver Salary and Fringe	617	596	(21)
3162 Transportation Workers' Compensation	18,255	18,255	-
3180 Fringe Benefits Employer Contributions (No Carryover Provision)	2,340,022	2,340,022	-
3181 Retiree Insurance (No Carryover Provision)	824,451	824,451	-
3186 State Aid Classroom	529,845	529,845	-
3189 Teacher Step	115,785	115,785	-
3193 Public Education License Plates	384	-	(384)
3300 Education Finance Act:			
3310 Full-Time Programs:			
3311 Kindergarten	236,902	199,120	(37,782)
3312 Primary	703,702	648,573	(55,129)
3313 Elementary	1,195,572	1,186,502	(9,070)
3314 High School	435,432	521,368	85,936
3315 Trainable Mentally Handicapped	21,083	27,645	6,562
3316 Speech Handicapped (Part-Time)	310,877	259,859	(51,018)
3317 Homebound	1,747	132	(1,615)
3320 Part-Time Programs:			
3321 Emotionally Handicapped	10,250	15,150	4,900
3322 Educable Mentally Handicapped	83,096	82,883	(213)
3323 Learning Disabilities	692,888	595,851	(97,037)
3324 Hearing Handicapped	13,232	6,776	(6,456)
3325 Visually Handicapped	9,015	4,517	(4,498)
3327 Vocational	\$ 690,629	451,986	\$ (238,643)

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2021

	REVISED BUDGET	ACTUAL	VARIANCE
3330 Miscellaneous EFA Programs:			
3331 Autism	\$ 109,136	137,861	\$ 28,725
3332 High Achieving Students	39,748	48,331	8,583
3334 Limited English Proficiency	16,425	20,790	4,365
3351 Academic Assistance	209,856	202,713	(7,143)
3352 Pupils in Poverty	582,623	539,624	(42,999)
3353 Dual Credit Enrollment	7,851	8,821	970
3392 NBC Excess EFA Formula	-	14,742	14,742
3800 State Revenue in Lieu of Taxes:			
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	902,111	901,632	(479)
3820 Homestead Exemption (Tier 2)	410,718	547,400	136,682
3825 Reimbursement for Property Tax Relief (Tier 3)	2,481,559	2,437,680	(43,879)
3830 Merchant's Inventory Tax	50,036	50,037	1
3840 Manufacturers Depreciation Reimbursement	-	768,752	768,752
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	346,353	57,432	(288,921)
3900 Other State Revenue:			
3993 PEBA On-behalf	163,000	163,006	6
Total Revenue from State Sources	<u>13,838,328</u>	<u>14,019,609</u>	<u>181,281</u>
TOTAL REVENUE ALL SOURCES	<u>27,109,730</u>	<u>27,599,895</u>	<u>490,165</u>
EXPENDITURES			
100 Instruction:			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	493,665	305,521	188,144
200 Employee Benefits	226,907	156,874	70,033
300 Purchased Services	9,550	-	9,550
400 Supplies and Materials	9,325	7,242	2,083
112 Primary Programs:			
100 Salaries	1,697,106	1,837,780	(140,674)
200 Employee Benefits	786,994	869,872	(82,878)
300 Purchased Services	23,550	4,671	18,879
400 Supplies and Materials	74,213	19,972	54,241
113 Elementary Programs:			
100 Salaries	3,360,503	3,062,304	298,199
200 Employee Benefits	1,437,476	1,281,857	155,619
300 Purchased Services	116,480	46,174	70,306
400 Supplies and Materials	120,971	41,132	79,839
114 High School Programs:			
100 Salaries	1,906,952	1,988,397	(81,445)
200 Employee Benefits	727,894	819,118	(91,224)
300 Purchased Services	119,250	26,275	92,975
400 Supplies and Materials	99,917	45,290	54,627
115 Career and Technology Education Programs:			
100 Salaries	122,539	123,948	(1,409)
200 Employee Benefits	60,629	52,093	8,536
400 Supplies and Materials	\$ 13,168	3,388	\$ 9,780

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2021

	REVISED BUDGET	ACTUAL	VARIANCE
120 Exceptional Programs:			
121 Educable Mentally Handicapped:			
100 Salaries	\$ 617,812	574,882	\$ 42,930
200 Employee Benefits	227,436	258,444	(31,008)
300 Purchased Services	-	57,192	(57,192)
400 Supplies and Materials	1,141	515	626
122 Trainable Mentally Handicapped:			
100 Salaries	211,581	164,405	47,176
200 Employee Benefits	65,275	50,317	14,958
300 Purchased Services	-	12,398	(12,398)
400 Supplies and Materials	328	68	260
123 Orthopedically Handicapped:			
100 Salaries	68,906	67,370	1,536
200 Employee Benefits	33,934	32,981	953
300 Purchased Services	32,000	39,406	(7,406)
124 Visually Handicapped:			
300 Purchased Services	12,000	6,079	5,921
400 Supplies and Materials	86	-	86
125 Hearing Handicapped:			
400 Supplies and Materials	86	-	86
126 Speech Handicapped:			
100 Salaries	67,526	69,874	(2,348)
200 Employee Benefits	26,410	20,235	6,175
300 Purchased Services	178,560	89,823	88,737
400 Supplies and Materials	4,132	3,893	239
127 Learning Disabilities:			
100 Salaries	706,242	676,504	29,738
200 Employee Benefits	260,507	264,326	(3,819)
300 Purchased Services	23,000	93,438	(70,438)
400 Supplies and Materials	9,828	5,536	4,292
128 Emotionally Handicapped:			
400 Supplies and Materials	110	-	110
130 Pre-School Programs:			
133 Pre-School Handicapped-Self-Contained (5-Yr. Olds)			
100 Salaries	76,912	80,443	(3,531)
200 Employee Benefits	42,150	43,360	(1,210)
140 Special Programs:			
145 Homebound:			
100 Salaries	20,000	-	20,000
200 Employee Benefits	6,310	-	6,310
300 Purchased Services	14,500	-	14,500
147 CERDEP:			
100 Salaries	131,384	458,412	(327,028)
200 Employee Benefits	59,597	197,687	(138,090)
400 Supplies and Materials	-	3,174	(3,174)
149 Other Special Programs:			
100 Salaries	247,508	307,269	(59,761)
200 Employee Benefits	80,572	122,281	(41,709)
300 Purchased Services	9,000	6,032	2,968
400 Supplies and Materials	4,250	20,663	(16,413)
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	62,164	33,845	28,319
200 Employee Benefits	31,844	18,511	13,333
400 Supplies and Materials	\$ 1,024	637	\$ 387

