

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

**BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION**

**FISCAL YEAR ENDED JUNE 30, 2019**

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## **FINANCIAL SECTION**



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Dorchester County School District Number Four  
St. George, South Carolina

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Dorchester County School District Number Four, St. George, South Carolina, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Dorchester County School District Number Four, St. George, South Carolina, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information, and supplementary pension and other postemployment benefits information on pages 4 through 12 and 61 through 69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements, supplemental schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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 21, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in

accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Harper, Poston & Moree, P.A.*

Harper, Poston & Moree, P.A.  
Certified Public Accountants

Pawleys Island, South Carolina  
November 21, 2019

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

### **YEAR ENDED JUNE 30, 2019**

The discussion and analysis of Dorchester School District Four's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2019. We encourage readers to consider this information in conjunction with the additional information in the District's financial statements and the accompanying notes to those financial statements.

#### **FINANCIAL HIGHLIGHTS**

- The total liabilities of the District exceeded its total assets at the close of the most recent fiscal year by \$38,860,527 (net deficit). The reason for this change is the GASB 68 requirement for recording the net pension liability and the GASB 75 requirement for recording the net OPEB liability. Because of this requirement, the District's unrestricted net position is now a negative total of (\$54,982,100).
- The District's total net position for the current fiscal year decreased by \$356,453. Net position now includes the net pension liability of \$34,757,422 per the GASB 68 requirement and the net OPEB liability of \$26,797,460 per the GASB 75 requirement.
- Revenues totaled \$34,642,205. This is an increase of \$801,321 or 2.37% from fiscal year 2018.
- Expenses totaled \$34,998,658. This is an increase of \$113,934 or .33% from fiscal year 2018.
- Our principal operating fund, the General Fund, had \$24,628,385 in fiscal year 2019 revenues, which primarily consisted of state aid and property taxes, and \$26,515,530 in expenditures. The General Fund's fund balance decreased from \$5,488,495 as of June 30, 2018 to \$4,637,823 as of June 30, 2019.
- The District's total debt for bonds and capital leases, including issuance premiums, decreased by \$683,883 during FY 2019. The District did not issue a Tax Anticipation Note for the 2018 – 2019 fiscal year.



## OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements (General, Special Revenue, Debt Service, Capital Projects, Proprietary, and Fiduciary) and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. A description of these statements and some related definitions follow:

Government-Wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business. These statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (government activities) and functions principally supported by user charges (business type activities). The governmental activities of the District include instruction, support services, operation and maintenance of plant, student transportation, and operation of non-instructional services. The government-wide financial statements are included on pages 13 and 14 of this report.

Statement of Net Position: The statement of net position presents information on all of the District's assets, liabilities, and deferred outflows/inflows of resources except for those related to fiduciary funds, 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 District is improving or deteriorating.

Statement of Activities: The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

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

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 inflows 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 the District'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 District's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Special Projects, EIA, Capital Projects, Debt Service, and School Building Funds, all of which are considered to be major funds.

The District adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget.

Proprietary Funds: Services for which the District charges a fee are generally reported in the proprietary funds. Proprietary fund statements are reported on the accrual basis and include the District's Food Service Fund.

Fiduciary Funds: Fiduciary (Pupil Activity) funds are used to account for resources held for the benefit of students and are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accrual basis of accounting is used for fiduciary funds.

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

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information for the General Fund in the form of a budgetary comparison schedule, pension schedules related to GASB 68 implementation, and OPEB schedules related to GASB 75 implementation.

The District maintains its accounting records in conformity with the South Carolina Department of Education's Financial Accounting Handbook. Combining and individual fund schedules mandated by the South Carolina Department of Education follow the required supplementary information.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities exceeded assets creating a net deficit of (\$38,860,527) as of June 30, 2019. The reason for this is due to the reporting of the net pension liability of \$34,757,422 due to the GASB 68 requirement and the net OPEB liability of \$26,797,460 due to the GASB 75 requirement.

A large portion of the District's net position (\$15,582,197) reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment, and construction in progress), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the 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 must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table presents a comparison of the District's net position for the past two fiscal years. Amounts are expressed in thousands of dollars.

	Governmental Activities		Business – Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 10,877	\$ 12,250	\$ 306	\$ 444	\$ 11,183	\$ 12,694
Capital Assets, Net	29,582	29,147	81	101	29,663	29,248
Total Assets	<u>\$ 40,459</u>	<u>\$ 41,397</u>	<u>\$ 387</u>	<u>\$ 545</u>	<u>\$ 40,846</u>	<u>\$ 41,942</u>
Total Outflows of Resources	<u>\$ 5,772</u>	<u>\$ 6,189</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 5,772</u>	<u>\$ 6,189</u>
Current Liabilities	\$ 6,011	\$ 6,484	\$ -0-	\$ -0-	\$ 6,011	\$ 6,484
Long-Term Liabilities	75,450	75,927	-0-	-0-	75,450	75,927
Total Liabilities	<u>\$ 81,461</u>	<u>\$ 82,411</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 81,461</u>	<u>\$ 82,411</u>
Total Inflows of Resources	<u>\$ 4,018</u>	<u>\$ 4,224</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 4,018</u>	<u>\$ 4,224</u>
Net Position:						
Net Investment in						
Capital Assets	\$ 15,501	\$ 14,185	\$ 81	\$ 101	\$ 15,582	\$ 14,286
Restricted	539	493	-0-	-0-	539	493
Unrestricted	(55,288)	(53,727)	306	444	(54,982)	(53,283)
Total Net Position	<u>\$ (39,248)</u>	<u>\$ (39,049)</u>	<u>\$ 387</u>	<u>\$ 545</u>	<u>\$ (38,861)</u>	<u>\$ (38,504)</u>

The following are significant current year transactions that have an impact on the Statement of Net Position for 2019:

- The net pension liability amount of \$34,757,422 and the net OPEB liability amount of \$26,797,460 created a negative net position for 2019.

The District's total revenues for the fiscal year ended June 30, 2019 were \$34,642,205. The total cost of all programs and services was \$34,998,658 for a decrease in net position of \$356,453.

The following table presents a summary of the changes in net position for the past two fiscal years. Amounts are expressed in thousands of dollars.

	Governmental Activities		Business – Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for Services	\$ 228	\$ 240	\$ 80	\$ 77	\$ 308	\$ 317
Operating Grants	14,219	14,463	1,599	1,733	15,818	16,196
Capital Grants	903	195	-0-	-0-	903	195
General Revenues:						
Property Taxes	11,487	10,753	-0-	-0-	11,487	10,753
Investment Income	157	108	-0-	-0-	157	108
State Aid/Formula Grants	5,924	6,197	-0-	-0-	5,924	6,197
Miscellaneous and Other	7	75	-0-	-0-	7	75
Gain on Disposals	37	-0-	-0-	-0-	37	-0-
Total Revenues	\$ 32,962	\$ 32,031	\$ 1,679	\$ 1,810	\$ 34,641	\$ 33,841
Expenses:						
Instruction	\$ 17,461	\$ 17,751	\$ -0-	\$ -0-	\$ 17,461	\$ 17,571
Support Services	14,986	14,891	-0-	-0-	14,986	14,891
Community Services	9	3	-0-	-0-	9	3
Intergovernmental	98	82	-0-	-0-	98	82
Interest	579	562	-0-	-0-	579	562
Depreciation - Unallocated	28	14	-0-	-0-	28	14
Food Service	-0-	-0-	1,837	1,762	1,837	1,762
Total Expenses	\$ 33,161	\$ 33,123	\$ 1,837	\$ 1,762	\$ 34,998	\$ 34,885
Net Before Transfers	\$ (199)	\$ (1,092)	\$ (158)	\$ 48	\$ (357)	\$ (1,044)
Transfers In(Out)	-0-	-0-	-0-	-0-	-0-	-0-
Change in Net Position	\$ (199)	\$ (1,092)	\$ (158)	\$ 48	\$ (357)	\$ (1,044)
Net Position - Beginning	(39,049)	(11,005)	545	497	(38,504)	(10,508)
Prior Period Adjustment	-0-	(26,952)	-0-	-0-	-0-	(26,952)
Net Position - Ending	\$ (39,248)	\$ (39,049)	\$ 387	\$ 545	\$ (38,861)	\$ (38,504)

Governmental Activities: The following table presents the cost of the major functional activities: instruction, support services, community services, intergovernmental, and interest on long-term debt. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District's taxpayers by each of these functions.

	Total Expenses		Net (Expense) Revenue	
	2019	2018	2019	2018
Instruction	\$ 17,461,479	\$ 17,571,255	\$ (5,339,046)	\$ (4,954,042)
Support Services	14,985,562	14,890,410	(11,825,120)	(12,657,407)
Community Services	9,380	3,095	(5,946)	(3,095)
Intergovernmental	98,322	82,212	(35,000)	(35,000)
Interest	579,039	562,051	(579,039)	(562,051)
Depreciation – Unallocated	27,763	13,875	(27,763)	(13,875)
Total Expenses	\$ 33,161,545	\$ 33,122,898	\$ (17,811,914)	\$ (18,225,470)

- The cost of all governmental activities this year was \$33,161,545. This was an increase of \$38,647 from fiscal year 2018's total of \$33,122,898.
- Federal and state governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$15,349,631 for fiscal year 2019. This is an increase of \$452,203 from the total of \$14,897,428 for the 2018 fiscal year.
- Net cost of governmental activities (\$17,811,914), was financed by general revenues, which are made up of primarily property taxes \$11,486,662, state aid \$5,924,374, gain on disposal of capital assets \$37,175, and other miscellaneous general revenues of \$7,921. Investment earnings accounted for \$157,006 of funding. All of these components contributed to an overall decrease in net position for governmental activities of (\$198,776). The net cost of governmental activities for fiscal year 2018 was (\$18,255,470) and was financed by general revenues consisting of \$10,753,096 in property taxes, \$6,197,154 in state aid, and \$75,325 in other miscellaneous revenue. Investment earnings contributed \$107,532 which produced an overall decrease in net position of \$1,092,363 in 2018.

Business-Type Activities: Net position of business-type activities decreased by (\$157,677) for the current fiscal year. The district participates in the USDA Community Eligibility Program which allows the District to provide free meals to all students. Grant reimbursements from USDA are increased to compensate the district for the free meals that are served.

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

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

Governmental Funds: The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$5,895,384, a decrease of \$993,574 in comparison with the prior year. Of this amount, \$4,637,823 constitutes an unrestricted, unassigned fund balance and is available for spending at the District's discretion. The remainder of fund balance is reported as restricted or assigned to indicate that it is not available for new spending because it has already been committed to pay debt service.

The General Fund is the principal operating fund of the District. The net change in fund balance in the General Fund for the fiscal year was a decrease of \$850,672 primarily due to continued capital improvement and repair projects of the District. Local legislation places a limit on the fund balance the District may maintain and requires that fund balance in the General Fund may not exceed 15% of next year's operating expenditure budget. Because the District's fund balance exceeded the 15% maximum limitation imposed by local legislation, the District continues to utilize excess fund balance for necessary capital improvements. In addition, an operational millage reduction plan was put in place in 2011 and will remain in place until the District's fund balance is in compliance.

The Debt Service fund balance showed an increase of \$36,591 from the prior year. The net change in fund balance in the Building Fund from the prior year was a decrease of \$179,493. This was due to the payments for capital improvements.

Proprietary Fund: The District's Proprietary Fund (Food Service Fund) provides the same type of information found in the government-wide financial statements, but in more detail.

As previously discussed above, the Food Service Fund showed a decrease in fund balance of \$157,677 for fiscal year 2019. This was primarily as a result of a decrease in USDA revenue reimbursements and an increase in salaries.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

There were no changes made to the original budget approved for 2019. The District continued to maintain salary scales for professional and certified staff that are comparable to our neighboring districts. We also continue to implement programs that we hope will help us to not only recruit but also retain qualified staff members.

A schedule showing the original budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The district budgeted \$1,414,144 from its fund balance due to the decrease in local funding.

Actual General Fund revenues for 2019 were \$803,498 more than what was budgeted. This increase was the result of tax collections being more than what was projected by the County Auditor.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets: As of June 30, 2019, the District had invested \$29,664,020 (net of accumulated depreciation) in total capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. Total depreciation expense for the year was \$1,195,849 and \$19,171 for governmental and business-type activities, respectively.

The following schedule presents governmental activities capital asset balances, net of depreciation, for the past two fiscal years:

	2019	2018	Difference
Land	\$ 310,640	\$ 310,640	\$ -0-
Buildings and Additions	28,677,080	27,843,176	833,904
Machinery, Equipment and Vehicles	548,901	578,109	(29,208)
Construction in Progress	45,782	414,910	(369,128)
Total	\$ <u>29,582,403</u>	\$ <u>29,146,835</u>	\$ <u>435,568</u>

Net capital assets of business-type activities amounted to \$81,617 and \$100,788 for 2019 and 2018, respectively, and included machinery and equipment used in school cafeterias.

Additional information on the District's capital assets and construction commitments can be found in Note 5 and Note 18 of this report.

Debt Administration: At year-end, the District had \$15,081,918 in outstanding long-term debt, of which \$1,425,931 in principal payments are due within one year. The following table presents a summary of the District's outstanding long-term debt for the fiscal year ended June 30, 2019, as compared to 2018:

	2019	2018
General Obligation Debt	\$ 13,243,129	\$ 14,334,489
Acquisition Use and Security Agreements	1,090,387	915,000
Capital Leases	748,402	516,312
Total	\$ <u>15,081,918</u>	\$ <u>15,765,801</u>

State statutes currently limit the amount of general obligation debt a District may issue without referendum to 8% of its total assessed valuation. The current debt limitation for the District is \$4,502,094 based on an assessed valuation of \$56,276,170. At June 30, 2019, the District had \$2,305,387 in outstanding debt that is subject to the legal debt margin.

Additional information on the District's long-term debt and other long-term liabilities can be found in Note 6 of this report.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

Dorchester School District Four used a base student cost of \$2,487 when projecting Education Finance Act funding for the 2019-2020 fiscal year. By utilizing our fund balance, we were able to provide all of our employees with a step increase for an additional year experience. There have been no cuts to date involving our Education Improvement Act funds or Education Finance Act funds. There are no immediate indications that there will be budget cuts during the 2019-2020 but that could always change.

This is the eighth consecutive year that we have obligated a portion of our fund balance in order to balance our General Fund budget. The District is not participating in the SCAGO Tax Anticipation Note (TAN) program for the 2019-2020 school year.

The district has no immediate plans for any additional construction projects. However, a facility study that was done for the school board is being looked at to determine what the district's facility needs may be in the next 5-10 years. It appears that there is the likelihood of growth in our district as the result of new industries possibly locating here. That will certainly be a factor in the district's facility plans for the future.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Office of Fiscal Services, Dorchester School District Four, 500 Ridge Street, St. George, S.C., 29477.



## **BASIC FINANCIAL STATEMENTS**

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 112,318	\$ 223,766	\$ 336,084
Accounts Receivable	1,112	-	1,112
Taxes Receivable (Net of Allowance)	870,598	-	870,598
Due From County Treasurer	8,780,210	-	8,780,210
Due From Other Agencies	48,710	-	48,710
Due From State Department of Education	263,533	-	263,533
Due From Federal Government	730,932	111,247	842,179
Internal Balances	69,848	(69,848)	-
Inventories	-	40,965	40,965
Capital Assets (Net of Accumulated Depreciation):			
Land (Non-Depreciable)	310,640	-	310,640
Construction in Progress (Non-Depreciable)	45,782	-	45,782
Building and Improvements	28,677,080	-	28,677,080
Vehicles, Machinery, and Equipment	548,901	81,617	630,518
<b>TOTAL ASSETS</b>	<b>\$ 40,459,664</b>	<b>\$ 387,747</b>	<b>\$ 40,847,411</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows of Resources Related to Pension	\$ 4,241,406	\$ -	\$ 4,241,406
Deferred Outflows of Resources Related to OPEB	1,530,647	-	1,530,647
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 5,772,053</b>	<b>\$ -</b>	<b>\$ 5,772,053</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 970,677	\$ -	\$ 970,677
Accrued Interest Payable	198,138	-	198,138
Withholding and Benefits Payable	995,259	-	995,259
Accrued Salaries	1,650,010	-	1,650,010
Due To State Department of Education	30,383	-	30,383
Unearned Grant Revenues	672,178	-	672,178
Noncurrent Liabilities:			
Due Within One Year	1,494,762	-	1,494,762
Due In More Than One Year	75,450,379	-	75,450,379
<b>TOTAL LIABILITIES</b>	<b>\$ 81,461,786</b>	<b>\$ -</b>	<b>\$ 81,461,786</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Gain on Bond Refunding	\$ 1,612	\$ -	\$ 1,612
Deferred Inflows of Resources Related to Pension	1,475,913	-	1,475,913
Deferred Inflows of Resources Related to OPEB	2,540,680	-	2,540,680
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 4,018,205</b>	<b>\$ -</b>	<b>\$ 4,018,205</b>
<b>NET POSITION</b>			
Net Investment In Capital Assets	\$ 15,500,580	\$ 81,617	\$ 15,582,197
Restricted For:			
Debt Service	539,376	-	539,376
Unrestricted	(55,288,230)	306,130	(54,982,100)
<b>TOTAL NET POSITION</b>	<b>\$ (39,248,274)</b>	<b>\$ 387,747</b>	<b>\$ (38,860,527)</b>

The accompanying notes are an integral part of these financial statements.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**STATEMENT OF ACTIVITIES**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction	\$ 17,461,479	\$ 115,036	\$ 11,947,409	\$ 59,988	\$ (5,339,046)	\$ -	\$ (5,339,046)
Supporting Services	14,985,562	74,207	2,242,961	843,274	(11,825,120)	-	(11,825,120)
Community Services	9,380	-	3,434	-	(5,946)	-	(5,946)
Intergovernmental	98,322	38,615	24,707	-	(35,000)	-	(35,000)
Interest and Other Charges	579,039	-	-	-	(579,039)	-	(579,039)
Depreciation - Unallocated*	27,763	-	-	-	(27,763)	-	(27,763)
Total Governmental Activities	\$ 33,161,545	\$ 227,858	\$ 14,218,511	\$ 903,262	\$ (17,811,914)	\$ -	\$ (17,811,914)
Business-Type Activities:							
Food Service	\$ 1,837,113	\$ 79,822	\$ 1,599,614	\$ -	\$ -	\$ (157,677)	\$ (157,677)
Total Business-Type Activities	\$ 1,837,113	\$ 79,822	\$ 1,599,614	\$ -	\$ -	\$ (157,677)	\$ (157,677)
<b>TOTALS</b>	<b>\$ 34,998,658</b>	<b>\$ 307,680</b>	<b>\$ 15,818,125</b>	<b>\$ 903,262</b>	<b>\$ (17,811,914)</b>	<b>\$ (157,677)</b>	<b>\$ (17,969,591)</b>
<b>GENERAL REVENUES</b>							
Taxes:							
Property Taxes, Levied for General Purposes					\$ 9,812,107	\$ -	\$ 9,812,107
Property Taxes, Levied for Debt Service					1,674,555	-	1,674,555
Unrestricted State Aid and Grants					5,924,374	-	5,924,374
Investment Earnings					157,006	-	157,006
Other Miscellaneous Revenues					7,921	-	7,921
Gain on Disposal of Capital Assets					37,175	-	37,175
<b>TOTAL GENERAL REVENUES</b>					<b>\$ 17,613,138</b>	<b>\$ -</b>	<b>\$ 17,613,138</b>
<b>CHANGE IN NET POSITION</b>					<b>\$ (198,776)</b>	<b>\$ (157,677)</b>	<b>\$ (356,453)</b>
<b>NET POSITION BEGINNING OF YEAR</b>					<b>(39,049,498)</b>	<b>545,424</b>	<b>(38,504,074)</b>
<b>NET POSITION END OF YEAR</b>					<b>\$ (39,248,274)</b>	<b>\$ 387,747</b>	<b>\$ (38,860,527)</b>

\* Excludes depreciation of \$1,168,086 that is included in the direct expenses of the various functions.

