

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

**BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

FISCAL YEAR ENDED JUNE 30, 2020

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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, 2020, 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, 2020, 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 January 7, 2021 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 the effectiveness of the 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
January 7, 2021

MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A) YEAR ENDED JUNE 30, 2020

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, 2020. 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 \$39,625,227 (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 (\$56,287,145).
- The District’s total net position for the current fiscal year decreased by \$764,700. Net position now includes the net pension liability of \$35,792,350 per the GASB 68 requirement and the net OPEB liability of \$28,918,114 per the GASB 75 requirement.
- Revenues totaled \$33,327,765. This is an increase of \$501,958 or 2.00% from fiscal year 2019.
- Expenditures totaled \$33,638,402. This is a decrease of \$1,231,415 or 4.00% from fiscal year 2019.
- The General Fund, had \$26,017,161 in revenues for the year ended June 30, 2020, which primarily consisted of state aid and property taxes, and \$27,147,154 in expenditures. The General Fund’s fund balance decreased from \$4,637,823 as of June 30, 2019 to \$4,273,511 as of June 30, 2020.
- The District’s total long-term obligations increased by \$1,729,120 during FY 2020. The increase is due to increases in the net pension liability and the net OPEB liability.

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.

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 expenditures 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 (\$39,625,227) as of June 30, 2020. The reason for this is due to the reporting of the net pension liability of \$35,792,350 due to the GASB 68 requirement and the net OPEB liability of \$28,918,114 due to the GASB 75 requirement.

A large portion of the District's net position (\$16,061,703) 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	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$ 10,007	\$ 10,877	\$ 282	\$ 306	\$ 10,289	\$ 11,183
Capital Assets, Net	28,796	29,582	75	81	28,871	29,663
Total Assets	<u>\$ 38,803</u>	<u>\$ 40,459</u>	<u>\$ 357</u>	<u>\$ 387</u>	<u>\$ 39,160</u>	<u>\$ 40,846</u>
Total Outflows of Resources	<u>\$ 7,613</u>	<u>\$ 5,772</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 7,613</u>	<u>\$ 5,772</u>
Current Liabilities	\$ 5,404	\$ 6,011	\$ -0-	\$ -0-	\$ 5,404	\$ 6,011
Long-Term Liabilities	77,154	75,450	-0-	-0-	77,154	75,450
Total Liabilities	<u>\$ 82,558</u>	<u>\$ 81,461</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 82,558</u>	<u>\$ 81,461</u>
Total Inflows of Resources	<u>\$ 3,840</u>	<u>\$ 4,018</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 3,840</u>	<u>\$ 4,018</u>
Net Position:						
Net Investment in						
Capital Assets	\$ 15,986	\$ 15,501	\$ 75	\$ 81	\$ 16,061	\$ 15,582
Restricted	600	539	-0-	-0-	600	539
Unrestricted	(56,568)	(55,288)	282	306	(56,286)	(54,982)
Total Net Position	<u>\$ (39,982)</u>	<u>\$ (39,248)</u>	<u>\$ 357</u>	<u>\$ 387</u>	<u>\$ (39,625)</u>	<u>\$ (38,861)</u>

The following are significant current year transactions that have an impact on the Statement of Net Position for 2020:

- The net pension liability amount of \$35,792,350 and the net OPEB liability amount of \$28,918,114 created a negative net position for 2020.

The District's total revenues for the fiscal year ended June 30, 2020 were \$35,195,875. The total cost of all programs and services was \$35,960,575 for a decrease in net position of \$764,700.

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	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for Services	\$ 196	\$ 228	\$ 63	\$ 80	\$ 259	\$ 308
Operating Grants	14,343	14,219	1,750	1,599	16,093	15,818
Capital Grants	260	903	-0-	-0-	260	903
General Revenues:						
Property Taxes	12,562	11,487	-0-	-0-	12,562	11,487
Investment Income	85	157	-0-	-0-	85	157
State Aid/Formula Grants	5,933	5,924	-0-	-0-	5,933	5,924
Miscellaneous and Other	4	7	-0-	-0-	4	7
Gain on Disposals	-0-	37	-0-	-0-	-0-	37
Total Revenues	\$ 33,383	\$ 32,962	\$ 1,813	\$ 1,679	\$ 35,196	\$ 34,641
Expenditures:						
Instruction	\$ 18,288	\$ 17,461	\$ -0-	\$ -0-	\$ 18,288	\$ 17,461
Support Services	15,175	14,986	-0-	-0-	15,175	14,986
Community Services	16	9	-0-	-0-	16	9
Intergovernmental	90	98	-0-	-0-	90	98
Interest	508	579	-0-	-0-	508	579
Depreciation - Unallocated	40	28	-0-	-0-	40	28
Food Service	-0-	-0-	1,843	1,837	1,843	1,837
Total Expenditures	\$ 34,117	\$ 33,161	\$ 1,843	\$ 1,837	\$ 35,960	\$ 34,998
Net Before Transfers	\$ (734)	\$ (199)	\$ (30)	\$ (158)	\$ (764)	\$ (357)
Transfers In(Out)	-0-	-0-	-0-	-0-	-0-	-0-
Change in Net Position	\$ (734)	\$ (199)	\$ (30)	\$ (158)	\$ (764)	\$ (357)
Net Position - Beginning	(39,248)	(39,049)	387	545	(38,861)	(38,504)
Net Position - Ending	\$ (39,982)	\$ (39,248)	\$ 357	\$ 387	\$ (39,625)	\$ (38,861)

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 Expenditures		Net (Expense) Revenue	
	2020	2019	2020	2019
Instruction	\$ 18,287,630	\$ 17,461,479	\$ (5,724,412)	\$ (5,339,046)
Support Services	15,175,494	14,985,562	(12,979,474)	(11,825,120)
Community Services	15,815	9,380	(11,397)	(5,946)
Intergovernmental	89,911	98,322	(55,000)	(35,000)
Interest	508,560	579,039	(508,560)	(579,039)
Depreciation – Unallocated	40,040	27,763	(40,040)	(27,763)
Total Expenditures	<u>\$ 34,117,450</u>	<u>\$ 33,161,545</u>	<u>\$ (19,318,883)</u>	<u>\$ (17,811,914)</u>

- The cost of all governmental activities this year was \$34,117,450. This was an increase of \$955,905 from fiscal year 2019's total of \$33,161,545.
- Federal and state governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$14,798,567 for fiscal year 2020. This is an decrease of \$551,064 from the total of \$15,349,631 for the 2019 fiscal year.
- Net cost of governmental activities (\$19,318,883), was financed by general revenues, which are made up of primarily property taxes \$12,561,977, state aid \$5,933,633, and other miscellaneous general revenues of \$4,408. Investment earnings accounted for \$84,759 of funding. All of these components contributed to an overall decrease in net position for governmental activities of (\$734,106). The net cost of governmental activities for fiscal year 2019 was (\$17,811,914) and was financed by general revenues consisting of \$11,486,662 in property taxes, \$5,924,374 in state aid, and \$45,096 in other miscellaneous revenue. Investment earnings contributed \$157,006 which produced an overall decrease in net position of \$198,776 in 2019.

Business-Type Activities: Net position of business-type activities decreased by (\$30,594) 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 \$5,584,747, a decrease of \$310,637 in comparison with the prior year. Of this amount, \$4,273,511 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 \$364,312 primarily due to continued increases in salaries and fringe expenditures. 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. The District is currently at the 15% maximum limitation at June 30, 2020. 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 \$15,976 from the prior year. The net change in fund balance in the Building Fund from the prior year was an increase of \$37,699.

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 \$30,594 for fiscal year 2020. This was primarily a result of an increase in salaries and food costs.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were no changes made to the original budget approved for 2020. 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 \$2,800,844 from its fund balance due to the decrease in local funding.

Excess revenues under expenditures were \$1,129,993 and transfers from (to) other funds totaled \$765,681 for a total decrease in fund balance of \$364,312.

Actual revenues of the General Fund exceeded budget by \$1,152,129. This variance was a result of tax collections being more than what was projected by the County Auditor. Actual expenditures of the General Fund were less than budget by \$1,335,063. This variance was a result of school closures in the spring of 2020 due to the pandemic, primarily in the areas of personnel and operational costs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets: As of June 30, 2020, the District had invested \$28,871,584 (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 \$1,264,916 and \$18,796 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:

	2020	2019	Difference
Land	\$ 310,640	\$ 310,640	\$ -0-
Buildings and Additions	27,910,524	28,677,080	(766,556)
Machinery, Equipment and Vehicles	575,120	548,901	26,219
Construction in Progress	-0-	45,782	(45,782)
Total	\$ 28,796,284	\$ 29,582,403	\$ (786,119)

Net capital assets of business-type activities amounted to \$75,300 and \$81,617 for 2020 and 2019, respectively, and included machinery and equipment used in school cafeterias.

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

Debt Administration: At year-end, the District had \$13,641,627 in outstanding long-term debt, of which \$1,469,120 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, 2020, as compared to 2019:

	2020	2019
General Obligation Debt	\$ 12,119,769	\$ 13,243,129
Acquisition Use and Security Agreements	899,861	1,090,387
Capital Leases	621,997	748,402
Total	\$ 13,641,627	\$ 15,081,918

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 \$6,195,787 based on an assessed valuation of \$77,447,336. At June 30, 2020, the District had \$1,615,861 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 passed a continuing resolution for 2020-2021 fiscal year in response to the uncertainties surrounding the worldwide COVID-19 pandemic. 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 2020-2021. The COVID-19 pandemic has adversely affected, and may continue to adversely affect, economic activity globally, nationally, and locally. While it is unknown how long these conditions will last and what the complete financial effect will be to the District, the District could experience declines in revenues due to adverse effects in the community and impacts on federal, state, and local revenue sources.

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 participated in the SCAGO Tax Anticipation Note (TAN) program for the 2020-2021 school year in the amount of \$1,500,000.