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2021

	REVISED BUDGET	ACTUAL	VARIANCE
162 Limited English Proficiency:			
100 Salaries	\$ -	810	\$ (810)
200 Employee Benefits	-	71	(71)
170 Summer School Programs:			
171 Primary Summer School:			
100 Salaries	-	58,618	(58,618)
200 Employee Benefits	-	15,072	(15,072)
172 Elementary Summer School:			
100 Salaries	-	1,289	(1,289)
200 Employee Benefits	-	381	(381)
173 High School Summer School:			
100 Salaries	-	15,977	(15,977)
200 Employee Benefits	-	4,615	(4,615)
175 Instructional Programs Beyond Regular School Day:			
100 Salaries	-	1,032	(1,032)
200 Employee Benefits	-	313	(313)
300 Purchased Services	-	15,000	(15,000)
400 Supplies and Materials	-	27,652	(27,652)
180 Adult/Continuing Educational Programs:			
188 Parenting/Family Literacy:			
100 Salaries	-	20,683	(20,683)
200 Employee Benefits	11,484	20,656	(9,172)
190 Instructional Pupil Activity:			
400 Supplies and Materials	14,543	7,012	7,531
600 Other Objects	40,000	33,934	6,066
Total Instruction	<u>14,807,231</u>	<u>14,695,023</u>	<u>112,208</u>
200 Support Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	72,414	74,932	(2,518)
200 Employee Benefits	27,885	24,979	2,906
300 Purchased Services	3,500	3,606	(106)
212 Guidance Services:			
100 Salaries	511,823	550,299	(38,476)
200 Employee Benefits	211,178	227,359	(16,181)
300 Purchased Services	5,500	550	4,950
400 Supplies and Materials	6,000	4,418	1,582
213 Health Services:			
100 Salaries	170,019	237,855	(67,836)
200 Employee Benefits	82,816	119,928	(37,112)
300 Purchased Services	36,200	26,647	9,553
400 Supplies and Materials	6,000	5,106	894
600 Other Objects	300	-	300
214 Psychological Services:			
100 Salaries	108,544	130,248	(21,704)
200 Employee Benefits	51,354	45,994	5,360
300 Purchased Services	\$ 105,000	77,728	\$ 27,272

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2021

	REVISED BUDGET	ACTUAL	VARIANCE
217 Career Specialist Services::			
100 Salaries	\$ 9,737	11,567	\$ (1,830)
200 Employee Benefits	4,341	4,344	(3)
220 Instructional Staff Services:			
221 Improvement of Instruction Curriculum Development:			
100 Salaries	109,598	113,408	(3,810)
200 Employee Benefits	44,356	42,573	1,783
300 Purchased Services	24,500	480	24,020
400 Supplies and Materials	12,000	70,446	(58,446)
600 Other Objects	750	-	750
222 Library and Media Services:			
100 Salaries	326,927	348,010	(21,083)
200 Employee Benefits	141,653	150,568	(8,915)
300 Purchased Services	11,216	10,589	627
400 Supplies and Materials	39,625	20,426	19,199
223 Supervision of Special Programs:			
100 Salaries	186,340	110,222	76,118
200 Employee Benefits	65,012	39,597	25,415
300 Purchased Services	8,055	7,005	1,050
400 Supplies and Materials	8,500	6,739	1,761
600 Other Objects	1,350	-	1,350
224 Improvement of Instruction Inservice and Staff Training:			
100 Salaries	226,071	164,714	61,357
200 Employee Benefits	92,147	44,479	47,668
300 Purchased Services	5,500	48,668	(43,168)
400 Supplies and Materials	24,500	2,393	22,107
500 Capital Outlay	3,300	(34,794)	38,094
600 Other Objects	500	313	187
230 General Administrative Services:			
231 Board of Education:			
100 Salaries	78,500	53,168	25,332
200 Employee Benefits	24,767	9,965	14,802
300 Purchased Services	106,500	108,076	(1,576)
318 Audit Services	28,525	30,400	(1,875)
400 Supplies and Materials	22,000	16,345	5,655
600 Other Objects	13,000	20,286	(7,286)
232 Office of Superintendent:			
100 Salaries	159,854	187,073	(27,219)
200 Employee Benefits	72,402	71,779	623
300 Purchased Services	7,500	(184)	7,684
400 Supplies and Materials	15,000	8,680	6,320
600 Other Objects	3,800	4,449	(649)
233 School Administration:			
100 Salaries	1,415,941	1,341,401	74,540
200 Employee Benefits	581,853	552,731	29,122
300 Purchased Services	28,000	4,843	23,157
400 Supplies and Materials	16,816	13,907	2,909
600 Other Objects	\$ 14,200	6,458	\$ 7,742