The accompanying notes are an integral part of these financial statements.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2019**

	<u>GENERAL</u>	<u>SPECIAL PROJECTS</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 112,318	\$ -
Accounts Receivable	-	1,112
Taxes Receivable (Net of Allowance for Uncollectibles)	761,829	-
Due From County Treasurer	7,355,665	-
Due From Other Funds	304,732	-
Due From Other Agencies	-	48,710
Due From State Department of Education	230,050	23,895
Due From Federal Government	-	730,932
	<u>                    </u>	<u>                    </u>
<b>TOTAL ASSETS</b>	<u><u>\$ 8,764,594</u></u>	<u><u>\$ 804,649</u></u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<b>Liabilities</b>		
Accounts Payable	\$ 899,947	\$ -
Accrued Payroll Liabilities	995,259	-
Accrued Salaries	1,650,010	-
Due To Other Funds	-	496,459
Due To State Department of Education	-	5,965
Unearned Grant Revenue	-	302,225
	<u>                    </u>	<u>                    </u>
<b>Total Liabilities</b>	<u><u>\$ 3,545,216</u></u>	<u><u>\$ 804,649</u></u>
<b>Deferred Inflows of Resources</b>		
Unavailable Tax Revenue	\$ 581,555	\$ -
	<u>                    </u>	<u>                    </u>
<b>Total Deferred Inflows of Resources</b>	<u><u>\$ 581,555</u></u>	<u><u>\$ -</u></u>
<b>Fund Balances</b>		
Restricted For:		
Debt Service	\$ -	\$ -
Assigned To:		
Debt Service	-	-
Unassigned	4,637,823	-
	<u>                    </u>	<u>                    </u>
<b>Total Fund Balances</b>	<u><u>\$ 4,637,823</u></u>	<u><u>\$ -</u></u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u><u>\$ 8,764,594</u></u>	<u><u>\$ 804,649</u></u>

The accompanying notes are an integral part of these financial statements.

EDUCATION IMPROVEMENT ACT	DEBT SERVICE	SCHOOL BUILDING	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ -	\$ -	\$ 112,318
-	-	-	1,112
-	108,769	-	870,598
-	1,421,089	3,456	8,780,210
455,513	-	-	760,245
-	-	-	48,710
9,588	-	-	263,533
-	-	-	730,932
<u>\$ 465,101</u>	<u>\$ 1,529,858</u>	<u>\$ 3,456</u>	<u>\$ 11,567,658</u>

\$ 70,730	\$ -	\$ -	\$ 970,677
-	-	-	995,259
-	-	-	1,650,010
-	190,482	3,456	690,397
24,418	-	-	30,383
369,953	-	-	672,178
<u>\$ 465,101</u>	<u>\$ 190,482</u>	<u>\$ 3,456</u>	<u>\$ 5,008,904</u>

<u>\$ -</u>	<u>\$ 81,815</u>	<u>\$ -</u>	<u>\$ 663,370</u>
<u>\$ -</u>	<u>\$ 81,815</u>	<u>\$ -</u>	<u>\$ 663,370</u>

\$ -	\$ 457,561	\$ -	\$ 457,561
-	800,000	-	800,000
-	-	-	4,637,823
<u>\$ -</u>	<u>\$ 1,257,561</u>	<u>\$ -</u>	<u>\$ 5,895,384</u>
<u>\$ 465,101</u>	<u>\$ 1,529,858</u>	<u>\$ 3,456</u>	<u>\$ 11,567,658</u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

Amounts reported for governmental activities in the statement of net position are different because:

Ending fund balances - governmental funds balance sheet	\$ 5,895,384
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	29,582,403
Other long-term assets are not available to pay for current period expenditures and, therefore, are not recognized as revenues in the funds.	663,370
Long-term liabilities, including bonds payable (net of premiums and deferred gains), capital leases, net pension liability, net OPEB liability, compensated absences, and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(75,389,431)</u>
Net position of governmental activities	\$ <u><u>(39,248,274)</u></u>

The accompanying notes are an integral part of these financial statements.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u>GENERAL</u>	<u>SPECIAL PROJECTS</u>
<b>REVENUES</b>		
Local	\$ 11,223,114	\$ 328,840
State	13,334,244	563,381
Federal	-	1,925,338
Intergovernmental	<u>71,027</u>	<u>220,346</u>
<b>TOTAL REVENUES</b>	\$ <u>24,628,385</u>	\$ <u>3,037,905</u>
<b>EXPENDITURES</b>		
Current		
Instructional Services	\$ 13,546,438	\$ 1,365,418
Supporting Services	12,215,249	1,353,776
Community Services	5,979	3,370
Intergovernmental Expenditures	35,000	215,936
Debt Service		
Redemption of Principal	147,769	-
Interest and Fiscal Agent Fees	14,970	-
Issuance Costs	-	-
Capital Outlay	<u>550,125</u>	<u>48,408</u>
<b>TOTAL EXPENDITURES</b>	\$ <u>26,515,530</u>	\$ <u>2,986,908</u>
Excess Revenues Over (Under) Expenditures	\$ <u>(1,887,145)</u>	\$ <u>50,997</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Proceeds of Special Obligation Bonds	\$ -	\$ -
Sale of Fixed Assets	2,482	-
Receipt of Insurance Proceeds	115,990	-
Lease Purchase	381,729	-
Transfers From Other Funds	836,272	-
Transfers To Other Funds	<u>(300,000)</u>	<u>(50,997)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	\$ <u>1,036,473</u>	\$ <u>(50,997)</u>
Net Change in Fund Balances	\$ (850,672)	\$ -
<b>FUND BALANCE BEGINNING OF YEAR</b>	<u>5,488,495</u>	<u>-</u>
<b>FUND BALANCE END OF YEAR</b>	\$ <u><u>4,637,823</u></u>	\$ <u><u>-</u></u>

The accompanying notes are an integral part of these financial statements.

<b>EDUCATION IMPROVEMENT ACT</b>	<b>DEBT SERVICE</b>	<b>SCHOOL BUILDING</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
\$ -	\$ 1,875,031	\$ 2,302	\$ 13,429,287
3,134,789	147,395	-	17,179,809
-	-	-	1,925,338
-	-	-	291,373
<u>\$ 3,134,789</u>	<u>\$ 2,022,426</u>	<u>\$ 2,302</u>	<u>\$ 32,825,807</u>
\$ 1,092,307	\$ -	\$ -	\$ 16,004,163
414,111	-	271,261	14,254,397
-	-	-	9,349
24,418	-	-	275,354
1,870	1,451,848	-	1,601,487
511	533,987	-	549,468
-	-	19,985	19,985
854,853	-	702,228	2,155,614
<u>\$ 2,388,070</u>	<u>\$ 1,985,835</u>	<u>\$ 993,474</u>	<u>\$ 34,869,817</u>
\$ 746,719	\$ 36,591	\$ (991,172)	\$ (2,044,010)
\$ -	\$ -	\$ 550,235	\$ 550,235
-	-	-	2,482
-	-	-	115,990
-	-	-	381,729
-	-	300,000	1,136,272
(746,719)	-	(38,556)	(1,136,272)
<u>\$ (746,719)</u>	<u>\$ -</u>	<u>\$ 811,679</u>	<u>\$ 1,050,436</u>
\$ -	\$ 36,591	\$ (179,493)	\$ (993,574)
-	1,220,970	179,493	6,888,958
<u>\$ -</u>	<u>\$ 1,257,561</u>	<u>\$ -</u>	<u>\$ 5,895,384</u>



**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

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

Net change in fund balances - total governmental funds	\$ (993,574)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount is the difference between depreciation expense and capital outlays in the current period.	516,865
The net effect of various miscellaneous transactions involving capital asset disposals is to decrease net position for the net book value of assets disposed.	(81,297)
Revenues and other items in the statement of activities, that will not be collected for several months after year end and do not provide for current financial resources, are not reported as revenues in the funds.	99,787
The issuance of long-term debt (e.g. bonds, leases, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	669,523
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 governmental funds.	<u>(410,080)</u>
Change in net position of governmental activities	<u>\$ (198,776)</u>

The accompanying notes are an integral part of these financial statements.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2019**

	<b>BUSINESS-TYPE ACTIVITY ENTERPRISE FUND (FOOD SERVICE)</b>
<b>ASSETS</b>	
Current Assets	
Cash	\$ 223,766
Due From Federal Government	111,247
Inventories	40,965
Total Current Assets	\$ <u>375,978</u>
Noncurrent Assets	
Equipment	\$ 637,030
Less: Accumulated Depreciation	(555,413)
Total Noncurrent Assets	\$ <u>81,617</u>
<b>TOTAL ASSETS</b>	\$ <u>457,595</u>
<b>LIABILITIES</b>	
Current Liabilities	
Due to Other Funds	\$ 69,848
Total Current Liabilities	\$ <u>69,848</u>
<b>TOTAL LIABILITIES</b>	\$ <u>69,848</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	\$ 81,617
Unrestricted	<u>306,130</u>
<b>TOTAL NET POSITION</b>	\$ <u><u>387,747</u></u>

The accompanying notes are an integral part of these financial statements.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<b>BUSINESS-TYPE ACTIVITY ENTERPRISE FUND (FOOD SERVICE)</b>
<b>OPERATING REVENUES</b>	
Proceeds from Sales of Meals	\$ <u>79,822</u>
<b>TOTAL OPERATING REVENUES</b>	\$ <u>79,822</u>
<b>OPERATING EXPENSES</b>	
Food Costs	\$ 626,191
Salaries and Employee Benefits	846,257
Utilities	6,834
Depreciation	19,171
Supplies and Materials	266,864
Other Operating Costs	<u>71,796</u>
<b>TOTAL OPERATING EXPENSES</b>	\$ <u>1,837,113</u>
Operating Income (Loss)	\$ <u>(1,757,291)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
USDA Reimbursements	\$ 1,519,918
Commodities Received From USDA	69,488
Other Federal and State Aid	<u>10,208</u>
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	\$ <u>1,599,614</u>
Change in Net Position	\$ (157,677)
<b>NET POSITION BEGINNING OF YEAR</b>	<u>545,424</u>
<b>NET POSITION END OF YEAR</b>	<u><u>387,747</u></u>

The accompanying notes are an integral part of these financial statements.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<b>BUSINESS-TYPE ACTIVITY ENTERPRISE FUND (FOOD SERVICE)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Patrons	\$ 79,822
Cash Payments to Suppliers for Goods and Services	(886,436)
Cash Payments to Employees for Services	<u>(754,305)</u>
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>\$ <u>(1,560,919)</u></b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Other Federal and State Aid	\$ 10,208
USDA Federal Reimbursements	<u>1,528,879</u>
<b>Net Cash Provided (Used) By Non-Capital Financing Activities</b>	<b>\$ <u>1,539,087</u></b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>\$ (21,832)</b>
<b>CASH AND CASH EQUIVALENTS BEGINNING OF YEAR</b>	<b><u>245,598</u></b>
<b>CASH AND CASH EQUIVALENTS END OF YEAR</b>	<b>\$ <u><u>223,766</u></u></b>

The accompanying notes are an integral part of these financial statements.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

**BUSINESS-TYPE  
ACTIVITY  
ENTERPRISE FUND  
(FOOD SERVICE)**

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET  
CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating Income (Loss)	\$ (1,757,291)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:	
Depreciation	19,171
Non-Cash Commodities Used	69,488
Changes in Assets and Liabilities	
(Increase) Decrease in Inventory	2,532
(Increase) Decrease in Due From Other Funds	35,333
Increase (Decrease) in Due To Other Funds	69,848
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>\$ (1,560,919)</b>

**Supplemental Non-Cash Financing and Investing Information:**

Non-Cash Commodities Received from USDA	\$ 69,488
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The accompanying notes are an integral part of these financial statements.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2019**

	<b>AGENCY FUND</b>
	<hr/>
<b>ASSETS</b>	
Cash	\$ <u>175,379</u>
<b>TOTAL ASSETS</b>	\$ <u>175,379</u>
<b>LIABILITIES</b>	
Due To Third Parties	\$ <u>175,379</u>
<b>TOTAL LIABILITIES</b>	\$ <u>175,379</u>
<b>NET POSITION</b>	\$ <u><u>-</u></u>

The accompanying notes are an integral part of these financial statements.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Dorchester County School District Number Four (the District) conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies:

**Reporting Entity**

The District is a Local Education Agency empowered by State law with the responsibility to oversee and control activities related to public school education in a portion of Dorchester County, South Carolina. The Board receives state, local and federal government funding and must adhere to the legal requirements of each funding entity. The District operates under the direction of an elected Board of Education. A Superintendent, hired by the Board, serves as the chief administrative officer of the District.

The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading. Based on this criteria, the District has determined there were no separate governmental units or other organizations meeting the criteria for inclusion in the reporting entity.

**Government-Wide and Fund Financial Statements**

The financial statement presentation for the District meets the requirements of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* and related amendments, pronouncements, and interpretations. The financial statement presentation provides a comprehensive, entity-wide perspective of the District's net position, revenues, expenses and changes in net position and cash flows that replaces the fund-group perspective previously required and provides for the inclusion of Management's Discussion and Analysis as required supplementary information.

During the current year, the District implemented the provisions of GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This statement improves financial reporting by providing users of financial statements with essential information that was not previously consistently provided. In addition, information about resources to liquidate debt and risks associated with changes in terms associated with debt will be disclosed.

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the District as a whole. For the most part, the effect of interfund activity has been removed from these 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 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. Indirect expense allocations that have been made in the funds have been eliminated for the statement of activities.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*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*. Internally dedicated resources are also reported as general revenues.

The District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and demonstrate legal compliance. Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Each major fund is determined in accordance with criteria established by the Governmental Accounting Standards Board. All non-major funds are aggregated and reported in a single column of the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are 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. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

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 District considers revenues to be available if they are collected within 60 days 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.

Property taxes, intergovernmental revenue, interest, and charges for services associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other items are considered to be measurable and available only when cash is received.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund are charges to customers for food sales and services. Operating expenses for enterprise funds include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.



**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The focus of proprietary fund measurement focus is upon determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are similar to businesses operating in the private sector where fees are charged to external users for goods and services provided.

Fiduciary funds are used to report assets held in a trustee capacity for others. Since by definition these assets are being held for the benefit of a third party and cannot be used to finance activities or obligations of the District, these funds are not incorporated into the government-wide statements. The funds are, however, reported in the fund financial statements.

The District utilizes the following governmental funds:

*General Fund:* The general fund is the primary operating fund of the District. The general fund accounts for all financial resources except those that are required to be reported in another fund.

*Special Revenue Fund - Special Projects Fund:* Accounts for the proceeds of specific grant revenue sources that are legally or contractually restricted to expenditures for specified purposes.

*Special Revenue Fund - Education Improvement Act Fund:* Accounts for the proceeds of the additional one percent sales and use tax that are restricted to expenditures for the Education Improvement Act strategies.

*Debt Service Fund:* Accounts for the accumulation of resources for and the payment of general long-term debt, principal and interest.

*Capital Projects Fund - School Building Fund:* Accounts for major capital expenditures other than the acquisition of machinery, furniture, and vehicles which is usually accounted for in the fund responsible for financing the expenditures.

The District utilizes the following proprietary fund:

*Enterprise Fund - Food Service Fund:* Accounts for the operations of the breakfast and lunch food service programs within the District.

Additionally, the District utilizes the following fiduciary fund:

*Agency Fund - Pupil Activity Fund:* Reports resources held by the District in a custodial capacity for students and student organizations.

The District reports the General Fund, Special Revenue Fund - Special Projects Fund, Special Revenue Fund - Education Improvement Act Fund, the Debt Service Fund, and the Capital Projects Fund - School Building Fund as major governmental funds. The District reports the Enterprise - Food Service Fund as a major proprietary fund.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, and deferred outflows and inflows of resources at the date of the financial statements and revenues, expenditures/expenses, and other sources and uses recognized during the reporting period. Actual results could differ from those amounts.

**Deposits and Investments**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the District to invest in obligations of the United States and its agencies, general obligations of the State of South Carolina and its subdivisions, savings and loan associations to the extent of federal depository insurance, certificates of deposit collaterally secured, and repurchase agreements secured by the foregoing obligations. Investments are accounted for at fair value in accordance with GASB Statement No. 31. Changes in unrealized gain or loss on the carrying value of investments are reported as a component of investment income in the statement of revenues, expenditures, and changes in fund balances.

**Receivables**

All receivables are shown at their gross value and where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Such allowances are estimated based upon such factors as length of delinquency, historical analysis, and available means for collection enforcement.

**Interfund Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources. Interfund receivables and payables are eliminated in the government-wide financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

**Inventories and Prepaid Items**

Inventory in the food service fund (enterprise fund) consists of food and supplies held for resale. Inventories are valued at cost using the first-in/first-out (FIFO) method except for commodities received from the United States Department of Agriculture which are stated at values assigned by the USDA.

Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings & Improvements	10 - 40
Machinery & Equipment	3 - 12
Vehicles	5

Depreciation for capital assets that can be specifically identified with a function is included in the direct expenses for that function. Depreciation for capital assets that serve essentially all functions is included in the statement of activities as a separate line item “depreciation - unallocated.”

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**Compensated Absences**

It is the District’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District, unless as a result of retirement.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

All vacation pay and salary related expenses are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Employees can earn up to 45 vacation days for subsequent use. The portion of time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide statements.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Postemployment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the South Carolina Retiree Health Insurance Trust Fund (SCRHITF) and the South Carolina Long-Term Disability Insurance Trust Fund (SCLTDITF) and additions to/deductions from the plans' fiduciary net positions have been determined on the same basis as they are reported by the plans. For this purpose, the SCRHITF and the SCLTDITF plans recognize benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Net Position/Fund Balances**

The District's net position in the government-wide financial statements and proprietary fund financial statements are classified as follows:

*Net Investment in Capital Assets:* This represents the District's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

*Restricted Net Position:* This represents resources in which the District is legally or contractually obligated to spend in accordance with restrictions externally imposed by third parties or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted Net Position:* Any remaining balance of net position is reported as unrestricted, including management designations.

In the governmental fund financial statements, equity is classified as fund balance. The following classifications describe the relative strength of spending constraints placed on the purposes for which resources can be used:

*Nonspendable Fund Balance:* Consists of amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.