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

CONTACTING THE 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, 2020

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Cash Equivalents	\$ 195,169	\$ 33,044	\$ 228,213
Taxes Receivable (Net of Allowance)	1,422,904	-	1,422,904
Due From County Treasurer	7,602,487	-	7,602,487
Due From State Department of Education	655,878	-	655,878
Due From Federal Government	-	340,851	340,851
Internal Balances	130,952	(130,952)	-
Inventories	-	38,910	38,910
Capital Assets (Net of Accumulated Depreciation):			
Land (Non-Depreciable)	310,640	-	310,640
Building and Improvements	27,910,524	12,304	27,922,828
Vehicles, Machinery, and Equipment	575,120	62,996	638,116
TOTAL ASSETS	\$ 38,803,674	\$ 357,153	\$ 39,160,827
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to Pension	\$ 3,883,519	\$ -	\$ 3,883,519
Deferred Outflows of Resources Related to OPEB	3,729,406	-	3,729,406
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 7,612,925	\$ -	\$ 7,612,925
LIABILITIES			
Accounts Payable	\$ 556,889	\$ -	\$ 556,889
Accrued Interest Payable	180,877	-	180,877
Withholding and Benefits Payable	1,049,442	-	1,049,442
Accrued Salaries	1,624,059	-	1,624,059
Due To State Department of Education	7,549	-	7,549
Unearned Grant Revenues	465,755	-	465,755
Noncurrent Liabilities:			
Due Within One Year	1,520,052	-	1,520,052
Due In More Than One Year	77,154,209	-	77,154,209
TOTAL LIABILITIES	\$ 82,558,832	\$ -	\$ 82,558,832
DEFERRED INFLOWS OF RESOURCES			
Deferred Gain on Bond Refunding	\$ 1,035	\$ -	\$ 1,035
Deferred Inflows of Resources Related to Pension	769,777	-	769,777
Deferred Inflows of Resources Related to OPEB	3,069,335	-	3,069,335
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 3,840,147	\$ -	\$ 3,840,147
NET POSITION			
Net Investment In Capital Assets	\$ 15,986,403	\$ 75,300	\$ 16,061,703
Restricted For:			
Debt Service	562,516	-	562,516
Capital Projects	37,699	-	37,699
Unrestricted	(56,568,998)	281,853	(56,287,145)
TOTAL NET POSITION	\$ (39,982,380)	\$ 357,153	\$ (39,625,227)

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, 2020

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	\$ 18,287,630	\$ 109,481	\$ 12,448,001	\$ 5,736	\$ (5,724,412)	\$ -	\$ (5,724,412)
Supporting Services	15,175,494	53,822	1,888,218	253,980	(12,979,474)	-	(12,979,474)
Community Services	15,815	-	4,418	-	(11,397)	-	(11,397)
Intergovernmental	89,911	32,830	2,081	-	(55,000)	-	(55,000)
Interest and Other Charges	508,560	-	-	-	(508,560)	-	(508,560)
Depreciation - Unallocated*	40,040	-	-	-	(40,040)	-	(40,040)
Total Governmental Activities	\$ 34,117,450	\$ 196,133	\$ 14,342,718	\$ 259,716	\$ (19,318,883)	\$ -	\$ (19,318,883)
Business-Type Activities:							
Food Service	\$ 1,843,125	\$ 63,032	\$ 1,749,499	\$ -	\$ -	\$ (30,594)	\$ (30,594)
Total Business-Type Activities	\$ 1,843,125	\$ 63,032	\$ 1,749,499	\$ -	\$ -	\$ (30,594)	\$ (30,594)
14 TOTALS	\$ 35,960,575	\$ 259,165	\$ 16,092,217	\$ 259,716	\$ (19,318,883)	\$ (30,594)	\$ (19,349,477)
GENERAL REVENUES							
Taxes:							
Property Taxes, Levied for General Purposes					\$ 10,684,705	\$ -	\$ 10,684,705
Property Taxes, Levied for Debt Service					1,877,272	-	1,877,272
Unrestricted State Aid and Grants					5,933,633	-	5,933,633
Investment Earnings					84,759	-	84,759
Other Miscellaneous Revenues					4,408	-	4,408
TOTAL GENERAL REVENUES					\$ 18,584,777	\$ -	\$ 18,584,777
CHANGE IN NET POSITION					\$ (734,106)	\$ (30,594)	\$ (764,700)
NET POSITION BEGINNING OF YEAR					(39,248,274)	387,747	(38,860,527)
NET POSITION END OF YEAR					\$ (39,982,380)	\$ 357,153	\$ (39,625,227)

* Excludes depreciation of \$1,224,876 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, 2020

	<u>GENERAL</u>	<u>SPECIAL PROJECTS</u>
ASSETS		
Cash and Cash Equivalents	\$ 195,169	\$ -
Taxes Receivable (Net of Allowance for Uncollectibles)	1,271,515	-
Due From County Treasurer	6,163,062	-
Due From Other Funds	-	109,866
Due From State Department of Education	654,852	-
	<u> </u>	<u> </u>
TOTAL ASSETS	<u><u>\$ 8,284,598</u></u>	<u><u>\$ 109,866</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities		
Accounts Payable	\$ 556,889	\$ -
Accrued Payroll Liabilities	1,049,442	-
Accrued Salaries	1,624,059	-
Due To Other Funds	150,727	-
Due To State Department of Education	-	7,549
Unearned Grant Revenue	-	102,317
	<u> </u>	<u> </u>
Total Liabilities	<u><u>\$ 3,381,117</u></u>	<u><u>\$ 109,866</u></u>
Deferred Inflows of Resources		
Unavailable Tax Revenue	\$ 629,970	\$ -
	<u> </u>	<u> </u>
Total Deferred Inflows of Resources	<u><u>\$ 629,970</u></u>	<u><u>\$ -</u></u>
Fund Balances		
Restricted For:		
Debt Service	\$ -	\$ -
Capital Projects - Facilities Improvements	-	-
Assigned To:		
Debt Service	-	-
Unassigned	4,273,511	-
	<u> </u>	<u> </u>
Total Fund Balances	<u><u>\$ 4,273,511</u></u>	<u><u>\$ -</u></u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u><u>\$ 8,284,598</u></u>	<u><u>\$ 109,866</u></u>

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

EDUCATION IMPROVEMENT ACT	DEBT SERVICE	SCHOOL BUILDING	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ -	\$ -	\$ 195,169
-	151,389	-	1,422,904
-	1,398,271	41,154	7,602,487
362,412	-	-	472,278
1,026	-	-	655,878
<u>\$ 363,438</u>	<u>\$ 1,549,660</u>	<u>\$ 41,154</u>	<u>\$ 10,348,716</u>
\$ -	\$ -	\$ -	\$ 556,889
-	-	-	1,049,442
-	-	-	1,624,059
-	187,144	3,455	341,326
-	-	-	7,549
<u>363,438</u>	<u>-</u>	<u>-</u>	<u>465,755</u>
<u>\$ 363,438</u>	<u>\$ 187,144</u>	<u>\$ 3,455</u>	<u>\$ 4,045,020</u>
<u>\$ -</u>	<u>\$ 88,979</u>	<u>\$ -</u>	<u>\$ 718,949</u>
<u>\$ -</u>	<u>\$ 88,979</u>	<u>\$ -</u>	<u>\$ 718,949</u>
\$ -	\$ 473,537	\$ -	\$ 473,537
-	-	37,699	37,699
-	800,000	-	800,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>4,273,511</u>
<u>\$ -</u>	<u>\$ 1,273,537</u>	<u>\$ 37,699</u>	<u>\$ 5,584,747</u>
<u>\$ 363,438</u>	<u>\$ 1,549,660</u>	<u>\$ 41,154</u>	<u>\$ 10,348,716</u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
JUNE 30, 2020**

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

Ending fund balances - governmental funds balance sheet	\$ 5,584,747
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	28,796,284
Other long-term assets are not available to pay for current period expenditures and, therefore, are not recognized as revenues in the funds.	718,949
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>(75,082,360)</u>
Net position of governmental activities	<u>\$ (39,982,380)</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, 2020

	<u>GENERAL</u>	<u>SPECIAL PROJECTS</u>
REVENUES		
Local	\$ 11,897,632	\$ 174,999
State	14,051,857	779,125
Federal	-	1,977,126
Intergovernmental	<u>67,672</u>	<u>311,627</u>
TOTAL REVENUES	\$ <u>26,017,161</u>	\$ <u>3,242,877</u>
EXPENDITURES		
Current		
Instructional Services	\$ 14,041,635	\$ 1,424,777
Supporting Services	12,582,972	1,334,133
Community Services	11,269	4,378
Intergovernmental Expenditures	55,000	239,882
Debt Service		
Redemption of Principal	124,415	-
Interest and Fiscal Agent Fees	38,324	-
Capital Outlay	<u>293,539</u>	<u>199,303</u>
TOTAL EXPENDITURES	\$ <u>27,147,154</u>	\$ <u>3,202,473</u>
Excess Revenues Over (Under) Expenditures	\$ <u>(1,129,993)</u>	\$ <u>40,404</u>
OTHER FINANCING SOURCES (USES)		
Transfers From Other Funds	\$ 771,967	\$ -
Transfers To Other Funds	<u>(6,286)</u>	<u>(40,404)</u>
TOTAL OTHER FINANCING SOURCES (USES)	\$ <u>765,681</u>	\$ <u>(40,404)</u>
Net Change in Fund Balances	\$ (364,312)	\$ -
FUND BALANCE BEGINNING OF YEAR	<u>4,637,823</u>	<u>-</u>
FUND BALANCE END OF YEAR	\$ <u><u>4,273,511</u></u>	\$ <u><u>-</u></u>

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

EDUCATION IMPROVEMENT ACT	DEBT SERVICE	SCHOOL BUILDING	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ 2,046,499	\$ 532	\$ 14,119,662
1,848,790	171,906	-	16,851,678
-	-	-	1,977,126
-	-	-	379,299
<u>\$ 1,848,790</u>	<u>\$ 2,218,405</u>	<u>\$ 532</u>	<u>\$ 33,327,765</u>
\$ 948,650	\$ -	\$ -	\$ 16,415,062
105,784	-	-	14,022,889
-	-	-	15,647
-	-	-	294,882
1,990	1,299,526	-	1,425,931
390	502,044	-	540,758
60,413	-	369,978	923,233
<u>\$ 1,117,227</u>	<u>\$ 1,801,570</u>	<u>\$ 369,978</u>	<u>\$ 33,638,402</u>
\$ 731,563	\$ 416,835	\$ (369,446)	\$ (310,637)
\$ -	\$ -	\$ 407,145	\$ 1,179,112
<u>(731,563)</u>	<u>(400,859)</u>	<u>-</u>	<u>(1,179,112)</u>
\$ (731,563)	\$ (400,859)	\$ 407,145	\$ -
\$ -	\$ 15,976	\$ 37,699	\$ (310,637)
-	1,257,561	-	5,895,384
<u>\$ -</u>	<u>\$ 1,273,537</u>	<u>\$ 37,699</u>	<u>\$ 5,584,747</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, 2020**

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

Net change in fund balances - total governmental funds	\$ (310,637)
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.	(786,119)
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.	55,579
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.	1,425,931
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>(1,118,860)</u>
Change in net position of governmental activities	<u><u>\$ (734,106)</u></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, 2020

	BUSINESS-TYPE ACTIVITY ENTERPRISE FUND (FOOD SERVICE)
ASSETS	
Current Assets	
Cash	\$ 33,044
Due From Federal Government	340,851
Inventories	38,910
Total Current Assets	\$ <u>412,805</u>
Noncurrent Assets	
Buildings and Improvements	\$ 12,479
Equipment	637,028
Less: Accumulated Depreciation	(574,207)
Total Noncurrent Assets	\$ <u>75,300</u>
TOTAL ASSETS	\$ <u>488,105</u>
LIABILITIES	
Current Liabilities	
Due to Other Funds	\$ 130,952
Total Current Liabilities	\$ <u>130,952</u>
TOTAL LIABILITIES	\$ <u>130,952</u>
NET POSITION	
Net Investment in Capital Assets	\$ 75,300
Unrestricted	<u>281,853</u>
TOTAL NET POSITION	\$ <u><u>357,153</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, 2020

	BUSINESS-TYPE ACTIVITY ENTERPRISE FUND (FOOD SERVICE)
OPERATING REVENUES	
Proceeds from Sales of Meals	\$ <u>63,032</u>
TOTAL OPERATING REVENUES	\$ <u>63,032</u>
OPERATING EXPENSES	
Food Costs	\$ 759,135
Salaries and Employee Benefits	854,311
Utilities	4,509
Depreciation	18,796
Supplies and Materials	157,102
Other Operating Costs	<u>49,272</u>
TOTAL OPERATING EXPENSES	\$ <u>1,843,125</u>
Operating Income (Loss)	\$ <u>(1,780,093)</u>
NONOPERATING REVENUES (EXPENSES)	
USDA Reimbursements	\$ 1,667,083
Commodities Received From USDA	80,122
Other Federal and State Aid	<u>2,294</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	\$ <u>1,749,499</u>
Change in Net Position	\$ (30,594)
NET POSITION BEGINNING OF YEAR	<u>387,747</u>
NET POSITION END OF YEAR	<u><u>357,153</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, 2020**