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2021

	REVISED BUDGET	ACTUAL	VARIANCE
250 Finance and Operations Services:			
252 Fiscal Services:			
100 Salaries	\$ 281,213	301,879	\$ (20,666)
200 Employee Benefits	153,889	126,345	27,544
300 Purchased Services	67,500	57,904	9,596
400 Supplies and Materials	10,000	10,382	(382)
500 Capital Outlay	2,500	-	2,500
600 Other Objects	4,800	85,413	(80,613)
254 Operation and Maintenance of Plant:			
100 Salaries	885,536	743,920	141,616
200 Employee Benefits	555,340	310,874	244,466
300 Purchased Services (Excludes Energy Costs)	1,292,890	2,206,705	(913,815)
400 Supplies and Materials (Include Energy Costs)	929,300	718,216	211,084
500 Capital Outlay	82,500	131,252	(48,752)
600 Other Objects	-	38,522	(38,522)
255 Student Transportation (State Mandated):			
100 Salaries	1,006,146	777,000	229,146
200 Employee Benefits	471,633	370,918	100,715
300 Purchased Services	49,000	7,926	41,074
400 Supplies and Materials	5,000	3,880	1,120
256 Food Service:			
200 Employee Benefits	310,551	320,469	(9,918)
257 Internal Services:			
300 Purchased Services	6,000	-	6,000
258 Security:			
100 Salaries	52,000	47,176	4,824
200 Employee Benefits	4,446	762	3,684
300 Purchased Services	347,110	449,080	(101,970)
260 Central Support Services:			
262 Planning, Research, Development and Evaluation:			
300 Purchased Services	-	3,400	(3,400)
263 Information Services:			
100 Salaries	36,060	30,406	5,654
200 Employee Benefits	16,448	13,983	2,465
264 Staff Services:			
100 Salaries	215,511	262,425	(46,914)
200 Employee Benefits	56,991	108,527	(51,536)
300 Purchased Services	29,500	9,630	19,870
400 Supplies and Materials	7,500	30,056	(22,556)
600 Other Objects	400	618	(218)
266 Technology and Data Processing Services:			
100 Salaries	303,424	371,867	(68,443)
200 Employee Benefits	120,181	135,363	(15,182)
300 Purchased Services	108,284	94,427	13,857
400 Supplies and Materials	28,000	7,024	20,976
600 Other Objects	300	-	300
270 Support Services Pupil Activity:			
271 Pupil Services Activities:			
100 Salaries (Optional)	429,731	431,552	(1,821)
200 Employee Benefits (Optional)	143,625	97,816	45,809
300 Purchased Services (Optional)	29,000	27,817	1,183
400 Supplies and Materials (Optional)	74,000	142,716	(68,716)
600 Other Objects (Optional)	40,000	33,934	6,066
Total Support Services	\$ 13,489,478	13,630,957	\$ (141,479)

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2021

	REVISED BUDGET	ACTUAL	VARIANCE
300 Community Services:			
350 Custody and Care of Children Services:			
100 Salaries	\$ -	70	\$ (70)
200 Employee Benefits	-	2	(2)
390 Other Community Services:			
100 Salaries	-	(200)	200
200 Employee Benefits	-	183	(183)
Total Community Services	<u>-</u>	<u>55</u>	<u>(55)</u>
400 Other Charges:			
412 Payments to Other Governmental Units			
720 Transits	55,000	55,000	-
Total Intergovernmental Expenditures	<u>55,000</u>	<u>55,000</u>	<u>-</u>
500 Debt Service:			
610 Redemption of Principal	95,000	107,403	(12,403)
620 Interest	10,000	32,704	(22,704)
Total Debt Service	<u>105,000</u>	<u>140,107</u>	<u>(35,107)</u>
TOTAL EXPENDITURES	<u>28,456,709</u>	<u>28,521,142</u>	<u>(64,433)</u>
OTHER FINANCING SOURCES (USES)			
5230 Transfer from Special Revenue EIA Fund	724,006	734,491	10,485
5280 Transfer from Other Funds Indirect Costs	75,000	44,075	(30,925)
421-710 Transfer to Special Revenue Fund	-	(90,325)	(90,325)
TOTAL OTHER FINANCING SOURCES (USES)	<u>799,006</u>	<u>688,241</u>	<u>(110,765)</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	(547,973)	(233,006)	314,967
FUND BALANCE, Beginning of Year	4,273,511	4,273,511	-
FUND BALANCE, End of Year	<u>\$ 3,725,538</u>	<u>4,040,505</u>	<u>\$ 314,967</u>

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**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2021

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)
REVENUES		
1500 Earnings on Investments:		
1510 Interest on Investments	\$ -	-
1700 Pupil Activities:		
1740 Student Feeds	-	-
1790 Other Pupil Activity Income	-	-
1900 Other Revenue from Local 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>
2000 Intergovernmental Revenue:		
2100 Payments from Other Governmental Units	-	-
2300 Payments from Non-Profit Entities (for First Steps)	-	-
Total Intergovernmental Revenue	<u>-</u>	<u>-</u>
3000 Revenue from State Sources:		
3100 Restricted State Funding:		
3110 Occupational Education:		
3118 EEDA Career Specialists	-	-
3120 General Education:		
3127 Student Health and Fitness - PE Teachers	-	-
3130 Special Programs:		
3135 Reading Coaches	-	-
3136 Student Health and Fitness - Nurses	-	-
3190 Miscellaneous Restricted State Grants:		
3193 Education License Plates	-	-
3900 Other State Revenue:		
3994 PEBA On-Behalf	-	-
3995 CRF Per Pupil Funding	-	-
3999 Revenue from Other State Sources	-	-
Total Revenue from State Sources	<u>-</u>	<u>-</u>
4000 Revenue from Federal Sources:		
4200 Occupational Education:		
4210 Perkins Aid, Title I - Career and Technology Education - Basic Grants to States	-	-
4300 Elementary and Secondary Education Act of 1965 (ESEA):		
4310 Title I, Basic State Grant Programs (Carryover Provision)	1,010,086	-
4312 Rural and Low-Income School Program, Title V	-	-
4351 Supporting Effective Instruction	-	-
4500 Programs for Children with Disabilities:		
4510 Individuals with Disabilities Education Act (IDEA)	-	630,896
4520 Preschool Grants for Children with Disabilities (IDEA)	\$ -	-