*Restricted Fund Balance:* Consists of amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

*Committed Fund Balance:* Consists of amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

*Assigned Fund Balance:* Consists of amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

*Unassigned Fund Balance:* Consists of amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Board establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. Assigned fund balance is established by the Board through adoption or amendment of the budget as intended for a specific purpose.

When fund balance resources are available for a specific purpose in more than one classification, it is the District's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Property Taxes**

Property taxes are assessed and collected under a joint billing and collection agreement with Dorchester County. The District's property taxes are levied each October (except for vehicles which are annually assessed on the first day of the month the automobiles are registered) on the assessed value listed as of the prior January 1<sup>st</sup> for all real and personal property located in the County. The tax levy is considered due upon receipt by the taxpayer, however, the actual due date is January 15<sup>th</sup>. All unpaid taxes become delinquent on January 16<sup>th</sup> and are put into execution on March 15<sup>th</sup>. Vehicle taxes are levied monthly and are due within the period they are levied. Property taxes are recognized under the standards established by GASB Statement No. 33 for imposed nonexchange revenues.

**Nonexchange Transactions**

The standards established by GASB Statement No. 33, "*Accounting and Financial Reporting for Nonexchange Transactions*", provide accounting and reporting for the following four categories of nonexchange transactions: 1) Derived tax revenues, 2) Imposed nonexchange revenues, 3) Government-mandated nonexchange transactions, and 4) Voluntary nonexchange transactions. Nonexchange transactions involve financial or capital resources in which the government either gives value to another party or receives value from another party without directly receiving equal value in exchange.

Assets from derived tax revenues are recognized when the underlying exchange has occurred or when the resources are received, whichever first. Revenues are recognized when the underlying exchange has occurred and resources are available to the government.

Assets from imposed nonexchange revenues are recognized when an enforceable legal claim has arisen or when resources are received, whichever occurs first. Revenues are recognized when resources are required to be used or the first period that use is permitted. Resources must also be available to the government.

Assets, liabilities, revenues, and expenditures from government-mandated and voluntary nonexchange transactions are generally recognized when all eligibility requirements have been met. Resources received before the eligibility requirements are fulfilled are reported as unearned revenues. Eligibility requirements can include one or more of the following:

1. The recipient has the characteristics specified by the provider.
2. Time requirements specified by the provider have been met.
3. The provider offers resources on a reimbursement basis and allowable costs have been incurred under the applicable program.
4. The provider's offer of resources is contingent upon a specified action and that action has occurred.

**Fair Value**

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

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

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

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

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

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

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

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Section 3 of Act 593 of 1992, as amended on March 16, 2011 states that the District may maintain a limited cash reserve (fund balance) not exceeding 15% of the total operating budget for its next fiscal year. At June 30, 2019 the District's operating fund balance was \$4,637,823 which exceeded the 15% maximum limitation by \$365,490. The District has adopted a millage reduction plan that has been approved by Dorchester County Council that will remain in effect until the District is in compliance with the 15% limitation.

**NOTE 3 – DEPOSITS AND INVESTMENTS**

***Deposits***

At year end, the District's carrying amount of deposits was \$511,463, including agency fund cash of \$175,379, and the corresponding bank balance was \$823,800.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 3 – DEPOSITS AND INVESTMENTS (continued)**

*Custodial Credit Risk - Deposits:* Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a policy for custodial credit risk, but follows the investment policy statutes of the State of South Carolina. As of June 30, 20189, \$98,802 of the District's bank balances of \$823,800 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging bank's trust department or agent, in the District's name.

Cash with Fiscal Agent - The Dorchester County Treasurer's Office collects the District's taxes, as well as federal and state revenues. The County Treasurer holds the District's monies until the District submits a claim voucher. At year end the County Treasurer was responsible for \$8,780,210.

**NOTE 4 – RECEIVABLES**

Receivables as of the year end for individual major governmental funds, including applicable allowances for uncollectible accounts, are as follows:

	General	Special Projects	EIA	Debt Service	Total
Receivables:					
Taxes	\$ 1,251,296	\$ -	\$ -	\$ 180,364	\$ 1,431,660
State & Federal	230,050	754,827	9,588	-	994,465
Other Agencies	-	48,710	-	-	48,710
Other Receivables	-	1,112	-	-	1,112
Gross Receivables	\$ 1,481,346	\$ 804,649	\$ 9,588	\$ 180,364	\$ 2,475,947
Less: Allowance for Uncollectibles	(489,467)	-	-	(71,595)	(561,062)
Net Receivables	\$ <u>991,879</u>	\$ <u>804,649</u>	\$ <u>9,588</u>	\$ <u>108,769</u>	\$ <u>1,914,885</u>

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**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets, not Being Depreciated:				
Land	\$ 310,640	\$ -	\$ -	\$ 310,640
Construction in Progress	<u>414,910</u>	<u>1,271,850</u>	<u>(1,640,978)</u>	<u>45,782</u>
Total Capital Assets, not Being Depreciated	<u>\$ 725,550</u>	<u>\$ 1,271,850</u>	<u>\$ (1,640,978)</u>	<u>\$ 356,422</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	\$ 43,199,621	\$ 1,894,710	\$ -	\$ 45,094,331
Vehicles	468,617	48,760	(129,969)	387,408
Machinery and Equipment	<u>946,445</u>	<u>138,372</u>	<u>-</u>	<u>1,084,817</u>
Total Capital Assets Being Depreciated	<u>\$ 44,614,683</u>	<u>\$ 2,081,842</u>	<u>\$ (129,969)</u>	<u>\$ 46,566,556</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ (15,356,445)	\$ (1,060,806)	\$ -	\$ (16,417,251)
Vehicles	(347,707)	(23,578)	48,672	(322,613)
Machinery and Equipment	<u>(489,246)</u>	<u>(111,465)</u>	<u>-</u>	<u>(600,711)</u>
Total Accumulated Depreciation	<u>\$ (16,193,398)</u>	<u>\$ (1,195,849)</u>	<u>\$ 48,672</u>	<u>\$ (17,340,575)</u>
Total Capital Assets, Being Depreciated, Net	<u>\$ 28,421,285</u>	<u>\$ 885,993</u>	<u>\$ (81,297)</u>	<u>\$ 29,225,981</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 29,146,835</u></u>	<u><u>\$ 2,157,843</u></u>	<u><u>\$ (1,722,275)</u></u>	<u><u>\$ 29,582,403</u></u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Vehicles	\$ 10,500	\$ -	\$ -	\$ 10,500
Machinery and Equipment	<u>626,528</u>	<u>-</u>	<u>-</u>	<u>626,528</u>
Total Capital Assets Being Depreciated	<u>\$ 637,028</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 637,028</u>
Less Accumulated Depreciation for:				
Vehicles	\$ (10,500)	\$ -	\$ -	\$ (10,500)
Machinery and Equipment	<u>(525,740)</u>	<u>(19,171)</u>	<u>-</u>	<u>(544,911)</u>
Total Accumulated Depreciation	<u>\$ (536,240)</u>	<u>\$ (19,171)</u>	<u>\$ -</u>	<u>\$ (555,411)</u>
Total Capital Assets, Being Depreciated, Net	<u>\$ 100,788</u>	<u>\$ (19,171)</u>	<u>\$ -</u>	<u>\$ 81,617</u>
Business-Type Activities Capital Assets, Net	<u><u>\$ 100,788</u></u>	<u><u>\$ (19,171)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 81,617</u></u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 5 – CAPITAL ASSETS (continued)**

Depreciation expense was charged to functions/programs of the District as follows:

<b>Governmental Activities:</b>	
Instruction	\$ 1,058,497
Supporting Services	109,589
Unallocated	<u>27,763</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,195,849</u>
<b>Business-Type Activities:</b>	
Food Service	<u>\$ 19,171</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 19,171</u>

**NOTE 6 – LONG-TERM LIABILITIES**

**General Obligation Bonds**

General obligation bonds are direct obligations issued on a pledge of the general taxing power for the payment of the debt obligations. The bonds have been issued to provide funds for the acquisition and construction of major facilities and improvements. These bonds are collateralized by the full faith, credit, and taxing power of the District. In the event of default, the bond owner may take actions as necessary and appropriate, including seeking injunctive relief or court order, to cause the District to comply with its obligations.

General obligation bonds issued for governmental activities and currently outstanding at June 30, 2019, are as follows:

	<u>Outstanding June 30, 2019</u>
\$7,000,000 General Obligation Refunding Bonds, Series 2009. Principal installments are due annually on March 1 with semiannual interest payments due September 1 and March 1, at variable interest rates from 3.00% to 4.00% over the life of the bond.	\$ 1,910,000
\$10,000,000 General Obligation Bonds, Series 2015A. Principal installments are due annually on March 1, beginning March 1, 2021. Semiannual interest payments are due September 1 and March 1, at variable interest rates from 2.25% to 5.00% over the life of the bond.	10,000,000
\$1,000,000 General Obligation Bonds, Series 2016. Principal installments are due annually on March 1 with semiannual interest payments due September 1 and March 1, at an annual interest rate of 1.40%.	540,000
\$900,000 direct placement General Obligation Bonds, Series 2017. Principal installments are due annually on March 1 with semiannual interest payments due September 1 and March 1, at an annual interest rate of 1.625%.	<u>675,000</u>
Total General Obligation Bonds	<u>\$ 13,125,000</u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 6 – LONG-TERM LIABILITIES (continued)**

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30	Governmental Activities				
	Bonds		Bonds from Direct Placements		Total
	Principal	Interest	Principal	Interest	
2020	\$ 930,000	\$ 452,660	\$ 179,000	\$ 10,969	\$ 1,572,629
2021	930,000	423,780	211,000	8,060	1,572,840
2022	740,000	393,612	285,000	4,631	1,423,243
2023	595,000	365,138	-	-	960,138
2024	625,000	335,387	-	-	960,387
2025-2029	3,520,000	1,269,175	-	-	4,789,175
2030-2034	4,180,000	632,369	-	-	4,812,369
2035	930,000	34,875	-	-	964,875
Totals	<u>\$ 12,450,000</u>	<u>\$ 3,906,996</u>	<u>\$ 675,000</u>	<u>\$ 23,660</u>	<u>\$ 17,055,656</u>

**Special Obligation Bonds - Acquisition, Use, and Security Agreements**

The District has issued special obligation bonds pursuant to Acquisition, Use, and Security Agreements to provide funds for technology expenditures. In the event of default, the unpaid balance will become immediately due and the owner of the agreement may take back possession of equipment. Special obligation bonds issued for governmental activities and currently outstanding at June 30, 2019, are as follows:

	Outstanding June 30, 2019
\$1,100,000 direct placement Acquisition, Use, and Security Agreement, Series 2017. Principal installments along with interest payments are due annually on December 1, with an annual interest rate of 1.856%.	\$ 739,000
\$550,235 direct placement Acquisition, Use, and Security Agreement, Series 2018. Principal installments along with interest payments are due annually on December 1, with an annual interest rate of 3.09%.	<u>351,387</u>
Total Special Obligation Bonds - Acquisition, Use, and Security Agreements	<u>\$ 1,090,387</u>

Annual debt service requirements to maturity for the special obligation bonds are as follows:

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2020	\$ 190,526	\$ 24,574	\$ 215,100
2021	194,884	20,908	215,792
2022	347,986	17,144	365,130
2023	<u>356,991</u>	<u>8,686</u>	<u>365,677</u>
Totals	<u>\$ 1,090,387</u>	<u>\$ 71,312</u>	<u>\$ 1,161,699</u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 6 – LONG-TERM LIABILITIES (continued)**

**Capital Leases**

The District has entered into lease agreements as lessee for financing the acquisition of various copiers and computer equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the net present value of their future minimum lease payments as of the inception date. The gross amount of assets (machinery and equipment) recorded under these capital leases at June 30, 2019 for governmental activities is \$229,204 with corresponding accumulated depreciation of \$134,780. Assets of \$511,051 not meeting the capitalization policy of \$5,000 have been recorded as expenditures as incurred. Future lease payments of these capital leases due at June 30, 2019 are as follows:

Year Ending June 30	<u>Total</u>
2020	\$ 34,612
2021	34,612
2022	29,762
2023	<u>9,921</u>
Total Minimum Lease Payments	\$ 108,907
Amount Representing Interest	<u>(10,637)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 98,270</u>

The District also entered into a lease agreement in the prior year to finance the purchase of athletic field turf. This lease agreement qualifies as a capital lease for accounting purposes. At June 30, 2018, construction in progress for the project was \$390,560. The project was completed in August 2018. Lease proceeds of \$381,729 were recorded in the District's current year financial statements. The gross amount of assets recorded under this capital lease at June 30, 2019 for governmental activities is \$772,289 with corresponding accumulated depreciation of \$12,854. Lease payments began August 2018 at project completion and are due in seven annual installments, including interest of 5.00%. Future lease payments are as follows:

Year Ending June 30	<u>Total</u>
2020	\$ 130,508
2021	130,508
2022	130,508
2023	130,508
2024	130,508
Thereafter	<u>117,505</u>
Total Minimum Lease Payments	\$ 770,045
Amount Representing Interest	<u>(119,913)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 650,132</u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 6 – LONG-TERM LIABILITIES (continued)**

The following is a summary of changes in long-term obligations and balances for June 30, 2019:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 13,352,000	\$ -	\$ (902,000)	\$ 12,450,000	\$ 930,000
Direct Placement General Obligation Bonds	850,000	-	(175,000)	675,000	179,000
Direct Placement Special Obligation Bonds	915,000	550,235	(374,848)	1,090,387	190,526
Plus Issuance Premiums	<u>132,489</u>	<u>-</u>	<u>(14,360)</u>	<u>118,129</u>	<u>-</u>
Total Bonds Payable	\$ 15,249,489	\$ 550,235	\$ (1,466,208)	\$ 14,333,516	\$ 1,299,526
Capital Leases	516,312	381,729	(149,639)	748,402	126,405
Net Pension Liability	35,380,819	6,248,810	(6,872,207)	34,757,422	-
Net OPEB Liability	25,983,260	4,486,997	(3,672,797)	26,797,460	-
Compensated Absences	<u>309,988</u>	<u>110,189</u>	<u>(111,836)</u>	<u>308,341</u>	<u>68,831</u>
Totals	<u>\$ 77,439,868</u>	<u>\$ 11,777,960</u>	<u>\$ (12,272,687)</u>	<u>\$ 76,945,141</u>	<u>\$ 1,494,762</u>

For governmental activities, the general and special revenue funds typically liquidate other long-term liabilities.

**NOTE 7 – SHORT-TERM DEBT**

On September 27, 2018 the District issued a short-term general obligation bond in the amount of \$407,000 to finance the debt service payments on the Acquisition, Use, and Security Agreements. The maturity date was March 1, 2019 and it carried an interest rate of 3.50%. The debt was retired on February 28, 2019.

	Outstanding June 30, 2018	Issued	Retired	Outstanding June 30, 2019
General Obligation Bond	\$ -	\$ 407,000	\$ (407,000)	\$ -
Plus Issuance Premium	<u>-</u>	<u>2,914</u>	<u>(2,914)</u>	<u>-</u>
Totals	<u>\$ -</u>	<u>\$ 409,914</u>	<u>\$ (409,914)</u>	<u>\$ -</u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
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**NOTE 8 – OPERATING LEASES**

The District leases office equipment under noncancelable operating leases. Total costs for such leases were \$48,993 for the year ended June 30, 2019. The future minimum lease payments for these leases are as follows:

Year Ending June 30	Amount
2020	\$ 23,340
2021	14,597
2022	3,086
2023	771
Total	\$ 41,794

**NOTE 9 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Outstanding balances between funds result mainly from the time lag between the dates the (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. At June 30, 2019, interfund receivables and payables resulting from various interfund transactions were as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 304,732	\$ -
Special Projects	-	496,459
EIA	455,513	-
Debt Service Fund	-	190,482
School Building Fund	-	3,456
Food Service Fund	-	69,848
Total	\$ 760,245	\$ 760,245

Transfers are used to move certain revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including indirect cost allocations. A schedule of operating transfers is as follows:

	Transfers From Other Funds	Transfers To Other Funds
General Fund	\$ 836,272	\$ 300,000
Special Projects	-	50,997
EIA	-	746,719
School Building Fund	300,000	38,556
Total	\$ 1,136,272	\$ 1,136,272

During the current fiscal year, the District made a non-routine Board approved transfer of \$300,000 from the Building Fund to the General Fund to cover the costs of capital items.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
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**NOTE 10 - POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS**

**Plan Descriptions**

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

In accordance with Act 195, the OPEB Trusts are administered through South Carolina Public Employment Benefit Authority (PEBA), Insurance Benefits and the State Treasurer is the custodian of the funds held in trust. The Board of Directors of PEBA has been designated as the Trustee.

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

**Benefits**

The SCRHITF is a healthcare plan that covers retired employees of the State of 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 government entities. The SCLTDITF provides disability payments to eligible employees that have been approved for disability.

**Contributions and Funding Policies**

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

The SCRHITF is funded through participating employers 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, 2019 was 6.05%. The South Carolina Retirement System collects the monthly covered payroll surcharge for all participating employers and remits it directly to the SCRHITF.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 10 - POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS (continued)**

Other sources of funding for the SCRHITF also include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Non-employer contributions include the mandatory transfer of accumulated PEBA – Insurance Benefits' reserves and the annual appropriation budgeted by the General Assembly. It is also funded through investment income.

The SCLTDITF is funded through employer contributions for active employees that elect health insurance coverage. For this group of active employees, PEBA – Insurance Benefits bills and collects premiums charged to State agencies, public school districts and other participating local governments. The monthly premium per active employee was \$3.22 for the fiscal year ended June 30, 2019. The SCLTDITF premium is billed monthly by PEBA, Insurance Benefits and transferred monthly to the SCLTDITF. It is also funded through investment income.

In accordance with part (b) of paragraph 69 of GASB Statement No. 75, participating employers recognize revenue in an amount equal to the employer's proportionate share of the change in the collective net OPEB liability arising from contributions to the OPEB plan during the measurement period from non-employer contributing entities for purposes other than the separate financing of specific liabilities to the OPEB plan. Therefore, employers classify this revenue in the same manner as it classifies grants from other entities. The District's proportionate share of appropriated funds was \$177,032 and is reported as revenues from a contribution made by a non-employer contributing entity.

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.

Contributions to the OPEB plans from the District were as follows for the year ended June 30, 2019:

SCRHITF	\$	1,011,773
SCLTDITF	\$	11,798

The District also recorded fringe benefit expenses for insurance benefits for active employees in the amount of \$2,063,435 for the year ended June 30, 2019.



**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 10 - POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS (continued)**

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

At June 30, 2019, the District reported a liability of \$26,797,460 for its proportionate share of the net OPEB liability, of which \$26,792,325 was for SCRHITF and \$5,135 was for SCLTDITF. The net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017 that was projected forward to the measurement date. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participants, actuarially determined. The District's proportionate share at June 30, 2019 was .189070% for SCRHITF, which was a .002739% decrease from its proportion from June 30, 2018. The proportionate share at June 30, 2019 was .167728% for SCLTDITF, which was a .000243% decrease from its proportionate share from June 30, 2018.