	BUSINESS-TYPE ACTIVITY ENTERPRISE FUND (FOOD SERVICE)
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Patrons	\$ 63,032
Cash Payments to Suppliers for Goods and Services	(757,963)
Cash Payments to Employees for Services	<u>(923,085)</u>
Net Cash Provided (Used) By Operating Activities	\$ <u>(1,618,016)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Other Federal and State Aid	\$ 2,294
USDA Federal Reimbursements	<u>1,437,479</u>
Net Cash Provided (Used) By Non-Capital Financing Activities	\$ <u>1,439,773</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of Capital Assets	\$ <u>(12,479)</u>
Net Cash Provided (Used) By Capital and Related Financing Activities	\$ <u>(12,479)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (190,722)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	<u>223,766</u>
CASH AND CASH EQUIVALENTS END OF YEAR	\$ <u><u>33,044</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, 2020**

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

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

Operating Income (Loss)	\$ (1,780,093)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:	
Depreciation	18,796
Non-Cash Commodities Used	80,122
Changes in Assets and Liabilities	
(Increase) Decrease in Inventory	2,055
Increase (Decrease) in Due To Other Funds	61,104
	<hr/>
Net Cash Provided (Used) By Operating Activities	\$ <u><u>(1,618,016)</u></u>

Supplemental Non-Cash Financing and Investing Information:

Non-Cash Commodities Received from USDA	\$ <u><u>80,122</u></u>
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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, 2020**

	AGENCY FUND
	<hr/>
ASSETS	
Cash	\$ <u>183,864</u>
TOTAL ASSETS	\$ <u>183,864</u>
LIABILITIES	
Due To Third Parties	\$ <u>183,864</u>
TOTAL LIABILITIES	\$ <u>183,864</u>
NET POSITION	\$ <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, 2020

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.

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.

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.

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 1st 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 15th. All unpaid taxes become delinquent on January 16th and are put into execution on March 15th. 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.

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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:

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.

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The 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, 2020 the District's operating fund balance was \$4,273,511 which exceeded the 15% maximum limitation by \$1,178. 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 \$412,077, including agency fund cash of \$183,864, and the corresponding bank balance was \$690,806.

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, 2020, \$83,297 of the District's bank balances of \$690,806 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 7,602,487.

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – RECEIVABLES

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

	General	EIA	Debt Service	Total
Receivables:				
Taxes	\$ 1,802,028	\$ -	\$ 229,369	\$ 2,031,397
State & Federal	654,852	1,026	-	655,878
Other Agencies	-	-	-	-
Other Receivables	-	-	-	-
Gross Receivables	\$ 2,456,880	\$ 1,026	\$ 229,369	\$ 2,687,275
Less: Allowance for Uncollectibles	(530,513)	-	(77,980)	(608,493)
Net Receivables	<u>\$ 1,926,367</u>	<u>\$ 1,026</u>	<u>\$ 151,389</u>	<u>\$ 2,078,782</u>

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, not Being Depreciated:				
Land	\$ 310,640	\$ -	\$ -	\$ 310,640
Construction in Progress	45,782	193,172	(238,954)	-
Total Capital Assets, not Being Depreciated	<u>\$ 356,422</u>	<u>\$ 193,172</u>	<u>\$ (238,954)</u>	<u>\$ 310,640</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	\$ 45,094,331	\$ 339,430	\$ -	\$ 45,433,761
Vehicles	387,408	127,520	-	514,928
Machinery and Equipment	1,084,817	57,629	-	1,142,446
Total Capital Assets Being Depreciated	<u>\$ 46,566,556</u>	<u>\$ 524,579</u>	<u>\$ -</u>	<u>\$ 47,091,135</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ (16,417,251)	\$ (1,105,986)	\$ -	\$ (17,523,237)
Vehicles	(322,613)	(31,719)	-	(354,332)
Machinery and Equipment	(600,711)	(127,211)	-	(727,922)
Total Accumulated Depreciation	<u>\$ (17,340,575)</u>	<u>\$ (1,264,916)</u>	<u>\$ -</u>	<u>\$ (18,605,491)</u>
Total Capital Assets, Being Depreciated, Net	<u>\$ 29,225,981</u>	<u>\$ (740,337)</u>	<u>\$ -</u>	<u>\$ 28,485,644</u>
Governmental Activities Capital Assets, Net	<u>\$ 29,582,403</u>	<u>\$ (547,165)</u>	<u>\$ (238,954)</u>	<u>\$ 28,796,284</u>

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – CAPITAL ASSETS (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Buildings and Improvements	\$ -	\$ 12,479	\$ -	\$ 12,479
Vehicles	10,500	-	-	10,500
Machinery and Equipment	626,528	-	-	626,528
Total Capital Assets Being Depreciated	\$ 637,028	\$ 12,479	\$ -	\$ 649,507
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ -	\$ (175)	\$ -	\$ (175)
Vehicles	(10,500)	-	-	(10,500)
Machinery and Equipment	(544,911)	(18,621)	-	(563,532)
Total Accumulated Depreciation	\$ (555,411)	\$ (18,796)	\$ -	\$ (574,207)
Total Capital Assets, Being Depreciated, Net	\$ 81,617	\$ (6,317)	\$ -	\$ 75,300
Business-Type Activities Capital Assets, Net	\$ 81,617	\$ (6,317)	\$ -	\$ 75,300

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

Governmental Activities:

Instruction	\$ 1,099,124
Supporting Services	125,752
Unallocated	40,040
Total Depreciation Expense - Governmental Activities	\$ 1,264,916

Business-Type Activities:

Food Service	\$ 18,796
Total Depreciation Expense - Business-Type Activities	\$ 18,796

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.

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 – LONG-TERM LIABILITIES (continued)

General obligation bonds issued for governmental activities and currently outstanding at June 30, 2020, are as follows:

	<u>Outstanding June 30, 2020</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.	\$ 1,300,000
\$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%.	220,000
\$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>496,000</u>
Total General Obligation Bonds	<u><u>\$ 12,016,000</u></u>

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	
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	655,000	304,138	-	-	959,138
2026-2030	3,645,000	1,147,437	-	-	4,792,437
2031-2035	<u>4,330,000</u>	<u>484,844</u>	<u>-</u>	<u>-</u>	<u>4,814,844</u>
Totals	<u>\$ 11,520,000</u>	<u>\$ 3,454,336</u>	<u>\$ 496,000</u>	<u>\$ 12,691</u>	<u>\$ 15,483,027</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.

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 – LONG-TERM LIABILITIES (continued)

Special obligation bonds issued for governmental activities and currently outstanding at June 30, 2020, are as follows:

	<u>Outstanding June 30, 2020</u>
\$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%.	\$ 559,000
\$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>340,861</u>
Total Special Obligation Bonds - Acquisition, Use, and Security Agreements	<u><u>\$ 899,861</u></u>

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

Year Ending June 30	<u>Governmental Activities</u>		
	<u>Bonds from Direct Placement</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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><u>\$ 899,861</u></u>	<u><u>\$ 46,738</u></u>	<u><u>\$ 946,599</u></u>

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, 2020 for governmental activities is \$229,204 with corresponding accumulated depreciation of \$152,717. 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, 2020 are as follows:

Year Ending June 30	<u>Total</u>
2021	\$ 34,612
2022	29,762
2023	<u>9,921</u>
Total Minimum Lease Payments	\$ 74,295
Amount Representing Interest	<u>(5,245)</u>
Present Value of Future Minimum Lease Payments	<u><u>\$ 69,050</u></u>

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 – LONG-TERM LIABILITIES (continued)

The District has also entered into a lease agreement to finance the purchase of athletic field turf. This lease agreement qualifies as a capital lease for accounting purposes. The gross amount of assets recorded under this capital lease at June 30, 2020 for governmental activities is \$772,289 with corresponding accumulated depreciation of \$32,214. 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>
2021	\$ 130,508
2022	130,508
2023	130,508
2024	130,508
2025	<u>117,504</u>
Total Minimum Lease Payments	\$ 639,536
Amount Representing Interest	<u>(86,589)</u>
Present Value of Future Minimum Lease Payments	<u><u>\$ 552,947</u></u>

The following is a summary of changes in long-term obligations and balances for June 30, 2020:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 12,450,000	\$ -	\$ (930,000)	\$ 11,520,000	\$ 930,000
Direct Placement General Obligation Bonds	675,000	-	(179,000)	496,000	211,000
Direct Placement Special Obligation Bonds	1,090,387	-	(190,526)	899,861	194,884
Plus Issuance Premiums	<u>118,129</u>	<u>-</u>	<u>(14,360)</u>	<u>103,769</u>	<u>-</u>
Total Bonds Payable	\$ 14,333,516	\$ -	\$ (1,313,886)	\$ 13,019,630	\$ 1,335,884
Capital Leases	748,402	-	(126,405)	621,997	133,236
Net Pension Liability	34,757,422	6,208,563	(5,173,635)	35,792,350	-
Net OPEB Liability	26,797,460	6,925,746	(4,805,092)	28,918,114	-
Compensated Absences	<u>308,341</u>	<u>82,660</u>	<u>(68,831)</u>	<u>322,170</u>	<u>50,932</u>
Totals	<u><u>\$ 76,945,141</u></u>	<u><u>\$ 13,216,969</u></u>	<u><u>\$ (11,487,849)</u></u>	<u><u>\$ 78,674,261</u></u>	<u><u>\$ 1,520,052</u></u>

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

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 – SHORT-TERM DEBT

On September 25, 2019 the District issued a short-term general obligation bond in the amount of \$623,000 to finance debt service payments on the Acquisition, Use, and Security Agreements and technology expenditures. The maturity date was March 2, 2020 and it carried an interest rate of 2.00%. The debt was retired on February 29, 2020.

	Outstanding June 30, 2019		Issued		Retired		Outstanding June 30, 2020
General Obligation Bond	\$ -	\$	623,000	\$	(623,000)	\$	-
Plus Issuance Premium	-		2,249		(2,249)		-
Totals	\$ -	\$	625,249	\$	(625,249)	\$	-

NOTE 8 – OPERATING LEASES

The District leases office equipment under noncancelable operating leases. Total costs for such leases were \$23,340 for the year ended June 30, 2020. The future minimum lease payments for these leases are as follows:

Year Ending June 30	Amount
2021	\$ 14,597
2022	3,086
2023	771
Total	\$ 18,454

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, 2020, interfund receivables and payables resulting from various interfund transactions were as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ -	\$ 150,727
Special Projects	109,866	-
EIA	362,412	-
Debt Service Fund	-	187,144
School Building Fund	-	3,455
Food Service Fund	-	130,952
Total	\$ 472,278	\$ 472,278

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
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NOTE 9 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (continued)

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	\$ 771,967	\$ 6,286
Special Projects	-	40,404
EIA	-	731,563
Debt Service Fund	-	400,859
School Building Fund	407,145	-
Total	\$ 1,179,112	\$ 1,179,112

During the current fiscal year, the District made a non-routine transfer of \$400,859 from short-term bond proceeds issued by the Debt Service Fund to the School Building Fund to cover the costs of technology expenditures.

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.

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 - POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS (continued)

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 that are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The covered payroll surcharge for the year ended June 30, 2020 was 6.25%. The South Carolina Retirement System collects the monthly covered payroll surcharge for all participating employers and remits it directly to the SCRHITF.

Other sources of funding for the SCRHITF also include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Non-employer contributions 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, 2020. 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 \$204,971 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.