Preschool Handicapped (CG Projects) (205)	Career and Technology Education (VA Projects) (207/208)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Student Activity Funds (700s)	Totals
-	-	-	-	39	\$ 39
-	-	-	-	18,332	18,332
-	-	-	-	153,477	153,477
-	-	-	50,697	-	50,697
-	-	-	60,895	-	60,895
-	-	-	111,592	171,848	283,440
-	-	-	160,999	-	160,999
-	-	20,426	-	-	20,426
-	-	20,426	160,999	-	181,425
-	-	94,306	-	-	94,306
-	-	14,056	-	-	14,056
-	-	80,113	-	-	80,113
-	-	86,443	-	-	86,443
-	-	523	-	-	523
-	-	-	-	-	-
-	-	4,564	-	-	4,564
-	-	-	593,738	-	593,738
-	-	-	974	-	974
-	-	280,005	594,712	-	874,717
-	260	-	-	-	260
-	-	-	-	-	1,010,086
-	-	-	24,577	-	24,577
-	-	-	168,648	-	168,648
-	-	-	-	-	630,896
27,978	-	-	-	-	\$ 27,978

(Continued)

DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2021

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)
4900 Other Federal Sources:		
4924 21st Century Community Learning Center Program (Title IV, 21st Century Schools)	\$ -	-
4975 Coronavirus Aid Relief and Economic Security Act (CARES Act)	-	-
4977 ESSER II	-	-
4997 Title IV - SSAE	-	-
Total Revenue from Federal Sources	<u>1,010,086</u>	<u>630,896</u>
TOTAL REVENUE ALL SOURCES	<u>1,010,086</u>	<u>630,896</u>
EXPENDITURES		
100 Instruction:		
110 General Instruction:		
111 Kindergarten Program:		
100 Salaries	42,919	-
200 Employee Benefits	12,749	-
400 Supplies and Materials	12,870	-
112 Primary Programs:		
100 Salaries	267,617	-
200 Employee Benefits	111,285	-
400 Supplies and Materials	39,322	-
113 Elementary Programs:		
100 Salaries	183,871	-
200 Employee Benefits	71,395	-
400 Supplies and Materials	43,019	-
114 High School Programs:		
300 Purchased Services	-	-
400 Supplies and Materials	-	-
500 Capital Outlay	-	-
120 Exceptional Programs:		
121 Educable Mentally Handicapped:		
100 Salaries	-	63,031
200 Employee Benefits	-	35,506
400 Supplies and Materials	-	16,310
122 Trainable Mentally Handicapped:		
100 Salaries	-	18,183
200 Employee Benefits	-	15,654
400 Supplies and Materials	-	12,648
124 Visually Handicapped:		
400 Supplies and Materials	-	535
126 Speech Handicapped:		
100 Salaries	-	-
200 Employee Benefits	-	-
400 Supplies and Materials	-	215
127 Learning Disabilities:		
100 Salaries	-	42,076
200 Employee Benefits	-	12,242
300 Purchased Services	-	-
400 Supplies and Materials	-	49,847
130 Pre-School Programs:		
133 Pre-School Handicapped Self-Contained (5-Yr. Olds):		
100 Salaries	-	-
200 Employee Benefits	-	-

Preschool Handicapped (CG Projects) (205)	Career and Technology Education (VA Projects) (207/208)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Student Activity Funds (700s)	Totals
-	-	-	231,834	-	\$ 231,834
-	-	-	520,505	-	520,505
-	-	-	74,684	-	74,684
-	-	-	47,790	-	47,790
27,978	260	-	1,068,038	-	2,737,258
27,978	260	300,431	1,935,341	171,848	4,076,840
-	-	-	-	-	42,919
-	-	-	-	-	12,749
-	-	-	6,855	-	19,725
-	-	34,813	99,942	-	402,372
-	-	14,347	29,344	-	154,976
-	-	-	16,101	-	55,423
-	-	-	46,463	-	230,334
-	-	-	12,442	-	83,837
-	-	-	14,869	-	57,888
-	-	-	4,500	-	4,500
-	-	523	7,039	-	7,562
-	-	-	25,416	-	25,416
-	-	-	-	-	63,031
-	-	-	-	-	35,506
-	-	-	-	-	16,310
-	-	-	-	-	18,183
-	-	-	-	-	15,654
-	-	-	-	-	12,648
-	-	-	-	-	535
-	-	-	51,840	-	51,840
-	-	-	14,975	-	14,975
-	-	-	-	-	215
-	-	-	-	-	42,076
-	-	-	-	-	12,242
-	-	-	4,500	-	4,500
-	-	-	-	-	49,847
19,740	-	-	-	-	19,740
8,172	-	-	-	-	\$ 8,172

(Continued)

DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2021

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)
140 Special Programs:		
147 CERDEP:		
400 Supplies and Materials	\$ -	-
149 Other Special Programs:		
300 Purchased Services	-	-
400 Supplies and Materials	-	-
160 Other Exceptional Programs:		
161 Autism:		
400 Supplies and Materials	-	900
170 Summer School Programs:		
171 Primary Summer School:		
100 Salaries	-	-
200 Employee Benefits	-	-
172 Elementary Summer School:		
100 Salaries	-	-
200 Employee Benefits	-	-
400 Supplies and Materials	-	-
175 Instructional Programs Beyond Regular School Day:		
100 Salaries	725	-
200 Employee Benefits	219	-
400 Supplies and Materials	-	-
180 Adult/Continuing Educational Programs:		
188 Parenting/Family Literacy:		
100 Salaries	21,011	-
200 Employee Benefits	10,259	-
300 Purchased Services	2,826	-
400 Supplies and Materials	22,487	-
190 Instructional Pupil Activity:		
300 Purchased Services	-	-
400 Supplies and Materials	3,573	-
600 Other Objects	-	-
190 CDEPP (Parenting):		
400 Supplies and Materials	-	-
Total Instruction	846,147	267,147
200 Support Services:		
210 Pupil Services:		
211 Attendance and Social Work Services:		
400 Supplies and Materials	473	-
213 Health Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	7,450
600 Other Objects	-	100
214 Psychological Services:		
100 Salaries	-	611
200 Employee Benefits	-	183
300 Purchased Services	-	1,722
400 Supplies and Materials	-	6,033
600 Other Objects	-	870
217 Career Specialist Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
	\$ -	-