For the year ended June 30, 2019, the District recognized OPEB expense of \$1,523,304, of which \$1,509,850 was for SCRHITF and \$13,454 was for SCLTDITF.

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to the SCRHITF OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net differences between projected and actual investment experience	\$ 102,732	\$ -
Differences between expected and actual experience	401,361	9,335
Assumption changes	-	2,181,703
Changes in proportionate share and differences between employer contributions and proportionate share of total plan contributions	-	348,621
District contributions subsequent to the measurement date	<u>1,011,773</u>	<u>-</u>
Total	<u>\$ 1,515,866</u>	<u>\$ 2,539,659</u>

District contributions to the SCRHITF subsequent of the measurement date of \$1,011,773 reported as deferred outflows will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year Ending June 30:</u>	
2020	\$ (376,093)
2021	(376,093)
2022	(376,093)
2023	(387,094)
2024	(404,526)
Thereafter	<u>(115,667)</u>
	<u>\$ (2,035,566)</u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 10 - POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS (continued)**

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to the SCLTDITF OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net differences between projected and actual investment experience	\$ 2,983	\$ 314
Assumption changes	-	335
Outstanding outflow balance between employer contributions and proportionate share of plan contributions	-	372
District contributions subsequent to the measurement date	11,798	-
Total	\$ 14,781	\$ 1,021

District contributions to the SCLTDITF subsequent of the measurement date of \$11,798 reported as deferred outflows will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of will be recognized in OPEB expense as follows:

<u>Year Ending June 30:</u>	
2020	\$ 724
2021	724
2022	724
2023	357
2024	(114)
Thereafter	(453)
	\$ 1,962

**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 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. Additional information as of the latest actuarial valuation for SCRHITF:

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**NOTE 10 - POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS (continued)**

Valuation date	June 30, 2017
Actuarial cost method	Entry age normal
Inflation	2.25%
Investment rate of return	4.00%, net of OPEB Plan investment expense: including inflation
Single discount rate	3.62% as of June 30, 2018
Demographic assumptions	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2015
Mortality	For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. Multpliers are applied to the base tables based on gender and employment type.
Health care trend rate	Initial trend starting at 6.75% and gradually decreasing to an ultimate trend rate of 4.15% over a period of 14 years
Retiree Participation	79% participation for retirees who are eligible for funded premiums 59% participation for retirees who are eligible for partial funded premiums 20% participation for retirees who are eligible for non-funded premiums
Notes	There were no benefit changes during the current year; the discount rate changed from 3.59% as of June 30, 2017 to 3.62% as of June 30, 2018

Additional information as of the latest actuarial valuation for SCLTDITF:

Valuation date	June 30, 2019
Actuarial cost method	Entry age normal
Inflation	2.25%
Investment rate of return	4.00%, net of OPEB Plan investment expense; including inflation
Single discount rate	3.91% as of June 30, 2018
Salary, termination, and retirement rates	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2015
Disability incidence	The rates used in the valuation are based on the rates developed for the South Carolina Retirement Systems pension plans
Disability recovery	For participants in payment, 1987 CGDT Group Disability; for active employees, 60% were assumed to recover after the first year and 92% were assumed to recover after the first two years
Offsets	40% were assumed to be eligible for Social Security benefits; assumed percentage who will be eligible for a pension plan offset varies based on employee group
Expenses	Third party administrative expenses were included in the benefit projections
Notes	The discount changed from 3.87% as of June 30, 2017 to 3.91% as of June 30, 2018

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
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**NOTE 10 - POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS (continued)**

**Roll Forward Disclosure**

The actuarial valuation was performed as of June 30, 2017. Update procedures were used to roll forward the total OPEB liability to June 30, 2018.

**Net OPEB Liability**

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

The following table represents the components of the net OPEB liability as of June 30, 2018:

<u>OPEB Trust</u>	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employers' Net OPEB Liability(Asset)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</u>
SCRHITF	\$ 15,387,115,010	\$ 1,216,530,062	\$ 14,170,584,948	7.91%
SCLTDITF	\$ 39,261,091	\$ 36,199,863	\$ 3,061,228	92.20%

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

**Long-Term Expected Rate of Return**

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. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2017 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:

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**NOTE 10 - POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS (continued)**

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Allocation-Weighted Long-Term Expected Real Rate of Return
U.S. Domestic Fixed Income	80.0%	2.09%	1.67%
Cash Equivalents	20.0%	0.84%	0.17%
Total	100.0%		1.84%
Expected Inflation			2.25%
Total Return			4.09%
Investment Return Assumption			4.00%

**Single Discount Rate**

The Single Discount Rate of 3.62% was used to measure the total OPEB liability for the SCRHITF. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the plan's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

A Single Discount Rate of 3.91% was used to measure the total OPEB liability for SCLTDITF. This Single Discount Rate was based on an expected rate of return on plan investments of 4.00% and a municipal bond rate of 3.62%. The projection of cash flows to determine this Single Discount Rate assumed that employer contributions will remain \$38.64 per year for each covered active employee. Based on these assumptions, the plan's Fiduciary Net Position and future contributions were sufficient to finance the benefit payments through the year 2037. As a result, the long-term expected rate of return on plan investments was applied to project benefit payments through the year 2037, and the municipal bond rate was applied to all benefit payments after that date.

**Sensitivity Analysis**

The following table presents the SCRHITF's net OPEB liability calculated using a Single Discount Rate of 3.62%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1.00% Decrease (2.62%)	Current Discount Rate (3.62%)	1.00% Increase (4.62%)
District's proportionate share of the SCRHITF net OPEB liability	\$ 31,563,933	\$ 26,792,325	\$ 22,946,031

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

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**NOTE 10 - POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS (continued)**

		1.00% Decrease	Current Healthcare Cost Trend Rate	1.00% Increase
District's proportionate share of the SCRHITF net OPEB liability	\$	22,045,758	\$ 26,792,325	\$ 32,928,757

The following table presents the SCLTDITF's net OPEB liability calculated using a Single Discount Rate of 3.91%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

		1.00% Decrease (2.91%)	Current Discount Rate (3.91%)	1.00% Increase (4.91%)
District's proportionate share of the SCLTDITF net OPEB liability	\$	7,674	\$ 5,135	\$ 2,657

**OPEB Plan Fiduciary Net Position**

PEBA, Insurance Benefits issues audited financial statements and required supplementary information for the OPEB Trusts. The information is publically available through the Insurance Benefits' link on PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA – Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, OPEB Trust fund financial information is also included in the comprehensive annual financial report of the state.

**Payables to the OPEB Plans**

At June 30, 2019, the District had \$92,606 in outstanding payables for the SCRHITF plan for legally required contributions, which is reported in the statement of net position and the balance sheet with withholdings and benefits payable. The District remitted all legally required contributions for the SCLTDITF to PEBA. Therefore, the District has reported no outstanding payables to the plan.

**NOTE 11 – PENSION AND RETIREMENT PLAN**

**Plan Description**

*South Carolina Retirement System* – District employees participate in the South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, administered by the South Carolina Public Employee Benefit Authority (PEBA). The 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 allowances and other benefits for employees of the state, its public school districts, and political subdivisions.

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**NOTE 11 – PENSION AND RETIREMENT PLAN (continued)**

*State Optional Retirement Program* – Certain employees may elect to participate in the State Optional Retirement Program (State ORP), a defined contribution plan. It is offered as an alternative to certain newly hired state, public school, and higher education employees. State ORP participants direct the investment of their funds into a plan administered by one of four third party record keepers.

**Membership**

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirement 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 SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the S.C. General Assembly beginning with the November 2012 general election have the option to participate in the State ORP, which is a defined contribution plan. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party record keepers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member's account with the ORP vendor for the employee contribution (9.00 percent) and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution (9.41 percent) and an incidental death benefit contribution (.15 percent), if applicable, which is retained by SCRS.

**Benefits**

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

*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 services 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 or retired members of employers who participate in the death benefit program.

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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 11 – PENSION AND RETIREMENT PLAN (continued)**

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

**Contributions**

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. If the scheduled employee and employer contributions provided in statute, or the rates last adopted by the Board, are insufficient to maintain the amortization period set in statute, the Board shall increase the employer contributions as necessary.

After June 30, 2027, if the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than eighty-five percent, then the board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than eighty-five percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than eighty-five percent, then effective on the following July first, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than eighty-five percent.

The Retirement System Funding and Administration Act establishes ceiling on employee contribution rates at 9 percent. The employer contribution rates will continue to increase annually by 1 percent through July 1, 2022. The legislation's ultimate scheduled employer rate is 18.56 percent. The amortization period is scheduled to be reduced one year for each of the next 10 years to a twenty year amortization schedule.

- Required employee contribution rates<sup>1</sup> for fiscal year 2018-2019 are as follows:

**SCRS**

Employee Class Two	9.00% of earnable compensation
Employee Class Three	9.00% of earnable compensation

<b>State ORP Employee</b>	9.00% of earnable compensation
---------------------------	--------------------------------

- Required employer contribution rates<sup>1</sup> for fiscal year 2018-2019 are as follows:

**SCRS**

Employer Class Two	14.41% of earnable compensation
Employer Class Three	14.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation

**State ORP**

Employer Contribution <sup>2</sup>	14.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation

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

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



**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 11 – PENSION AND RETIREMENT PLAN (continued)**

The Retirement System Funding and Administration Act of 2017 set a schedule for retirement contribution rate increases for SCRS. The State has appropriate funds for the General Fund and EIA share of the one percent increase in the employer contribution rate effective July 1, 2018. The Executive Budget Office will allocate these funds to state agencies and school districts. The General Assembly has also funded a credit, similar to that received last year, for employer contributions for most employers in SCRS for the fiscal year 2019. PEBA issued credit invoices to certain employers for their share of the credit. The District's share of appropriated funds were \$162,788 and will be reported as revenues from a contribution made by a non-employer contributing entity and a reduction of net pension liability as of the June 30, 2019 measurement period.

Contributions to the pension plan from the District were as follows for the year ended June 30, 2019:

SCRS	\$	2,203,715
ORP - Remitted to SCRS	\$	43,848
ORP - Remitted to Vendor	\$	24,594

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

At June 30, 2019, the District reported a liability of \$34,757,422 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 that was projected forward to the measurement date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. The District's proportionate share at June 30, 2019 was .155120%, which was a .002047% decrease from its proportionate share at June 30, 2018.

For the year ended June 30, 2019, the District recognized pension expense of \$2,489,789. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 62,741	\$ 204,538
Assumption changes	1,378,980	-
Net difference between projected and actual earnings on pension plan investments	552,122	-
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	-	1,271,375
District contributions subsequent to the measurement date	2,247,563	-
Total	<u>\$ 4,241,406</u>	<u>\$ 1,475,913</u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 11 – PENSION AND RETIREMENT PLAN (continued)**

District contributions subsequent of the measurement date of \$2,247,563 reported as deferred outflows will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30:</u>	
2020	\$ 600,635
2021	490,766
2022	(507,689)
2023	(65,782)
Thereafter	<u>-</u>
	<u>\$ 517,930</u>

**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 System was most recently issued as of July 1, 2015.

The June 30, 2018, total pension liability (TPL), net pension liability (NPL), and sensitivity information were determined by the System's actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2017. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2018, using generally accepted actuarial principles.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2018.

Actuarial cost method	Entry age normal
Actuarial assumptions:	
Investment rate of return <sup>1</sup>	7.25%
Projected salary increases	3.0% to 12.5% (varies by service) <sup>1</sup>
Benefit adjustments	lesser of 1% or \$500 annually

<sup>1</sup>Includes inflation at 2.25%

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

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 11 – PENSION AND RETIREMENT PLAN (continued)**

Assumptions used in the determination of the June 30, 2018, TPL are as follows.

Former Job Class	Males	Females
Educators	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%

**Net Pension Liability**

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB Statement No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2018, for SCRS are presented below.

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	\$ 48,821,730,067	\$ 26,414,916,370	\$ 22,406,813,697	54.1%

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB Statement 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 Statements No. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

**Long-term Expected Rate of Return**

The long-term expected rate of return on pension plan investments is based on 30 year capital market assumptions. The long-term expected rates 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 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 by adding the expected inflation and is summarized in the table below. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 11 – PENSION AND RETIREMENT PLAN (continued)**

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
<b>Global Equity</b>	<b>47.0%</b>		
Global Public Equity	33.0%	6.99%	2.31%
Private Equity	9.0%	8.73%	0.79%
Equity Options Strategies	5.0%	5.52%	0.28%
<b>Real Assets</b>	<b>10.0%</b>		
Real Estate (Private)	6.0%	3.54%	0.21%
Real Estate (REITs)	2.0%	5.46%	0.11%
Infrastructure	2.0%	5.09%	0.10%
<b>Opportunistic</b>	<b>13.0%</b>		
GTAA/Risk Parity	8.0%	3.75%	0.30%
Hedge Funds (non-PA)	2.0%	3.45%	0.07%
Other Opportunistic Strategies	3.0%	3.75%	0.11%
<b>Diversified Credit</b>	<b>18.0%</b>		
Mixed Credit	6.0%	3.05%	0.18%
Emerging Markets Debt	5.0%	3.94%	0.20%
Private Debt	7.0%	3.89%	0.27%
<b>Conservative Fixed Income</b>	<b>12.0%</b>		
Core Fixed Income	10.0%	0.94%	0.09%
Cash and Short Duration (Net)	2.0%	0.34%	0.01%
Total Expected Real Return	100.0%		5.03%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.28%

**Discount Rate**

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

**Sensitivity Analysis**

The following presents the sensitivity of the District's proportionate share of the net pension liability to the changes in the discount rate.

	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
District's proportionate share of the net pension liability	\$ 44,413,531	\$ 34,757,422	\$ 27,854,229

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 11 – PENSION AND RETIREMENT PLAN (continued)**

**Pension Plan Fiduciary Net Position**

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for SCRS. The CAFR of the Pension Trust Funds is publically available through the Retirement Benefits' link on PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

**Payables to the Pension Plan**

At June 30, 2019, the District had \$360,122 in outstanding payables to the plan for legally required contributions. This amount is reported in the statement of net position and the balance sheet with withholdings and benefits payable.

**NOTE 12 – DEFERRED COMPENSATION PLAN**

The District offers a deferred compensation plan to all its employees under a plan administered by the South Carolina Deferred Compensation Commission, and established in accordance with Internal Revenue Code Section 457. Employees are permitted to defer portions of their salaries until future years. Only upon termination, retirement, disability, death or an approved hardship is the deferred compensation available to an employee. In 1996, Congress passed new legislation to govern IRC section 457 plans. Specifically, the new legislation concludes that a plan shall not be treated as an eligible deferred compensation plan unless all assets and income of the plan are held in trust for the exclusive benefit of participants and their beneficiaries. During the year ended June 30, 1999, the South Carolina Deferred Compensation Commission modified their plan to comply with the new legislative requirements.

GASB Statement No. 32 was issued to address the financial reporting ramifications of the new federal legislation and states that a fiduciary relationship must exist for a governmental entity to report the balances and transactions related to the plan in its financial statements. According to the provisions of the statement, it was determined that a fiduciary relationship did not exist for the District's IRC section 457 plan.

**NOTE 13 – RISK MANAGEMENT**

The 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 District pays an annual premium to the South Carolina School Board Insurance Trust for its general insurance. The South Carolina School Board Insurance Trust reinsures through commercial companies for certain claims. There were no significant reductions in insurance coverage from the previous year and no settlements have exceeded insurance coverage for the past three fiscal years ended June 30, 2019, 2018, and 2017.

The District also acquires insurance from the South Carolina School Board Insurance Trust for job related injury and illness (workers' compensation) for its employees. Workers' compensation is insured under a retrospectively rated policy where premiums paid are estimated throughout the year and adjusted subsequent to the policy period based on actual experience.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 14 – RELATED ORGANIZATIONS**

GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, requires certain legally separate tax-exempt organizations for which the primary government is not financially accountable to be included in the financial reporting entity if certain criteria are met. The standard is directed principally toward fund-raising organizations, such as foundations, parent teacher organizations, and booster clubs. The District reviewed its relationship with its related organizations and determined they should not be included in the reporting entity because their economic resources are not significant to the District.

**NOTE 15 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND STATEMENTS**

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental fund* and *net position - governmental activities* as reported in the government-wide statement of net position. The following explains certain elements of that reconciliation:

Long-Term Assets Not Available to Pay Current Expenditures:	
Property Taxes	\$ <u>663,370</u>
Total	\$ <u><u>663,370</u></u>
Long-Term Liabilities Not Reported in the Funds:	
General Obligation Bonds Payable	\$ (13,125,000)
Plus: Premium on Bonds Payable (to be amortized as interest expense)	(118,129)
Plus: Deferred Gain on Refunding (to be amortized as interest expense)	(1,612)
Acquisition, Use, and Security Agreements	(1,090,387)
Capital Leases Payable	(748,402)
Net Pension Liability	(34,757,422)
Deferred Outflows of Resources Related to Pension	4,241,406
Deferred Inflows of Resources Related to Pension	(1,475,913)
Net OPEB Liability	(26,797,460)
Deferred Outflows of Resources Related to OPEB	1,530,647
Deferred Inflows of Resources Related to OPEB	(2,540,680)
Accrued Interest Payable	(198,138)
Compensated Absences Payable	<u>(308,341)</u>
Total	\$ <u><u>(75,389,431)</u></u>

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. The following explains certain elements of that reconciliation:

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 15 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND STATEMENTS**  
**(continued)**

Capital Outlays:	
Capital Outlays	\$ 1,712,714
Depreciation Expense	<u>(1,195,849)</u>
Total	<u>\$ 516,865</u>
Revenues and Other Items Not Recognized in the Funds:	
Property Taxes	\$ <u>99,787</u>
Total	<u>\$ 99,787</u>
Issuance and Repayment of Long-Term Debt:	
Issuance of Acquisition, Use, and Security Agreement	\$ (550,235)
Issuance of Capital Leases	(381,729)
Principal Repayments on General Obligation Debt	1,077,000
Principal Repayments on Acquisition, Use, and Security Debt	374,848
Principal Repayments on Capital Leases	<u>149,639</u>
Total	<u>\$ 669,523</u>
Reduction of Liabilities and Other Expenses Not Recognized in the Funds:	
Compensated Absences	\$ 1,647
Accrued Interest on Long-Term Debt	(24,523)
Amortization of Bond Premiums	14,360
Amortization of Net Deferred (Charge)/Gain on Refunding	577
Pension Expense	(79,438)
OPEB Expense	<u>(322,703)</u>
Total	<u>\$ (410,080)</u>

**NOTE 16 – 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.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 16 – TAX ABATEMENTS (continued)**

The District's property tax revenues were reduced by \$7,506,157 for operations (215.0 mills) and \$977,546 for debt service (28.0 mills) for the fiscal year ended June 30, 2019 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.

**NOTE 17 – CONTINGENCIES**

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

As of the date of this report, the District is involved in litigation for which the outcome and ultimate loss, if any, cannot be determined at the present time. As such, the financial statements do not include any liability for claims, judgments, or unasserted claims.