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 - POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS (continued)

Contributions to the OPEB plans from the District were as follows for the year ended June 30, 2020:

SCRHITF	\$	1,107,039
SCLTDITF	\$	11,808

The District also recorded fringe benefit expenses for insurance benefits for active employees in the amount of \$2,222,251 for the year ended June 30, 2020.

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

At June 30, 2020, the District reported a liability of \$28,918,114 for its proportionate share of the net OPEB liability, of which \$28,914,926 was for SCRHITF and \$3,188 was for SCLTDITF. The net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018 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, 2020 was .191217% for SCRHITF, which was a .002147% increase from its proportion from June 30, 2019. The proportionate share at June 30, 2020 was .161975% for SCLTDITF, which was a .005753% decrease from its proportionate share from June 30, 2019.

For the year ended June 30, 2020, the District recognized OPEB expense of \$1,774,507, of which \$1,761,273 was for SCRHITF and \$13,234 was for SCLTDITF.

At June 30, 2020, 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	\$ 33,824	\$ -
Differences between expected and actual experience	340,480	939,891
Assumption changes	1,954,644	1,831,888
Changes in proportionate share and differences between employer contributions and proportionate share of total plan contributions	277,746	292,409
District contributions subsequent to the measurement date	1,107,039	-
Total	<u>\$ 3,713,733</u>	<u>\$ 3,064,188</u>

District contributions to the SCRHITF subsequent of the measurement date of \$1,107,039 reported as deferred outflows will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021.

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 - POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS (continued)

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>	
2021	\$ (184,800)
2022	(184,800)
2023	(195,926)
2024	(213,556)
2025	92,327
Thereafter	<u>229,261</u>
	<u>\$ (457,494)</u>

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to the SCLTDITF OPEB plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net differences between projected and actual investment experience	\$ 2,072	\$ 2,219
Assumption changes	1,793	2,270
Outstanding outflow balance between employer contributions and proportionate share of plan contributions	-	658
District contributions subsequent to the measurement date	<u>11,808</u>	<u>-</u>
Total	<u>\$ 15,673</u>	<u>\$ 5,147</u>

District contributions to the SCLTDITF subsequent of the measurement date of \$11,808 reported as deferred outflows will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. 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>	
2021	\$ 149
2022	149
2023	(204)
2024	(659)
2025	(163)
Thereafter	<u>(554)</u>
	<u>\$ (1,282)</u>

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 - POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS (continued)

Actuarial Assumptions and Methods

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

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

Additional information as of the latest actuarial valuation for SCRHTF:

Valuation date	June 30, 2018
Actuarial cost method	Entry age normal
Inflation	2.25%
Investment rate of return	2.75%, net of OPEB Plan investment expense: including inflation
Single discount rate	3.13% as of June 30, 2019
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 6.40% 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 3.62% as of June 30, 2018 to 3.13% as of June 30, 2019; minor updates were made to the healthcare trend rate assumption

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 - POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS (continued)

Additional information as of the latest actuarial valuation for SCLTDITF:

Valuation date	June 30, 2018
Actuarial cost method	Entry age normal
Inflation	2.25%
Investment rate of return	3.00%, net of OPEB Plan investment expense; including inflation
Single discount rate	3.04% as of June 30, 2019
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 3.91% as of June 30, 2018 to 3.04% as of June 30, 2019

Roll Forward Disclosure

The actuarial valuation was performed as of June 30, 2018. Update procedures were used to roll forward the total OPEB liability to June 30, 2019.

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, 2020:

OPEB Trust	Total OPEB Liability	Plan Fiduciary Net Position	Employers' Net OPEB Liability(Asset)	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
SCRHITF	\$ 16,516,264,617	\$ 1,394,740,049	\$ 15,121,524,568	8.44%
SCLTDITF	\$ 40,743,755	\$ 38,775,500	\$ 1,968,255	95.17%

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 - POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS (continued)

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 return 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 2018 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation. This information is summarized in the following table:

SCRHITF			
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%	0.60%	0.48%
Cash Equivalents	20.0%	0.10%	0.02%
Total	100.0%		0.50%
Expected Inflation			2.25%
Total Return			2.75%
Investment Return Assumption			2.75%

SCLTDITF			
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%	0.95%	0.76%
Cash Equivalents	20.0%	0.51%	0.10%
Total	100.0%		0.86%
Expected Inflation			2.25%
Total Return			3.11%
Investment Return Assumption			3.00%

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 - POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS (continued)

Single Discount Rate

The Single Discount Rate of 3.13% 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 3.04% 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 3.00% and a municipal bond rate of 3.13%. 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 2039. As a result, the long-term expected rate of return on plan investments was applied to project benefit payments through the year 2039, 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 3.13%, 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 (2.13%)	Current Discount Rate (3.13%)	1.00% Increase (4.13%)
District's proportionate share of the SCRHITF net OPEB liability	\$ 34,278,290	\$ 28,914,926	\$ 24,610,603

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:

	1.00% Decrease	Current Healthcare Cost Trend Rate	1.00% Increase
District's proportionate share of the SCRHITF net OPEB liability	\$ 23,597,668	\$ 28,914,926	\$ 35,839,566

The following table presents the SCLTDITF's net OPEB liability calculated using a Single Discount Rate of 3.04%, 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:

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 - POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS (continued)

	1.00% Decrease (2.04%)	Current Discount Rate (3.04%)	1.00% Increase (4.04%)
District's proportionate share of the SCLTDITF net OPEB liability	\$ 5,484	\$ 3,188	\$ 911

The SCLTDITF's net OPEB liability is not affected by changes in the healthcare cost trend rates due to the method used to calculate benefit payments. Therefore, the sensitivity to changes in the healthcare cost trend rates have not been calculated.

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, 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, 2020, the District had \$96,915 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.

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 service providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party service providers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes.

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 – PENSION AND RETIREMENT PLAN (continued)

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. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member's account with the ORP service provider for the employee contribution (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 (10.41 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.

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

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 – PENSION AND RETIREMENT PLAN (continued)

Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in the state statute. Legislation in 2017 increased, but also established a ceiling for SCRS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS. The legislation also increased employer contribution rates beginning July 1, 2017 for SCRS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year through July 1, 2022. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the Board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the Board is prohibited from decreasing the SCRS contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 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.

- Required employee contribution rates¹ for fiscal year 2019-2020 are as follows:

SCRS

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

State ORP Employee	9.00% of earnable compensation
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- Required employer contribution rates¹ for fiscal year 2019-2020 are as follows:

SCRS

Employer Class Two	15.41% of earnable compensation
Employer Class Three	15.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation

State ORP

Employer Contribution ²	15.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation

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

²Of this employer contribution, 5% of earnable compensation must be remitted by the employer directly to the ORP service provider 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, 2020

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, 2019. 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 2020. 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, 2020 measurement period.

Contributions to the pension plan from the District were as follows for the year ended June 30, 2020:

SCRS	\$	2,500,660
ORP - Remitted to SCRS	\$	61,611
ORP - Remitted to Vendor	\$	31,025

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

At June 30, 2020, the District reported a liability of \$35,792,350 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 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, 2020 was .156749%, which was a .001629% increase from its proportionate share at June 30, 2019.

For the year ended June 30, 2020, the District recognized pension expense of \$3,411,402. At June 30, 2020, 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	\$ 24,604	\$ 257,126
Assumption changes	721,268	-
Net difference between projected and actual earnings on pension plan investments	316,882	-
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	258,494	512,651
District contributions subsequent to the measurement date	2,562,271	-
Total	\$ <u>3,883,519</u>	\$ <u>769,777</u>

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 – PENSION AND RETIREMENT PLAN (continued)

District contributions subsequent of the measurement date of \$2,562,271 reported as deferred outflows will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. 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>	
2021	\$ 668,565
2022	(343,153)
2023	102,221
2024	123,838
Thereafter	<u>-</u>
	<u>\$ 551,471</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, 2019, total pension liability (TPL), net pension liability (NPL), and sensitivity information were determined by the System's consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2018. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2019, 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, 2019.

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

¹Includes 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, 2020

NOTE 11 – PENSION AND RETIREMENT PLAN (continued)

Assumptions used in the determination of the June 30, 2019, 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, 2019, 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	\$ 50,073,060,256	\$ 27,238,916,138	\$ 22,834,144,118	54.4%

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 20-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 2019 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, 2020

NOTE 11 – PENSION AND RETIREMENT PLAN (continued)

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Global Equity	51.0%		
Global Public Equity ^{1,2}	35.0%	7.29%	2.55%
Private Equity ^{2,3}	9.0%	7.67%	0.69%
Equity Options Strategies ¹	7.0%	5.23%	0.37%
Real Assets	12.0%		
Real Estate (Private) ^{2,3}	8.0%	5.59%	0.45%
Real Estate (REITs) ²	1.0%	8.16%	0.08%
Infrastructure (Private) ^{2,3}	2.0%	5.03%	0.10%
Infrastructure (Public) ²	1.0%	6.12%	0.06%
Opportunistic	8.0%		
Global Tactical Asset Allocation ¹	7.0%	3.09%	0.22%
Other Opportunistic Strategies	1.0%	3.82%	0.04%
Credit	15.0%		
High Yield Bonds/Bank Loans ^{1,2}	4.0%	3.14%	0.13%
Emerging Markets Debt	4.0%	3.31%	0.13%
Private Debt ^{2,3}	7.0%	5.49%	0.38%
Rate Sensitive	14.0%		
Core Fixed Income ¹	13.0%	1.62%	0.21%
Cash and Short Duration (Net)	1.0%	0.31%	0.00%
Total Expected Real Return ⁴	<u>100.0%</u>		<u>5.41%</u>
Inflation for Actuarial Purposes			<u>2.25%</u>
Total Expected Nominal Return			<u>7.66%</u>

¹Portable Alpha Strategies will be capped at 12% of total assets; Hedge funds (including all hedge funds in portable alpha implementation) capped at 20% of total assets.

²The target weights to Private Equity, Private Debt, Private Infrastructure and Private Real Estate will be equal to their actual weights as of prior month end. Private Equity and Public Equity combine for 44 percent of entire portfolio. Private Debt and High Yield/Bank Loans combine for 11 percent of the entire portfolio. Private Infrastructure and Public Infrastructure combine for 3 percent of the entire portfolio. Private Real Estate and Real Estate (REITs) combine for 9 percent of entire portfolio.

³RSIC staff and Consultant will notify the Commission if Private Markets assets exceed 25% of total assets.

⁴The expected return for each of the Portable Alpha asset classes includes the expected return attributed to the Overlay Program. For benchmarking purposes there is a 10% weight assigned to Portable Alpha Hedge Funds in the Policy Benchmark.

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.

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 – PENSION AND RETIREMENT PLAN (continued)

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	\$ 45,090,799	\$ 35,792,350	\$ 28,032,150

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, 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, 2020, the District had \$372,764 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.

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13 – RISK MANAGEMENT (continued)

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, 2020, 2019, and 2018.

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.

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 – TAX ABATEMENTS

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

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

The District's property tax revenues were reduced by \$7,183,144 for operations (210.0 mills) and \$957,752 for debt service (28.0 mills) for the fiscal year ended June 30, 2020 as a result of tax abatement agreements entered into by the County. Information was not available regarding the specific agreements or if amounts were received or are receivable from other governments in association with the forgone tax revenues.

