

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

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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

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ST GEORGE, SOUTH CAROLINA**

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

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

Established in 1969

Board of Trustees

**Mrs. Phyllis Hughes, Chairman
Mr. Tony Folk, Vice-Chairman
Dr. James Hodges, Secretary
Mrs. Evelyn Infinger
Dr. Kenneth Jenkins**

Senior Administrative Staff

**Jeffrey Beckwith, Superintendent
LaToya Adams, Director of Human Resources
Tracy Jackson, Director of State/Federal Programs
Shelissa Bowman, Director of Elementary Curriculum and Education
Corey Prentiss, Chief Academic Officer
William H. Saunders, Chief Financial Officer
Nancy Stevens, Director of Student Support Services
Elijah DeLee, Director of Technology
Monica Tudder, Director of Exceptional Children**

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Greene Finney Cauley, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2023 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
November 28, 2023

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2023

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, 2023 ("FY 23" or "2023") compared to fiscal year ended June 30, 2022 ("FY 22" or "2022"). 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 2023 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 \$27.2 million. The School District had a deficit in unrestricted net position of approximately \$58.6 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 increased by approximately \$5.6 million.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of approximately \$18.6 million, an increase of approximately \$13.0 million from the prior year fund balance. The General Fund increased approximately \$400 thousand. 100% of the total fund balance, or approximately \$5.9 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 \$5.9 million, which was approximately 19% of total General Fund expenditures.
- During 2023, the School District's governmental fund revenues were approximately \$46.2 million, compared to approximately \$47.4 million in the prior year. The School District's governmental fund expenditures were approximately \$68.2 million, compared to approximately \$55.6 million in the prior year. This increase is primarily due to an increase in capital outlay.
- The School District's total capital assets increased approximately \$24.7 million (57%) during the current fiscal year to approximately \$68.2 million, as capital asset additions of approximately \$26.3 million exceeding depreciation expense of approximately \$1.6 million.
- The School District's total outstanding debt decreased from approximately \$53.2 million at June 30, 2022 to approximately \$49.0 million at June 30, 2023. The School District refunded \$35 million of short-term debt through the issuance of the long-term GO Bond, Series 2023A in August 2023. The decrease in total outstanding debt is attributable making principal payments on long-term and short-term debt of approximately \$2.9 million and \$1.8 million, respectively.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2023

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.

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.

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

MANAGEMENT’S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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, 2023

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 \$27.2 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, 2023 compared to June 30, 2022.

	Governmental Activities	
	2023	2022
Current and other assets	\$ 25,916,894	\$ 47,347,839
Capital assets	68,228,767	43,518,379
Total assets	94,145,661	90,866,218
Deferred pension charges	5,069,930	5,236,716
Deferred OPEB charges	8,653,542	9,987,493
Total deferred outflows	13,723,472	15,224,209
Long-term obligations	8,654,376	17,694,206
Net pension liability	36,856,453	32,436,587
Net OPEB liability	28,086,231	38,322,774
Other liabilities	47,942,016	41,258,906
Total liabilities	121,539,076	129,712,473
Deferred pension credits	974,571	6,003,952
Deferred OPEB credits	12,550,035	3,212,252
Total deferred inflows	13,524,606	9,216,204
Net position:		
Net investment in capital assets	27,912,754	23,543,326
Restricted	3,462,820	2,770,706
Unrestricted	(58,570,123)	(59,152,282)
Net Position, end of year	\$ (27,194,549)	\$ (32,838,250)

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Current and other assets decreased approximately \$21.4 million primarily due to a decrease in cash and investments. Capital assets increased approximately \$24.7 million as capital asset additions of approximately \$26.3 million exceeding depreciation expense of approximately \$1.6 million. Liabilities decreased approximately \$8.2 million from the prior year primarily due to a decrease in the net OPEB obligations and long term obligations, partially offset by increases in net pension obligations and 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 increased approximately \$5.6 million during 2023 as revenues exceeded expenses. See the discussion following the next table regarding this increase.

The largest positive portion of the School District's net position (approximately \$27.9 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 \$3.5 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 \$58.6 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, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

	Changes in Net Position	
	Governmental Activities	
	2023	2022
Revenues		
Program Revenues:		
Charges for Services	\$ 676,507	\$ 484,913
Operating Grants	19,042,068	24,544,925
Capital Grants	-	-
General Revenues:		
Taxes	19,678,093	17,544,703
State Revenue in Lieu of Taxes	5,667,572	4,369,975
Other	1,351,265	464,190
Total Revenues	<u>46,415,505</u>	<u>47,408,706</u>
Program Activities		
Instruction	19,627,087	19,049,496
Support Services	19,574,418	17,491,874
Intergovernmental	84,442	75,956
Community Services	87,896	89,002
Interest and Other Charges	1,397,961	794,434
Total Expenses	<u>40,771,804</u>	<u>37,500,762</u>
Change in Net Position	5,643,701	9,907,944
Net Position, Beginning of Year	<u>(32,838,250)</u>	<u>(42,746,194)</u>
Net Position, End of Year	<u>\$ (27,194,549)</u>	<u>\$ (32,838,250)</u>

Governmental Activities: Net position for Governmental Activities increased approximately \$5.6 million from the previous year, compared to an increase of approximately \$9.9 million in 2022. Key elements are as follows:

- Total revenues decreased approximately \$993 thousand (2%), which is primarily attributed to a decrease in operating grants of approximately \$5.5 million (22%). This decrease is partially offset by increases of approximately \$2.1 million in property taxes and \$887 thousand in other revenues.
- Total expenses increased approximately \$3.3 million (9%), which is primarily attributed to an increase in support services of approximately \$2.1 million (12%).

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2023

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, 2022, the School District's governmental funds reported a *combined* fund balance of approximately \$18.6 million, compared to approximately \$5.6 million for the prior year. The increase of approximately \$13.0 million is primarily attributable to the increase in the debt service fund of approximately \$37.1 million, offset by the decrease in the Capital Projects Fund of approximately \$24.6 million. 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, 2023, the School District's unassigned fund balance was approximately \$5.9 million related to the General Fund. The General Fund has a total fund balance of approximately \$5.9 million. The Special Revenue Funds, which includes Food Services, had a fund balance of approximately \$0.8 million. The remainder of fund balance for governmental funds is restricted primarily for capital projects for the School District's building plans of approximately \$8.7 million and debt service with approximately \$3.2 million.

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 \$5.9 million. The fund balance increased by approximately \$0.4 million, or approximately 8%, during the current fiscal year. The current year increase is due to an increase in transfers in.

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 approximately \$3.2 million at June 30, 2023, an increase of approximately \$37.1 million due to proceeds of \$35 million from GO Bond, Series 2023A. As this debt is not scheduled to be repaid in less than one year after its issuance, it is not reflected on the Debt Service Fund's balance sheet at June 30, 2023 and is instead reflected on the School District's government-wide Statement of Net Position, as required by generally accepted accounting principles.

The fund balance for the School District's Capital Projects Fund was approximately \$8.7 million at June 30, 2023, a decrease of approximately \$24.6 million due to an increase in capital outlay.

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 2023, there were no amendments to the School District's General Fund expenditure and revenue budgets. Actual revenues were consistent with the budget for fiscal year 2023.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2023

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2023 and 2022, the School District had approximately \$68.2 million and \$43.5 million in capital assets, respectively. The following table shows the capital asset balances as of June 30, 2023 compared to June 30, 2022:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Capital Assets		
Land	\$ 310,640	\$ 310,640
Construction in Progress	30,693,138	15,708,303
Buildings	56,270,492	45,446,240
Furniture & Equipment	2,734,627	2,227,381
Vehicles	562,259	562,259
Right-to-Use Asset - Lease	1,243,749	1,243,749
Less Accumulated Depreciation	(23,586,138)	(21,980,193)
Capital Assets, Net	<u>\$ 68,228,767</u>	<u>\$ 43,518,379</u>

The total increase in the School District's capital assets was approximately \$24.7 million (57%), as capital asset additions of approximately \$26.3 million exceeded depreciation expense of approximately \$1.6 million. Major capital asset additions during the current fiscal year primarily included construction in process of approximately \$25.8 million related to the construction of a new middle school and other capital projects.

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, 2023

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Debt Administration

The following table shows the outstanding long-term debt balances as of June 30, 2023 compared to June 30, 2022:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
General Obligation Bonds		
Series 2015A GO Bond	\$ 9,255,000	\$ 9,850,000
Series 2021A Improvement Refunding	-	1,543,000
Series 2023A GO Bond	35,000,000	-
Total General Obligation Bonds	<u>44,255,000</u>	<u>11,393,000</u>
Special Obligation Bonds		
Series 2017 Acquisition	-	190,000
Series 2018 Acquisition	-	166,991
Series 2020 Acquisition	3,653,507	4,000,000
Total Special Obligation Acquisition Bonds	<u>3,653,507</u>	<u>4,356,991</u>
Leases		
Turf Lease	232,046	344,397
Right-to-Use Lease Liability	773,344	1,019,717
Total Special Obligation Acquisition Bonds	<u>1,005,390</u>	<u>1,364,114</u>
Total Long-term Debt	<u><u>\$ 48,913,897</u></u>	<u><u>\$ 17,114,105</u></u>

The School District issued an approximately \$0.8 million short-term general obligation bond in September 2022; this indebtedness was repaid in March 2023. The School District issued an approximately \$35.0 million short-term general obligation bond in February 2023 which was repaid with long-term GO Bond, Series 2023A in August 2023 and is to be used for the purpose of financing costs related to the construction of a new middle school. The School District made principal payments on long-term indebtedness totaling approximately \$2.9 million during 2023.

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 no outstanding debt against its legal debt limit of \$6.6 million at June 30, 2023.

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, 2023

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Dorchester County School District Four passed a balanced general fund budget for fiscal year 2023-2024 with \$32,144,680 in budgeted revenues and expenditures.

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 2023-2024 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 2023-2024 school year in the amount of \$3,000,000.

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 the 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 \$35,000,000 for the land acquisition and construction of a new district wide middle school. The new middle school project is expected to be completed during fiscal year 2023-2024.