**NOTE 18 – COMMITMENTS**

At June 30, 2019, the District had outstanding contracts related to its facilities improvement and other construction projects. The commitments are as follows:

	Completion Date	Commitment	Expenditures Incurred	Remaining Commitment June 30, 2019
St. George Middle Exterior Security Doors	September 2019	\$ 238,000	\$ 45,000	\$ 193,000
Total		\$ 238,000	\$ 45,000	\$ 193,000

**NOTE 19 – RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS**

GASB has issued Statement No. 84 *Fiduciary Activities*, to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. As a result of the Statement, funds for student activities for which the school district has administrative involvement can no longer be accounted for as pupil activity funds (fiduciary funds) but should be accounted for as special revenue funds. This standard is applicable for periods beginning after December 15, 2018.

GASB has issued Statement No. 87 *Leases*, to provide guidance for lease contracts for nonfinancial assets – including vehicles, heavy equipment, and buildings – but excludes nonexchange transactions, including donated assets, and leases of intangible assets (such as patents and software licenses). This guidance is intended to align the accounting and financial reporting of lease transactions more closely with their economic substance. The guidance is based on the underlying principle that leases are financings of the right to use an underlying asset for a period of time. It will eliminate the current distinction between operating and capital leases by treating all leases as financings. This standard is applicable for periods beginning after December 15, 2019. The District has not yet determined the impact of this statement on the financial statements.



**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 20 – SUBSEQUENT EVENTS**

In July of 2019, the District authorized the issuance of SCAGO General Obligation Bonds not to exceed \$700,000 to finance technology expenditures and debt service payments of other outstanding debt. The bonds were issued in September 2019.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Local	\$ 10,056,679	\$ 10,056,679	\$ 11,223,114	\$ 1,166,435
State	13,704,516	13,704,516	13,334,244	(370,272)
Intergovernmental	63,692	63,692	71,027	7,335
TOTAL REVENUES	\$ 23,824,887	\$ 23,824,887	\$ 24,628,385	\$ 803,498
EXPENDITURES				
Current				
Instructional Services	\$ 13,444,069	\$ 13,444,069	\$ 13,546,438	\$ (102,369)
Supporting Services	12,344,429	12,344,429	12,215,249	129,180
Community Services	-	-	5,979	(5,979)
Intergovernmental Expenditures	35,000	35,000	35,000	-
Debt Service				
Redemption of Principal	147,769	147,769	147,769	-
Interest and Other Charges	14,970	14,970	14,970	-
Capital Outlay	51,800	51,800	550,125	(498,325)
TOTAL EXPENDITURES	\$ 26,038,037	\$ 26,038,037	\$ 26,515,530	\$ (477,493)
Excess Revenues Over (Under) Expenditures	\$ (2,213,150)	\$ (2,213,150)	\$ (1,887,145)	\$ 326,005
OTHER FINANCING SOURCES (USES)				
Sale of Fixed Assets	\$ -	\$ -	\$ 2,482	\$ 2,482
Receipt of Insurance Proceeds	-	-	115,990	115,990
Lease Purchase	-	-	381,729	381,729
Transfers From Other Funds	799,006	799,006	836,272	37,266
Transfers To Other Funds	-	-	(300,000)	(300,000)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 799,006	\$ 799,006	\$ 1,036,473	\$ 237,467
Net Change in Fund Balance	\$ (1,414,144)	\$ (1,414,144)	\$ (850,672)	\$ 563,472
FUND BALANCE BEGINNING OF YEAR	5,488,495	5,488,495	5,488,495	-
FUND BALANCE END OF YEAR	\$ 4,074,351	\$ 4,074,351	\$ 4,637,823	\$ 563,472

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO BUDGETARY COMPARISON SCHEDULE**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING**

Annual budgets are prepared and legally adopted on a basis consistent with generally accepted accounting principles (GAAP) as applicable to governments for the general fund. Amounts presented in the “*Original*” budget column in the budgetary comparison schedule reflect amounts originally adopted. Amounts presented in the “*Final*” budget column include any amendments or supplemental appropriations formally authorized by the District’s Board of Education. All annual appropriations lapse at fiscal year-end.

The annual budget is prepared by the District and approved by the Board of Education. Prior to July 1, the budget is legally enacted through the passage of a resolution by the Board. The budget is prepared by function, object, and location as dictated by the S.C. State Department of Education. District administration has discretionary authority to make transfers of appropriations between and within functions; however, the total budget cannot be increased without approval by the Board. The legal level of control is at the fund level.

Formal budgetary accounting is employed as a management control for the District. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of money are recorded in order to reserve that portion of the applicable appropriations, is not utilized by the District.

**NOTE 2 - PRESENTATION**

The budgetary comparison schedule presents the general fund and each major individual special revenue fund for which an annual budget is legally adopted. Budgets are not legally adopted for the *Special Projects and Education Improvement Act* special revenue funds. As such, they have been excluded from the budgetary comparison presentation.

**NOTE 3 – EXPENDITURES IN EXCESS OF BUDGET**

For the year ended June 30, 2019, actual expenditures of the General Fund exceeded budgetary appropriations by \$477,493. The excess is primarily attributed to unbudgeted lease proceeds used to acquire capital outlay.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
SOUTH CAROLINA RETIREMENT SYSTEMS  
LAST 10 FISCAL YEARS**

	<i>South Carolina Retirement System (SCRS)</i>									
	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the net pension liability (asset)	0.155120%	0.157167%	0.162108%	0.170832%	0.174528%					
District's proportionate share of the net pension liability (asset)	\$ 34,757,422	\$ 35,380,819	\$ 34,626,030	\$ 32,399,112	\$ 30,047,936	\$	\$	\$	\$	\$
District's covered payroll	\$ 13,329,283	\$ 12,908,192	\$ 12,588,639	\$ 12,880,726	\$ 12,975,843	\$	\$	\$	\$	\$
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	260.76%	274.10%	275.06%	251.53%	231.57%					
Plan fiduciary net position as a percentage of the total pension liability	54.10%	53.30%	52.90%	57.00%	59.90%					

Notes: The amounts presented above for each fiscal year were determined as of the measurement date of the plan's fiscal year end.

The District is retroactively reporting data back to the year of GASB Statement 68 implementaion, which was fiscal year ending 2015. Information on the proportionate share of net pension liability is not available prior to that fiscal year.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT CONTRIBUTIONS - PENSION PLAN  
SOUTH CAROLINA RETIREMENT SYSTEMS  
LAST 10 FISCAL YEARS**

<i>South Carolina Retirement System (SCRS)</i>										
Fiscal Year										
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 2,247,563	\$ 2,016,945	\$ 1,832,847	\$ 1,736,201	\$ 1,744,832	\$ 1,679,457	\$ 1,650,940	\$ 1,427,192	\$ 1,383,808	\$ 1,389,239
Contributions in relation to the contractually required contribution	(2,247,563)	(2,016,945)	(1,832,847)	(1,736,201)	(1,744,832)	(1,679,457)	(1,650,940)	(1,427,192)	(1,383,808)	(1,389,239)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 16,723,522	\$ 16,304,839	\$ 16,174,960	\$ 15,958,933	\$ 16,226,184	\$ 16,001,277	\$ 15,721,528	\$ 15,067,147	\$ 14,854,208	\$ 14,929,327
Contributions as a percentage of covered payroll	13.44%	12.37%	11.33%	10.88%	10.75%	10.50%	10.50%	9.47%	9.32%	9.31%

Notes: Contractually required contributions as presented in the SCRS table above include employer contributions remitted to the SCRS for ORP participants and exclude employer ORP contributions remitted directly to the ORP vendor.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
NOTES TO THE PENSION PLAN SCHEDULES  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 - ACTUARIAL METHODS & ASSUMPTIONS USED**

The table below provides a summary of the actuarial methods and assumptions used in calculations of the actuarially determined contributions for the South Carolina Retirement System (SCRS). This information was obtained from the financial statements of the SCRS, which is administered by the retirement division of the South Carolina Public Employee Benefit Authority (PEBA) for the year ended June 30, 2018.

<b>Summary of Actuarial Methods and Significant Assumptions</b>	
Valuation date	07/01/17
Actuarial cost method	Entry age normal
Amortization method	Level percent open
Amortization period	30 years
Asset Valuation method	20% difference recognition method
Inflation rate	2.25%
Projected salary increases	3.0% to 12.5% (varies by service) <sup>1</sup>
Investment rate of return	7.25%
Benefit adjustments	lesser of 1% or \$500 annually

<sup>1</sup>*Includes inflation at 2.25%*

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**LAST 10 FISCAL YEARS**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>South Carolina Retiree Health Insurance Trust Fund</b>										
District's proportion of the net OPEB liability (asset)	0.189070%	0.191809%								
District's proportionate share of the net OPEB liability (asset)	\$ 26,792,325	\$ 25,980,215								
District's covered payroll	\$ 16,287,286	\$ 16,183,039								
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	164.50%	160.54%								
Plan fiduciary net position as a percentage of the total OPEB liability	7.91%	7.60%								
<b>South Carolina Long-Term Disability Insurance Trust Fund</b>										
District's proportion of the net OPEB liability (asset)	0.167728%	0.167971%								
District's proportionate share of the net OPEB liability (asset)	\$ 5,135	\$ 3,045								
District's covered payroll	\$ N/A	\$ N/A								
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	N/A	N/A								
Plan fiduciary net position as a percentage of the total OPEB liability	92.20%	95.29%								

Notes: The amounts presented above for each fiscal year were determined as of the measurement date of the plan's fiscal year end.

The District is retroactively reporting data back to the year of GASB Statement 75 implementation, which was fiscal year ending 2018. Information on the proportionate share of net OPEB liability is not available prior to that fiscal year.



**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT CONTRIBUTIONS - OPEB PLANS  
LAST 10 FISCAL YEARS**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>South Carolina Retiree Health Insurance Trust Fund</b>										
Contractually required contributions	\$ 1,011,773	\$ 896,766	\$	\$	\$	\$	\$	\$	\$	\$
Contributions in relation to the contractually required contributions	(1,011,773)	(896,766)								
Contribution deficiency (excess)	\$ -	\$ -	\$	\$	\$	\$	\$	\$	\$	\$
District's covered payroll	\$ 16,723,522	\$ 16,304,839	\$	\$	\$	\$	\$	\$	\$	\$
Contributions as a percentage of covered payroll	6.05%	5.50%								
<b>South Carolina Long-Term Disability Insurance Trust Fund</b>										
Contractually required contributions	\$ 11,798	\$ 12,213	\$	\$	\$	\$	\$	\$	\$	\$
Contributions in relation to the contractually required contributions	(11,798)	(12,213)								
Contribution deficiency (excess)	\$ -	\$ -	\$	\$	\$	\$	\$	\$	\$	\$
District's covered payroll	\$ N/A	\$ N/A	\$	\$	\$	\$	\$	\$	\$	\$
Contributions as a percentage of covered payroll	N/A	N/A								

Notes: The District is retroactively reporting data back to the year of GASB Statement 75 implementaion, which was fiscal year ending 2018. Information on District contributions is not available prior to that fiscal year.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO THE OPEB PLANS SCHEDULES**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 - ACTUARIAL METHODS & ASSUMPTIONS USED**

The table below provides a summary of the actuarial methods and assumptions used in calculations of the actuarially determined contributions for the South Carolina Retiree Health Insurance Trust Fund (SCRHITF) and the South Carolina Long-Term Disability Insurance Trust Fund (SCLTDITF). This information was obtained from the financial statements of the South Carolina Public Employee Benefit Authority (PEBA), Insurance Benefits and Other Postemployment Benefits Trust Funds for the year ended June 30, 2018.

<b>Summary of Actuarial Methods and Significant Assumptions</b>	
<b>OPEB Plan:</b>	<b>SCRHITF</b>
Valuation date	June 30, 2017
Actuarial cost method	Entry age normal
Inflation	2.25%
Investment rate of return	4.00%, net of OPEB Plan investment expense; including inflation
Single discount rate	3.62% as of June 30, 2018
Demographic assumptions	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2015
Mortality	For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. Multipliers are applied to the base tables based on gender and employment type.
Health care trend rate	Initial trend starting at 6.75% and gradually decreasing to an ultimate trend rate of 4.15% over a period of 14 years
Retiree Participation	79% participation for retirees who are eligible for funded premiums 59% participation for retirees who are eligible for partial funded premiums 20% participation for retirees who are eligible for non-funded premiums
Notes	There were no benefit changes during the current year; the discount rate changed from 3.59% as of June 30, 2017 to 3.62% as of June 30, 2018

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
NOTES TO THE OPEB PLANS SCHEDULES  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

**NOTE 1 - ACTUARIAL METHODS & ASSUMPTIONS USED (continued)**

<b>Summary of Actuarial Methods and Significant Assumptions</b>	
<b>OPEB Plan:</b>	<b>SCLTDITF</b>
Valuation date	June 30, 2017
Actuarial cost method	Entry age normal
Inflation	2.25%
Investment rate of return	4.00%, net of OPEB Plan investment expense; including inflation
Single discount rate	3.91% as of June 30, 2018
Salary, termination, and retirement rates	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2015
Disability incidence	The rates used in the valuation are based on the rates developed for the South Carolina Retirement Systems pension plans
Disability recovery	For participants in payment, 1987 CGDT Group Disability; for active employees, 60% were assumed to recover after the first year and 92% were assumed to recover after the first two years
Offsets	40% were assumed to be eligible for Social Security benefits; assumed percentage who will be eligible for a pension plan offset varies based on employee group
Expenses	Third party administrative expenses were included in the benefit projections
Notes	The discount rate changed from 3.87% as of June 30, 2017 to 3.91% as of June 30, 2018

**COMBINING AND INDIVIDUAL  
FUND STATEMENTS AND SCHEDULES**

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
<b>1000 Revenue from Local Sources</b>			
1100 Taxes Levied/Assessed by the LEA:			
1110 Ad Valorem Taxes -			
Including Delinquent Taxes	\$ 8,609,297	\$ 9,722,876	\$ 1,113,579
1200 Revenue From Local Governmental Units			
Other Than LEAs			
1280 Revenue in Lieu of Taxes	1,368,382	1,318,883	(49,499)
1300 Tuition			
1310 Tuition from Patrons for Regular Day School	49,000	58,000	9,000
1500 Earnings on Investments			
1510 Interest on Investments	30,000	121,783	91,783
1900 Other Revenue from Local Sources			
1910 Rentals	-	1,512	1,512
1990 Miscellaneous Local Revenue			
1993 Receipt of Insurance Proceeds	-	115,990	115,990
1999 Revenue from Other Local Sources	-	60	60
<b>Total Local Sources</b>	<u>\$ 10,056,679</u>	<u>\$ 11,339,104</u>	<u>\$ 1,282,425</u>
<b>2000 Intergovernmental Revenue</b>			
2100 Payments from Other Governments	\$ 63,692	\$ 71,027	\$ 7,335
<b>Total Intergovernmental Revenue</b>	<u>\$ 63,692</u>	<u>\$ 71,027</u>	<u>\$ 7,335</u>
<b>3000 Revenue from State Sources</b>			
3100 Restricted State Funding			
3130 Special Programs			
3131 Handicapped Transportation	\$ -	\$ 663	\$ 663
3160 School Bus Driver's Salary	287,543	308,225	20,682
3161 EAA Bus Driver Salary and Fringe	-	391	391
3162 Transportation Workers' Compensation	-	19,346	19,346
3180 Fringe Benefits Employer Contributions	2,594,190	2,442,909	(151,281)
3181 Retiree Insurance	651,522	720,371	68,849
3300 Education Finance Act			
3310 Full-Time Programs			
3311 Kindergarten	294,356	237,500	(56,856)
3312 Primary	761,720	705,477	(56,243)
3313 Elementary	1,240,117	1,196,950	(43,167)
3314 High School	367,445	436,530	69,085
3315 Trainable Mentally Handicapped	22,358	21,136	(1,222)
3316 Speech Handicapped (Part-Time Program)	315,423	311,661	(3,762)
3317 Homebound	909	1,751	842

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES (continued)</b>			
<b>3000 Revenue from State Sources (continued)</b>			
3300 Education Finance Act (continued)			
3320 Part-time Programs			
3321 Emotionally Handicapped	7,416	10,276	2,860
3322 Educable Mentally Handicapped	111,297	83,305	(27,992)
3323 Learning Disabilities	832,119	694,635	(137,484)
3324 Hearing Handicapped	19,104	13,265	(5,839)
3325 Visually Handicapped	14,287	9,038	(5,249)
3327 Vocational	870,417	692,371	(178,046)
3330 Miscellaneous EFA Programs			
3331 Autism	121,222	109,411	(11,811)
3332 High Achieving Students	42,988	39,849	(3,139)
3334 Limited English Proficiency	19,776	16,466	(3,310)
3351 Academic Assistance	233,264	210,386	(22,878)
3352 Pupils in Poverty	615,468	584,092	(31,376)
3353 Dual Credit Enrollment	11,289	9,508	(1,781)
3392 NBC Excess EFA Formula	-	9,610	9,610
3800 State Revenue in Lieu of Taxes			
3810 Reimbursement for Local Residential			
Property Tax Relief (Tier 1)	902,111	902,111	-
3820 Homestead Exemption (Tier 2)	410,718	-	(410,718)
3825 Reimbursement for Property			
Tax Relief (Tier 3)	2,398,068	2,848,186	450,118
3830 Merchant's Inventory Tax	50,036	50,037	1
3890 Other State Property Tax Revenues	346,353	486,000	139,647
3900 Other State Revenue			
3993 PEBA On-Behalf	163,000	162,788	(212)
<b>Total State Sources</b>	\$ 13,704,516	\$ 13,334,244	\$ (370,272)
<b>TOTAL REVENUE ALL SOURCES</b>	\$ 23,824,887	\$ 24,744,375	\$ 919,488

**EXPENDITURES**

**100 Instruction**

    110 General Instruction

        111 Kindergarten Programs

100 Salaries	\$ 494,290	\$ 476,025	\$ 18,265
200 Employee Benefits	221,386	219,771	1,615
300 Purchased Services	9,550	4,729	4,821
400 Supplies and Materials	10,812	11,967	(1,155)

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>EXPENDITURES (continued)</b>			
<b>100 Instruction (continued)</b>			
110 General Instruction (continued)			
112 Primary Programs			
100 Salaries	1,554,747	1,634,878	(80,131)
200 Employee Benefits	697,812	669,878	27,934
300 Purchased Services	23,550	13,848	9,702
400 Supplies and Materials	73,486	64,450	9,036
113 Elementary Programs			
100 Salaries	2,742,134	3,095,499	(353,365)
200 Employee Benefits	1,156,895	1,211,605	(54,710)
300 Purchased Services	116,480	66,474	50,006
400 Supplies and Materials	117,046	108,567	8,479
114 High School Programs			
100 Salaries	1,799,147	1,758,901	40,246
200 Employee Benefits	714,869	624,583	90,286
300 Purchased Services	119,250	278,124	(158,874)
400 Supplies and Materials	77,554	60,206	17,348
115 Career and Technology Education Programs			
100 Salaries	129,559	115,609	13,950
200 Employee Benefits	59,002	49,524	9,478
400 Supplies and Materials	16,125	16,858	(733)
120 Exceptional Programs			
121 Educable Mentally Handicapped			
100 Salaries	627,049	603,799	23,250
200 Employee Benefits	256,768	218,642	38,126
300 Purchased Services	-	71,963	(71,963)
400 Supplies and Materials	1,462	975	487
122 Trainable Mentally Handicapped			
100 Salaries	198,735	176,792	21,943
200 Employee Benefits	75,955	47,658	28,297
400 Supplies and Materials	344	85	259
123 Orthopedically Handicapped			
100 Salaries	65,207	61,407	3,800
200 Employee Benefits	30,794	29,940	854
300 Purchased Services	32,000	59,432	(27,432)