Preschool Handicapped (CG Projects) (205)	Career and Technology Education (VA Projects) (207/208)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Student Activity Funds (700s)	Totals
					-
-	-	-	15,561	-	\$ 15,561
-	-	-	8,420	-	8,420
-	-	-	15,304	-	15,304
-	-	-	-	-	900
-	-	-	6,015	-	6,015
-	-	-	1,772	-	1,772
-	-	-	15,420	-	15,420
-	-	-	4,659	-	4,659
-	-	-	6,839	-	6,839
-	-	-	147,243	-	147,968
-	-	-	36,412	-	36,631
-	-	-	12,407	-	12,407
					-
-	-	20,426	-	-	41,437
-	-	-	-	-	10,259
-	-	-	-	-	2,826
-	-	-	1,155	-	23,642
-	260	-	-	-	260
-	-	-	1,589	-	5,162
-	-	-	-	3,172	3,172
-	-	-	-	-	-
-	-	-	-	-	-
27,912	260	70,109	607,082	3,172	1,821,829
-	-	-	46,845	-	47,318
-	-	55,050	4,343	-	59,393
-	-	31,393	2,253	-	33,646
-	-	-	12,224	-	12,224
-	-	-	-	-	7,450
-	-	-	-	-	100
-	-	-	27,071	-	27,682
-	-	-	12,762	-	12,945
-	-	-	-	-	1,722
-	-	-	-	-	6,033
-	-	-	-	-	870
-	-	67,116	-	-	67,116
-	-	27,190	-	-	\$ 27,190

(Continued)

DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2021

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)
220 Instructional Staff Services:		
221 Improvement of Instruction Curriculum Development:		
100 Salaries	\$ -	5,000
200 Employee Benefits	-	1,369
300 Purchased Services	-	-
400 Supplies and Materials	-	-
222 Library and Media Services:		
400 Supplies and Materials	-	-
223 Supervision of Special Programs:		
100 Salaries	62,724	117,747
200 Employee Benefits	20,993	43,120
300 Purchased Services	6,047	4,439
400 Supplies and Materials	14,854	24,235
600 Other Objects	-	673
224 Improvement of Instruction Inservice and Staff Training:		
100 Salaries	-	64,894
200 Employee Benefits	-	31,677
300 Purchased Services	10,375	26,041
400 Supplies and Materials	1,786	17,919
600 Other Objects	-	475
230 General Administration Services:		
233 School Administration:		
400 Supplies and Materials	-	-
250 Finance and Operations Services:		
254 Operation and Maintenance of Plant:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	8,674	-
321 Public Utilities (Excludes Gas, Oil, Elec. & Other Heating Fuels)	-	-
400 Supplies and Materials	6,771	-
255 Student Transportation (State Mandated):		
100 Salaries	-	-
200 Employee Benefits	-	-
256 Food Service:		
100 Salaries	-	-
200 Employee Benefits	-	-
258 Security:		
300 Purchased Services	3,190	-
260 Central Support Services:		
264 Staff Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
266 Technology and Data Processing Services:		
400 Supplies and Materials	-	-
270 Support Services - Pupil Activity:		
271 Pupil Services Activities:		
100 Salaries (Optional)	-	-
200 Employee Benefits (Optional)	-	-
300 Purchased Services (Optional)	-	-
660 Pupil Activity	-	-
Total Support Services	\$ 135,887	354,558

Preschool Handicapped (CG Projects) (205)	Career and Technology Education (VA Projects) (207/208)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Student Activity Funds (700s)	Totals
-	-	32,792	16,500	-	\$ 54,292
-	-	12,217	5,005	-	18,591
-	-	-	208,214	-	208,214
-	-	-	193,145	-	193,145
-	-	-	4,357	-	4,357
-	-	-	58,293	-	238,764
-	-	-	13,618	-	77,731
-	-	-	-	-	10,486
-	-	-	860	-	39,949
-	-	-	-	-	673
-	-	-	13,750	-	78,644
-	-	-	4,129	-	35,806
-	-	-	173,984	-	210,400
-	-	-	3,445	-	23,150
-	-	-	950	-	1,425
-	-	-	22,629	-	22,629
-	-	-	14,885	-	14,885
-	-	-	3,580	-	3,580
-	-	-	38,537	-	47,211
-	-	-	-	-	-
-	-	-	23,170	-	29,941
-	-	-	1,002	-	1,002
-	-	-	243	-	243
-	-	-	534	-	534
-	-	-	160	-	160
-	-	-	-	-	3,190
-	-	-	4,500	-	4,500
-	-	-	903	-	903
-	-	-	11,715	-	11,715
-	-	-	17,994	-	17,994
-	-	-	178,456	-	178,456
-	-	-	20,110	-	20,110
-	-	-	5,500	-	5,500
-	-	-	20,796	-	20,796
-	-	-	-	196,158	196,158
-	-	225,758	1,166,462	196,158	\$ 2,078,823

(Continued)

DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2021

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)
300 Community Services:		
370 Non-Public School Services:		
300 Purchased Services	\$ -	-
400 Supplies and Materials	426	-
Total Community Services	<u>426</u>	<u>-</u>
410 Intergovernmental Expenditures:		
411 Payments to State Department of Education		
720 Transits	-	-
419 Payments to PEBA Nonemployer Contributions		
720 Transits	-	-
Total Intergovernmental Expenditures	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>982,460</u>	<u>621,705</u>
OTHER FINANCING SOURCES (USES)		
Interfund Transfers, From (To) Other Funds:		
5210 Transfer from General Fund (Exclude Indirect Costs)	-	-
431-791 Special Revenue Fund Indirect Costs (Use Only for Transfer of Indirect Costs to General Fund)	(27,626)	(9,191)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(27,626)</u>	<u>(9,191)</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-	-
FUND BALANCE, Beginning of Year, as Previously Reported	-	-
Cumulative Change in Accounting Principle - See Note I.B		
FUND BALANCE, Beginning of Year, as Restated	<u>-</u>	<u>-</u>
FUND BALANCE, End of Year	<u>\$ -</u>	<u>-</u>