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 16 – 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>718,949</u>
Total	\$ <u><u>718,949</u></u>
Long-Term Liabilities Not Reported in the Funds:	
General Obligation Bonds Payable	\$ (12,016,000)
Plus: Premium on Bonds Payable (to be amortized as interest expense)	(103,769)
Plus: Deferred Gain on Refunding (to be amortized as interest expense)	(1,035)
Acquisition, Use, and Security Agreements	(899,861)
Capital Leases Payable	(621,997)
Net Pension Liability	(35,792,350)
Deferred Outflows of Resources Related to Pension	3,883,519
Deferred Inflows of Resources Related to Pension	(769,777)
Net OPEB Liability	(28,918,114)
Deferred Outflows of Resources Related to OPEB	3,729,406
Deferred Inflows of Resources Related to OPEB	(3,069,335)
Accrued Interest Payable	(180,877)
Compensated Absences Payable	<u>(322,170)</u>
Total	\$ <u><u>(75,082,360)</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:

Capital Outlays:	
Capital Outlays	\$ 478,797
Depreciation Expense	<u>(1,264,916)</u>
Total	\$ <u><u>(786,119)</u></u>
Revenues and Other Items Not Recognized in the Funds:	
Property Taxes	\$ <u>55,579</u>
Total	\$ <u><u>55,579</u></u>

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 16 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND STATEMENTS
(continued)

Issuance and Repayment of Long-Term Debt:	
Principal Repayments on General Obligation Debt	\$ 1,109,000
Principal Repayments on Acquisition, Use, and Security Debt	190,526
Principal Repayments on Capital Leases	<u>126,405</u>
Total	<u>\$ 1,425,931</u>
Reduction of Liabilities and Other Expenses Not Recognized in the Funds:	
Compensated Absences	\$ (13,829)
Accrued Interest on Long-Term Debt	17,261
Amortization of Bond Premiums	14,360
Amortization of Net Deferred (Charge)/Gain on Refunding	577
Pension Expense	(686,679)
OPEB Expense	<u>(450,550)</u>
Total	<u>\$ (1,118,860)</u>

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 – UNCERTANTIES

On March 10, 2020 the World Health Organization declared the 2019 Novel Coronavirus (Covid-19) outbreak to be a pandemic. Actions were taken around the world to help mitigate the spread including restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The Coronavirus has adversely affected, and may continue to adversely affect, economic activity globally, nationally, and locally. While it is unknown how long these conditions will last and what the complete financial effect will be to the District, the District could experience declines in revenues due to adverse effects in the community and impacts on federal, state, and local revenue sources.

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2019.

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 June 15, 2021. The District has not yet determined the impact of this statement on the financial statements.

NOTE 20 – SUBSEQUENT EVENTS

In June of 2020, the District authorized the issuance of SCAGO Tax Anticipation Notes not to exceed \$1,500,000. These notes were issued in September 2020.

In June of 2020, the District authorized the issuance of SCAGO General Obligation Bonds not to exceed \$750,000. The bonds were issued in September 2020 at \$692,000 par.

In November of 2020, the voters of Dorchester County approved a referendum authorizing the issuance of General Obligation Bonds not to exceed \$34,000,000. As of the date of this report, the bonds have not been issued. The bonds will be used to finance land acquisition and the construction costs of a District-wide middle school.

REQUIRED SUPPLEMENTARY INFORMATION

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR FISCAL YEAR ENDED JUNE 30, 2020

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Local	\$ 11,252,598	\$ 11,252,598	\$ 11,897,632	\$ 645,034
State	13,545,805	13,545,805	14,051,857	506,052
Intergovernmental	66,629	66,629	67,672	1,043
TOTAL REVENUES	\$ 24,865,032	\$ 24,865,032	\$ 26,017,161	\$ 1,152,129
EXPENDITURES				
Current				
Instructional Services	\$ 14,807,235	\$ 14,807,235	\$ 14,041,635	\$ 765,600
Supporting Services	13,401,174	13,401,174	12,582,972	818,202
Community Services	-	-	11,269	(11,269)
Intergovernmental Expenditures	55,000	55,000	55,000	-
Debt Service				
Redemption of Principal	122,157	122,157	124,415	(2,258)
Interest and Other Charges	8,351	8,351	38,324	(29,973)
Capital Outlay	88,300	88,300	293,539	(205,239)
TOTAL EXPENDITURES	\$ 28,482,217	\$ 28,482,217	\$ 27,147,154	\$ 1,335,063
Excess Revenues Over (Under) Expenditures	\$ (3,617,185)	\$ (3,617,185)	\$ (1,129,993)	\$ 2,487,192
OTHER FINANCING SOURCES (USES)				
Transfers From Other Funds	\$ 816,341	\$ 816,341	\$ 771,967	\$ (44,374)
Transfers To Other Funds	-	-	(6,286)	(6,286)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 816,341	\$ 816,341	\$ 765,681	\$ (50,660)
Net Change in Fund Balance	\$ (2,800,844)	\$ (2,800,844)	\$ (364,312)	\$ 2,436,532
FUND BALANCE BEGINNING OF YEAR	4,637,823	4,637,823	4,637,823	-
FUND BALANCE END OF YEAR	\$ 1,836,979	\$ 1,836,979	\$ 4,273,511	\$ 2,436,532

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2020

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 fiscal year ended June 30, 2020, actual expenditures in the general fund did not exceed budgeted appropriations.

**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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportion of the net pension liability (asset)	0.156749%	0.155120%	0.157167%	0.162108%	0.170832%	0.174528%				
District's proportionate share of the net pension liability (asset)	\$ 35,792,350	\$ 34,757,422	\$ 35,380,819	\$ 34,626,030	\$ 32,399,112	\$ 30,047,936				
District's covered payroll	\$ 14,394,387	\$ 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	248.65%	260.76%	274.10%	275.06%	251.53%	231.57%				
Plan fiduciary net position as a percentage of the total pension liability	54.40%	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										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 2,562,271	\$ 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
Contributions in relation to the contractually required contribution	<u>(2,562,271)</u>	<u>(2,247,563)</u>	<u>(2,016,945)</u>	<u>(1,832,847)</u>	<u>(1,736,201)</u>	<u>(1,744,832)</u>	<u>(1,679,457)</u>	<u>(1,650,940)</u>	<u>(1,427,192)</u>	<u>(1,383,808)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 17,712,624	\$ 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
Contributions as a percentage of covered payroll	14.47%	13.44%	12.37%	11.33%	10.88%	10.75%	10.50%	10.50%	9.47%	9.32%

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, 2020**

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, 2019.

Summary of Actuarial Methods and Significant Assumptions	
Valuation date	07/01/18
Actuarial cost method	Entry age normal
Amortization method	Level percent of pay
Amortization period	30 year maximum, closed period ¹
Asset Valuation method	5-Year smoothed
Actuarial Assumptions:	
Inflation rate	2.25%
Projected salary increases	3.0% plus step-rate increases for members with less than 21 years of service ²
Investment rate of return	7.25%
Benefit adjustments	lesser of 1% or \$500 annually

¹ *Pension reform legislation enacted effective July 1, 2017 schedules the amortization period to be reduced one year for each of the next 10 years, to 20 years.*

² *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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
South Carolina Retiree Health Insurance Trust Fund										
District's proportion of the net OPEB liability (asset)	0.191217%	0.189070%	0.191809%							
District's proportionate share of the net OPEB liability (asset)	\$ 28,914,926	\$ 26,792,325	\$ 25,980,215							
District's covered payroll	\$ 16,729,540	\$ 16,287,286	\$ 16,183,039							
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	172.84%	164.50%	160.54%							
Plan fiduciary net position as a percentage of the total OPEB liability	8.44%	7.91%	7.60%							
South Carolina Long-Term Disability Insurance Trust Fund										
District's proportion of the net OPEB liability (asset)	0.161975%	0.167728%	0.167971%							
District's proportionate share of the net OPEB liability (asset)	\$ 3,188	\$ 5,135	\$ 3,045							
District's covered payroll	\$ N/A	\$ 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	N/A							
Plan fiduciary net position as a percentage of the total OPEB liability	95.17%	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 implementaion, 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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
South Carolina Retiree Health Insurance Trust Fund										
Contractually required contributions	\$ 1,107,039	\$ 1,011,773	\$ 896,766	\$	\$	\$	\$	\$	\$	\$
Contributions in relation to the contractually required contributions	(1,107,039)	(1,011,773)	(896,766)							
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$	\$	\$	\$	\$	\$	\$
District's covered payroll	\$ 17,712,624	\$ 16,723,522	\$ 16,304,839	\$	\$	\$	\$	\$	\$	\$
Contributions as a percentage of covered payroll	6.25%	6.05%	5.50%							
South Carolina Long-Term Disability Insurance Trust Fund										
Contractually required contributions	\$ 11,808	\$ 11,798	\$ 12,213	\$	\$	\$	\$	\$	\$	\$
Contributions in relation to the contractually required contributions	(11,808)	(11,798)	(12,213)							
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$	\$	\$	\$	\$	\$	\$
District's covered payroll	\$ N/A	\$ N/A	\$ N/A	\$	\$	\$	\$	\$	\$	\$
Contributions as a percentage of covered payroll	N/A	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, 2020

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, 2019.

Summary of Actuarial Methods and Significant Assumptions	
OPEB Plan:	SCRHITF
Valuation date	June 30, 2018
Actuarial cost method	Entry age normal
Inflation	2.25%
Investment rate of return	2.75%, net of OPEB Plan investment expense, including inflation
Single discount rate	3.13% as of June 30, 2019
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 6.40% and gradually decreasing to an ultimate trend rate of 4.15% over a period of 14 years
Retiree Participation	79% 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 not benefit changes during the year; the discount rate changed from 3.62% as of June 30, 2018 to 3.13% as of June 30, 2019; minor updates were made to the healthcare trend rate assumption

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO THE OPEB PLANS SCHEDULES
FOR FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 - ACTUARIAL METHODS & ASSUMPTIONS USED (continued)

Summary of Actuarial Methods and Significant Assumptions	
OPEB Plan:	SCLTDITF
Valuation date	June 30, 2018
Actuarial cost method	Entry age normal
Inflation	2.25%
Investment rate of return	3.00%, net of OPEB Plan investment expense; including inflation
Single discount rate	3.04% as of June 30, 2019
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 3.91% as of June 30, 2018 to 3.04% as of June 30, 2019

**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, 2020

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
1000 Revenue from Local Sources			
1100 Taxes Levied/Assessed by the LEA:			
1110 Ad Valorem Taxes -			
Including Delinquent Taxes	\$ 9,489,828	\$ 10,636,290	\$ 1,146,462
1200 Revenue From Local Governmental Units			
Other Than LEAs			
1280 Revenue in Lieu of Taxes	1,679,770	1,142,900	(536,870)
1300 Tuition			
1310 Tuition from Patrons for Regular Day School	53,000	53,500	500
1500 Earnings on Investments			
1510 Interest on Investments	30,000	60,534	30,534
1900 Other Revenue from Local Sources			
1910 Rentals	-	1,285	1,285
1990 Miscellaneous Local Revenue			
1999 Revenue from Other Local Sources	-	3,123	3,123
Total Local Sources	<u>\$ 11,252,598</u>	<u>\$ 11,897,632</u>	<u>\$ 645,034</u>
2000 Intergovernmental Revenue			
2100 Payments from Other Governments	\$ 66,629	\$ 67,672	\$ 1,043
Total Intergovernmental Revenue	<u>\$ 66,629</u>	<u>\$ 67,672</u>	<u>\$ 1,043</u>
3000 Revenue from State Sources			
3100 Restricted State Funding			
3130 Special Programs			
3131 Handicapped Transportation	\$ -	\$ 2,178	\$ 2,178
3160 School Bus Driver's Salary	283,637	283,606	(31)
3161 EAA Bus Driver Salary and Fringe	-	617	617
3162 Transportation Workers' Compensation	-	19,366	19,366
3180 Fringe Benefits Employer Contributions	2,391,071	2,459,311	68,240
3181 Retiree Insurance	752,362	819,067	66,705
3186 State Aid to Classrooms - Teacher Salary	495,864	527,732	31,868
3300 Education Finance Act			
3310 Full-Time Programs			
3311 Kindergarten	297,775	258,800	(38,975)
3312 Primary	703,702	708,361	4,659
3313 Elementary	1,195,572	1,241,468	45,896
3314 High School	435,432	489,741	54,309
3315 Trainable Mentally Handicapped	21,083	27,279	6,196
3316 Speech Handicapped (Part-Time Program)	310,877	299,701	(11,176)
3317 Homebound	1,747	992	(755)