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, 2023

	PRIMARY GOVERNMENT
	Governmental Activities
ASSETS	
Cash and Cash Equivalents, including Restricted Cash	\$ 19,752,380
Property Taxes Receivable, Net	1,278,188
Accounts Receivable, Net	39,850
Due from Other Governments	4,812,049
Prepaid Items and Inventories	34,427
Capital Assets:	
Non-Depreciable	31,003,778
Depreciable, Net	37,224,989
TOTAL ASSETS	94,145,661
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Charges	5,069,930
Deferred Other Postemployment Benefit Plan Charges	8,653,542
TOTAL DEFERRED OUTFLOWS OF RESOURCES	13,723,472
LIABILITIES	
Accounts Payable	3,534,544
Accrued Salaries & Benefits	2,527,430
Accrued Interest Payable	731,650
Unearned Revenue	291,873
Long-Term Obligations:	
Net Pension Liability - Due in More than One Year	36,856,453
Net Other Postemployment Benefit Plan Liability - Due in More than One Year	28,086,231
Long-Term Obligations - Due Within One Year	1,568,879
Long-Term Obligations - Due in More than One Year	47,942,016
TOTAL LIABILITIES	121,539,076
DEFERRED INFLOWS OF RESOURCES	
Deferred Pension Credits	974,571
Deferred Other Postemployment Benefit Plan Credits	12,550,035
TOTAL DEFERRED INFLOWS OF RESOURCES	13,524,606
NET POSITION	
Net Investment in Capital Assets	27,912,754
Restricted For:	
Debt Service	2,623,862
Special Revenue - Food Service	325,688
Special Revenue - Student Activities	207,470
Special Revenue - Other	305,800
Unrestricted	(58,570,123)
TOTAL NET POSITION	\$ (27,194,549)

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, 2023

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	\$ 19,627,087	-	15,151,906	-	\$ (4,475,181)
Support Services	19,574,418	676,507	3,890,162	-	(15,007,749)
Community Services	84,442	-	-	-	(84,442)
Intergovernmental	87,896	-	-	-	(87,896)
Interest and Other Charges	1,397,961	-	-	-	(1,397,961)
Total Governmental Activities	<u>40,771,804</u>	<u>676,507</u>	<u>19,042,068</u>	<u>-</u>	<u>(21,053,229)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 40,771,804</u>	<u>676,507</u>	<u>19,042,068</u>	<u>-</u>	<u>(21,053,229)</u>
GENERAL REVENUES					
General Revenues:					
Property Taxes Levied for General Purposes					14,666,390
Property Taxes Levied for Debt Service					5,011,703
State Revenue in Lieu of Taxes					5,667,572
Investment Earnings					1,088,452
Intergovernmental Revenue					200,406
Miscellaneous					62,407
Total General Revenues					<u>26,696,930</u>
CHANGE IN NET POSITION					5,643,701
NET POSITION, Beginning of Year					<u>(32,838,250)</u>
NET POSITION, End of Year					<u>\$ (27,194,549)</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

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2023

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>
ASSETS		
Cash and Cash Equivalents	\$ 8,231,565	214,073
Cash and Cash Equivalents, Restricted	-	-
Receivables, Net:		
Taxes	1,058,689	-
Accounts	33,229	6,621
Due From:		
County Treasurer	-	-
State Agencies	-	23,066
Federal Agencies	-	1,444,644
Other Funds	2,882,670	-
Inventories	-	-
TOTAL ASSETS	\$ 12,206,153	1,688,404
LIABILITIES		
Accounts Payable	\$ 2,603,849	-
Accrued Salaries & Benefits	2,527,430	-
Due To:		
Other Funds	375,038	1,033,010
Unearned Revenue	-	142,124
TOTAL LIABILITIES	5,506,317	1,175,134
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue - Property Taxes	808,330	-
TOTAL DEFERRED INFLOWS OF RESOURCES	808,330	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	6,314,647	1,175,134
FUND BALANCES		
Nonspendable - Inventories	-	-
Restricted For:		
Debt Service	-	-
Capital Projects	-	-
Special Revenue	-	305,800
Student Activities	-	207,470
Food Service	-	-
Unassigned	5,891,506	-
TOTAL FUND BALANCES	5,891,506	513,270
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 12,206,153	1,688,404

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
-	44,790	-	-	\$ 8,490,428
-	-	-	11,261,952	11,261,952
-	-	219,499	-	1,278,188
-	-	-	-	39,850
-	-	3,323,157	-	3,323,157
17,000	-	-	-	40,066
-	4,182	-	-	1,448,826
132,749	242,289	-	-	3,257,708
-	34,427	-	-	34,427
149,749	325,688	3,542,656	11,261,952	\$ 29,174,602
-	-	-	930,695	\$ 3,534,544
-	-	-	-	2,527,430
-	-	187,144	1,662,516	3,257,708
149,749	-	-	-	291,873
149,749	-	187,144	2,593,211	9,611,555
-	-	135,010	-	943,340
-	-	135,010	-	943,340
149,749	-	322,154	2,593,211	10,554,895
-	34,427	-	-	34,427
-	-	3,220,502	-	3,220,502
-	-	-	8,668,741	8,668,741
-	-	-	-	305,800
-	-	-	-	207,470
-	291,261	-	-	291,261
-	-	-	-	5,891,506
-	325,688	3,220,502	8,668,741	18,619,707
149,749	325,688	3,542,656	11,261,952	\$ 29,174,602

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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, 2023

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 18,619,707
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.	943,340
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 \$91,814,905 and the accumulated depreciation is \$23,586,138.	68,228,767
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.	(32,761,094)
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.	(31,982,724)
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.	(731,650)
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 premium of \$118,920 is shown net of accumulated amortization of \$48,063. consisted of the following:	
Long-Term Debt	(47,908,507)
Long-Term Debt Premium	(70,857)
Lease Liability	(1,005,390)
Compensated Absences	(526,141)
	(49,510,895)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	\$ (27,194,549)

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, 2023

	GENERAL	SPECIAL REVENUE
REVENUES		
Local Sources:		
Taxes	\$ 14,501,645	-
Investment Earnings	160,306	54
Other Local Sources	54,329	875,835
State Sources	15,089,670	549,001
Federal Sources	-	4,157,643
Intergovernmental Revenue	2,387	200,793
TOTAL REVENUE ALL SOURCES	29,808,337	5,783,326
EXPENDITURES		
Current:		
Instruction	15,098,089	2,267,961
Support Services	14,984,740	3,261,021
Community Services	-	34,351
Intergovernmental	55,000	32,896
Capital Outlay	174,330	-
Debt Service:		
Principal Retirement	358,724	-
Interest and Fiscal Charges	36,745	-
Other Objects	12,248	-
TOTAL EXPENDITURES	30,719,876	5,596,229
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(911,539)	187,097
OTHER FINANCING SOURCES (USES)		
Proceeds of General Obligation Bonds	-	-
Transfers In	1,405,615	60,650
Transfers Out	(60,650)	(87,590)
TOTAL OTHER FINANCING SOURCES (USES)	1,344,965	(26,940)
NET CHANGES IN FUND BALANCES	433,426	160,157
FUND BALANCE, Beginning of Year	5,458,080	353,113
FUND BALANCES, End of Year	\$ 5,891,506	513,270

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
-	-	4,989,161	-	\$ 19,490,806
-	-	111,120	817,010	1,088,490
-	24,959	-	-	955,123
2,472,829	1,121	605,771	-	18,718,392
-	1,615,290	-	-	5,772,933
-	-	-	-	203,180
2,472,829	1,641,370	5,706,052	817,010	46,228,924
890,334	-	-	-	18,256,384
264,470	1,712,109	-	165,899	20,388,239
-	-	-	-	34,351
-	-	-	-	87,896
-	-	-	25,127,725	25,302,055
-	-	2,841,484	-	3,200,208
-	-	792,096	-	828,841
-	-	-	80,500	92,748
1,154,804	1,712,109	3,633,580	25,374,124	68,190,722
1,318,025	(70,739)	2,072,472	(24,557,114)	(21,961,798)
-	-	35,000,000	-	35,000,000
-	-	-	-	1,466,265
(1,318,025)	-	-	-	(1,466,265)
(1,318,025)	-	35,000,000	-	35,000,000
-	(70,739)	37,072,472	(24,557,114)	13,038,202
-	396,427	(33,851,970)	33,225,855	5,581,505
-	325,688	3,220,502	8,668,741	\$ 18,619,707

**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, 2023

TOTAL NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	\$	13,038,202
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.		186,580
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position.		3,200,208
Bond, lease, and note proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets.		(35,000,000)
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.		(482,318)
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.		442,729
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.		(435,191)
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.		5,946
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.		(22,843)
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 capital asset additions of \$26,316,333 exceeded depreciation expense of \$1,605,945 in the current period.		24,710,388
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	5,643,701

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, 2023

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, 2023

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, 2023

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 financial resources provided by federal, state and local projects and grants that are restricted, committed or assigned for specific educational programs and student activities.
- 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, 2023

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.

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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Investments (Continued)

- (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 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 cash includes amounts legally restricted by bond covenants and funding sources.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Investments (Continued)

- 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, 2023

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, vehicles and right-to-use lease assets, generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets are 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 to capitalize purchases of a large quantity of items that individually fall under the capitalization threshold (i.e. bulk computer purchases, etc.) on a case by case basis. 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 or amortized. 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

Amortization of right-to-use lease assets is computed using the effective interest method over the related lease term.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, 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. Long-term bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

7. Fund Balance (Continued)

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.

8. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School District currently has 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School District currently has three types of deferred inflows of resources: (1) The School District reports unavailable revenue 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, 2023

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, 2023

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, 2023

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A. Deposits and Investments

Deposits

Custodial Credit Risk for Deposits: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the 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, 2023, none of the School District’s total bank balances of approximately \$2,361,000 (with a carrying value of approximately \$3,875,000) were exposed to custodial credit risk.

Investments

As of June 30, 2023, the School District had the following investments and maturities:

Investment Type	Fair Value Level ⁽¹⁾	Credit Rating [^]	Fair Value	Investment Maturities in Years < 1 yr
SC Local Government Investment Pool	N/A ⁽²⁾	NR, NR	\$ 15,578,319	\$ 15,578,319
Treasury Obligation Fund Trust Federated Hermes	Level 1	Aaa-mf	298,950	298,950
Total			\$ 15,877,269	\$ 15,877,269

[^] 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, 2023

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, 2023, 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	\$ 8,490,428
Restricted Assets:	
Cash and Cash Equivalents, Restricted	11,261,952
Total	\$ 19,752,380
Notes to the Financial Statements	
Deposits	\$ 3,875,111
Investments	15,877,269
Total	\$ 19,752,380

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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 \$83.0 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. Property taxes receivable are reported net of allowances of \$562 thousand and \$106 thousand in the General Fund and Debt Service Fund, respectively.

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, 2023, 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	\$ 142,124
Unearned Revenue from Special Revenue - EIA Funds	149,749
Total Unearned Revenue - Governmental Funds	<u>\$ 291,873</u>
Unavailable Revenue:	
Property Taxes Receivable - General Fund	\$ 808,330
Property Taxes Receivable - Debt Service Fund	135,010
Total Unavailable Revenue - Governmental Funds	<u>\$ 943,340</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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, 2023, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, Non Depreciable:					
Land	\$ 310,640	-	-	-	\$ 310,640
Construction in Progress	15,708,303	25,754,937	-	(10,770,102)	30,693,138
Total Capital Assets, Non Depreciable	<u>16,018,943</u>	<u>25,754,937</u>	<u>-</u>	<u>(10,770,102)</u>	<u>31,003,778</u>
Capital Assets, Depreciable:					
Buildings	45,446,240	54,150	-	10,770,102	56,270,492
Furniture & Equipment	2,227,381	507,246	-	-	2,734,627
Vehicles	562,259	-	-	-	562,259
Right-to-Use Lease Asset	1,243,749	-	-	-	1,243,749
Total Capital Assets, Depreciable	<u>49,479,629</u>	<u>561,396</u>	<u>-</u>	<u>10,770,102</u>	<u>60,811,127</u>
Less: Accumulated Depreciation for:					
Buildings	19,735,880	1,099,768	-	-	20,835,648
Furniture & Equipment	1,572,550	217,182	-	-	1,789,732
Vehicles	447,731	42,622	-	-	490,353
Right-to-Use Lease Asset	224,032	246,373	-	-	470,405
Total Accumulated Depreciation	<u>21,980,193</u>	<u>1,605,945</u>	<u>-</u>	<u>-</u>	<u>23,586,138</u>
Total Capital Assets, Depreciable, Net	<u>27,499,436</u>	<u>(1,044,549)</u>	<u>-</u>	<u>10,770,102</u>	<u>37,224,989</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 43,518,379</u>	<u>24,710,388</u>	<u>-</u>	<u>-</u>	<u>\$ 68,228,767</u>

In the year ended June 30, 2023, depreciation expense of approximately \$1,375,000, \$181,000 and \$50,000 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, 2023

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

E. Interfund Receivables and Payables

Interfund balances at June 30, 2023 (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	\$ 2,882,670	\$ 375,038
Special Revenue Funds:		
Special Revenue	-	1,033,010
EIA	132,749	-
Food Service	242,289	-
Debt Service Fund	-	187,144
Capital Projects Fund	-	1,662,516
Total Primary Government	<u>\$ 3,257,708</u>	<u>\$ 3,257,708</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, 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, 2023

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, 2023 consisted of the following:

	Transfers In	Transfers Out
	<u> </u>	<u> </u>
<u>Governmental Funds:</u>		
General Fund	\$ 1,405,615	\$ 60,650
Special Revenue Fund	60,650	87,590
Special Revenue - EIA Fund	-	1,318,025
Totals	<u>\$ 1,466,265</u>	<u>\$ 1,466,265</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 State Aid to Classrooms, indirect costs for federal programs and the required Medicaid match.