Preschool Handicapped (CG Projects) (205)	Career and Technology Education (VA Projects) (207/208)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Student Activity Funds (700s)	Totals
-	-	-	11,633	-	\$ 11,633
-	-	-	5,089	-	5,515
-	-	-	16,722	-	17,148
-	-	-	155,212	-	155,212
-	-	4,564	-	-	4,564
-	-	4,564	155,212	-	159,776
27,912	260	300,431	1,945,478	199,330	4,077,576
-	-	-	90,325	-	90,325
(66)	-	-	(7,192)	-	(44,075)
(66)	-	-	83,133	-	46,250
-	-	-	72,996	(27,482)	45,514
-	-	-	-	-	-
-	-	-	-	183,864	183,864
-	-	-	-	183,864	183,864
-	-	-	72,996	156,382	\$ 229,378

SPECIAL REVENUE FUND

SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES

YEAR ENDED JUNE 30, 2021

OTHER RESTRICTED STATE GRANTS

919	Education License Plates
928	EEDA Career Specialists
935	Reading Coaches
936	Student Health and Fitness - Nurses
937	Student Health and Fitness - PE Teachers
982	First Steps/Parenting
994	PEBA Non-Employer Contributions

OTHER SPECIAL REVENUE PROGRAMS

210	Title IV SSAE
217	Coronavirus Relief Fund/LEAP
220	SC CARES ESSER
224	21st Century Community Learning Centers Program (84.287)
225	SC ESSER II
251	Title IV REAP
263	Comprehensive School Reform Grant
267	Improving Teacher Quality
720	Pupil Activity - Harleyville Elementary
730	Pupil Activity - W-M Elementary
740	Pupil Activity - St. George Middle
750	Pupil Activity - Woodland High
771	Pupil Activity - Clay Hill Elementary
772	Pupil Activity - H-R Middle
801	Medicaid - OPEC
802	Back to School Bash
820	Recycling Mini-Grant
848	SGM - Robotics Program
851	Bosch Robotics Grant
852	CERRA Rural ED Program
853	Reading by Third Grade Program
854	Family Resource Center - OPEC
855	AASL Grant
856	DSS - Pre-K Grants

SPECIAL REVENUE FUND

SUMMARY SCHEDULE FOR OTHER DESIGNATED RESTRICTED STATE GRANTS

YEAR ENDED JUNE 30, 2021

Subfund	Revenue	Programs	Revenues	Expenditures	Special Revenue		Special Revenue Fund Unearned
					Interfund Transfers In (Out)	Other Fund Transfers Sources (Uses)	
919	3193	Education License Plates	\$ 523	523	-	-	\$ -
		Program (CERDEP) - Full Day 4K	-	-	-	-	4,792
928	3118	EEDA Career Specialists	94,306	94,306	-	-	-
935	3135	Reading Coaches	80,113	80,113	-	-	100,773
936	3136	Student Health and Fitness - Nurses	86,443	86,443	-	-	-
937	3127	Student Health & Fitness - PE Teachers	14,056	14,056	-	-	1,223
982	2300	First Steps Parenting	20,426	20,426	-	-	12,891
994	3994	PEBA Non Employer Contributions	4,564	4,564	-	-	-
Totals			\$ 300,431	300,431	-	-	\$ 119,679

EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2021

	<u>ACTUAL</u>
REVENUES	
3000 Revenue from State Sources:	
3500 Education Improvement Act:	
3502 ADEPT	\$ 83
3518 Adoption List of Formative Assessment	7,434
3526 Refurbishment of Science Kits	19,400
3529 Career and Technology Education	24,520
3532 National Board Salary Supplement (No Carryover Provision)	113,278
3533 Teacher of the Year Awards (No Carryover Provision)	1,077
3550 Teacher Salary Increase (No Carryover Provision)	590,747
3555 Teacher Salary Fringe (No Carryover Provision)	143,744
3557 Summer Reading Program	2,612
3571 CSI and Priority Schools	87,392
3577 Teacher Supplies (No Carryover Provision)	49,500
3597 Aid to Districts	4,568
Total Revenue from State Sources	<u>1,044,355</u>
TOTAL REVENUE ALL SOURCES	<u>1,044,355</u>
EXPENDITURES	
100 Instruction:	
110 General Instruction:	
111 Kindergarten Programs:	
100 Salaries	15,000
200 Employee Benefits	4,321
112 Primary Programs:	
100 Salaries	5,000
200 Employee Benefits	1,439
400 Supplies and Materials	39,716
113 Elementary Programs:	
100 Salaries	32,000
200 Employee Benefits	9,594
400 Supplies and Materials	33,582
114 High School Programs:	
100 Salaries	7,500
200 Employee Benefits	2,171
400 Supplies and Materials	38,627
140 Special Programs:	
147 CDEPP:	
100 Salaries	22,500
200 Employee Benefits	6,507
149 Other Special Programs:	
400 Supplies and Materials	1,375
170 Summer School Programs:	
171 Primary Summer School:	
400 Supplies and Materials	2,612
190 Instructional Pupil Activity:	
400 Supplies and Materials	3,661
Total Instruction	<u>\$ 225,605</u>

(Continued)

EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2021

	<u>ACTUAL</u>
200 Support Services:	
220 Instructional Staff Services:	
221 Improvement of Instruction Curriculum Development:	
100 Salaries	\$ 7,500
200 Employee Benefits	2,125
300 Purchased Services	2,991
400 Supplies and Materials	118
224 Improvement of Instruction Inservice and Staff Training:	
300 Purchased Services	67,019
400 Supplies and Materials	2,964
260 Central Support Services:	
264 Staff Services:	
300 Purchased Services	83
270 Support Services - Pupil Activity:	
271 Pupil Services Activities:	
400 Supplies and Materials (Optional)	1,459
Total Support Services	<u>84,259</u>
TOTAL EXPENDITURES	<u>309,864</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
420-710 Transfer to General Fund (Exclude Indirect Costs)	(734,491)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(734,491)</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-
FUND BALANCE, Beginning of Year	<u>-</u>
FUND BALANCE, End of Year	<u>\$ -</u>