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2020

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES (continued)			
3000 Revenue from State Sources (continued)			
3300 Education Finance Act (continued)			
3320 Part-time Programs			
3321 Emotionally Handicapped	10,250	13,060	2,810
3322 Educable Mentally Handicapped	83,096	83,191	95
3323 Learning Disabilities	692,888	635,435	(57,453)
3324 Hearing Handicapped	13,232	13,552	320
3325 Visually Handicapped	9,015	9,034	19
3326 Orthopedically Handicapped	-	59	59
3327 Vocational	690,629	565,532	(125,097)
3330 Miscellaneous EFA Programs			
3331 Autism	109,136	114,284	5,148
3332 High Achieving Students	39,748	43,239	3,491
3334 Limited English Proficiency	16,425	21,584	5,159
3351 Academic Assistance	209,856	214,559	4,703
3352 Pupils in Poverty	582,623	560,997	(21,626)
3353 Dual Credit Enrollment	7,851	10,195	2,344
3800 State Revenue in Lieu of Taxes			
3810 Reimbursement for Local Residential			
Property Tax Relief (Tier 1)	902,111	901,632	(479)
3820 Homestead Exemption (Tier 2)	410,718	547,400	136,682
3825 Reimbursement for Property			
Tax Relief (Tier 3)	2,481,559	2,375,865	(105,694)
3830 Merchant's Inventory Tax	50,036	50,037	1
3840 Manufacturers Depreciation Reimbursement	-	571,211	571,211
3890 Other State Property Tax Revenues	296,317	19,984	(276,333)
3900 Other State Revenue			
3993 PEBA On-Behalf	51,193	162,788	111,595
Total State Sources	\$ 13,545,805	\$ 14,051,857	\$ 506,052
TOTAL REVENUE ALL SOURCES	\$ 24,865,032	\$ 26,017,161	\$ 1,152,129

EXPENDITURES

100 Instruction

 110 General Instruction

 111 Kindergarten Programs

100 Salaries	\$ 493,664	\$ 326,052	\$ 167,612
200 Employee Benefits	226,906	144,503	82,403
300 Purchased Services	9,550	-	9,550
400 Supplies and Materials	9,325	5,486	3,839

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2020

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES (continued)			
100 Instruction (continued)			
110 General Instruction (continued)			
112 Primary Programs			
100 Salaries	1,697,106	1,752,681	(55,575)
140 Terminal Leave	-	12,005	(12,005)
200 Employee Benefits	786,993	805,449	(18,456)
300 Purchased Services	23,550	828	22,722
400 Supplies and Materials	74,213	77,032	(2,819)
113 Elementary Programs			
100 Salaries	3,360,503	3,073,222	287,281
200 Employee Benefits	1,437,477	1,274,945	162,532
300 Purchased Services	116,480	28,439	88,041
400 Supplies and Materials	121,771	116,685	5,086
114 High School Programs			
100 Salaries	1,906,952	2,047,007	(140,055)
200 Employee Benefits	727,894	775,669	(47,775)
300 Purchased Services	119,250	138,193	(18,943)
400 Supplies and Materials	99,917	79,229	20,688
115 Career and Technology Education Programs			
100 Salaries	122,539	120,019	2,520
200 Employee Benefits	60,629	51,214	9,415
400 Supplies and Materials	13,168	11,747	1,421
600 Other Objects	-	3,000	(3,000)
120 Exceptional Programs			
121 Educable Mentally Handicapped			
100 Salaries	617,812	615,728	2,084
200 Employee Benefits	227,436	260,027	(32,591)
300 Purchased Services	-	105,974	(105,974)
400 Supplies and Materials	1,141	172	969
122 Trainable Mentally Handicapped			
100 Salaries	211,581	185,535	26,046
200 Employee Benefits	65,275	52,394	12,881
400 Supplies and Materials	328	201	127
123 Orthopedically Handicapped			
100 Salaries	68,906	65,106	3,800
200 Employee Benefits	33,933	32,019	1,914
300 Purchased Services	32,000	34,719	(2,719)

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2020

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES (continued)			
100 Instruction (continued)			
120 Exceptional Programs (continued)			
124 Visually Handicapped			
300 Purchased Services	12,000	5,505	6,495
400 Supplies and Materials	86	89	(3)
125 Hearing Handicapped			
400 Supplies and Materials	86	46	40
126 Speech Handicapped			
100 Salaries	67,526	79,093	(11,567)
200 Employee Benefits	26,410	20,216	6,194
300 Purchased Services	178,560	79,376	99,184
400 Supplies and Materials	4,132	706	3,426
127 Learning Disabilities			
100 Salaries	706,242	699,020	7,222
200 Employee Benefits	260,507	253,358	7,149
300 Purchased Services	23,000	18,250	4,750
400 Supplies and Materials	9,828	1,935	7,893
128 Emotionally Handicapped			
400 Supplies and Materials	110	-	110
130 Pre-School Programs			
133 Pre-School Handicapped -Self-Contained (5-yr. olds)			
100 Salaries	76,912	79,275	(2,363)
200 Employee Benefits	42,151	41,566	585
140 Special Programs			
145 Homebound			
100 Salaries	20,000	9,639	10,361
200 Employee Benefits	6,310	2,178	4,132
300 Purchased Services	14,500	1,697	12,803
147 CERDEP			
100 Salaries	131,383	144,820	(13,437)
200 Employee Benefits	59,596	60,670	(1,074)
149 Other Special Programs			
100 Salaries	247,508	189,585	57,923
200 Employee Benefits	80,572	64,674	15,898
300 Purchased Services	9,000	2,800	6,200
400 Supplies and Materials	4,250	516	3,734

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2020

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES (continued)			
100 Instruction (continued)			
160 Other Exceptional Programs			
161 Autism			
100 Salaries	62,164	46,410	15,754
200 Employee Benefits	31,845	18,748	13,097
400 Supplies and Materials	1,024	263	761
180 Adult/Continuing Education Programs			
188 Parenting/Family Literacy			
200 Employee Benefits	11,484	11,705	(221)
190 Instructional Pupil Activity			
400 Supplies and Materials	13,750	5,871	7,879
600 Other Objects	40,000	35,725	4,275
Total Instruction	\$ 14,807,235	\$ 14,069,016	\$ 738,219
200 Supporting Services			
210 Pupil Services			
211 Attendance and Social Work Services			
100 Salaries	\$ 72,414	\$ 72,414	\$ -
200 Employee Benefits	27,885	27,529	356
300 Purchased Services	3,500	2,916	584
212 Guidance Services			
100 Salaries	511,823	511,164	659
200 Employee Benefits	211,177	214,665	(3,488)
300 Purchased Services	5,500	4,475	1,025
400 Supplies and Materials	6,000	2,436	3,564
213 Health Services			
100 Salaries	170,018	188,904	(18,886)
200 Employee Benefits	82,816	80,154	2,662
300 Purchased Services	36,200	25,348	10,852
400 Supplies and Materials	6,000	4,450	1,550
600 Other Objects	300	-	300
214 Psychological Services			
100 Salaries	108,544	108,544	-
200 Employee Benefits	51,354	46,865	4,489
300 Purchased Services	105,000	57,392	47,608
217 Career Specialist Services			
100 Salaries	9,737	11,699	(1,962)
200 Employee Benefits	4,342	4,358	(16)

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2020

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES (continued)			
200 Supporting Services (continued)			
220 Instructional Staff Services			
221 Improvement of Instruction - Curriculum Development			
100 Salaries	109,598	106,037	3,561
200 Employee Benefits	44,356	42,098	2,258
300 Purchased Services	24,500	16,745	7,755
400 Supplies and Materials	12,000	-	12,000
600 Other Objects	750	1,008	(258)
222 Library and Media Services			
100 Salaries	326,927	331,324	(4,397)
200 Employee Benefits	141,652	145,502	(3,850)
300 Purchased Services	11,216	11,891	(675)
400 Supplies and Materials	39,625	26,308	13,317
223 Supervision of Special Programs			
100 Salaries	186,340	186,340	-
200 Employee Benefits	65,011	72,099	(7,088)
300 Purchased Services	8,055	4,356	3,699
400 Supplies and Materials	8,500	-	8,500
600 Other Objects	1,350	876	474
224 Improvement of Instruction - Inservice Training			
100 Salaries	226,071	126,446	99,625
140 Terminal Leave	-	18,475	(18,475)
200 Employee Benefits	92,146	77,097	15,049
300 Purchased Services	5,500	9,971	(4,471)
400 Supplies and Materials	24,500	-	24,500
500 Capital Outlay	3,300	-	3,300
600 Other Objects	500	326	174
230 General Administration Services			
231 Board of Education			
100 Salaries	13,500	12,498	1,002
140 Terminal Leave	65,000	12,600	52,400
200 Employee Benefits	24,767	4,093	20,674
300 Purchased Services	106,500	87,265	19,235
318 Audit Services	28,525	29,245	(720)
400 Supplies and Materials	22,000	23,128	(1,128)
600 Other Objects	13,000	11,682	1,318
232 Office of the Superintendent			
100 Salaries	159,854	190,120	(30,266)
200 Employee Benefits	72,402	71,471	931
300 Purchased Services	7,500	2,968	4,532
400 Supplies and Materials	15,000	15,377	(377)
600 Other Objects	3,800	1,904	1,896

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2020

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES (continued)			
200 Supporting Services (continued)			
230 General Administration Services (continued)			
233 School Administration			
100 Salaries	1,415,941	1,439,145	(23,204)
140 Terminal Leave	-	14,741	(14,741)
200 Employee Benefits	581,853	609,813	(27,960)
300 Purchased Services	28,000	11,432	16,568
400 Supplies and Materials	16,816	13,920	2,896
600 Other Objects	14,200	11,966	2,234
250 Finance and Operations Services			
252 Fiscal Services			
100 Salaries	206,116	174,620	31,496
180 Head of Organizational Unit Salaries	95,097	95,097	-
200 Employee Benefits	153,889	108,369	45,520
300 Purchased Services	44,000	41,310	2,690
380 Head of Organizational Unit Travel	3,500	-	3,500
400 Supplies and Materials	10,000	9,106	894
500 Capital Outlay	2,500	-	2,500
600 Other Objects	4,800	2,426	2,374
254 Operation and Maintenance of Plant			
100 Salaries	885,536	800,256	85,280
140 Terminal Leave	-	3,109	(3,109)
200 Employee Benefits	555,340	354,125	201,215
300 Purchased Services	1,231,090	1,046,068	185,022
321 Public Utilities	61,800	47,245	14,555
400 Supplies and Materials	193,800	261,975	(68,175)
470 Energy	735,500	509,804	225,696
500 Capital Outlay	82,500	291,660	(209,160)
600 Other Objects	-	35,847	(35,847)
255 Student Transportation			
100 Salaries	1,006,146	951,682	54,464
200 Employee Benefits	471,633	422,826	48,807
300 Purchased Services	49,000	7,815	41,185
400 Supplies and Materials	5,000	5,334	(334)
256 Food Services			
200 Employee Benefits	310,551	353,903	(43,352)
257 Internal Services			
300 Purchased Services	6,000	4,850	1,150

DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2020

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES (continued)			
200 Supporting Services (continued)			
250 Finance and Operations Services (continued)			
258 Security			
100 Salaries	52,000	57,945	(5,945)
200 Employee Benefits	4,446	4,807	(361)
300 Purchased Services	347,110	411,486	(64,376)
500 Capital Outlay	-	1,879	(1,879)
260 Central Support Services			
262 Planning			
300 Purchased Services	-	3,400	(3,400)
263 Information Services			
100 Salaries	36,060	27,874	8,186
200 Employee Benefits	16,449	13,604	2,845
264 Staff Services			
100 Salaries	125,863	128,289	(2,426)
180 Head of Organizational Unit Salaries	89,648	84,495	5,153
200 Employee Benefits	56,991	89,793	(32,802)
300 Purchased Services	26,000	17,229	8,771
380 Head of Organizational Unit Travel	3,500	1,268	2,232
400 Supplies and Materials	7,500	5,528	1,972
600 Other Objects	400	351	49
266 Technology and Data Processing Services			
100 Salaries	228,256	275,207	(46,951)
180 Head of Organizational Unit Salaries	75,168	75,168	-
200 Employee Benefits	120,180	122,470	(2,290)
300 Purchased Services	104,784	115,531	(10,747)
380 Head of Organizational Unit Travel	3,500	1,506	1,994
400 Supplies and Materials	28,000	11,514	16,486
600 Other Objects	300	176	124
270 Supporting Services Pupil Activity			
271 Pupil Services Activities			
100 Salaries	429,731	471,524	(41,793)
200 Employee Benefits	143,625	126,585	17,040
300 Purchased Services	29,000	28,936	64
400 Supplies and Materials	74,000	138,064	(64,064)
600 Other Objects	40,000	35,725	4,275
Total Supporting Services	<u>\$ 13,489,474</u>	<u>\$ 12,881,361</u>	<u>\$ 608,113</u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES (continued)			
300 Community Services			
350 Custody and Care of Children			
100 Salaries	\$ -	\$ 9,385	\$ (9,385)
200 Employee Benefits	-	1,471	(1,471)
390 Other Community Services			
100 Salaries	-	40	(40)
200 Employee Benefits	-	373	(373)
Total Community Service	\$ -	\$ 11,269	\$ (11,269)
400 Other Charges			
410 Intergovernmental Expenditures			
412 Payments to Other Governmental Units			
720 Transits	\$ 55,000	\$ 55,000	\$ -
Total Intergovernmental Expenditures	\$ 55,000	\$ 55,000	\$ -
500 Debt Service			
610 Redemption of Principal	\$ 122,157	\$ 97,185	\$ 24,972
620 Interest	8,351	33,323	(24,972)
Total Debt Service	\$ 130,508	\$ 130,508	\$ -
TOTAL EXPENDITURES	\$ 28,482,217	\$ 27,147,154	\$ 1,335,063
Excess Revenues Over (Under) Expenditures	\$ (3,617,185)	\$ (1,129,993)	\$ 2,487,192
OTHER FINANCING SOURCES (USES)			
Interfund Transfers, From (To) Other Funds			
5230 Transfer from Special Revenue EIA Fund	\$ 752,362	\$ 731,563	\$ (20,799)
5280 Transfer from Other Funds Indirect Costs	63,979	40,404	(23,575)
424-710 Transfer to School Building Fund	-	(6,286)	(6,286)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 816,341	\$ 765,681	\$ (50,660)
Excess (Deficiency) of Revenues and Expenditures Over Other Financing Source (Uses)	\$ (2,800,844)	\$ (364,312)	\$ 2,436,532
FUND BALANCE JULY 1, 2019		4,637,823	
FUND BALANCE JUNE 30, 2020		\$ 4,273,511	

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, 2020

	<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>
REVENUES			
1000 Revenue From Local Sources			
1900 Other Revenue From Local Sources			
1930 Medicaid	\$ -	\$ -	\$ -
1999 Revenue from Other Local Sources	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Local Sources	\$ -	\$ -	\$ -
	<u> </u>	<u> </u>	<u> </u>
2000 Intergovernmental Revenue			
2100 Payments from Other Governmental Units	\$ -	\$ -	\$ -
2300 Payments from Non-Profit Entities (for First Steps)	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Intergovernmental Revenue	\$ -	\$ -	\$ -
	<u> </u>	<u> </u>	<u> </u>
3000 Revenue From State Sources			
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	-	-	-
3300 State Aid to Classrooms - Education Finance Act			
3393 Capital Improvement Plan - Additional	-	-	-
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>
Total State Sources	\$ -	\$ -	\$ -
	<u> </u>	<u> </u>	<u> </u>
4000 Revenue From Federal Sources			
4200 Occupational Education			
4210 Perkins Aid, Title I - Vocational Education - Basic	\$ -	\$ -	\$ -
	<u> </u>	<u> </u>	<u> </u>
4300 Elementary and Secondary Education Act of 1965 (ESEA)			
4310 Title I, Basic State Grant Programs	631,351	-	-
4312 Rural and Low-Income School Program	-	-	-
4351 Supporting Effective Instruction	-	-	-
	<u> </u>	<u> </u>	<u> </u>
4500 Programs for Children with Disabilities			
4510 IDEA	-	756,743	-

CATE (207/208)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
\$ -	\$ -	\$ 142,633	\$ 142,633
-	-	32,366	32,366
\$ -	\$ -	\$ 174,999	\$ 174,999
\$ -	\$ -	\$ 290,475	\$ 290,475
-	21,152	-	21,152
\$ -	\$ 21,152	\$ 290,475	\$ 311,627
\$ -	\$ 94,306	\$ -	\$ 94,306
-	15,765	-	15,765
-	585	-	585
-	176,482	-	176,482
-	86,925	-	86,925
-	452	-	452
-	-	336	336
-	163,101	-	163,101
-	36,202	-	36,202
-	204,971	-	204,971
\$ -	\$ 778,789	\$ 336	\$ 779,125
\$ 9,527	\$ -	\$ -	\$ 9,527
-	-	135,299	766,650
-	-	34,279	34,279
-	-	57,498	57,498
-	-	1,052	757,795

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, 2020

	<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>
REVENUES (continued)			
4000 Revenue From Federal Sources (continued)			
4500 Programs for Children with Disabilities (continued)			
4520 Pre-School Grants	-	-	31,871
4900 Other Federal Sources			
4924 21st Century Community Learning Centers Programs	-	-	-
4997 Title IV SSAE	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Federal Sources	\$ 631,351	\$ 756,743	\$ 31,871
TOTAL REVENUE ALL SOURCES	\$ <u>631,351</u>	\$ <u>756,743</u>	\$ <u>31,871</u>
EXPENDITURES			
100 Instruction			
110 General Instruction			
111 Kindergarten Programs			
100 Salaries	\$ 29,730	\$ -	\$ -
200 Employee Benefits	10,735	-	-
400 Supplies and Materials	5,268	-	-
112 Primary Programs			
100 Salaries	126,189	-	-
200 Employee Benefits	50,765	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	8,369	-	-
113 Elementary Programs			
100 Salaries	152,121	-	-
200 Employee Benefits	61,062	-	-
300 Purchased Services	225	-	-
400 Supplies and Materials	11,727	-	-
114 High School Programs			
400 Supplies and Materials	-	-	-
120 Exceptional Programs			
121 Educable Mentally Handicapped			
100 Salaries	-	60,010	-
200 Employee Benefits	-	33,267	-
400 Supplies and Materials	-	24,894	-
122 Trainable Mentally Handicapped			
100 Salaries	-	18,533	-
200 Employee Benefits	-	15,089	-
400 Supplies and Materials	-	14,615	-

CATE (207/208)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
-	-	-	31,871
-	-	288,689	288,689
-	-	30,817	30,817
<u>\$ 9,527</u>	<u>\$ -</u>	<u>\$ 547,634</u>	<u>\$ 1,977,126</u>
<u>\$ 9,527</u>	<u>\$ 799,941</u>	<u>\$ 1,013,444</u>	<u>\$ 3,242,877</u>
\$ -	\$ -	\$ -	29,730
-	-	-	10,735
-	-	23,469	28,737
-	66,660	15,760	208,609
-	27,107	4,721	82,593
-	-	1,150	1,150
-	225	59,340	67,934
-	-	8,000	160,121
-	-	1,985	63,047
-	-	-	225
-	131	84,546	96,404
-	453	6,321	6,774
-	-	-	60,010
-	-	-	33,267
-	-	-	24,894
-	-	-	18,533
-	-	-	15,089
454	-	-	15,069

**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, 2020**

	<u>TITLE I (201/202)</u>	<u>IDEA (203/204)</u>	<u>PRESCHOOL HANDICAPPED (205/206)</u>
EXPENDITURES (continued)			
100 Instruction (continued)			
120 Exceptional Programs (continued)			
124 Visually Handicapped			
400 Supplies and Materials	-	2,751	-
126 Speech			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	4,014	-
127 Learning Disabilities			
100 Salaries	-	42,356	-
200 Employee Benefits	-	13,606	-
400 Supplies and Materials	-	83,958	-
130 Pre-School Programs			
133 Pre-School Handicapped Self-Contained (5 Yr. Olds)			
100 Salaries	-	-	19,611
200 Employee Benefits	-	-	8,206
400 Supplies and Materials	-	-	3,346
140 Special Programs			
147 CERDEP			
300 Purchased Services	-	-	-
160 Other Exceptional Programs			
161 Autism			
100 Salaries	-	5,019	-
200 Employee Benefits	-	2,714	-
300 Purchased Services	-	600	-
400 Supplies and Materials	-	3,167	-
170 Summer School Programs			
175 Instructional Programs Beyond Regular School Day			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-

CATE (207/208)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
-	-	-	2,751
-	-	40,273	40,273
-	-	15,708	15,708
-	-	-	4,014
-	-	-	42,356
-	-	-	13,606
-	-	-	83,958
-	-	-	19,611
-	-	-	8,206
-	-	-	3,346
-	585	-	585
-	-	-	5,019
-	-	-	2,714
-	-	-	600
-	-	-	3,167
-	-	127,346	127,346
-	-	33,713	33,713
-	-	7,069	7,069

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, 2020

	<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>
EXPENDITURES (continued)			
100 Instruction (continued)			
180 Adult/Continuing Educational Programs			
188 Parenting/Family Literacy			
100 Salaries	22,327	-	-
200 Employee Benefits	11,766	-	-
300 Purchased Services	6,574	-	-
400 Supplies and Materials	10,402	-	-
190 Instructional Pupil Activity			
300 Purchased Services	-	-	-
400 Supplies and Materials	1,130	-	-
Total Instruction	\$ 508,390	\$ 324,593	\$ 31,163
200 Supporting Services			
210 Pupil Services			
213 Health Services			
100 Salaries	\$ -	\$ -	\$ -
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	12,865	-
214 Psychological Services			
100 Salaries	-	8,223	-
200 Employee Benefits	-	2,496	-
300 Purchased Services	-	3,685	-
400 Supplies and Materials	-	20,560	-
600 Other Objects	-	220	-
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	-	-	-
223 Supervision of Special Programs			
100 Salaries	56,900	127,558	-
200 Employee Benefits	20,015	47,716	-
300 Purchased Services	6,861	9,986	-
400 Supplies and Materials	2,944	55,640	-
600 Other Objects	206	379	-