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, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Governmental Activities:				
2022 BAN	\$ 35,000,000	-	35,000,000	\$ -
SCAGO Series 2022A	1,010,000	-	1,010,000	-
SCAGO Series 2022B	-	786,000	786,000	-
Total Governmental Activities	<u>\$ 36,010,000</u>	<u>786,000</u>	<u>36,796,000</u>	<u>\$ -</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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

G. Short-Term Obligations (Continued)

In February 2022, the School District issued a short-term General Obligation Bond Anticipation Note, Series 2022 with a par amount of \$35,000,000 at a coupon rate of 0.850%, as approved by voter referendum. Principal and Interest were paid in full in February 2023 through the issuance of a General Obligation Bond Anticipation Note, Series 2023. The GO Bond Anticipation Note was issued for the purpose of funding the acquisition and installation of certain capital projects.

In May 2022, the School District issued a short-term General Obligation Bond, Series 2022A, with a par amount of \$1,010,000 at a coupon rate of 1.79%. Principal and Interest were paid in full in March 2023. The GO Bond was issued for the purpose of funding the acquisition and installation of certain capital projects.

In September 2022, the School District issued a short-term General Obligation Bond, Series 2022B with a par amount of \$786,000 at a coupon rate of 4.00%. Principal and interest were paid in full in March 2023. 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 lease obligations, special obligation bonds, installment purchase revenue bonds nor the interest thereon.

General Obligation and Special Obligation bonds at June 30, 2023 were comprised of the following:

<u>Issue</u>	<u>Interest Rates</u>	<u>Maturity</u>	<u>Original Issue</u>	<u>Outstanding at June 30, 2023</u>
<u>General Obligation Bonds</u>				
Series 2015A GO Bond	2.25% to 5.00%	2035	\$ 10,000,000	\$ 9,255,000
Series 2023 Bond Anticipation Note	4.43%	2023	35,000,000	35,000,000
<u>Special Obligation Bonds</u>				
Series 2022 Acquisition	3.340%	2026	4,000,000	3,653,507
			<u>\$ 57,000,000</u>	<u>\$ 47,908,507</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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, 2023:

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 2015 A GO Bond	\$ 9,850,000	-	595,000	9,255,000	\$ 625,000
Series 2021A Improvement Refunding	1,543,000	-	1,543,000	-	-
Series 2023A GO Bond Anticipation Note	-	35,000,000	-	35,000,000	100,000
Total General Obligation Bonds	<u>11,393,000</u>	<u>35,000,000</u>	<u>2,138,000</u>	<u>44,255,000</u>	<u>725,000</u>
Public:					
Debt:					
Special Obligation Bonds					
Series 2017 Acquisition	190,000	-	190,000	-	-
Series 2018 Acquisition	166,991	-	166,991	-	-
Series 2022 Acquisition	4,000,000	-	346,493	3,653,507	295,719
Total Bonded Debt	<u>15,749,991</u>	<u>35,000,000</u>	<u>2,841,484</u>	<u>47,908,507</u>	<u>1,020,719</u>
Premiums					
Series 2015 A GO Bond	76,803	-	5,946	70,857	-
Total Premiums	<u>76,803</u>	<u>-</u>	<u>5,946</u>	<u>70,857</u>	<u>-</u>
Leases					
Turf Lease	344,397	-	112,351	232,046	118,104
Copier Lease	1,019,717	-	246,373	773,344	248,451
	<u>1,364,114</u>	<u>-</u>	<u>358,724</u>	<u>1,005,390</u>	<u>366,555</u>
Total Net Debt	<u>17,190,908</u>	<u>35,000,000</u>	<u>3,206,154</u>	<u>48,984,754</u>	<u>1,387,274</u>
Compensated Absences	503,298	196,563	173,720	526,141	181,605
Governmental Activities Long-Term Obligatio	<u>\$ 17,694,206</u>	<u>35,196,563</u>	<u>3,379,874</u>	<u>49,510,895</u>	<u>\$ 1,568,879</u>

In February 2023, the School District issued a short-term General Obligation Bond Anticipation Note, Series 2023 with a par amount of \$35,000,000 at a coupon rate of 0.850% as approved by voter referendum. Principal and Interest were due in full upon maturity in September 2023. The GO Bond Anticipation Note was issued for the purpose of repaying the GO Bond Anticipation Note Series 2022 at its maturity in February 2023. This Note was paid in full with proceeds from the issuance of long-term General Obligation Bond, Series 2023A, issued in August 2023 (see Note IV.G).

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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, 2023, the School District had no bonded debt subject to the 8% limit of approximately \$6,477,000 resulting in an unused legal debt margin of approximately \$6,477,000.

Annual debt service requirements to maturity for all governmental activities long-term debt as of June 30, 2023 are as follows. These amounts include the Series 2023A General Obligation Bond, issued in August 2023 to repay the Series GO Bond Anticipation Note (which was due in September 2023).

Year Ending June 30,	Public Offering		Direct Placement - Special Obligation		Lease Obligations		Total		Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2024	\$ 725,000	1,249,277	295,719	122,150	366,554	17,945	1,387,273	1,389,372	\$ 2,776,645
2025	940,000	1,176,637	305,596	112,150	364,489	9,803	1,610,085	1,298,590	2,908,675
2026	1,020,000	1,143,313	315,803	101,943	252,659	1,333	1,588,462	1,246,589	2,835,051
2027	1,105,000	1,107,612	326,351	91,395	21,688	15	1,453,039	1,199,022	2,652,061
2028	1,065,000	1,076,463	206,959	80,495	-	-	1,271,959	1,156,958	2,428,917
2029-2033	5,990,000	8,970,825	1,143,215	294,055	-	-	7,133,215	9,264,880	16,398,095
2034-2038	7,705,000	7,611,944	1,059,864	89,952	-	-	8,764,864	7,701,896	16,466,760
2039-2043	11,250,000	5,357,500	-	-	-	-	11,250,000	5,357,500	16,607,500
2044-2048	14,455,000	2,240,000	-	-	-	-	14,455,000	2,240,000	16,695,000
Totals	\$ 44,255,000	29,933,571	3,653,507	892,140	1,005,390	29,096	48,913,897	30,854,807	\$ 79,768,704

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 \$77,000 of commodities consumed during the year ended June 30, 2023.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION

A. Retirement Plans

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

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

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

Plan Description

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

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. 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, 2023

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, 2023

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

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

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

	<u>SCRS and State ORP Rates</u>
	<u>2023</u>
Employer Contribution Rate:^	
Retirement*	17.41%
Incidental Death Benefit	0.15%
Accidental Death Contributions	0.00%
	<u>17.56%</u>
Employee Contribution Rate ^	<u>9.00%</u>

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, 2023

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Contributions (Continued)

The actual and required contributions to the SCRS and ORP were approximately \$3,183,000 and \$110,000, respectively, for the year ended June 30, 2023 and include the nonemployer contributions noted below.

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, 2023. 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, 2023 were approximately \$163,000 for the SCRS. These contributions (on-behalf benefits) from the State were recognized as intergovernmental revenues and pension expenditures in the School District’s governmental fund financial statements.

Actuarial Assumptions and Methods

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

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

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

	<u>SCRS</u>
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return*	7.00%
Projected Salary Increases*	3.0% to 11.0% (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, 2023

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 2020 Public Retirees of South Carolina Mortality table ("2020 PRSC"), were developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

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

Long-Term Expected Rate of Return

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2022 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the following table. For actuarial purposes, the 7.00 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Long-Term Expected Rate of Return (Continued)

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

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

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

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 56,454,779,872	32,212,626,932	\$ 24,242,152,940	57.1%

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

At June 30, 2023, the School District reported a liability of approximately \$36,856,000 for its proportionate share of the NPL for the SCRS. The NPL were measured as of June 30, 2022, and the TPL for the Plan used to calculate the NPL were determined based on the most recent actuarial valuation report of July 1, 2021 that was projected forward to the measurement date. The School District’s proportion of the NPL were 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, 2022 measurement date, the School District’s SCRS proportion was 0.152035 percent, which was an increase of 0.002152 from its proportion measured as of June 30, 2021.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

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

For the year ended June 30, 2023, the School District recognized pension expense of approximately \$2,888,000 for the SCRS. At June 30, 2023, 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	\$ 320,214	\$ 160,619
Change in Assumptions	1,182,073	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	56,840	-
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	380,728	813,952
Employer Contributions Subsequent to the Measurement Date	3,130,075	-
Total SCRS	\$ 5,069,930	\$ 974,571

Approximately \$3,130,000 that was reported as deferred outflows of resources related to the School District's contributions subsequent to the measurement date to the SCRS, respectively, will be recognized as a reduction of the NPL in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS will increase (decrease) pension expense as follows:

Year Ended June 30,	SCRS
2024	\$ 539,491
2025	234,483
2026	(769,883)
2027	961,193
Total	\$ 965,284

Discount Rate

The discount rate used to measure the TPL was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in the SCRS 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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

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

Sensitivity Analysis

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

System	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District’s proportionate share of the net pension liability of the SCRS	\$ 47,254,520	36,856,453	\$ 28,211,811

Plans Fiduciary Net Position

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

Payable to Plans

The School District reported a payable of approximately \$487,000 to the PEBA as of June 30, 2023, representing required employer and employee contributions for the month of June 2023 for the SCRS. This amount is included in Accrued Salaries and Benefits on the financial statements and was paid in July 2023.

B. Other Postemployment Benefits

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

For purposes of measuring the net OPEB liability, 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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits (Continued)

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

Plan Descriptions

The Other Postemployment Benefits Trust Funds (“OPEB Trusts” or “OPEB Plans”), collectively refers to the South Carolina Retiree Health Insurance Trust Fund (“SCRHITF”) and the South Carolina Long-Term Disability Insurance Trust Fund (“SCLTDITF”), were established by the State of South Carolina as Act 195, which became effective on May 2008. The SCRHITF was created to fund and account for the employer costs of the State’s retiree health and dental plans. The SCLTDITF was created to fund and account for the employer costs of the State’s Basic Long-Term Disability (“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, 2023

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 covered payroll surcharge for the year ended June 30, 2021 was 6.25 percent. The South Carolina Retirement System collects the monthly covered payroll surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF also include implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Nonemployer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits' reserves, the General Assembly has indefinitely suspended the statutorily required transfer until further notice. It is also funded through investment income.