EDUCATION IMPROVEMENT ACT

SUMMARY SCHEDULE BY PROGRAM

YEAR ENDED JUNE 30, 2021

Program	Revenues	Expenditures	EIA Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	EIA Fund Unearned Revenue
3500 Education Improvement Act:					
3502 ADEPT	\$ 83	83	-	-	\$ 6,727
3515 Advanced Placement Courses	-	-	-	-	750
3518 Adoption List of Formative Assessment	7,434	7,434	-	-	-
3526 Refurbishment of Science Kits	19,400	19,400	-	-	14,075
3528 Industry Certifications/Credentials	-	-	-	-	20,000
3529 Career and Technology Education	24,520	24,520	-	-	94,665
3532 National Board Salary Supplement (No Carryover Provision)	113,278	113,278	-	-	-
3533 Teacher of the Year Awards (No Carryover Provision)	1,077	1,077	-	-	-
3538 Students at Risk of School Failure	-	-	-	-	368,875
3541 Child Early Reading Development and Education Program (CERDEP) - Full Day 4K	-	-	-	-	180,559
3550 Teacher Salary Increase (No Carryover Provision)	590,747	-	-	(590,747)	-
3555 Teacher Salary Fringe (No Carryover Provision)	143,744	-	-	(143,744)	-
3557 Summer Reading Program	2,612	2,612	-	-	30,034
3558 Reading (Carryover)	-	-	-	-	1,026
3571 CSI and Priority Schools	87,392	87,392	-	-	149,560
3577 Teacher Supplies (No Carryover Provision)	49,500	49,500	-	-	-
3595 EEDA - Supplies and Materials	-	-	-	-	6,776
3597 Aid to Districts	4,568	4,568	-	-	172,786
3599 Other EIA	-	-	-	-	2,498
	\$ 1,044,355	309,864	-	(734,491)	\$ 1,048,331
Totals					

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

YEAR ENDED JUNE 30, 2021

<u>Program</u>	<u>Project/Grant Number</u>	<u>Revenue & Subfund Code</u>	<u>Description</u>	<u>Amount Due to State Department of Education or Federal Government</u>	<u>Status of Amount Due to Grantors</u>
IDEA - Extended Day	IDEA	4230/203	Unexpended Funds	\$ 6,386.86	Will be paid in FY22
IDEA	IDEA	4230/203	Unexpended Funds	81,241.03	Will be paid in FY22
Teacher Supplies (No Carryover Provision)	EIA	4230/377	Unexpended Funds	1,650.00	Will be paid in FY22
Total				<u><u>\$ 89,277.89</u></u>	

FOOD SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2021

	<u>ACTUAL</u>
REVENUES	
1600 Food Service:	
1630 Special Sales to Pupils	\$ 17
1640 Lunch Sales to Adults	10,120
1650 Breakfast Sales to Adults	1,172
1660 Special Sales to Adults	188
Total Revenue from Local Sources	<u>11,497</u>
3900 Other State Sources:	
3995 CRF Per Pupil Funding	77,802
3999 Revenue from Other State Sources	3,321
Total Revenue from State Sources	<u>81,123</u>
4000 Revenue from Federal Sources:	
4800 USDA Reimbursement:	
4860 Fresh Fruits & Vegetable Program (FFVP) (Carryover Provision)	72,599
4880 Summer Feeding Programs (SFSP)	1,270,522
4900 Other Federal Sources:	
4991 USDA Commodities (Food Distribution Program) (Carryover Provision)	102,394
Total Revenue from Federal Sources	<u>1,445,515</u>
TOTAL REVENUE ALL SOURCES	<u>1,538,135</u>
EXPENDITURES	
256 Food Service:	
100 Salaries	743,780
300 Purchased Services (Exclude Energy Costs)	16,628
400 Supplies and Materials (Include Energy Costs)	729,134
600 Other Objects	2,998
Total Food Service Expenditures	<u>1,492,540</u>
400 Other Charges:	
410 Intergovernmental Expenses:	
411 Payments to State Department of Education	
720 Transits	388
Total Intergovernmental Expenditures	<u>388</u>
TOTAL EXPENDITURES	<u>1,492,928</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	45,207
FUND BALANCE, Beginning of Year, as Previously Reported	357,153
Cumulative Change in Accounting Principle - See Note I.B	<u>(75,300)</u>
FUND BALANCE, Beginning of Year, as Restated	<u>281,853</u>
FUND BALANCE, End of Year	<u>\$ 327,060</u>

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

Schedule C-1

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2021

	<u>ACTUAL</u>
REVENUES	
1000 Revenue from Local Sources:	
1100 Taxes:	
1110 Ad Valorem Taxes-Including Delinquent (Independent)	\$ 2,049,577
1200 Revenue from Local Governmental Units Other than LEAs:	
1280 Revenue in Lieu of Taxes (Independent and Dependent)	212,747
1500 Earnings on Investments:	
1510 Interest on Investments	1,329
Total Revenue from Local Sources	<u>2,263,653</u>
3000 Revenue from State Sources:	
3800 State Revenue in Lieu of Taxes:	
3820 Homestead Exemption (Tier 2)	82,757
3830 Merchant's Inventory Tax	4,765
3840 Manufacturers Depreciation Reimbursement	102,500
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	7,658
Total Revenue from State Sources	<u>197,680</u>
TOTAL REVENUE ALL SOURCES	<u>2,461,333</u>
EXPENDITURES	
500 Debt Service:	
610 Redemption of Principal	1,399,203
620 Interest	395,672
690 Other Objects (Includes Fees for Servicing Bonds)	104,580
Total Debt Service	<u>1,899,455</u>
TOTAL EXPENDITURES	<u>1,899,455</u>
OTHER FINANCING SOURCES (USES)	
5110 Premium on Bonds Sold	5,709
5130 Proceeds of Refunding Debt	704,353
441-720 Payment to Refunded Debt Escrow Agent	(667,217)
Interfund Transfers, From (To) Other Funds:	
424-710 Transfer to Capital Projects Fund	(15,414,588)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(15,371,743)</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	(14,809,865)
FUND BALANCE, Beginning of Year	<u>1,273,537</u>
FUND BALANCE, End of Year	<u>\$ (13,536,328)</u>

CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2021

	<u>ACTUAL</u>
REVENUES	
1000 Revenue from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 7,423
Total Revenue from Local Sources	<u>7,423</u>
TOTAL REVENUE ALL SOURCES	<u>7,423</u>
EXPENDITURES	
250 Finance and Operations:	
253 Facilities Acquisition & Construction:	
300 Purchased Services	488,509
500 Capital Outlay:	
540 Equipment	414,653
254 Operations and Maintenance of Plant:	
300 Purchased Services (Exclude Energy Costs)	324,379
400 Supplies and Materials (Include Energy Costs)	95,246
500 Capital Outlay	14,934
260 Central Support Services:	
264 Staff Services:	
500 Capital Outlay	8,800
270 Support Services - Pupil Activity	
271 Pupil Service Activities	
400 Supplies and Materials	33,101
Total Support Services	<u>1,379,622</u>
TOTAL EXPENDITURES	<u>1,379,622</u>
OTHER FINANCING SOURCES (USES)	
5120 Proceeds of General Obligation Bonds	3,422,647
Interfund Transfers, From (To) Other Funds:	
5240 Transfer from Debt Service Fund	15,414,588
TOTAL OTHER FINANCING SOURCES (USES)	<u>18,837,235</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	17,465,036
FUND BALANCE, Beginning of Year	<u>37,699</u>
FUND BALANCE, End of Year	<u>\$ 17,502,735</u>

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

Schedule F-1

LOCATION RECONCILIATION SCHEDULE

YEAR ENDED JUNE 30, 2021

LOCATION ID	LOCATION DESCRIPTION	EDUCATION LEVEL	COST TYPE	TOTAL EXPENDITURES
10	District Officer - Central	Non-School	Central	\$ 10,145,066
20	Harleyville Elementary	Elementary School	School	3,463,217
30	Williams Memorial Elementary	Elementary School	School	6,929,551
40	St. George Middle	Middle School	School	3,631,549
50	Woodland High	High School	School	7,930,892
70	Alternative School	Other School	School	693,226
71	Clay Hill Elementary	Elementary School	School	2,439,793
72	Harleyville-Ridgeville Middle	Middle School	School	2,395,750
80	Dorchester Academy - Substitutes	Other School	School	51,543
TOTAL EXPENDITURES / DISBURSEMENTS FOR ALL FUNDS				\$ 37,680,587

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

General Fund	\$ 28,521,142
Special Revenue Fund	4,077,576
Special Revenue - EIA Fund	309,864
Debt Service Fund	1,899,455
Capital Projects Fund	1,379,622
Food Service Fund	1,492,928
TOTAL EXPENDITURES / DISBURSEMENTS FOR ALL FUNDS	\$ 37,680,587

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COMPLIANCE SECTION

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2021

LEA Subfund Code	Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass Through Grantor's Number	Federal Expenditures
US Department of Agriculture				
Pass-through State Department of Education:				
600	National School Breakfast Program	10.553	N/A	\$ 1,270,522
600	National School Lunch Program - Non-Cash Assistance	10.555	N/A	102,394
Total 10.553, 10.555 & 10.559				<u>1,372,916</u>
611	Fresh Fruit and Vegetable Program	10.582	N/A	72,599
Total US Department of Agriculture				<u>1,445,515</u>
US Department of Education				
Pass-through State Department of Education:				
201/202	Title I	84.010	19/20 Title I, Regular	1,010,086
Total 84.010				<u>1,010,086</u>
Individuals with Disabilities Education Act				
203/204	Special Education - Grants to States	84.027	19/20 IDEA	630,896
205	Special Education - Preschool Grants	84.173	19/20 PreSchool	27,978
Total 84.027 & 84.173				<u>658,874</u>
207/208	Vocational Aid	84.048	19/20 CATE	260
210	Title IV Student Support & Academic Enrichment	84.424A	19/20 Title IV SSAE	47,790
224	21st Century After School Learning	84.002	19/20 Adult Education	231,834
251	Title VI Part B - REAP	84.358	19/20 REAP	24,577
263	Title II	84.281	19/20 Title III ELA	84,509
267	Improving Teacher Quality	84.367	19/20 Title II ITQ	84,139
220	COVID-19: SC CARES ESSER	84.425D	H63010497520	520,505
225	COVID-19: SC CARES ESSER II	84.425D	H63010497522	74,684
Total US Department of Education				<u>2,737,258</u>
TOTAL FEDERAL ASSISTANCE EXPENDED				<u>\$ 4,182,773</u>

There were no expenditures to subrecipients for the year ended June 30, 2021.

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

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2021

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 Four, South Carolina (the "School District") for the year ended June 30, 2021. 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 Note I 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 Special Revenue Funds.

D. Relationship to Federal Financial Reports

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

E. Indirect Cost Rate

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

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**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 Four
St. George, 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 Four (the "School District") as of and for the year ended June 30, 2021, 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, 2021.

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) to determine the 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Greene Finney, LLP

Greene Finney, LLP
Mauldin, South Carolina
December 2, 2021



**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 Four
St. George, South Carolina

Report on Compliance for Each Major Federal Program

We have audited Dorchester County School District Four's (the "School District") compliance with the types of compliance requirements described 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, 2021. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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, LLP

Greene Finney, LLP
Mauldin, South Carolina
December 2, 2021

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST GEORGE, SOUTH CAROLINA**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2021

Section II – Financial Statement Findings

None Reported

Section III – Federal Award Findings and Questioned Costs

None Reported

**DORCHESTER COUNTY SCHOOL DISTRICT FOUR
ST. GEORGE, SOUTH CAROLINA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2021

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?	_____ Yes	X	_____ 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 (Uniform Guidance)?	_____ Yes	X	_____ No
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Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553; 10.555	National School Breakfast and Lunch Programs
84.425D	COVID-19: SC CARES ESSER

Dollar threshold used to distinguish between type A and type B programs:	_____ \$ 750,000
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Auditee qualified as low-risk auditee?	X	_____ Yes	_____ No
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Section II - Findings - Current Year Financial Statements Audit

NONE

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

NONE