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>EXPENDITURES (continued)</b>			
<b>100 Instruction (continued)</b>			
120 Exceptional Programs (continued)			
124 Visually Handicapped			
300 Purchased Services	12,000	6,646	5,354
400 Supplies and Materials	86	-	86
125 Hearing Handicapped			
400 Supplies and Materials	172	-	172
126 Speech Handicapped			
100 Salaries	63,584	132,831	(69,247)
200 Employee Benefits	23,476	41,966	(18,490)
300 Purchased Services	178,560	129,368	49,192
400 Supplies and Materials	3,698	2,659	1,039
127 Learning Disabilities			
100 Salaries	622,575	482,939	139,636
200 Employee Benefits	238,565	154,911	83,654
300 Purchased Services	23,000	18,750	4,250
400 Supplies and Materials	10,578	7,292	3,286
128 Emotionally Handicapped			
400 Supplies and Materials	172	86	86
130 Pre-School Programs			
133 Pre-School Handicapped -Self-Contained (5-yr. olds)			
100 Salaries	119,637	109,066	10,571
200 Employee Benefits	46,008	55,753	(9,745)
300 Purchased Services	-	1,406	(1,406)
140 Special Programs			
145 Homebound			
100 Salaries	20,000	29,406	(9,406)
200 Employee Benefits	5,832	6,667	(835)
300 Purchased Services	14,500	5,356	9,144
147 CERDEP			
100 Salaries	125,624	137,304	(11,680)
200 Employee Benefits	54,203	62,825	(8,622)
149 Other Special Programs			
100 Salaries	237,167	236,006	1,161
200 Employee Benefits	80,794	74,865	5,929
300 Purchased Services	9,000	3,640	5,360
400 Supplies and Materials	4,250	3,213	1,037



**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>EXPENDITURES (continued)</b>			
<b>100 Instruction (continued)</b>			
160 Other Exceptional Programs			
161 Autism			
100 Salaries	61,015	52,970	8,045
200 Employee Benefits	29,609	18,089	11,520
400 Supplies and Materials	1,032	367	665
170 Summer School Program			
172 Elementary Summer School			
100 Salaries	-	675	(675)
175 Instructional Programs Beyond Regular School Day			
100 Salaries	-	1,709	(1,709)
200 Employee Benefits	-	489	(489)
400 Supplies and Materials	-	213	(213)
180 Adult/Continuing Education Programs			
188 Parenting/Family Literacy			
200 Employee Benefits	10,550	1,142	9,408
190 Instructional Pupil Activity			
300 Purchased Services	-	1,356	(1,356)
400 Supplies and Materials	13,750	10,392	3,358
600 Other Objects	40,000	31,268	8,732
<b>Total Instruction</b>	\$ 13,471,445	\$ 13,573,814	\$ (102,369)
<b>200 Supporting Services</b>			
210 Pupil Services			
211 Attendance and Social Work Services			
100 Salaries	\$ 68,334	\$ 68,336	\$ (2)
200 Employee Benefits	24,797	24,944	(147)
300 Purchased Services	3,500	3,644	(144)
212 Guidance Services			
100 Salaries	488,943	474,633	14,310
200 Employee Benefits	190,606	194,399	(3,793)
300 Purchased Services	5,500	6,480	(980)
400 Supplies and Materials	6,000	4,074	1,926

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>EXPENDITURES (continued)</b>			
<b>200 Supporting Services (continued)</b>			
210 Pupil Services (continued)			
213 Health Services			
100 Salaries	162,134	175,699	(13,565)
200 Employee Benefits	75,481	75,418	63
300 Purchased Services	36,200	37,386	(1,186)
400 Supplies and Materials	6,000	4,025	1,975
600 Other Objects	300	-	300
214 Psychological Services			
100 Salaries	30,711	2,219	28,492
200 Employee Benefits	13,710	14,329	(619)
300 Purchased Services	105,000	61,020	43,980
220 Instructional Staff Services			
221 Improvement of Instruction - Curriculum Development			
100 Salaries	105,143	118,433	(13,290)
200 Employee Benefits	40,107	55,191	(15,084)
300 Purchased Services	19,500	15,226	4,274
400 Supplies and Materials	12,000	5,803	6,197
600 Other Objects	750	984	(234)
222 Library and Media Services			
100 Salaries	312,231	310,896	1,335
200 Employee Benefits	129,673	127,469	2,204
400 Supplies and Materials	40,834	36,392	4,442
223 Supervision of Special Programs			
100 Salaries	175,342	175,207	135
200 Employee Benefits	57,142	66,828	(9,686)
300 Purchased Services	8,055	8,367	(312)
400 Supplies and Materials	3,500	4,619	(1,119)
600 Other Objects	1,350	876	474
224 Improvement of Instruction - Inservice Training			
100 Salaries	210,207	175,139	35,068
200 Employee Benefits	66,022	44,347	21,675
300 Purchased Services	5,500	3,380	2,120
400 Supplies and Materials	17,500	18,014	(514)
500 Capital Outlay	3,300	3,263	37
600 Other Objects	500	276	224
230 General Administration Services			
231 Board of Education			
100 Salaries	13,500	14,694	(1,194)

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>EXPENDITURES (continued)</b>			
<b>200 Supporting Services (continued)</b>			
230 General Administration Services			
231 Board of Education (continued)			
140 Terminal Leave	65,000	57,846	7,154
200 Employee Benefits	22,891	3,250	19,641
300 Purchased Services	106,500	153,251	(46,751)
318 Audit Services	28,525	28,537	(12)
400 Supplies and Materials	22,000	22,675	(675)
600 Other Objects	13,000	23,338	(10,338)
232 Office of the Superintendent			
100 Salaries	149,218	158,285	(9,067)
200 Employee Benefits	64,735	56,313	8,422
300 Purchased Services	7,500	8,395	(895)
400 Supplies and Materials	14,500	10,483	4,017
600 Other Objects	3,800	3,796	4
233 School Administration			
100 Salaries	1,441,260	1,446,544	(5,284)
140 Terminal Leave	-	18,854	(18,854)
200 Employee Benefits	568,693	592,896	(24,203)
300 Purchased Services	28,000	25,464	2,536
400 Supplies and Materials	17,314	14,750	2,564
600 Other Objects	13,000	10,438	2,562
250 Finance and Operations Services			
251 Student Transportation			
100 Salaries	-	732	(732)
200 Employee Benefits	-	211	(211)
252 Fiscal Services			
100 Salaries	258,065	245,746	12,319
180 Head of Organizational Unit Salaries	79,389	58,550	20,839
200 Employee Benefits	141,537	128,722	12,815
300 Purchased Services	44,000	41,471	2,529
380 Head of Organizational Unit Travel	3,500	2,736	764
400 Supplies and Materials	10,000	11,133	(1,133)
500 Capital Outlay	2,500	-	2,500
600 Other Objects	4,800	1,868	2,932
254 Operation and Maintenance of Plant			
100 Salaries	686,619	709,422	(22,803)
200 Employee Benefits	327,746	332,416	(4,670)
300 Purchased Services	1,151,400	1,260,424	(109,024)
321 Public Utilities	61,800	46,041	15,759
400 Supplies and Materials	193,500	207,412	(13,912)
470 Energy	735,500	599,873	135,627
500 Capital Outlay	46,000	546,862	(500,862)

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>EXPENDITURES (continued)</b>			
<b>200 Supporting Services (continued)</b>			
250 Finance and Operations Services (continued)			
255 Student Transportation			
100 Salaries	951,027	880,973	70,054
200 Employee Benefits	404,366	381,714	22,652
300 Purchased Services	47,750	22,466	25,284
400 Supplies and Materials	6,000	5,294	706
256 Food Services			
200 Employee Benefits	297,885	330,884	(32,999)
257 Internal Services			
300 Purchased Services	6,000	5,573	427
258 Security			
100 Salaries	52,000	59,588	(7,588)
200 Employee Benefits	4,446	5,071	(625)
300 Purchased Services	319,110	307,992	11,118
260 Central Support Services			
263 Information Services			
100 Salaries	40,458	3,163	37,295
200 Employee Benefits	16,707	2,191	14,516
264 Staff Services			
100 Salaries	77,898	79,717	(1,819)
180 Head of Organizational Unit Salaries	89,648	74,813	14,835
200 Employee Benefits	68,048	61,860	6,188
300 Purchased Services	26,000	23,562	2,438
380 Head of Organizational Unit Travel	3,500	1,514	1,986
400 Supplies and Materials	7,500	7,767	(267)
600 Other Objects	400	201	199
266 Technology and Data Processing Services			
100 Salaries	209,472	252,230	(42,758)
180 Head of Organizational Unit Salaries	72,277	72,277	-
200 Employee Benefits	105,782	108,581	(2,799)
300 Purchased Services	73,500	20,590	52,910
380 Head of Organizational Unit Travel	3,500	4,549	(1,049)
400 Supplies and Materials	28,000	14,276	13,724
600 Other Objects	300	176	124
270 Supporting Services Pupil Activity			
271 Pupil Services Activities			
100 Salaries	483,777	447,574	36,203
200 Employee Benefits	146,069	97,167	48,902

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>EXPENDITURES (continued)</b>			
<b>200 Supporting Services (continued)</b>			
270 Supporting Services Pupil Activity (continued)			
271 Pupil Services Activities (continued)			
300 Purchased Services	4,000	30,705	(26,705)
400 Supplies and Materials	64,000	275,749	(211,749)
600 Other Objects	40,000	31,268	8,732
	<u>12,401,084</u>	<u>12,770,229</u>	<u>(369,145)</u>
<b>Total Supporting Services</b>	\$	\$	\$
<b>300 Community Services</b>			
350 Custody and Care of Children			
100 Salaries	\$ -	\$ 630	\$ (630)
200 Employee Benefits	-	1,808	(1,808)
390 Other Community Services			
100 Salaries	-	643	(643)
200 Employee Benefits	-	275	(275)
400 Supplies and Materials	-	2,623	(2,623)
	<u>-</u>	<u>5,979</u>	<u>(5,979)</u>
<b>Total Community Service</b>	\$	\$	\$
<b>400 Other Charges</b>			
<b>410 Intergovernmental Expenditures</b>			
412 Payments to Other Governmental Units			
720 Transits	\$ 35,000	\$ 35,000	\$ -
	<u>35,000</u>	<u>35,000</u>	<u>-</u>
<b>Total Intergovernmental Expenditures</b>	\$	\$	\$
<b>500 Debt Service</b>			
610 Redemption of Principal	\$ 122,157	\$ 122,157	\$ -
620 Interest	8,351	8,351	-
	<u>130,508</u>	<u>130,508</u>	<u>-</u>
<b>Total Debt Service</b>	\$	\$	\$
<b>TOTAL EXPENDITURES</b>	\$ 26,038,037	\$ 26,515,530	\$ (477,493)
Excess Revenues Over (Under) Expenditures	\$ (2,213,150)	\$ (1,771,155)	\$ 441,995
<b>OTHER FINANCING SOURCES (USES)</b>			
5300 Sale of Fixed Assets	\$ -	\$ 2,482	\$ 2,482
5600 Lease Purchase	-	381,729	381,729

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<b>BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
<b>OTHER FINANCING SOURCES (USES) (continued)</b>			
<b>Interfund Transfers, From (To) Other Funds</b>			
5230 Transfer from Special Revenue EIA Fund	724,006	746,719	22,713
5250 Transfer from School Building Fund	-	38,556	38,556
5280 Transfer from Other Funds Indirect Costs	75,000	50,997	(24,003)
424-710 Transfer to School Building Fund	-	(300,000)	(300,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 799,006</b>	<b>\$ 920,483</b>	<b>\$ 121,477</b>
Excess (Deficiency) of Revenues and Expenditures Over Other Financing Source (Uses)	<u><u>\$ (1,414,144)</u></u>	<u><u>\$ (850,672)</u></u>	<u><u>\$ 563,472</u></u>
<b>FUND BALANCE JULY 1, 2018</b>		<u>5,488,495</u>	
<b>FUND BALANCE JUNE 30, 2019</b>		<u><u>\$ 4,637,823</u></u>	

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**SPECIAL PROJECTS FUND**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u>TITLE I</u> <u>(201/202)</u>	<u>IDEA</u> <u>(203/204)</u>	<u>PRESCHOOL</u> <u>HANDICAPPED</u> <u>(205/206)</u>
<b>REVENUES</b>			
<b>1000 Revenue From Local Sources</b>			
1900 Other Revenue From Local Sources			
1930 Medicaid	\$ -	\$ -	\$ -
1950 Refund of Prior Year's Expenditures	-	-	-
1999 Revenue from Other Local Sources	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Local Sources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>2000 Intergovernmental Revenue</b>			
2100 Payments from Other Governmental Units	\$ -	\$ -	\$ -
2300 Payments from Non-Profit Entities (for First Steps)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Intergovernmental Revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>3000 Revenue From State Sources</b>			
3100 Restricted State Funding			
3110 Occupational Education			
3118 EEDA Career Specialist	\$ -	\$ -	\$ -
3120 General Education			
3127 Student Health and Fitness - PE Teachers	-	-	-
3130 Special Programs			
3134 Child Early Reading Development and Education	-	-	-
3135 Reading Coaches	-	-	-
3136 Student Health and Fitness - Nurses	-	-	-
3190 Miscellaneous Restricted State Grants			
3193 Education License Plates	-	-	-
3199 Other Restricted State Grants	-	-	-
3600 Education Lottery Act Revenue			
3670 School Safety - Facility and Infrastructure Safety Upgrades	-	-	-
3900 Other State Revenue			
3994 PEBA Nonemployer Contributions	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total State Sources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>4000 Revenue From Federal Sources</b>			
4200 Occupational Education			
4210 Perkins Aid, Title I - Vocational Education - Basic	\$ -	\$ -	\$ -
4300 Elementary and Secondary Education Act of 1965 (ESEA)			
4310 Title I, Basic State Grant Programs	637,278	-	-
4312 Rural and Low-Income School Program	-	-	-
4351 Supporting Effective Instruction	-	-	-
4500 Programs for Children with Disabilities			
4510 IDEA	-	657,503	-
4520 Pre-School Grants	-	-	27,302

<b>CATE (207/208)</b>	<b>OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)</b>	<b>OTHER SPECIAL REVENUE PROGRAMS (200s/800s)</b>	<b>TOTAL</b>
\$ -	\$ -	\$ 169,858	\$ 169,858
-	-	29,941	29,941
-	-	129,041	129,041
\$ -	\$ -	\$ 328,840	\$ 328,840
\$ -	\$ -	\$ 193,433	\$ 193,433
-	26,913	-	26,913
\$ -	\$ 26,913	\$ 193,433	\$ 220,346
\$ -	\$ 113,617	\$ -	\$ 113,617
-	18,758	-	18,758
-	8,845	-	8,845
-	132,703	-	132,703
-	87,290	-	87,290
-	1,044	-	1,044
-	-	294	294
-	23,798	-	23,798
-	177,032	-	177,032
\$ -	\$ 563,087	\$ 294	\$ 563,381
\$ 40,269	\$ -	\$ -	\$ 40,269
-	-	16,469	653,747
-	-	46,063	46,063
-	-	106,892	106,892
-	-	8,626	666,129
-	-	-	27,302



**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**SPECIAL PROJECTS FUND**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u>TITLE I</u> <u>(201/202)</u>	<u>IDEA</u> <u>(203/204)</u>	<u>PRESCHOOL</u> <u>HANDICAPPED</u> <u>(205/206)</u>
<b>REVENUES (continued)</b>			
<b>4000 Revenue From Federal Sources (continued)</b>			
4900 Other Federal Sources			
4924 21st Century Community Learning Centers Programs	-	-	-
4997 Title IV SSAE	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Federal Sources</b>	\$ 637,278	\$ 657,503	\$ 27,302
	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL REVENUE ALL SOURCES</b>	\$ 637,278	\$ 657,503	\$ 27,302
	<u>          </u>	<u>          </u>	<u>          </u>
<b>EXPENDITURES</b>			
<b>100 Instruction</b>			
110 General Instruction			
111 Kindergarten Programs			
100 Salaries	\$ 36,350	\$ -	\$ -
200 Employee Benefits	11,157	-	-
400 Supplies and Materials	2,817	-	-
112 Primary Programs			
100 Salaries	105,517	-	-
200 Employee Benefits	43,189	-	-
400 Supplies and Materials	8,158	-	-
113 Elementary Programs			
100 Salaries	166,622	-	-
200 Employee Benefits	64,937	-	-
400 Supplies and Materials	16,416	-	-
114 High School Programs			
400 Supplies and Materials	-	-	-
120 Exceptional Programs			
121 Educable Mentally Handicapped			
100 Salaries	-	23,592	-
200 Employee Benefits	-	14,924	-
300 Purchased Services	-	1,015	-
400 Supplies and Materials	-	3,636	-
122 Trainable Mentally Handicapped			
100 Salaries	-	16,011	-
200 Employee Benefits	-	13,972	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	30,305	-

<b>CATE</b> <b>(207/208)</b>	<b>OTHER</b> <b>DESIGNATED</b> <b>RESTRICTED</b> <b>STATE GRANTS</b> <b>(900s)</b>	<b>OTHER</b> <b>SPECIAL</b> <b>REVENUE</b> <b>PROGRAMS</b> <b>(200s/800s)</b>	<b>TOTAL</b>
-	-	362,411	362,411
-	-	22,525	22,525
\$ 40,269	\$ -	\$ 562,986	\$ 1,925,338
\$ 40,269	\$ 590,000	\$ 1,085,553	\$ 3,037,905

\$ -	\$ -	\$ -	\$ 36,350
-	-	-	11,157
-	-	2,424	5,241
-	32,885	69,528	207,930
-	13,587	21,604	78,380
-	2,652	20,235	31,045
-	-	1,200	167,822
-	-	16	64,953
-	1,044	15,931	33,391
-	-	9,463	9,463
-	-	-	23,592
-	-	-	14,924
-	-	-	1,015
-	-	-	3,636
-	-	-	16,011
-	-	-	13,972
-	-	179	179
-	-	115	30,420