The covered payroll surcharge rate for the years ended June 30, 2023, was 6.25% and was calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws. The actual and required contributions to the SCRHITF were approximately \$1,189,000 for the year ended June 30, 2023.

The State (via state appropriations) and the PEBA – Insurance Benefits (via state statute to transfer amounts above 140% of incurred but not reported claims) contributed to the SCRHITF on behalf of the Division of approximately \$4,000 for the year ended June 30, 2022 (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 NOL arising from contributions to the OPEB plan during the measurement period from nonemployer contributing entities for purposes other than the separate financing of specific liabilities to the OPEB plan. Therefore, employers should classify this revenue in the same manner as it classifies grants from other entities.

Actuarial Assumptions and Methods

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits (Continued)

Actuarial Assumptions and Methods (Continued)

The total OPEB liability (“TOL”), NOL, and sensitivity information were determined by the consulting actuary and are based on the June 30, 2021 actuarial valuation. The TOL was rolled-forward from the valuation date to the OPEB plan’s fiscal year ended June 30, 2022 using generally accepted actuarial principles.

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

Valuation Date:	June 30, 2021
Actuarial Cost Method:	Entry Age Normal
Actuarial Assumptions:	
Inflation:	2.25%
Investment Rate of Return:	2.75%, net of plan investment expense: including inflation
Single Discount Rate:	3.69% as of June 30, 2022
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the five-year period ending June 30, 2019
Mortality:	For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with fully generational mortality projections based on fully generational basis by the 80% of Scale UMP to account for future mortality improvements and adjusted with multipliers based on plan experience.
Health Care Trend Rate:	Initial trend starting at 6.00% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 15 years
Retiree Participation:	79% for retirees who are eligible for funded premiums 59% for retirees who are eligible for partial funded premiums 20% for retirees who are eligible for non-funded premiums
Notes:	The single discount rate changed from 1.92% as of June 30, 2021 to 3.69% as of June 30, 2022.

Long-Term Expected Rate of Return

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits (Continued)

Long-Term Expected Rate of Return (Continued)

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%	0.95%	0.76%
Cash	20.0%	0.35%	0.07%
Total	100.0%		0.83%
Expected Inflation			2.25%
Total Return			3.08%
Investment Return Assumption			2.75%

Single Discount Rate

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits (Continued)

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

At June 30, 2023, the District reported a liability of approximately \$28,086,000 for its proportionate share of the NOL for the SCRHITF. The NOL was measured as of June 30, 2022, and the TOL for the SCRHITF used to calculate the NOL was determined based on the most recent actuarial valuation report of June 30, 2021 that was projected forward to the measurement date. The District’s proportion of the NOL was based on a projection of the District’s long-term share of contributions to the SCRHITF relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2022 measurement date, the District’s proportion was 0.184634 percent, which was an increase of 0.000595 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized OPEB expense of approximately \$1,524,000 for the SCRHITF. At June 30, 2023, the District reported deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to OPEBs from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 602,837	\$ 2,469,570
Change in Assumptions	6,332,721	9,028,198
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	220,840	-
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	308,285	1,052,267
Employer Contributions Subsequent to the Measurement Date	1,188,859	-
Total	\$ 8,653,542	\$ 12,550,035

Approximately \$1,189,000 that was reported as deferred outflows of resources related to the District’s contributions subsequent to the measurement date to the SCRHITF, will be recognized as a reduction of the NOL in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to the SCRHITF will increase (decrease) OPEB expense as follows:

Year Ended June 30,	Increase (Decrease) OPEB Expense
2024	\$ (804,173)
2025	(508,771)
2026	(378,308)
2027	(563,379)
2027	(1,266,162)
Thereafter	(1,564,559)
Total	\$ (5,085,352)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits (Continued)

Sensitivity Analysis

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

	1% Decrease (2.69%)	Current Discount Rate (3.69%)	1% Increase (4.69%)
Net OPEB Liability	\$ 33,205,520	28,086,231	\$ 23,972,185

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

	1% Decrease (5.00% decreasing to 3.00%)	Current Healthcare Cost Trend Rate (6.00% decreasing to 4.00%)	1% Increase (7.00% decreasing to 5.00%)
Net OPEB Liability	\$ 23,098,180	28,086,231	\$ 33,910,052

OPEB Plans’ Fiduciary Net Position

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

Payable to SCRHITF

The District reported a payable of approximately \$117,000 to the PEBA as of June 30, 2023, representing required employer contributions for the month of June 2023 for the SCRHITF. This amount is included in Accrued Salaries and Benefits on the financial statements and was paid in July 2023.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

C. Risk Management

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees' and natural disasters. The School District 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, 2022, the SCSBIT/WCP had retained earnings of approximately \$57,206,000. 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.

D. Contingencies and Commitments

Commitments – As of June 30, 2023, the School District had commitments of approximately \$13,625,000 related to the construction of a new middle school.

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. 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 approximately \$7,253,000 for operations (210.0 mills) and \$1,761,000 for debt service (51.0 mills) for the fiscal year ended June 30, 2023 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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

G. Subsequent Events

The School District issued long-term General Obligation Bonds, Series 2023A, in August 2023. The bonds were issued at a par amount of \$35,000,000 with a 5.00% coupon rate for the purpose of funding capital expenditures. The principal and interest payment will begin in March 2024 and will be paid in full in March 2048. The proceeds of this issuance were used to pay off the 2023 Bond Anticipation Note.

The School District issued short-term General Obligation Bonds, Series 2023B, in September 2023. The bonds were issued with a par amount of \$3,735,000 at an interest rate of 5.0%. The bond was issued for the purpose of funding the acquisition and installation of certain capital projects and to pay the cost of issuance of the bonds. The principal and interest are due in full on March 1, 2024.

The School District issued a short-term Taxable Tax Anticipation Note, Series 2023 with a par amount of \$3,000,000 at a coupon rate of 6.5%. The Tax Anticipation Note was issued in anticipation of the collection of ad valorem taxes. The principal and interest are due in full on April 15, 2024.

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, 2023

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES				
Local Sources:				
Taxes	\$ 13,746,260	13,746,260	14,501,645	\$ 755,385
Investment Earnings	80,000	80,000	160,306	80,306
Other Local Sources	208,233	208,233	54,329	(153,904)
State Sources	14,499,576	14,499,576	15,089,670	590,094
Intergovernmental Revenue	30,000	30,000	2,387	(27,613)
TOTAL REVENUE ALL SOURCES	28,564,069	28,564,069	29,808,337	1,244,268
EXPENDITURES				
Current:				
Instruction	14,426,813	14,426,813	15,098,089	(671,276)
Support Services	15,882,377	15,882,377	14,984,740	897,637
Community Services	-	-	-	-
Intergovernmental	55,000	55,000	55,000	-
Capital Outlay	15,000	15,000	174,330	(159,330)
Debt Service:				
Principal Retirement	-	-	358,724	(358,724)
Interest and Fiscal Charges	-	-	36,745	(36,745)
Other Fees	-	-	12,248	(12,248)
TOTAL EXPENDITURES	30,379,190	30,379,190	30,719,876	(340,686)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,815,121)	(1,815,121)	(911,539)	903,582
OTHER FINANCING SOURCES (USES)				
Transfers In	1,815,121	1,815,121	1,405,615	(409,506)
Transfers Out	-	-	(60,650)	(60,650)
TOTAL OTHER FINANCING SOURCES (USES)	1,815,121	1,815,121	1,344,965	(470,156)
NET CHANGE IN FUND BALANCE	-	-	433,426	433,426
FUND BALANCE, Beginning of Year	5,458,080	5,458,080	5,458,080	-
FUND BALANCE, End of Year	\$ 5,458,080	5,458,080	5,891,506	\$ 433,426

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 NINE FISCAL YEARS

	Year Ended June 30,								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
School District's Proportion of the Net Pension Liability	0.152035%	0.149883%	0.1156971%	0.156749%	0.155120%	0.157167%	0.161080%	0.170832%	0.174528%
School District's Proportionate Share of the Net Pension Liability	\$ 36,856,453	\$ 32,436,587	\$ 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	\$ 18,147,626	\$ 17,163,137	\$ 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	203.09%	188.99%	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	57.06%	60.75%	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 2015 is not available. The discount rate was lowered from 7.25% to 7.00% beginning with the year ended June 30, 2021 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 NINE FISCAL YEARS

	Year Ended June 30,								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 3,293,035	2,944,972	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	3,130,075	2,782,359	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	162,960	162,613	163,006	162,788	162,788	162,788	-	-	-
Contribution Deficiency (Excess)	\$ -	-	-	-	-	84,831	(103,053)	-	\$ -
School District's Covered Payroll	\$ 19,002,178	18,147,626	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	17.33%	16.23%	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 2015 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 SIX FISCAL YEARS

	Year Ended June 30,					
	2023	2022	2021	2020	2019	2018
School District's Proportion of the Net OPEB Liability	0.184634%	0.184039%	0.192156%	0.191217%	0.189070%	0.191809%
School District's Proportionate Share of the Net OPEB Liability	\$ 28,086,231	\$ 38,322,774	\$ 34,686,938	\$ 28,914,926	\$ 26,792,325	\$ 25,980,215
School District's Covered Payroll	\$ 18,147,626	\$ 17,163,137	\$ 17,716,624	\$ 16,723,522	\$ 16,304,839	\$ 16,183,039
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	154.8%	223.3%	195.8%	172.9%	164.3%	160.5%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9.6%	7.5%	8.4%	8.4%	7.9%	7.6%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year (measurement date)
The School District adopted GASB #75 during the year ended June 30, 2018. Information before 2018 is not available.

The discount rates used by year were as follows

3.69	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 SIX FISCAL YEARS

	Year Ended June 30,					
	2023	2022	2021	2020	2019	2018
Contractually Required Contribution	\$ 1,188,859	1,133,579	1,072,696	1,107,039	1,011,773	\$ 896,766
Contributions in Relation to the Contractually Required Contribution	1,188,859	1,133,579	1,072,696	1,107,039	1,011,773	896,766
Contribution Deficiency (Excess)	\$ -	-	-	-	-	\$ -
School District's Covered Payroll	\$ 19,021,744	18,147,626	17,163,137	17,715,624	16,723,522	\$ 16,304,839
Contributions as a Percentage of Covered Payroll	6.25%	6.25%	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 2018 is not available

SUPPLEMENTARY INFORMATION

GENERAL FUND

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

YEAR ENDED JUNE 30, 2023

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
1000 Revenue from Local Sources:			
1100 Taxes Levied/Assessed by the LEA:			
1110 Ad Valorem Taxes-Including Delinquent (Independent)	\$ 12,056,502	12,011,746	\$ (44,756)
1131 Bus Driver Aides	706	706	-
1200 Revenue from Local Governmental Units Other than LEAs:			
1280 Revenue in Lieu of Taxes (Independent and Dependent)	1,689,758	2,489,899	800,141
1300 Tuition:			
1310 From Patrons for Regular Day School	37,000	16,000	(21,000)
1500 Earnings on Investments:			
1510 Interest on Investments	80,000	160,306	80,306
1700 Pupil Activities:			
1740 Student Fees	250	175	(75)
1900 Other Revenue from Local Sources:			
1910 Rentals	200	150	(50)
1950 Refund of Prior Year's Expenditures	1,708	1,708	-
1990 Miscellaneous Local Revenue:			
1993 Receipt of Insurance Proceeds	-	-	-
1994 Receipt of Legal Settlements	18,708	18,707	(1)
1999 Revenue from Other Local Sources	149,661	16,883	(132,778)
Total Revenue from Local Sources	<u>14,034,493</u>	<u>14,716,280</u>	<u>681,787</u>
2000 Intergovernmental Revenue:			
2100 Payments from Other Governmental Units	30,000	2,387	(27,613)
Total Intergovernmental Revenues	<u>30,000</u>	<u>2,387</u>	<u>(27,613)</u>
3000 Revenue from State Sources:			
3100 Restricted State Funding:			
3103 State Aid to Classrooms - General Fund	7,599,020	7,615,796	16,776
3130 Special Programs:			
3131 Handicapped Transportation	-	1,134	1,134
3160 School Bus Driver's Salary (Includes Hazardous Condition Transportation)	231,571	264,332	32,761
3161 EAA Bus Driver Salary and Fringe	-	1,122	1,122
3162 Transportation Workers' Compensation	17,546	17,546	-
3181 Retiree Insurance (No Carryover Provision)	894,946	894,946	-
3300 Education Finance Act:			
3330 Miscellaneous EFA Programs:			
3392 NBC Excess EFA Formula	-	27,399	27,399
3800 State Revenue in Lieu of Taxes:			
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	901,632	901,632	-
3820 Homestead Exemption (Tier 2)	547,400	547,400	-
3825 Reimbursement for Property Tax Relief (Tier 3)	2,818,788	2,700,765	(118,023)
3830 Merchant's Inventory Tax	50,037	50,037	-
3840 Manufacturers Depreciation Reimbursement	1,161,762	1,780,123	618,361
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	57,432	68,036	10,604
3900 Other State Revenue:			
3992 State Forest Commission Revenues	56,442	56,442	-
3993 PEBA On-behalf	163,000	162,960	(40)
Total Revenue from State Sources	<u>14,499,576</u>	<u>15,089,670</u>	<u>590,094</u>
TOTAL REVENUE ALL SOURCES	\$ 28,564,069	29,808,337	\$ 1,244,268

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2023

	REVISED BUDGET	ACTUAL	VARIANCE
EXPENDITURES			
100 Instruction:			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	\$ 299,264	382,935	\$ (83,671)
200 Employee Benefits	153,492	192,509	(39,017)
400 Supplies and Materials	12,266	6,087	6,179
112 Primary Programs:			
100 Salaries	2,049,666	1,988,756	60,910
200 Employee Benefits	886,258	931,444	(45,186)
300 Purchased Services	1,500	(234)	1,734
400 Supplies and Materials	57,395	44,242	13,153
113 Elementary Programs:			
100 Salaries	3,013,074	3,094,363	(81,289)
200 Employee Benefits	1,217,465	1,344,981	(127,516)
300 Purchased Services	43,460	76,936	(33,476)
400 Supplies and Materials	75,336	37,905	37,431
114 High School Programs:			
100 Salaries	1,900,880	1,992,800	(91,920)
200 Employee Benefits	689,640	868,888	(179,248)
300 Purchased Services	40,086	23,993	16,093
400 Supplies and Materials	44,000	34,611	9,389
115 Career and Technology Education Programs:			
100 Salaries	140,414	140,414	-
200 Employee Benefits	55,486	59,859	(4,373)
400 Supplies and Materials	3,000	738	2,262
120 Exceptional Programs:			
121 Educable Mentally Handicapped:			
100 Salaries	421,372	482,968	(61,596)
200 Employee Benefits	189,945	230,963	(41,018)
300 Purchased Services	475,000	424,075	50,925
400 Supplies and Materials	400	172	228
122 Trainable Mentally Handicapped:			
100 Salaries	232,479	228,528	3,951
200 Employee Benefits	106,073	106,224	(151)
123 Orthopedically Handicapped:			
100 Salaries	72,207	72,207	-
200 Employee Benefits	35,312	35,846	(534)
300 Purchased Services	38,000	37,288	712
124 Visually Handicapped:			
300 Purchased Services	10,000	5,491	4,509
126 Speech Handicapped:			
100 Salaries	119,018	112,076	6,942
200 Employee Benefits	43,563	48,272	(4,709)
300 Purchased Services	177,000	176,625	375
400 Supplies and Materials	500	193	307
127 Learning Disabilities:			
100 Salaries	461,388	426,120	35,268
200 Employee Benefits	176,517	172,011	4,506
300 Purchased Services	170,750	166,559	4,191
400 Supplies and Materials	\$ 1,400	876	\$ 524

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2023

	REVISED BUDGET	ACTUAL	VARIANCE
130 Pre-School Programs:			
133 Pre-School Handicapped-Self-Contained (5-Yr. Olds)			
100 Salaries	\$ 300	300	\$ -
200 Employee Benefits	237	(556)	793
135 Pre-School Handicapped-Speech (3 & 4-Yr. Olds)			
100 Salaries	123,187	124,447	(1,260)
200 Employee Benefits	42,004	49,454	(7,450)
137 Pre-School Handicapped-Self-Contained (3 & 4-Yr. Olds):			
400 Supplies and Materials	250	-	250
140 Special Programs:			
141 Gifted and Talented Academic:			
300 Purchased Services	2,000	1,882	118
145 Homebound:			
100 Salaries	90,503	88,725	1,778
200 Employee Benefits	33,654	34,042	(388)
147 CERDEP:			
100 Salaries	104,014	138,639	(34,625)
200 Employee Benefits	50,938	51,584	(646)
149 Other Special Programs:			
100 Salaries	233,081	246,091	(13,010)
200 Employee Benefits	109,652	112,670	(3,018)
300 Purchased Services	6,900	6,900	-
400 Supplies and Materials	4,295	1,677	2,618
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	32,687	38,280	(5,593)
200 Employee Benefits	6,923	7,517	(594)
400 Supplies and Materials	350	-	350
170 Summer School Programs:			
171 Primary Summer School:			
100 Salaries	-	3,597	(3,597)
200 Employee Benefits	-	1,147	(1,147)
172 Elementary Summer School:			
100 Salaries	-	3,157	(3,157)
200 Employee Benefits	-	1,006	(1,006)
175 Instructional Programs Beyond Regular School Day:			
100 Salaries	4,520	1,420	3,100
200 Employee Benefits	-	446	(446)
300 Purchased Services	49,262	49,262	-
400 Supplies and Materials	6,382	819	5,563
180 Adult/Continuing Educational Programs:			
181 Adult Basic Education Programs:			
100 Salaries	1,768	1,768	-
200 Employee Benefits	36	21	15
183 Adult English Literacy (ESL):			
100 Salaries	51,117	51,117	-
300 Purchased Services	-	1,842	(1,842)
188 Parenting/Family Literacy:			
200 Employee Benefits	11,027	10,932	95
190 Instructional Pupil Activity:			
400 Supplies and Materials	7,450	89,266	(81,816)
600 Other Objects	40,000	32,916	7,084
Total Instruction	\$ 14,426,143	15,098,089	\$ (671,946)

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2023

	REVISED BUDGET	ACTUAL	VARIANCE
200 Support Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	\$ 51,368	51,368	\$ -
200 Employee Benefits	32,008	30,076	1,932
300 Purchased Services	1,500	1,583	(83)
400 Supplies and Materials	300	258	42
212 Guidance Services:			
100 Salaries	488,724	500,321	(11,597)
200 Employee Benefits	216,653	225,545	(8,892)
300 Purchased Services	1,500	627	873
400 Supplies and Materials	6,250	2,801	3,449
213 Health Services:			
100 Salaries	302,440	260,948	41,492
200 Employee Benefits	159,601	134,973	24,628
300 Purchased Services	30,350	27,294	3,056
400 Supplies and Materials	16,000	4,642	11,358
600 Other Objects	500	-	500
214 Psychological Services:			
100 Salaries	83,562	90,851	(7,289)
200 Employee Benefits	38,502	36,970	1,532
300 Purchased Services	194,000	206,699	(12,699)
400 Supplies and Materials	2,500	-	2,500
600 Other Objects	2,500	-	2,500
217 Career Specialist Services::			
100 Salaries	9,525	26,075	(16,550)
200 Employee Benefits	4,640	4,769	(129)
220 Instructional Staff Services:			
221 Improvement of Instruction Curriculum Development:			
100 Salaries	398,120	396,944	1,176
200 Employee Benefits	180,884	167,694	13,190
300 Purchased Services	31,000	4,442	26,558
400 Supplies and Materials	9,000	4,837	4,163
600 Other Objects	1,500	1,133	367
222 Library and Media Services:			
100 Salaries	268,797	305,734	(36,937)
200 Employee Benefits	136,161	148,593	(12,432)
300 Purchased Services	16,659	20,876	(4,217)
400 Supplies and Materials	43,342	36,827	6,515
223 Supervision of Special Programs:			
100 Salaries	135,380	143,381	(8,001)
200 Employee Benefits	66,052	59,658	6,394
300 Purchased Services	-	-	-
400 Supplies and Materials	7,055	6,038	1,017
600 Other Objects	100	60	40
224 Improvement of Instruction Inservice and Staff Training:			
100 Salaries	102,805	141,188	(38,383)
200 Employee Benefits	55,990	61,082	(5,092)
300 Purchased Services	33,800	25,869	7,931
400 Supplies and Materials	15,500	2,989	12,511
500 Capital Outlay	3,300	-	3,300
600 Other Objects	\$ 500	175	\$ 325

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2023

	REVISED BUDGET	ACTUAL	VARIANCE
230 General Administrative Services:			
231 Board of Education:			
100 Salaries	\$ 8,632	13,609	\$ (4,977)
200 Employee Benefits	2,463	2,236	227
300 Purchased Services	113,500	190,899	(77,399)
318 Audit Services	50,000	51,700	(1,700)
400 Supplies and Materials	28,500	16,479	12,021
600 Other Objects	25,000	25,206	(206)
232 Office of Superintendent:			
100 Salaries	191,160	236,769	(45,609)
200 Employee Benefits	92,034	95,606	(3,572)
300 Purchased Services	10,450	8,486	1,964
400 Supplies and Materials	15,000	9,435	5,565
600 Other Objects	3,800	1,215	2,585
233 School Administration:			
100 Salaries	1,422,774	1,465,422	(42,648)
200 Employee Benefits	727,099	660,511	66,588
300 Purchased Services	20,207	6,601	13,606
400 Supplies and Materials	29,205	21,365	7,840
600 Other Objects	14,000	7,482	6,518
250 Finance and Operations Services:			
252 Fiscal Services:			
100 Salaries	388,051	390,702	(2,651)
200 Employee Benefits	195,942	184,897	11,045
300 Purchased Services	324,800	55,815	268,985
400 Supplies and Materials	17,000	10,936	6,064
600 Other Objects	9,500	20,992	(11,492)
254 Operation and Maintenance of Plant:			
100 Salaries	862,831	915,423	(52,592)
200 Employee Benefits	460,190	435,785	24,405
300 Purchased Services (Excludes Energy Costs)	1,312,887	1,066,836	246,051
400 Supplies and Materials (Include Energy Costs)	959,000	781,275	177,725
500 Capital Outlay	15,000	-	15,000
600 Other Objects	62,315	62,115	200
255 Student Transportation (State Mandated):			
100 Salaries	865,209	934,599	(69,390)
200 Employee Benefits	423,613	428,157	(4,544)
300 Purchased Services	82,080	49,440	32,640
400 Supplies and Materials	10,000	6,702	3,298
256 Food Service:			
200 Employee Benefits	345,023	348,100	(3,077)
600 Other Objects	26,000	12,227	13,773
258 Security:			
100 Salaries	138,489	138,489	-
300 Purchased Services	855,175	701,575	153,600
500 Capital Outlay	\$ 35,841	\$ 35,841	-