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**SPECIAL PROJECTS FUND**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u>TITLE I</u> <u>(201/202)</u>	<u>IDEA</u> <u>(203/204)</u>	<u>PRESCHOOL</u> <u>HANDICAPPED</u> <u>(205/206)</u>
<b>EXPENDITURES (continued)</b>			
<b>100 Instruction (continued)</b>			
120 Exceptional Programs (continued)			
124 Visually Handicapped			
400 Supplies and Materials	-	19	-
126 Speech			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	4,466	-
127 Learning Disabilities			
100 Salaries	-	52,626	-
200 Employee Benefits	-	19,895	-
400 Supplies and Materials	-	44,749	-
130 Pre-School Programs			
133 Pre-School Handicapped Self-Contained (5 Yr. Olds)			
100 Salaries	-	-	18,933
200 Employee Benefits	-	-	6,754
400 Supplies and Materials	-	-	929
140 Special Programs			
147 CERDEP			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
149 Other Special Programs			
400 Supplies and Materials	-	-	-
160 Other Exceptional Programs			
161 Autism			
100 Salaries	-	35,645	-
200 Employee Benefits	-	24,292	-
170 Summer School Programs			
172 Elementary Summer School			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-

<b>CATE</b> <b>(207/208)</b>	<b>OTHER</b> <b>DESIGNATED</b> <b>RESTRICTED</b> <b>STATE GRANTS</b> <b>(900s)</b>	<b>OTHER</b> <b>SPECIAL</b> <b>REVENUE</b> <b>PROGRAMS</b> <b>(200s/800s)</b>	<b>TOTAL</b>
-	-	-	19
-	-	42,426	42,426
-	-	14,610	14,610
-	-	-	4,466
-	-	-	52,626
-	-	-	19,895
-	-	-	44,749
-	-	-	18,933
-	-	-	6,754
-	-	-	929
-	6,925	-	6,925
-	1,807	-	1,807
-	114	-	114
-	-	1,650	1,650
-	-	-	35,645
-	-	-	24,292
-	-	736	736
-	-	247	247

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
SPECIAL PROJECTS FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u>TITLE I (201/202)</u>	<u>IDEA (203/204)</u>	<u>PRESCHOOL HANDICAPPED (205/206)</u>
<b>EXPENDITURES (continued)</b>			
<b>100 Instruction (continued)</b>			
170 Summer School Programs (continued)			
175 Instructional Programs Beyond Regular School Day			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
180 Adult/Continuing Educational Programs			
188 Parenting/Family Literacy			
100 Salaries	19,176	-	-
200 Employee Benefits	10,812	-	-
300 Purchased Services	11,903	-	-
400 Supplies and Materials	14,330	-	-
600 Other Objects	400	-	-
190 Instructional Pupil Activity			
300 Purchased Services	-	-	-
400 Supplies and Materials	1,808	-	-
<b>Total Instruction</b>	<b>\$ 513,592</b>	<b>\$ 285,147</b>	<b>\$ 26,616</b>
<b>200 Supporting Services</b>			
210 Pupil Services			
211 Attendance and Social Work Services			
400 Supplies and Materials	\$ 43	\$ -	\$ -
212 Guidance Services			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
213 Health Services			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	2,494	-
214 Psychological Services			
100 Salaries	-	12,269	-
200 Employee Benefits	-	3,548	-
300 Purchased Services	-	27,124	-
400 Supplies and Materials	-	3,212	-
600 Other Objects	-	954	-

<b>CATE</b> <b>(207/208)</b>	<b>OTHER</b> <b>DESIGNATED</b> <b>RESTRICTED</b> <b>STATE GRANTS</b> <b>(900s)</b>	<b>OTHER</b> <b>SPECIAL</b> <b>REVENUE</b> <b>PROGRAMS</b> <b>(200s/800s)</b>	<b>TOTAL</b>
-	-	156,242	156,242
-	-	37,309	37,309
-	-	12,705	12,705
-	18,669	-	37,845
-	8,244	-	19,056
-	-	-	11,903
-	-	-	14,330
-	-	-	400
27,644	-	11,218	38,862
-	-	8,654	10,462
\$ 27,644	\$ 85,927	\$ 426,492	\$ 1,365,418

\$ - \$ - \$ - \$ 43

5,000 - - 5,000  
1,000 - - 1,000

- 51,363 - 51,363  
- 35,927 - 35,927  
- - - 2,494

- - 51,103 63,372  
- - 12,803 16,351  
- - - 27,124  
- - - 3,212  
- - - 954

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**SPECIAL PROJECTS FUND**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u>TITLE I</u> <u>(201/202)</u>	<u>IDEA</u> <u>(203/204)</u>	<u>PRESCHOOL</u> <u>HANDICAPPED</u> <u>(205/206)</u>
<b>EXPENDITURES (continued)</b>			
<b>200 Supporting Services (continued)</b>			
210 Pupil Services (continued)			
217 Career Specialist Services			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
220 Instructional Staff Services			
221 Improvement of Instruction - Curriculum Development			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
222 Library and Media Services			
500 Capital Outlay	-	-	-
223 Supervision of Special Programs			
100 Salaries	52,431	120,325	-
200 Employee Benefits	16,615	42,971	-
300 Purchased Services	12,216	14,140	-
400 Supplies and Materials	2,800	9,261	-
600 Other Objects	255	720	-
224 Improvement of Instruction - Inservice Training			
100 Salaries	-	63,061	-
200 Employee Benefits	-	27,442	-
300 Purchased Services	12,357	22,480	-
400 Supplies and Materials	1,000	1,211	-
600 Other Objects	-	165	-
250 Finance and Operations Services			
251 Student Transportation			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
254 Operation and Maintenance of Plant			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	7,252	-	-
400 Supplies and Materials	2,278	-	-
258 Security			
300 Purchased Services	579	-	-
500 Capital Outlay	-	-	-

<b>CATE (207/208)</b>	<b>OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)</b>	<b>OTHER SPECIAL REVENUE PROGRAMS (200s/800s)</b>	<b>TOTAL</b>
-	83,678	-	83,678
-	29,939	-	29,939
-	61,586	48,516	110,102
-	34,927	5,436	40,363
-	-	59,895	59,895
-	-	2,049	2,049
-	-	24,610	24,610
-	-	67,271	240,027
-	-	15,904	75,490
2,125	-	155	28,636
-	-	1,259	13,320
-	-	-	975
-	-	40,100	103,161
-	-	11,514	38,956
4,500	5,823	130,963	176,123
-	-	15,174	17,385
-	-	750	915
-	-	1,729	1,729
-	-	525	525
-	-	744	744
-	-	218	218
-	-	61	61
-	-	-	7,252
-	-	-	2,278
-	-	-	579
-	23,798	-	23,798



**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**SPECIAL PROJECTS FUND**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u>TITLE I</u> <u>(201/202)</u>	<u>IDEA</u> <u>(203/204)</u>	<u>PRESCHOOL</u> <u>HANDICAPPED</u> <u>(205/206)</u>
<b>EXPENDITURES (continued)</b>			
<b>200 Supporting (continued)</b>			
260 Central Support Services			
264 Staff Services			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
270 Support Services - Pupil Activity			
271 Pupil Service Activities			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	492	-
<b>Total Supporting Services</b>	\$ 107,826	\$ 351,869	\$ -
<b>300 Community Services</b>			
390 Other Community Services			
300 Purchased Services	\$ -	\$ -	\$ -
400 Supplies and Materials	-	-	-
<b>Total Community Services</b>	\$ -	\$ -	\$ -
<b>410 Intergovernmental Expenditures</b>			
411 Payments to State Department of Education			
720 Transits	\$ -	\$ -	\$ -
414 Medicaid Payments to SDE			
720 Transits	-	-	-
419 Payments from PEBA Nonemployer Contributions			
720 Transits	-	-	-
<b>Total Intergovernmental Expenditures</b>	\$ -	\$ -	\$ -
<b>TOTAL EXPENDITURES</b>	\$ 621,418	\$ 637,016	\$ 26,616
Excess Revenues Over (Under) Expenditures	\$ 15,860	\$ 20,487	\$ 686
<b>OTHER FINANCING SOURCES (USES)</b>			
<b>Interfund Transfers From (To) Other Funds</b>			
431-791 Special Revenue Fund Indirect Costs	\$ (15,860)	\$ (20,487)	\$ (686)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	\$ (15,860)	\$ (20,487)	\$ (686)

<b>CATE (207/208)</b>	<b>OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)</b>	<b>OTHER SPECIAL REVENUE PROGRAMS (200s/800s)</b>	<b>TOTAL</b>
-	-	3,575	3,575
-	-	1,063	1,063
-	-	6,525	6,525
-	-	4,871	4,871
-	-	33,948	33,948
-	-	9,871	9,871
-	-	52,191	52,683
\$ 12,625	\$ 327,041	\$ 602,823	\$ 1,402,184
\$ -	\$ -	\$ 550	\$ 550
-	-	2,820	2,820
\$ -	\$ -	\$ 3,370	\$ 3,370
\$ -	\$ -	\$ 289	\$ 289
-	-	38,615	38,615
-	177,032	-	177,032
\$ -	\$ 177,032	\$ 38,904	\$ 215,936
\$ 40,269	\$ 590,000	\$ 1,071,589	\$ 2,986,908
\$ -	\$ -	\$ 13,964	\$ 50,997
\$ -	\$ -	\$ (13,964)	\$ (50,997)
\$ -	\$ -	\$ (13,964)	\$ (50,997)

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
SPECIAL PROJECTS FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<b>TITLE I (201/202)</b>	<b>IDEA (203/204)</b>	<b>PRESCHOOL HANDICAPPED (205/206)</b>
Excess Revenues and Expenditures Over (Under)			
Other Financing Sources (Uses)	\$ -	\$ -	\$ -
<b>FUND BALANCE JULY 1, 2018</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE JUNE 30, 2019</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

	CATE (207/208)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
\$	-	\$ -	\$ -	\$ -
	-	-	-	-
\$	-	\$ -	\$ -	\$ -

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
SPECIAL PROJECTS FUND  
SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

<b>SUBFUND CODE</b>	<b>REVENUE CODE</b>	<b>PROGRAMS</b>	<b>REVENUES</b>
919	3193	Education License Plates	\$ 1,044
924	3134	Child Early Reading Development and Education (CERDEP)	8,845
928	3118	EEDA Career Specialist	113,617
935	3135	Reading Coaches	132,703
936	3136	Student Health and Fitness - Nurses	87,290
937	3127	Student Health and Fitness - PE Teachers	18,758
939	3393	Capital Improvement Plan - Additional	-
970	3670	School Safety - Facility and Infrastructure Safety Upgrades	23,798
982	2300	First Steps/Parenting	26,913
994	3994	PEBA Nonemployer Contributions	177,032
<b>TOTALS</b>			\$ <u><u>590,000</u></u>

<b>EXPENDITURES</b>	<b>SPECIAL PROJECTS INTERFUND TRANSFERS IN/(OUT)</b>	<b>OTHER FUND TRANSFERS IN/(OUT)</b>	<b>UNEARNED REVENUE</b>
\$ 1,044	\$ -	\$ -	\$ -
8,845	-	-	-
113,617	-	-	-
132,703	-	-	-
87,290	-	-	-
18,758	-	-	-
-	-	-	163,101
23,798	-	-	36,202
26,913	-	-	-
177,032	-	-	-
<u>\$ 590,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 199,303</u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
EDUCATION IMPROVEMENT ACT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ALL PROGRAMS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u>ACTUAL</u>
<b>REVENUES</b>	
<b>3000 Revenue from State Sources</b>	
3500 Education Improvement Act	
3502 ADEPT	\$ 401
3507 Aid to District Technology	28,949
3511 Professional Development	19,182
3518 Adoption List of Formative Assessment	12,532
3519 Grade 10 Assessments	7,373
3526 Refurbishment of K-8 Science Kits	15,902
3528 Industry Certifications/Credentials	22,997
3529 Career and Technology Education	68,334
3532 National Board Salary Supplement	128,260
3533 Teacher of the Year Awards	1,076
3538 Students At Risk of School Failure	273,763
3541 Child Early Reading Development and Education Program (CERDEP) - Full Day 4K	440,702
3550 Teacher Salary Increase	619,612
3555 Teacher Salary Fringe	127,107
3557 Summer Reading Program	46,340
3558 Reading	1,026
3571 CSI and Priority Schools	2,316
3577 Teacher Supplies	49,775
3589 Maintenance of State Financial Support (MES) Tier II	276,152
3593 Capital Improvement Plan	950,942
3595 EEDA - Supplies and Materials	4,930
3597 Aid to Districts	21,818
3599 Other EIA	15,300
<b>Total State Sources</b>	\$ <u>3,134,789</u>
<b>TOTAL REVENUE ALL SOURCES</b>	\$ <u>3,134,789</u>
<b>EXPENDITURES</b>	
<b>100 Instruction</b>	
110 General Instruction	
111 Kindergarten Programs	
100 Salaries	\$ 7,500
200 Employee Benefits	2,176
400 Supplies and Materials	825
112 Primary Programs	
100 Salaries	17,460
200 Employee Benefits	5,066
400 Supplies and Materials	26,966
113 Elementary Programs	
100 Salaries	30,236
200 Employee Benefits	8,791
400 Supplies and Materials	46,055

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
EDUCATION IMPROVEMENT ACT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ALL PROGRAMS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u>ACTUAL</u>
<b>EXPENDITURES (continued)</b>	
<b>100 Instruction (continued)</b>	
110 General Instruction (continued)	
114 High School Programs	
100 Salaries	7,500
200 Employee Benefits	2,186
300 Purchased Services	9,303
400 Supplies and Materials	29,019
500 Capital Outlay	59,988
115 Career and Technology Education Programs	
400 Supplies and Materials	275
120 Exceptional Programs	
121 Educable Mentally Handicapped	
400 Supplies and Materials	3,575
126 Speech Handicapped	
100 Salaries	7,500
200 Employee Benefits	2,198
400 Supplies and Materials	825
127 Learning Disabilities	
400 Supplies and Materials	101,958
130 Pre-School Programs	
137 Preschool Handicapped Self-Contained (3- and 4- Yr. Olds)	
400 Supplies and Materials	275
140 Special Programs	
147 CERDEP	
100 Salaries	329,748
200 Employee Benefits	126,564
300 Purchased Services	1,828
400 Supplies and Materials	10,350
149 Other Special Programs	
100 Salaries	155,219
200 Employee Benefits	59,367
300 Purchased Services	6,000
400 Supplies and Materials	17,035



**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
EDUCATION IMPROVEMENT ACT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ALL PROGRAMS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u>ACTUAL</u>
<b>EXPENDITURES (continued)</b>	
<b>100 Instruction (continued)</b>	
170 Summer School Program	
171 Primary Summer School	
100 Salaries	21,415
200 Employee Benefits	6,449
300 Purchased Services	2,314
400 Supplies and Materials	16,162
180 Adult/Continuing Educational Programs	
188 Parenting/Family Literacy	
100 Salaries	19,110
200 Employee Benefits	10,409
190 Instructional Pupil Activity	
300 Purchased Services	3,029
<b>Total Instruction</b>	<b>\$ 1,154,676</b>
<b>200 Supporting Services</b>	
210 Pupil Services	
212 Guidance Services	
300 Purchased Services	\$ 4,655
400 Supplies and Materials	2,475
214 Psychological Services	
100 Salaries	675
200 Employee Benefits	197
220 Instructional Staff Services	
221 Improvement of Instruction - Curriculum Development	
100 Salaries	7,500
200 Employee Benefits	2,146
300 Purchased Services	15,389
400 Supplies and Materials	3,364
600 Other Objects	105
222 Library and Media Services	
400 Supplies and Materials	1,375
223 Supervision of Special Programs	
100 Salaries	37,151
200 Employee Benefits	14,740
300 Purchased Services	14,822

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
EDUCATION IMPROVEMENT ACT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ALL PROGRAMS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u>ACTUAL</u>
<b>EXPENDITURES (continued)</b>	
<b>200 Supporting Services (continued)</b>	
220 Instructional Staff Services (continued)	
224 Improvement of Instruction - Inservice and Staff Training	
100 Salaries	45,101
200 Employee Benefits	15,824
300 Purchased Services	62,674
400 Supplies and Materials	22,037
230 General Administrative Services	
233 School Administration	
400 Supplies and Materials	405
250 Finance and Operations Services	
253 Facilities Acquisition and Construction	
300 Purchased Services	157,808
500 Capital Outlay	
520 Construction Services	793,134
260 Central Support Services	
264 Staff Services	
300 Purchased Services	401
266 Technology and Data Processing Services	
300 Purchased Services	4,387
500 Capital Outlay	1,731
270 Support Services - Pupil Activity	
271 Pupil Service Activities	
100 Salaries	249
300 Purchased Services	631
<b>Total Supporting Services</b>	\$ <u>1,208,976</u>
<b>400 Other Charges</b>	
<b>410 Intergovernmental Expenditures</b>	
411 Payments to State Department of Education	
720 Transits	\$ <u>24,418</u>
<b>Total Intergovernmental Expenditures</b>	\$ <u>24,418</u>
<b>TOTAL EXPENDITURES</b>	\$ <u>2,388,070</u>
Excess Revenues Over (Under) Expenditures	\$ <u>746,719</u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
EDUCATION IMPROVEMENT ACT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ALL PROGRAMS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u>ACTUAL</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
<b>Interfund Transfers From (To) Other Funds</b>	
420-710 Tranfer to General Fund (Excludes Indirect Costs)	\$ <u>(746,719)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	\$ <u>(746,719)</u>
Excess Revenues and Expenditures Over (Under) Other Financing Sources (Uses)	\$ -
<b>FUND BALANCE JULY 1, 2018</b>	<u>-</u>
<b>FUND BALANCE JUNE 30, 2019</b>	<u><u>-</u></u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
EDUCATION IMPROVEMENT ACT  
SUMMARY SCHEDULE BY PROGRAM  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

<b>PROGRAM</b>	<b>REVENUES</b>
3500 Education Improvement Act:	
3502 ADEPT	\$ 401
3507 Aid to District Technology	28,949
3511 Professional Development	19,182
3518 Adoption List of Formative Assessment	12,532
3519 Grade 10 Assessments	7,373
3526 Refurbishment of K-8 Science Kits	15,902
3528 Industry Certifications/Credentials	22,997
3529 Career and Technology Education	68,334
3532 National Board Salary Supplement	128,260
3533 Teacher of the Year Awards	1,076
3538 Students At Risk of School Failure	273,763
3541 Child Early Reading Development and Education Program (CERDEP) - Full Day 4K	440,702
3550 Teacher Salary Increase	619,612
3555 Teacher Salary Fringe	127,107
3557 Summer Reading Program	46,340
3558 Reading	1,026
3571 CSI and Priority Schools	2,316
3577 Teacher Supplies	49,775
3589 Maintenance of State Financial Support (MES) Tier II	276,152
3593 Capital Improvement Plan	950,942
3595 EEDA - Supplies and Materials	4,930
3597 Aid to Districts	21,818
3599 Other EIA	15,300
	<hr/>
<b>TOTALS</b>	\$ <u><u>3,134,789</u></u>