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2023

	REVISED BUDGET	ACTUAL	VARIANCE
260 Central Support Services:			
262 Planning, Research, Development and Evaluation:			
300 Purchased Services	\$ 3,400	3,400	\$ -
263 Information Services:			
100 Salaries	34,241	33,243	998
200 Employee Benefits	19,374	16,035	3,339
264 Staff Services:			
100 Salaries	292,240	300,572	(8,332)
200 Employee Benefits	148,400	132,287	16,113
300 Purchased Services	116,584	75,756	40,828
400 Supplies and Materials	80,500	21,331	59,169
600 Other Objects	2,100	2,835	(735)
266 Technology and Data Processing Services:			
100 Salaries	375,744	386,274	(10,530)
200 Employee Benefits	170,312	162,467	7,845
300 Purchased Services	241,592	242,304	(712)
400 Supplies and Materials	5,000	6,523	(1,523)
270 Support Services Pupil Activity:			
271 Pupil Services Activities:			
100 Salaries (Optional)	585,896	733,834	(147,938)
200 Employee Benefits (Optional)	261,926	229,650	32,276
300 Purchased Services (Optional)	77,600	56,803	20,797
400 Supplies and Materials (Optional)	152,000	196,593	(44,593)
600 Other Objects (Optional)	40,000	32,916	7,084
Total Support Services	<u>15,898,047</u>	<u>15,159,070</u>	<u>738,977</u>
400 Other Charges:			
410 Intergovernmental Expenditures:			
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	-	358,724	(358,724)
620 Interest	-	36,745	(36,745)
690 Late Fees - Leases	-	12,248	(12,248)
Total Debt Service	<u>-</u>	<u>407,717</u>	<u>(407,717)</u>
TOTAL EXPENDITURES	<u>30,379,190</u>	<u>30,719,876</u>	<u>(340,686)</u>
OTHER FINANCING SOURCES (USES)			
5220 Transfer from Special Revenue Fund (Excludes Indirect Cost)	-	1,686	1,686
5230 Transfer from Special Revenue EIA Fund	1,315,121	1,318,025	2,904
5280 Transfer from Other Funds Indirect Costs	500,000	85,904	(414,096)
421-710 Transfer to Special Revenue Fund	-	(60,650)	(60,650)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,815,121</u>	<u>1,344,965</u>	<u>(470,156)</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-	433,426	433,426
FUND BALANCE, Beginning of Year	5,458,080	5,458,080	-
FUND BALANCE, End of Year	<u>\$ 5,458,080</u>	<u>5,891,506</u>	<u>\$ 433,426</u>

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, 2023

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)
REVENUES		
1000 Revenue from Local Sources:		
1300 Tuition:		
1331 Out of District Tution	\$ -	-
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:		
1920 Contributions and Donations Private Sources	-	-
1930 Special Needs Transportation - Medicaid	-	-
1999 Revenue from Other Local Sources	-	-
Total Revenue from Local Sources	-	-
2000 Intergovernmental Revenue:		
2100 Payments from Other Governmental Units	-	-
2300 Payments from Non-Profit Entities (for First Steps)	-	-
Total Intergovernmental Revenue	-	-
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:		
3134 Child Early Reading Development Education Program (CERDEP)		
3135 Reading Coaches	-	-
3136 Student Health and Fitness - Nurses	-	-
3143 GEER CERDEP Summer	-	-
3187 Teacher Supply	-	-
3190 Miscellaneous Restricted State Grants:		
3193 Education License Plates	-	-
3199 Other Restricted State Grants	-	-
3300 Education Finance Act (EFA)		
3994 PEBA On-Behalf	-	-
Total Revenue from State Sources	-	-
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)	1,242,562	-
4312 Rural and Low-Income School Program, Title V	-	-
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III	-	-
4351 Supporting Effective Instruction	-	-
4500 Programs for Children with Disabilities:		
4510 Individuals with Disabilities Education Act (IDEA)	-	602,129
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
-	-	-	9,000	-	\$ 9,000
-	-	-	-	54	54
-	-	-	-	14,483	14,483
-	-	-	-	635,908	635,908
-	-	-	13,988	-	13,988
-	-	-	182,186	-	182,186
-	-	-	20,270	-	20,270
-	-	-	225,444	650,445	875,889
-	-	-	168,886	-	168,886
-	-	31,907	-	-	31,907
-	-	31,907	168,886	-	200,793
-	-	94,308	-	-	94,308
-	-	15,923	-	-	15,923
-	-	6,916	-	-	6,916
-	-	248,825	-	-	248,825
-	-	138,275	-	-	138,275
-	-	11,947	-	-	11,947
-	-	8,700	-	-	8,700
-	-	451	-	-	451
-	-	-	19,270	-	19,270
-	-	4,386	-	-	4,386
-	-	529,731	19,270	-	549,001
-	36,191	-	-	-	36,191
-	-	-	-	-	1,242,562
-	-	-	22,454	-	22,454
-	-	-	964	-	964
-	-	-	133,734	-	133,734
-	-	-	9,901	-	612,030
29,494	-	-	-	-	\$ 29,494

(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, 2023

	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)	\$ -	-
4931 ARP IDEA	-	-
4933 ARP IDEA Preschool	-	-
4937 ARP Homeless	-	-
4974 ESSER III	-	-
4975 Coronavirus Aid Relief and Economic Security Act (CARES Act)	-	-
4977 ESSER II	-	-
4997 Title IV - SSAE	-	-
4999 Revenue from Other Federal Sources	-	-
	<u>1,242,562</u>	<u>602,129</u>
Total Revenue from Federal Sources	<u>1,242,562</u>	<u>602,129</u>
TOTAL REVENUE ALL SOURCES	<u>1,242,562</u>	<u>602,129</u>
EXPENDITURES		
100 Instruction:		
110 General Instruction:		
111 Kindergarten Program:		
100 Salaries	41,621	-
200 Employee Benefits	16,959	-
400 Supplies and Materials	6,638	-
112 Primary Programs:		
100 Salaries	248,647	-
200 Employee Benefits	108,414	-
300 Purchased Services	-	-
400 Supplies and Materials	11,165	-
113 Elementary Programs:		
100 Salaries	258,401	-
200 Employee Benefits	99,909	-
300 Purchased Services	-	-
400 Supplies and Materials	41,600	-
114 High School Programs:		
100 Salaries	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
115 Career and Technology Education Programs:		
400 Supplies and Materials	-	-
116 Career and Technology Education Programs-Middle School:		
300 Purchased Services	-	-
120 Exceptional Programs:		
121 Educable Mentally Handicapped:		
100 Salaries	-	34,921
200 Employee Benefits	-	14,097
300 Purchased Services	-	18,241
400 Supplies and Materials	-	26,851
122 Trainable Mentally Handicapped:		
100 Salaries	-	20,073
200 Employee Benefits	-	16,604
400 Supplies and Materials	-	14,826
124 Visually Handicapped:		
400 Supplies and Materials	-	3,700
127 Learning Disabilities:		
100 Salaries	-	41,399
200 Employee Benefits	-	19,036
400 Supplies and Materials	-	32,953
133 Pre-School Handicapped Self-Contained (5-Yr. Olds):		
100 Salaries	-	-
200 Employee Benefits	-	-
400 Supplies and Materials	-	97
135 Pre-School Handicapped Speech (3 & 4-Yr. Olds):		
100 Salaries	-	-
200 Employee Benefits	-	-
400 Supplies and Materials	-	-
137 Pre-School Handicapped Self-Contained (3 & 4-Yr. Olds):		
400 Supplies and Materials	\$ -	-

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
-	-	-	377,670	-	\$ 377,670
-	-	-	124,268	-	124,268
-	-	-	16,370	-	16,370
-	-	-	1,455	-	1,455
-	-	-	778,162	-	778,162
-	-	-	9,113	-	9,113
-	-	-	671,803	-	671,803
-	-	-	101,073	-	101,073
-	-	-	300	-	300
29,494	36,191	-	2,247,267	-	4,157,643
29,494	36,191	561,638	2,660,867	650,445	5,783,326
-	-	-	-	-	41,621
-	-	-	-	-	16,959
-	-	8,703	14,318	-	29,659
-	-	11,315	-	-	259,962
-	-	4,608	-	-	113,022
-	-	-	61,861	-	61,861
-	-	-	105,805	-	116,970
-	-	-	-	-	258,401
-	-	-	-	-	99,909
-	590	-	41,083	-	41,673
-	-	-	117,195	-	158,795
-	-	-	77,853	-	77,853
-	-	-	20,541	-	20,541
-	-	451	21,032	-	21,483
-	20,644	-	964	-	21,608
-	3,012	-	-	-	3,012
-	-	-	-	-	34,921
-	-	-	-	-	14,097
-	-	-	-	-	18,241
-	-	-	-	-	26,851
-	-	-	-	-	20,073
-	-	-	-	-	16,604
-	-	-	-	-	14,826
-	-	-	-	-	3,700
-	-	-	-	-	41,399
-	-	-	-	-	19,036
-	-	-	80,682	-	113,635
10,206	-	-	-	-	10,206
2,811	-	-	-	-	2,811
-	-	-	7,860	-	7,957
12,062	-	-	-	-	12,062
2,928	-	-	-	-	2,928
633	-	-	-	-	633
-	-	-	8,036	-	\$ 8,036