<u>EXPENDITURES</u>	<u>EIA INTERFUND TRANSFERS IN/(OUT)</u>	<u>OTHER FUND TRANSFERS IN/(OUT)</u>	<u>UNEARNED REVENUE</u>
\$ 401	\$ -	\$ -	\$ 2,470
28,949	-	-	32,648
19,182	-	-	-
12,532	-	-	-
7,373	-	-	777
15,902	-	-	12,666
22,997	-	-	10,000
68,334	-	-	29,238
128,260	-	-	-
1,076	-	-	-
273,763	-	-	85,079
440,702	-	-	34,040
-	-	(619,612)	-
-	-	(127,107)	-
46,340	-	-	4,191
1,026	-	-	1,026
2,316	-	-	72,684
49,775	-	-	-
276,152	-	-	-
950,942	-	-	24,708
4,930	-	-	4,347
21,818	-	-	56,079
15,300	-	-	-
<u>\$ 2,388,070</u>	<u>\$ -</u>	<u>\$ (746,719)</u>	<u>\$ 369,953</u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u><b>ACTUAL</b></u>
<b>REVENUES</b>	
<b>1000 Revenue From Local Sources</b>	
1100 Taxes	
1110 Ad Valorem Taxes - Including Delinquent Taxes	\$ 1,663,999
1200 Revenue from Local Governmental Units Other than LEAs	
1280 Revenue in Lieu of Taxes	171,762
1500 Earnings on Investments	
1510 Interest on Investments	32,921
1900 Other Revenue from Local Sources	
1950 Refund of Prior Year's Expenditures	<u>6,349</u>
<b>Total Local Sources</b>	<u>\$ 1,875,031</u>
<b>3000 Revenue From State Sources</b>	
3800 State Revenue in Lieu of Taxes	
3820 Homestead Exemption	\$ 80,374
3830 Merchant's Inventory Tax	4,765
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	<u>62,256</u>
<b>Total State Sources</b>	<u>\$ 147,395</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<u>\$ 2,022,426</u>
<b>EXPENDITURES</b>	
<b>500 Debt Service</b>	
610 Redemption of Principal	\$ 1,451,848
620 Interest	520,501
690 Other Objects (Includes Fees for Servicing Bonds)	<u>13,486</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 1,985,835</u>
Excess Revenues Over (Under) Expenditures	\$ 36,591
<b>FUND BALANCE JULY 1, 2018</b>	<u>1,220,970</u>
<b>FUND BALANCE JUNE 30, 2019</b>	<u><u>\$ 1,257,561</u></u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
SCHOOL BUILDING FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u><b>ACTUAL</b></u>
<b>REVENUES</b>	
<b>1000 Revenue From Local Sources</b>	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 2,302
<b>Total Local Sources</b>	\$ 2,302
<b>TOTAL REVENUE ALL SOURCES</b>	\$ 2,302
<b>EXPENDITURES</b>	
<b>200 Supporting Services</b>	
250 Finance and Operations	
253 Facilities Acquisition & Construction	
300 Purchased Services	\$ 213,531
500 Capital Outlay	
530 Improvements Other Than Buildings	108,883
254 Operation and Maintenance of Plant	
300 Purchased Services	57,730
500 Capital Outlay	69,068
260 Central Support Services	
266 Technology and Data Processing Services	
500 Capital Outlay	524,277
<b>Total Supporting Services</b>	\$ 973,489
<b>500 Debt Service</b>	
690 Other Objects	\$ 19,985
<b>Total Debt Service</b>	\$ 19,985
<b>TOTAL EXPENDITURES</b>	\$ 993,474
Excess Revenues Over (Under) Expenditures	\$ (991,172)
<b>OTHER FINANCING SOURCES (USES)</b>	
5120 Proceeds of Special Obligation Bonds	\$ 550,235

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
SCHOOL BUILDING FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u><b>ACTUAL</b></u>
<b>Interfund Transfers, From (To) Other Funds</b>	
5210 Transfer from General Fund	300,000
420-710 Transfer to General Fund	<u>(38,556)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	\$ <u>811,679</u>
Excess (Deficiency) of Revenues and Expenditures Over Other Financing Sources (Uses)	\$ (179,493)
<b>FUND BALANCE JULY 1, 2018</b>	<u>179,493</u>
<b>FUND BALANCE JUNE 30, 2019</b>	\$ <u><u>-</u></u>



**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
FOOD SERVICE FUND  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u><b>ACTUAL</b></u>
<b>REVENUES</b>	
<b>1000 Revenue From Local Sources</b>	
1600 Food Service	
1630 Special Sales to Pupils	\$ 19,138
1640 Lunch Sales to Adults	46,597
1650 Breakfast Sales to Adults	6,514
1660 Special Sales to Adults	<u>7,573</u>
<b>Total Local Sources</b>	<b>\$ <u>79,822</u></b>
<b>3000 Revenue From State Sources</b>	
3900 Other State Sources	
3999 Revenue from Other State Sources	\$ <u>10,208</u>
<b>Total State Sources</b>	<b>\$ <u>10,208</u></b>
<b>4000 Revenue From Federal Sources</b>	
4800 USDA Reimbursement	
4810 School Lunch Program	\$ 918,165
4830 School Breakfast Program	330,118
4860 Fresh Fruits & Vegetables Program	15,765
4880 Summer Feeding Programs (SFSP)	255,870
4900 Other Federal Sources	
4991 USDA Commodities	<u>69,488</u>
<b>Total Federal Sources</b>	<b>\$ <u>1,589,406</u></b>
<b>TOTAL REVENUE ALL SOURCES</b>	<b>\$ <u>1,679,436</u></b>
<b>EXPENSES</b>	
250 Finance and Operations	
256 Food Service	
100 Salaries	\$ 846,257
300 Purchased Services	53,457
400 Supplies and Materials	899,889
500 Capital Outlay	32,146
600 Other Objects	<u>5,364</u>
<b>TOTAL EXPENSES</b>	<b>\$ <u>1,837,113</u></b>
Change in Net Position	\$ (157,677)
<b>NET POSITION JULY 1, 2018</b>	<b><u>545,424</u></b>
<b>NET POSITION JUNE 30, 2019</b>	<b>\$ <u><u>387,747</u></u></b>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
PUPIL ACTIVITY FUND  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN AMOUNTS DUE TO THIRD PARTIES  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u>ACTUAL</u>
<b>RECEIPTS</b>	
<b>1000 Receipts From Local Sources</b>	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 39
1700 Pupil Activities	
1740 Student Fees	23,515
1790 Other	<u>615,102</u>
<b>Total Receipts from Local Sources</b>	\$ <u>638,656</u>
<b>TOTAL RECEIPTS ALL SOURCES</b>	\$ <u>638,656</u>
<b>DISBURSEMENTS</b>	
190 Instructional Pupil Activity	
660 Pupil Activity	\$ 19,856
270 Supporting Services Pupil Activity	
271 Pupil Service Activities	
660 Pupil Activity	590,379
272 Enterprise Activities	
660 Pupil Activity	<u>68,989</u>
<b>TOTAL DISBURSEMENTS</b>	\$ <u>679,224</u>
Excess Receipts Over (Under) Disbursements	\$ (40,568)
<b>DUE TO THIRD PARTIES JULY 1, 2018</b>	<u>215,947</u>
<b>DUE TO THIRD PARTIES JUNE 30, 2019</b>	\$ <u><u>175,379</u></u>

*Note: This schedule is presented as prescribed by the S.C. State Department of Education.*

**SUPPLEMENTAL SCHEDULES  
REQUIRED BY  
THE S.C. STATE DEPARTMENT OF EDUCATION**

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

<b>PROGRAM</b>	<b>PROJECT AND GRANT NUMBER</b>	<b>REVENUE &amp; SUBFUND CODE</b>	<b>DESCRIPTION</b>	<b>STATUS</b>	<b>AMOUNT DUE TO SDE OR FED GOV'T</b>
21st Century Program	19 21st Century	4924/224	Unallowable Costs	Unpaid	\$ 289
Aid to District Tech	EIA	3507/307	Unexpended Funds	Unpaid	10,724
Industry Certificates	EIA	3528/328	Unexpended Funds	Unpaid	13,694
Medicaid	N/A	1930/801	Local Match	Unpaid	5,676
<b>TOTALS</b>					<u><u>\$ 30,383</u></u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
LOCATION RECONCILIATION SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

<b>LOCATION</b>	<b>LOCATION DESCRIPTION</b>	<b>EDUCATION LEVEL</b>	<b>COST TYPE</b>	<b>TOTAL EXPENDITURES</b>
10	District Office	Non-Schools	Central	\$ 8,349,670
15	Office of Curriculum/OPEC	Non-Schools	Central	9,041
20	Harleyville-Ridgeville	Elementary Schools	School	3,381,251
30	Williams Memorial	Elementary Schools	School	7,677,488
40	St. George	Middle Schools	School	3,720,846
50	Woodland	High Schools	School	8,161,381
70	Odyssey Education Center	Other Schools	School	823,369
71	Clay Hill	Elementary Schools	School	2,883,536
72	Harleyville-Ridgeville	Middle Schools	School	2,372,742
80	Dorchester Academy	Other Schools	School	658
92	Adult Education	Other Schools	School	6,172
<b>TOTAL EXPENDITURES/DISBURSEMENTS FOR ALL FUNDS</b>				<b>\$ 37,386,154</b>

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

General Fund (Subfunds 100s)	\$ 26,515,530
Special Revenue Fund (Subfunds 200s, 800s, 900s)	2,986,908
Special Revenue EIA Fund (Subfunds 300s)	2,388,070
Debt Service Fund (Subfunds 400s)	1,985,835
Capital Projects Fund (School Building) (Subfunds 500s)	993,474
Proprietary Fund (Food Service) (Subfunds 600s)	1,837,113
Trust and Agency Fund (Pupil Activity) (Subfunds 700s)	679,224
<b>TOTAL EXPENDITURES/DISBURSEMENTS FOR ALL FUNDS</b>	<b>\$ 37,386,154</b>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
SPECIAL PROJECTS FUND  
SUBFUND CODE LIST  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

**OTHER RESTRICTED STATE GRANTS**

919	Education License Plates
924	Child Early Reading Development and Education Program (CERDEP) Full Day
928	EEDA Career Specialist
935	Reading Coaches
936	Student Health and Fitness - Nurses
937	Student Health and Fitness - PE Teachers
939	Capital Improvement Plan - Additional
970	School Safety - Facility and Infrastructure Safety Upgrade
982	First Steps - Parenting
994	PEBA Nonemployer Contributions

**OTHER SPECIAL REVENUE GRANTS**

210	Title IV SSAE
212	IDEA Extended School Year
224	21st Century Community Learning Centers Program
238	Title I, School Improvement
240	Title I, Direct Student Services
251	Rural and Low-Income School Program
267	Improving Teacher Quality
801	Medicaid - OPEC
802	Back to School Bash
814	E-Rate
816	Character Education
820	Recycling Mini Grant
822	Profoundly Mentally Disabled
847	WME After School Program
848	Project Lead the Way
851	Bosch Robotics Grant
852	CERRA Rural Education Program
853	Reading by the Third Grade
854	Family Resource Center - OPEC

## **SINGLE AUDIT SECTION**



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

To the Board of Trustees  
Dorchester County School District Number 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, the business-type activities, each major fund, and the aggregate remaining fund information of Dorchester County School District Number Four as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 21, 2019.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



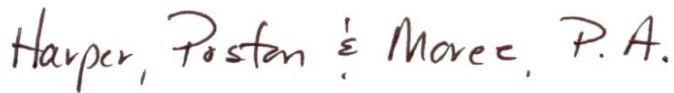
### ***Compliance and Other Matters***

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

We noted certain other matters that we reported to management of the District in a separate letter dated November 21, 2019.

### ***Purpose of the 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.

A handwritten signature in dark ink that reads "Harper, Poston & Moree, P.A." in a cursive, slightly slanted script.

Harper, Poston & Moree, P.A.  
Certified Public Accountants

Pawleys Island, South Carolina  
November 21, 2019



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

To the Board of Trustees  
Dorchester County School District Number Four  
St. George, South Carolina

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

We have audited Dorchester County School District Number Four's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

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

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

### ***Report on Internal Control Over Compliance***

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

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

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

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

*Harper, Poston & Moree, P.A.*

Harper, Poston & Moree, P.A.  
Certified Public Accountants

Pawleys Island, South Carolina  
November 21, 2019

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

**A. Summary of Audit Results**

1. The auditor's report expresses an unmodified opinion on the basic financial statements.
2. No significant deficiencies were disclosed during the audit of the basic financial statements.
3. No instances of noncompliance, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No control deficiencies were disclosed during the audit of major federal award programs.
5. The auditor's report on compliance for major federal award programs expresses an unmodified opinion.
6. There were no audit findings relative to major federal award programs reported in Part C of this schedule.
7. The following programs were tested as major programs:

<u>Program Title</u>	<u>CFDA No.</u>
Special Education Cluster:	
IDEA	84.027
Preschool Grant	84.173
21 <sup>st</sup> Century After School Learning Center	84.424

8. The threshold for distinguishing types A and B programs was \$750,000.
9. The District was determined to be a low risk auditee.

**B. Findings - Financial Statement Audit**

None.

**C. Findings and Questioned Costs - Major Federal Award Programs Audit**

None.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

<b>LEA SUBFUND CODE</b>	<b>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</b>	<b>FEDERAL CFDA NUMBER</b>	<b>PASS-THROUGH GRANTOR'S NUMBER</b>	<b>TOTAL EXPENDITURES</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>				
	Passed Through State Department of Education:			
201	Title I Grants to LEA's	84.010	19 Title I	\$ 568,190
202	Title I Grants to LEA's	84.010	19 Title I Carryover	69,088
238	Title I Support	84.010	19 Title I	5,400
240	Title I Direct Student Services	84.010	19 Title I	11,069
	Total Title I			<u>653,747</u>
	Special Education Cluster:			
203	IDEA	84.027	17 IDEA	49,666
203	IDEA	84.027	18 IDEA	443,803
203	IDEA	84.027	19 IDEA	164,034
205	Preschool Grant	84.173	18 IDEA Preschool	933
205	Preschool Grant	84.173	19 IDEA Preschool	26,369
212	IDEA - Extended School Year	84.027	18 IDEA ESY	2,790
212	IDEA - Extended School Year	84.027	19 IDEA ESY	5,836
	Total Special Education Cluster			<u>693,431</u> *
	Vocational Education (CATE):			
207	Subprogram 10	84.048	18 CATE	2,644
207	Subprogram 15	84.048	18 CATE	125
207	Subprogram 01	84.048	19 CATE	1,000
207	Subprogram 04	84.048	19 CATE	3,500
207	Subprogram 09	84.048	19 CATE	6,000
207	Subprogram 10	84.048	19 CATE	25,000
207	Subprogram 15	84.048	19 CATE	2,000
	Total Vocational Education (CATE)			<u>40,269</u>
210	Title IV SSAE	84.424	18 SSAE	10,107
210	Title IV SSAE	84.424	19 SSAE	12,418
	Total Title IV SSAE			<u>22,525</u>
224	21st Century After School Learning Center	84.287	19 21st Century	362,411
	Total 21st Century Learning			<u>362,411</u> *
	Title VI:			
251	Rural and Low-Income Schools	84.358	18 REAP	23,456
251	Rural and Low-Income Schools	84.358	19 REAP	22,607
	Total Title VI Rural and Low-Income Schools			<u>46,063</u>
	Title II:			
267	Title II - Improving Teacher Quality	84.367	18 Title II - ITQ	63,014
267	Title II - Improving Teacher Quality	84.367	19 Title II - ITQ	43,878
	Total Title II			<u>106,892</u>
	<b>Total U.S. Department of Education</b>			<u>\$ 1,925,338</u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

<b>LEA SUBFUND CODE</b>	<b>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</b>	<b>FEDERAL CFDA NUMBER</b>	<b>PASS-THROUGH GRANTOR'S NUMBER</b>	<b>TOTAL EXPENDITURES</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
	Passed Through State Department of Education:			
	Child Nutrition Cluster:			
	Non-Cash Assistance (Commodities):			
600	School Lunch Program	10.555	N/A	\$ 69,488
	Cash Assistance:			
600	School Breakfast Program	10.553	N/A	330,118
600	School Lunch Program	10.555	N/A	918,165
603	Summer Food Service for Children	10.559	N/A	255,870
	Total Child Nutrition Cluster			<u>1,573,641</u>
602	Fresh Fruits and Vegetables	10.582	N/A	<u>15,765</u>
	<b>Total U.S. Department of Agriculture</b>		(See Disclosure)	\$ <u>1,589,406</u> **
<b>U.S. DEPARTMENT OF DEFENSE</b>				
	Direct Program:			
100	ROTC	12.U01	N/A	\$ <u>71,027</u>
	<b>Total U.S. Department of Defense</b>			\$ <u>71,027</u>
	<b>TOTAL FEDERAL AWARDS EXPENDED</b>			\$ <u><u>3,585,771</u></u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR FISCAL YEAR ENDED JUNE 30, 2019**

**Notes to Schedule of Expenditures of Federal Awards:**

\* Denotes a major program

\*\* The accounting system used by South Carolina LEAs does not allow for the segregation of expenditures by fund source in the Food Service Fund. The total amount displayed under "Total USDA" excludes \$90,030 of expenditures from state and local revenue sources. A detailed schedule of the Food Service Fund is included in this audit report.

1. The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of Dorchester County School District Number Four under programs of the federal government for the year ended June 30, 2019. The information in this schedule is presented in accordance with the 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). Because the schedule presents only a selected portion of the operations of Dorchester County School District Number Four, it is not intended to and does not present financial position, changes in net position, or cash flows of Dorchester County School District Number Four.
2. Expenditures reported in the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Expenditures of federal awards made prior to December 26, 2014 are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*.
3. Dorchester County School District Number Four has a restricted indirect cost rate that is used for its federal programs and did not elect to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance and covered in 2 *CFR Part 200.414*.
4. Non-monetary assistance provided by the U.S. Department of Agriculture is reported in the schedule at the fair value of commodities received. Dorchester County School District Number Four received \$69,488 in the form of federal non-cash USDA commodities for the year ended June 30, 2019. The School Breakfast Program, unlike the School Lunch Program, does not generate separate commodity entitlements; therefore, commodities used in the School Breakfast Program are deemed to be awarded under the School Lunch Program and reported as such in the Schedule of Expenditures of Federal Awards.
5. Dorchester County School District Number Four did not provide any awards to subrecipients for the year ended June 30, 2019.
6. The District receives ROTC funding through a direct program with the U.S. Department of Defense. Amounts received for ROTC, as reported in the accompanying Schedule of Expenditures of Federal Awards, have been recorded as intergovernmental revenue sources in the District's financial statements.

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR FISCAL YEAR ENDED JUNE 30, 2019**

**Findings – Financial Statement Audit**

***Finding 2018-001: Segregation of Duties***

Condition: This finding was a significant deficiency that the District does not maintain overall adequate segregation of duties.

Recommendation: The auditor recommended that different personnel, to the extent feasible, should be given the responsibility of authorizing transactions, recording transactions, and maintaining custody of assets. Management concurred with the recommendation and agreed to evaluate the cost/benefit of making improvements to maintain an overall adequate segregation of duties.

Current Status: This finding has been corrected. Duties are being separated as much as possible and the Superintendent has become more involved in providing some of these duties and controls so that adequate segregation of duties can be maintained.

**Findings – Major Federal Awards Program Audit**

None