(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, 2023

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)
140 Special Programs:		
147 CERDEP:		
100 Salaries	\$ -	-
200 Employee Benefits	-	-
400 Supplies and Materials	-	-
149 Other Special Programs:		
100 Salaries	-	9,742
400 Supplies and Materials	-	-
160 Other Exceptional Programs:		
161 Autism:		
400 Supplies and Materials	-	789
170 Summer School Programs:		
171 Primary Summer School:		
100 Salaries	66,455	-
200 Employee Benefits	20,410	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
172 Elementary Summer School:		
100 Salaries	15,210	-
200 Employee Benefits	4,249	-
400 Supplies and Materials	-	-
173 High School Summer School:		
100 Salaries	-	-
200 Employee Benefits	-	-
175 Instructional Programs Beyond Regular School Day:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
180 Adult/Continuing Educational Programs:		
188 Parenting/Family Literacy:		
100 Salaries	21,823	-
200 Employee Benefits	10,385	-
300 Purchased Services	3,989	-
400 Supplies and Materials	34,548	-
190 Instructional Pupil Activity:		
300 Purchased Services	-	-
400 Supplies and Materials	6,061	-
600 Other Objects	-	-
Total Instruction	1,016,484	253,329
200 Support Services:		
210 Pupil Services:		
211 Attendance and Social Work Services:		
300 Purchased Services	-	-
400 Supplies and Materials	1,996	-
213 Health Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
400 Supplies and Materials	-	10,960
600 Other Objects	-	898
214 Psychological Services:		
100 Salaries	-	-
300 Purchased Services	-	6,336
400 Supplies and Materials	-	7,014
600 Other Objects	-	735
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
-	-	7,390	-	-	\$ 7,390
-	-	2,811	-	-	2,811
-	-	3,222	1,767	-	4,989
-	-	-	1,008	-	10,750
-	-	-	659	-	659
-	-	-	-	-	789
-	-	-	25,703	-	92,158
-	-	-	8,102	-	28,512
-	-	-	5,400	-	5,400
-	-	-	10,908	-	10,908
-	-	-	10,274	-	25,484
-	-	-	2,472	-	6,721
-	-	-	13,095	-	13,095
-	-	-	10,680	-	10,680
-	-	-	2,956	-	2,956
-	-	-	122,286	-	122,286
-	-	-	35,291	-	35,291
-	-	-	5,597	-	5,597
-	-	-	41,993	-	41,993
-	-	31,299	-	-	53,122
-	-	607	-	-	10,992
-	-	-	-	-	3,989
-	-	-	2,469	-	37,017
-	-	-	5,304	-	5,304
-	-	-	6,430	-	12,491
-	-	-	-	5,232	5,232
28,640	24,246	70,406	869,624	5,232	2,267,961
-	-	-	443	-	443
-	-	-	-	-	1,996
-	-	98,035	12,000	-	110,035
-	-	40,240	3,863	-	44,103
-	-	-	-	-	10,960
-	-	-	-	-	898
-	-	-	795	-	795
-	-	-	3,250	-	9,586
-	-	-	-	-	7,014
-	-	-	-	-	735
-	-	59,927	-	-	59,927
-	-	34,380	-	-	\$ 34,380

(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, 2023

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)
220 Instructional Staff Services:		
221 Improvement of Instruction Curriculum Development:		
100 Salaries	\$ -	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
223 Supervision of Special Programs:		
100 Salaries	83,291	168,031
200 Employee Benefits	37,337	69,090
300 Purchased Services	4,128	19,949
400 Supplies and Materials	8,887	9,365
600 Other Objects	-	149
224 Improvement of Instruction Inservice and Staff Training:		
300 Purchased Services	40,064	11,798
400 Supplies and Materials	16,857	27,673
600 Other Objects	-	269
250 Finance and Operations Services:		
251 Student Transportation (Federal/District Mandated):		
100 Salaries	-	-
200 Employee Benefits	-	-
254 Operation and Maintenance of Plant:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
500 Capital Outlay	-	-
256 Food Service:		
100 Salaries	-	-
200 Employee Benefits	-	-
258 Security:		
400 Supplies and Materials	-	-
260 Central Support Services:		
264 Staff Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
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	192,560	332,267
300 Community Services:		
370 Non-Public School Services:		
300 Purchased Services	3,056	-
400 Supplies and Materials	-	-
Total Community Services	3,056	-
410 Intergovernmental Expenditures:		
411 Payments to State Department of Education		
720 Transits	-	-
419 Payments to PEBA Nonemployer Contributions		
720 Transits	-	-
Total Intergovernmental Expenditures	-	-
TOTAL EXPENDITURES	\$ 1,212,100	585,596

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
-	-	165,180	3,000	-	\$ 168,180
-	-	83,645	964	-	84,609
-	-	-	15,023	-	15,023
-	-	-	59,332	-	310,654
-	-	-	19,118	-	125,545
-	-	-	1,929	-	26,006
-	-	-	7,532	-	25,784
-	-	-	-	-	149
-	11,022	-	125,761	-	188,645
-	-	-	60,949	-	105,479
-	-	-	950	-	1,219
-	-	-	28,788	-	28,788
-	-	-	9,209	-	9,209
-	-	-	199	-	199
-	-	-	62	-	62
-	-	-	1,042,037	-	1,042,037
-	-	-	29,196	-	29,196
-	-	-	54,150	-	54,150
-	-	-	60	-	60
-	-	-	19	-	19
-	-	-	12,843	-	12,843
-	-	-	71,000	-	71,000
-	-	-	6,860	-	6,860
-	-	-	13,279	-	13,279
-	-	-	4,942	-	4,942
-	-	-	1,409	-	1,409
-	-	-	33,841	-	33,841
-	-	-	-	620,962	620,962
-	11,022	481,407	1,622,803	620,962	3,261,021
-	-	-	18,997	-	22,053
-	-	-	12,298	-	12,298
-	-	-	31,295	-	34,351
-	-	5,439	23,071	-	28,510
-	-	4,386	-	-	4,386
-	-	9,825	23,071	-	32,896
28,640	35,268	561,638	2,546,793	626,194	\$ 5,596,229

(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, 2023

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)
OTHER FINANCING SOURCES (USES)		
Interfund Transfers, From (To) Other Funds:		
5210 Transfer from General Fund (Exclude Indirect Costs)	\$ -	-
420-710 Transfer to General Fund (Exclude Indirect Costs)	-	-
431-791 Special Revenue Fund Indirect Costs (Use Only for Transfer of Indirect Costs to General Fund)	(30,462)	(16,533)
TOTAL OTHER FINANCING SOURCES (USES)	(30,462)	(16,533)
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-	-
FUND BALANCE, Beginning of Year	-	-
FUND BALANCE, End of Year	\$ -	-

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
-	-	-	60,650	-	\$ 60,650
-	-	-	(1,686)	-	(1,686)
(854)	(923)	-	(37,132)	-	(85,904)
(854)	(923)	-	21,832	-	(26,940)
-	-	-	135,906	24,251	160,157
-	-	-	169,894	183,219	353,113
-	-	-	305,800	207,470	\$ 513,270

SPECIAL REVENUE FUND

SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES

YEAR ENDED JUNE 30, 2023

OTHER RESTRICTED STATE GRANTS

917	Early Intervention
919	Education License Plates
924	Child Early Reading Development and Education Program (CERDEP) - Full Day 4K
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
212	IDEA - Extended School Year
218	ESSER III ARP
220	SC CARES ESSER
224	21st Century Community Learning Centers Program (84.287)
225	SC ESSER II
230	ARP IDEA
233	ARP IDEA Preschool
251	Title IV REAP
263	Comprehensive School Reform Grant
264	Title III
267	Improving Teacher Quality
296	Army ROTC
801	Medicaid - OPEC
802	Back to School Bash
803	Extended School Year
804	DHEC Nurse Retention Bonus
808	Use of Building
809	GOV Deals/Equipment Disposal
813	Teen Companion
816	MISC Revenue/Donations
837	Springs Foundation Summer School
847	Chester Healthcare Foundation
848	SGM - Robotics Program
849	Upper Midlands Rural Health Network
851	Bosch Robotics Grant
852	CERRA Rural ED Program
853	Reading by Third Grade Program
854	Family Resource Center - OPEC
856	DSS - Pre-K Grants
857	SCSBIT Safety Grant
858	Out of District Tuition

SPECIAL REVENUE FUND

SUMMARY SCHEDULE FOR OTHER DESIGNATED RESTRICTED STATE GRANTS

YEAR ENDED JUNE 30, 2023

Subfund	Revenue	Programs	Revenues	Expenditures	Special Revenue		Special Revenue Fund Unearned
					Interfund Transfers In (Out)	Other Fund Transfers Sources (Uses)	
917	3187	Teacher Supply	\$ 8,700	8,700	-	-	\$ -
919	3193	Education License Plates	451	451	-	-	-
924	3134	Child Early Reading Development and Education Program (CERDEP) - Full Day 4K	18,863	18,863	-	-	18,185
928	3118	EEDA Career Specialists	94,308	94,308	-	-	-
935	3135	Reading Coaches	248,825	248,825	-	-	106,287
936	3136	Student Health and Fitness - Nurses	138,275	138,275	-	-	-
937	3127	Student Health & Fitness - PE Teachers	15,923	15,923	-	-	-
982	2300	First Steps Parenting	31,907	31,907	-	-	16,034
994	3994	PEBA Non Employer Contributions	4,386	4,386	-	-	-
Totals			\$ 561,638	561,638	-	-	\$ 140,506

EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2023

	<u>ACTUAL</u>
REVENUES	
3000 Revenue from State Sources:	
3500 Education Improvement Act:	
3502 ADEPT	\$ 1,577
3503 State Aid to Classrooms	1,318,025
3518 Adoption List of Formative Assessment	11,646
3519 Grade 10 Assessments	2,206
3526 Refurbishment of Science Kits	33,815
3528 Industry Certifications/Credentials	10,000
3529 Career and Technology Education	94,827
3532 National Board Salary Supplement (No Carryover Provision)	78,876
3533 Teacher of the Year Awards (No Carryover Provision)	1,077
3536 Health Fitness Nurse	29,258
3538 Students at Risk of School Failure	232,063
3541 Child Development Education Pilot Program (CDEPP)	366,104
3557 Summer Reading Program	9,825
3571 CSI and Priority Schools	136,000
3577 Teacher Supplies (No Carryover Provision)	45,000
3595 EEDA - Supplies and Materials	8,787
3597 Aid to Districts	93,743
Total Revenue from State Sources	<u>2,472,829</u>
TOTAL REVENUE ALL SOURCES	<u>2,472,829</u>
EXPENDITURES	
100 Instruction:	
110 General Instruction:	
111 Kindergarten Programs:	
400 Supplies and Materials	47,701
112 Primary Programs:	
100 Salaries	11,667
200 Employee Benefits	3,733
400 Supplies and Materials	36,551
113 Elementary Programs:	
100 Salaries	(1,702)
200 Employee Benefits	7,400
400 Supplies and Materials	61,748
114 High School Programs:	
100 Salaries	14,750
200 Employee Benefits	4,497
300 Purchased Services	9,104
400 Supplies and Materials	21,591
115 Career and Technology Education Programs:	
400 Supplies and Materials	24,890
140 Special Programs:	
147 CDEPP:	
100 Salaries	267,356
200 Employee Benefits	125,529
149 Other Special Programs:	
100 Salaries	152,354
200 Employee Benefits	47,822
170 Summer School Programs:	
171 Primary Summer School:	
100 Salaries	7,417
200 Employee Benefits	2,408
400 Supplies and Materials	2,052
175 Instructional Programs Beyond Regular School Day:	
100 Salaries	6,220
200 Employee Benefits	1,938

(Continued)

EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2023

	<u>ACTUAL</u>
180 Adult/Continuing Educational Programs:	
188 Parenting/Family Literacy:	
100 Salaries	\$ 21,429
200 Employee Benefits	10,459
190 Instructional Pupil Activity:	
400 Supplies and Materials	3,420
Total Instruction	<u>890,334</u>
200 Support Services:	
210 Pupil Services:	
212 Guidance Services:	
100 Salaries	8,787
300 Purchased Services	5,430
213 Health Services:	
100 Salaries	20,990
200 Employee Benefits	8,268
220 Instructional Staff Services:	
221 Improvement of Instruction Curriculum Development:	
100 Salaries	7,500
200 Employee Benefits	2,367
300 Purchased Services	458
224 Improvement of Instruction Inservice and Staff Training:	
100 Salaries	28,844
200 Employee Benefits	9,059
300 Purchased Services	98,434
400 Supplies and Materials	5,199
250 Finance and Operations Services:	
258 Security:	
300 Purchased Services	41,658
260 Central Support Services:	
266 Technology and Data Processing Services:	
400 Supplies and Materials	20,221
270 Support Services - Pupil Activity:	
271 Pupil Services Activities:	
300 Purchased Services (Optional)	3,257
400 Supplies and Materials (Optional)	3,998
Total Support Services	<u>264,470</u>
TOTAL EXPENDITURES	<u>1,154,804</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
420-710 Transfer to General Fund (Exclude Indirect Costs)	(1,318,025)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,318,025)</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, 2023

Program	Revenues	Expenditures	EIA Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	EIA Fund Unearned Revenue
3500 Education Improvement Act:					
3502 ADEPT	\$ 1,577	1,577	-	-	\$ -
3503 State Aid to Classrooms	1,318,025	-	-	(1,318,025)	-
3518 Adoption List of Formative Assessment	11,646	11,646	-	-	-
3519 Grade 10 Assessments	2,206	2,206	-	-	3,715
3526 Refurbishment of Science Kits	33,815	33,815	-	-	53,861
3528 Industry Certifications/Credentials	10,000	10,000	-	-	10,000
3529 Career and Technology Education	94,827	94,827	-	-	5,173
3532 National Board Salary Supplement (No Carryover Provision)	78,876	78,876	-	-	-
3533 Teacher of the Year Awards (No Carryover Provision)	1,077	1,077	-	-	-
3536 EAA Curriculum Specialist/District Instruction Facilitator (No Carryover Provision)	29,258	29,258	-	-	-
3538 Students at Risk of School Failure	232,063	232,063	-	-	-
3541 Child Early Reading Development and Education Program (CERDEP) - Full Day 4K	366,104	366,104	-	-	-
3557 Summer Reading Program	9,825	9,825	-	-	-
3571 CSI and Priority Schools	136,000	136,000	-	-	77,000
3577 Teacher Supplies (No Carryover Provision)	45,000	45,000	-	-	-
3595 EEDA - Supplies and Materials	8,787	8,787	-	-	-
3597 Aid to Districts	93,743	93,743	-	-	-
	<u>\$ 2,472,829</u>	<u>1,154,804</u>	<u>-</u>	<u>(1,318,025)</u>	<u>\$ 149,749</u>
Totals					

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

YEAR ENDED JUNE 30, 2023

Program	Project/Grant Number	Revenue & Subfund Code	Description	Amount Due to State Department of Education or Federal Government	Status of Amount Due to Grantors
None.					
Total				<u>\$ -</u>	

FOOD SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2023

	<u>ACTUAL</u>
REVENUES	
1630 Special Sales to Pupils	\$ 704
1640 Lunch Sales to Adults	18,492
1650 Breakfast Sales to Adults	1,234
1660 Special Sales to Adults	4,529
Total Revenue from Local Sources	<u>24,959</u>
3900 Other State Sources:	
3999 Revenue from Other State Sources	1,121
Total Revenue from State Sources	<u>1,121</u>
4000 Revenue from Federal Sources:	
4800 USDA Reimbursement:	
4810 School Lunch and After School Snacks Program, and Special Milk Program	1,022,535
4820 Supply Chain Assistance Funding	65,067
4830 School Breakfast Program (Carryover Provision)	367,061
4860 Fresh Fruits & Vegetable Program (FFVP) (Carryover Provision)	33,444
4880 Summer Feeding Programs (SFSP)	49,356
4899 Miscellaneous Food Service	382
4900 Other Federal Sources:	
4991 USDA Commodities (Food Distribution Program) (Carryover Provision)	77,445
Total Revenue from Federal Sources	<u>1,615,290</u>
TOTAL REVENUE ALL SOURCES	<u>1,641,370</u>
EXPENDITURES	
256 Food Service:	
100 Salaries	750,165
300 Purchased Services (Exclude Energy Costs)	52,363
400 Supplies and Materials (Include Energy Costs)	907,682
600 Other Objects	1,899
Total Food Service Expenditures	<u>1,712,109</u>
TOTAL EXPENDITURES	<u>1,712,109</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	(70,739)
FUND BALANCE, Beginning of Year	<u>396,427</u>
FUND BALANCE, End of Year	<u>\$ 325,688</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, 2023

	<u>ACTUAL</u>
REVENUES	
1000 Revenue from Local Sources:	
1100 Taxes:	
1110 Ad Valorem Taxes-Including Delinquent (Independent)	\$ 3,930,497
1200 Revenue from Local Governmental Units Other than LEAs:	
1280 Revenue in Lieu of Taxes (Independent and Dependent)	1,058,664
1500 Earnings on Investments:	
1510 Interest on Investments	111,120
Total Revenue from Local Sources	<u>5,100,281</u>
3000 Revenue from State Sources:	
3800 State Revenue in Lieu of Taxes:	
3820 Homestead Exemption (Tier 2)	152,167
3830 Merchant's Inventory Tax	4,765
3840 Manufacturers Depreciation Reimbursement	432,316
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	16,523
Total Revenue from State Sources	<u>605,771</u>
TOTAL REVENUE ALL SOURCES	<u>5,706,052</u>
EXPENDITURES	
500 Debt Service:	
610 Redemption of Principal	2,841,484
620 Interest	783,687
690 Other Objects (Includes Fees for Servicing Bonds)	8,409
Total Debt Service	<u>3,633,580</u>
TOTAL EXPENDITURES	<u>3,633,580</u>
OTHER FINANCING SOURCES (USES)	
5120 Proceeds of General Obligation Bonds	35,000,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>35,000,000</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	37,072,472
FUND BALANCE, Beginning of Year	<u>(33,851,970)</u>
FUND BALANCE, End of Year	<u>\$ 3,220,502</u>

CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2023

	<u>ACTUAL</u>
REVENUES	
1000 Revenue from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 817,010
Total Revenue from Local Sources	<u>817,010</u>
TOTAL REVENUE ALL SOURCES	<u>817,010</u>
EXPENDITURES	
250 Finance and Operations:	
253 Facilities Acquisition & Construction:	
300 Purchased Services	29,250
500 Capital Outlay:	
540 Equipment	24,794,809
254 Operations and Maintenance of Plant:	
300 Purchased Services (Exclude Energy Costs)	78,193
400 Supplies and Materials (Include Energy Costs)	58,457
500 Capital Outlay	51,821
260 Central Support Services:	
266 Technology and Data Processing Services:	
500 Capital Outlay	281,094
Total Support Services	<u>25,293,624</u>
500 Debt Service:	
690 Other Objects	80,500
Total Debt Service	<u>80,500</u>
TOTAL EXPENDITURES	<u>25,374,124</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	(24,557,114)
FUND BALANCE, Beginning of Year	<u>33,225,855</u>
FUND BALANCE, End of Year	<u>\$ 8,668,741</u>

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

Schedule F-1

LOCATION RECONCILIATION SCHEDULE

YEAR ENDED JUNE 30, 2023

LOCATION ID	LOCATION DESCRIPTION	EDUCATION LEVEL	COST TYPE	TOTAL EXPENDITURES
10	District Office - Central	Non-School	Central	\$ 13,252,038
20	Harleyville Elementary	Elementary School	School	3,892,555
30	Williams Memorial Elementary	Elementary School	School	6,783,831
40	St. George Middle	Middle School	School	4,204,121
45	Woodland Middle School	Middle School	School	24,795,696
50	Woodland High	High School	School	9,019,617
70	Alternative School	Other School	School	924,205
71	Clay Hill Elementary	Elementary School	School	2,570,191
72	Harleyville-Ridgeville Middle	Middle School	School	2,714,116
80	Dorchester Academy - Substitutes	Other School	School	34,352
TOTAL EXPENDITURES / DISBURSEMENTS FOR ALL FUNDS				\$ 68,190,722

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

General Fund	\$ 30,719,876
Special Revenue Fund	5,596,229
Special Revenue - EIA Fund	1,154,804
Debt Service Fund	3,633,580
Capital Projects Fund	25,374,124
Food Service Fund	1,712,109
TOTAL EXPENDITURES / DISBURSEMENTS FOR ALL FUNDS	\$ 68,190,722

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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, 2023

LEA Subfund Code	Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass Through Grantor's Number	Federal Expenditures
US Department of Agriculture				
Pass-through State Department of Education:				
600	National School Breakfast Program	10.553	N/A	\$ 367,061
600	National School Lunch Program - Cash Assistance	10.555	N/A	1,022,917
600	National School Lunch Program - Non-Cash Assistance	10.555	N/A	77,445
630	Supply Chain Assistance Funding	10.555	N/A	65,067
600	Summer Food Service Program	10.559	N/A	49,356
611	Fresh Fruit and Vegetable Program	10.582	N/A	33,444
Total Child Nutrition Cluster				<u>1,615,290</u>
Total US Department of Agriculture				<u>1,615,290</u>
US Department of Education				
Pass-through State Department of Education:				
201/202	Title I	84.010	22/23 Title I, Regular	1,242,562
				<u>1,242,562</u>
Individuals with Disabilities Education Act				
203/204	Special Education - Grants to States	84.027	22/23 IDEA	602,129
212	Extended School Year	84.027	23 IDEA ESY	9,901
205	Special Education - Preschool Grants	84.173	22/23 PreSchool	29,494
230	COVID-19: Personnel Development	84.027A	10-CO019	124,268
233	COVID-19: IDEA Private School Placement	84.027	22CA	16,370
Total Special Education Cluster (IDEA)				<u>782,162</u>
207	Vocational Aid	84.048	22/23 CATE	36,191
210	Title IV Student Support & Academic Enrichment	84.424A	22/23 Title IV SSAE	101,073
224	21st Century After School Learning	84.002	22/23 Adult Education	377,670
251	Title VI Part B - REAP	84.358	22/23 REAP	22,454
264	Title III	84.365	22/23 Title III ELA	966
267	Improving Teacher Quality	84.367	22/23 Title II ITQ	133,734
220	COVID-19: SC CARES ESSER	84.425D	H63010497520	9,113
225	COVID-19: SC CARES ESSER II	84.425D	H63010497522	671,803
218	COVID-19: SC ARPA ESSER III	84.425U	H63010497522	778,162
263	COVID-19: ARP HOMELESS II	84.425W	H63010HCY721	1,455
Total 84.425				<u>1,460,533</u>
Total US Department of Education				<u>4,157,345</u>
TOTAL FEDERAL ASSISTANCE EXPENDED				<u>\$ 5,772,635</u>

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

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, 2023

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

B. Basis of Accounting

The accompanying Schedule is presented using the modified accrual basis of accounting, which is described in 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, 2023, 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 November 28, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
November 28, 2023



**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

Opinion on Each Major Federal Program

We have audited Dorchester County School District Four’s (the “School District”) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District’s major federal programs for the year ended June 30, 2023. The School District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the School District’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
November 28, 2023

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2023

There were no audit findings reported in the prior year.

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	_____ 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>
84.010	Title I
84.425D, 84.425U, 84.425W	COVID-19: ESSER
84.027, 84.173	IDEA Cluster

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