CATE (207/208)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
-	21,152	-	43,479
-	-	-	11,766
-	-	-	6,574
-	-	-	10,402
6,117	-	3,947	10,064
-	-	4,399	5,529
\$ 6,571	\$ 116,313	\$ 437,747	\$ 1,424,777

\$ -	\$ 48,464	\$ -	\$ 48,464
-	38,461	-	38,461
-	-	-	12,865
-	-	29,532	37,755
-	-	15,256	17,752
-	-	-	3,685
-	-	-	20,560
-	-	-	220
-	66,449	-	66,449
-	27,857	-	27,857
-	82,806	250	83,056
-	14,063	75	14,138
-	-	85,794	85,794
-	-	515	515
-	-	50,402	234,860
-	-	12,557	80,288
712	-	3,294	20,853
-	-	245	58,829
-	-	-	585

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, 2020

	<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>
EXPENDITURES (continued)			
200 Supporting Services (continued)			
220 Instructional Staff Services (continued)			
224 Improvement of Instruction - Inservice Training			
100 Salaries	-	75,763	-
200 Employee Benefits	-	34,774	-
300 Purchased Services	7,511	10,144	-
400 Supplies and Materials	304	3,396	-
600 Other Objects	-	-	-
250 Finance and Operations Services			
251 Student Transportation			
300 Purchased Services	-	1,539	-
253 Facilities Acquisition and Construction			
500 Capital Outlay			
520 Construction Services	-	-	-
254 Operation and Maintenance of Plant			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	11,299	-	-
400 Supplies and Materials	2,438	-	-
258 Security			
500 Capital Outlay	-	-	-
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	-	248	-
Total Supporting Services	\$ 108,478	\$ 415,192	\$ -

CATE (207/208)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	TOTAL
-	-	97,850	173,613
-	-	6,477	41,251
2,244	1,254	105,461	126,614
-	-	7,027	10,727
-	-	750	750
-	-	254	1,793
-	163,101	-	163,101
-	-	137	137
-	-	41	41
-	-	-	11,299
-	-	-	2,438
-	36,202	-	36,202
-	-	10,029	10,029
-	-	2,546	2,546
-	-	3,163	3,163
-	-	28,730	28,730
-	-	26,866	26,866
-	-	8,024	8,024
-	-	32,878	33,126
\$ 2,956	\$ 478,657	\$ 528,153	\$ 1,533,436

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, 2020

	<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>
EXPENDITURES (continued)			
300 Community Services			
390 Other Community Services			
300 Purchased Services	\$ -	\$ -	\$ -
400 Supplies and Materials	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Community Services	\$ <u> - </u>	\$ <u> - </u>	\$ <u> - </u>
410 Intergovernmental Expenditures			
411 Payments to State Department of Education			
720 Transits	\$ -	\$ -	\$ -
414 Medicaid Payments to SDE			
720 Transits	-	-	-
419 Payments from PEBA Nonemployer Contributions			
720 Transits	-	-	-
	<u> - </u>	<u> - </u>	<u> - </u>
Total Intergovernmental Expenditures	\$ <u> - </u>	\$ <u> - </u>	\$ <u> - </u>
TOTAL EXPENDITURES	\$ <u> 616,868 </u>	\$ <u> 739,785 </u>	\$ <u> 31,163 </u>
Excess Revenues Over (Under) Expenditures	\$ <u> 14,483 </u>	\$ <u> 16,958 </u>	\$ <u> 708 </u>
OTHER FINANCING SOURCES (USES)			
Interfund Transfers From (To) Other Funds			
431-791 Special Revenue Fund Indirect Costs	\$ <u> (14,483) </u>	\$ <u> (16,958) </u>	\$ <u> (708) </u>
TOTAL OTHER FINANCING SOURCES (USES)	\$ <u> (14,483) </u>	\$ <u> (16,958) </u>	\$ <u> (708) </u>
Excess Revenues and Expenditures Over (Under)			
Other Financing Sources (Uses)	\$ -	\$ -	\$ -
FUND BALANCE JULY 1, 2019	<u> - </u>	<u> - </u>	<u> - </u>
FUND BALANCE JUNE 30, 2020	<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
\$ -	\$ -	\$ 401	\$ 401
-	-	3,977	3,977
\$ -	\$ -	\$ 4,378	\$ 4,378
\$ -	\$ -	\$ 2,081	\$ 2,081
-	-	32,830	32,830
-	204,971	-	204,971
\$ -	\$ 204,971	\$ 34,911	\$ 239,882
\$ 9,527	\$ 799,941	\$ 1,005,189	\$ 3,202,473
\$ -	\$ -	\$ 8,255	\$ 40,404
\$ -	\$ -	\$ (8,255)	\$ (40,404)
\$ -	\$ -	\$ (8,255)	\$ (40,404)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
\$ -	\$ -	\$ -	\$ -

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
SPECIAL PROJECTS FUND
SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

SUBFUND CODE	REVENUE CODE	PROGRAMS	REVENUES
919	3193	Education License Plates	\$ 452
924	3134	Child Early Reading Development and Education (CERDEP)	585
928	3118	EEDA Career Specialist	94,306
935	3135	Reading Coaches	176,482
936	3136	Student Health and Fitness - Nurses	86,925
937	3127	Student Health and Fitness - PE Teachers	15,765
939	3393	Capital Improvement Plan - Additional	163,101
970	3670	School Safety - Facility and Infrastructure Safety Upgrades	36,202
982	2300	First Steps/Parenting	21,152
994	3994	PEBA Nonemployer Contributions	204,971
TOTALS			\$ <u><u>799,941</u></u>

EXPENDITURES	SPECIAL PROJECTS INTERFUND TRANSFERS IN/(OUT)	OTHER FUND TRANSFERS IN/(OUT)	UNEARNED REVENUE
\$ 452	\$ -	\$ -	\$ -
585	-	-	1,970
94,306	-	-	-
176,482	-	-	-
86,925	-	-	-
15,765	-	-	-
163,101	-	-	-
36,202	-	-	-
21,152	-	-	5,761
<u>204,971</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u><u>799,941</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>7,731</u></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, 2020**

	<u>ACTUAL</u>
REVENUES	
3000 Revenue from State Sources	
3500 Education Improvement Act	
3507 Aid to District Technology	\$ 32,648
3518 Adoption List of Formative Assessment	5,468
3519 Grade 10 Assessments	778
3526 Refurbishment of Science Kits	11,561
3528 Industry Certifications/Credentials	10,000
3529 Career and Technology Education	10,054
3532 National Board Salary Supplement	122,987
3533 Teacher of the Year Awards	1,076
3538 Students At Risk of School Failure	264,328
3541 Child Early Reading Development and Education Program (CERDEP) - Full Day 4K	479,354
3550 Teacher Salary Increase	582,864
3555 Teacher Salary Fringe	148,699
3557 Summer Reading Program	11,828
3571 CSI and Priority Schools	70,732
3577 Teacher Supplies	48,950
3593 Capital Improvement Plan	24,708
3595 EEDA - Supplies and Materials	764
3597 Aid to Districts	<u>21,991</u>
Total State Sources	\$ <u>1,848,790</u>
TOTAL REVENUE ALL SOURCES	\$ <u>1,848,790</u>
EXPENDITURES	
100 Instruction	
110 General Instruction	
111 Kindergarten Programs	
100 Salaries	\$ 14,375
200 Employee Benefits	4,340
400 Supplies and Materials	1,650
112 Primary Programs	
100 Salaries	5,625
200 Employee Benefits	1,691
400 Supplies and Materials	22,417
113 Elementary Programs	
100 Salaries	30,733
200 Employee Benefits	9,388
400 Supplies and Materials	25,685
600 Other Objects	400

**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, 2020**

	<u>ACTUAL</u>
EXPENDITURES (continued)	
100 Instruction (continued)	
110 General Instruction (continued)	
114 High School Programs	
100 Salaries	7,500
200 Employee Benefits	2,918
300 Purchased Services	6,178
400 Supplies and Materials	19,491
500 Capital Outlay	5,736
600 Other Objects	200
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	2,277
400 Supplies and Materials	825
127 Learning Disabilities	
400 Supplies and Materials	2,475
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	347,673
200 Employee Benefits	149,783
400 Supplies and Materials	6,610
149 Other Special Programs	
100 Salaries	155,129
200 Employee Benefits	60,594
300 Purchased Services	2,877
400 Supplies and Materials	11,967
600 Other Objects	200

**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, 2020**

	<u>ACTUAL</u>
EXPENDITURES (continued)	
100 Instruction (continued)	
170 Summer School Program	
171 Primary Summer School	
100 Salaries	7,800
200 Employee Benefits	2,346
400 Supplies and Materials	1,682
180 Adult/Continuing Educational Programs	
188 Parenting/Family Literacy	
100 Salaries	21,263
200 Employee Benefits	11,842
190 Instructional Pupil Activity	
400 Supplies and Materials	<u>1,471</u>
Total Instruction	\$ <u>956,766</u>
200 Supporting Services	
210 Pupil Services	
212 Guidance Services	
300 Purchased Services	\$ 222
400 Supplies and Materials	2,475
220 Instructional Staff Services	
221 Improvement of Instruction - Curriculum Development	
100 Salaries	7,500
200 Employee Benefits	2,221
300 Purchased Services	5,952
600 Other Objects	25
222 Library and Media Services	
400 Supplies and Materials	1,375
223 Supervision of Special Programs	
300 Purchased Services	92
224 Improvement of Instruction - Inservice and Staff Training	
300 Purchased Services	79,778
230 General Administrative Services	
233 School Administration	
400 Supplies and Materials	597

**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, 2020**

	<u>ACTUAL</u>
EXPENDITURES (continued)	
200 Supporting Services (continued)	
250 Finance and Operations Services	
253 Facilities Acquisition and Construction	
300 Purchased Services	923
500 Capital Outlay	
520 Construction Services	23,785
260 Central Support Services	
266 Technology and Data Processing Services	
300 Purchased Services	1,756
500 Capital Outlay	30,892
270 Support Services - Pupil Activity	
271 Pupil Service Activities	
300 Purchased Services	2,600
600 Other Objects	268
Total Supporting Services	\$ <u>160,461</u>
TOTAL EXPENDITURES	\$ <u>1,117,227</u>
Excess Revenues Over (Under) Expenditures	\$ <u>731,563</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers From (To) Other Funds	
420-710 Transfer to General Fund (Excludes Indirect Costs)	\$ <u>(731,563)</u>
TOTAL OTHER FINANCING SOURCES (USES)	\$ <u>(731,563)</u>
Excess Revenues and Expenditures Over (Under) Other Financing Sources (Uses)	\$ -
FUND BALANCE JULY 1, 2019	<u>-</u>
FUND BALANCE JUNE 30, 2020	<u><u>-</u></u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
EDUCATION IMPROVEMENT ACT
SUMMARY SCHEDULE BY PROGRAM
FOR FISCAL YEAR ENDED JUNE 30, 2020**

PROGRAM	<u>REVENUES</u>
3500 Education Improvement Act:	
3502 ADEPT	\$ -
3507 Aid to District Technology	32,648
3518 Adoption List of Formative Assessment	5,468
3519 Grade 10 Assessments	778
3526 Refurbishment of Science Kits	11,561
3528 Industry Certifications/Credentials	10,000
3529 Career and Technology Education	10,054
3532 National Board Salary Supplement	122,987
3533 Teacher of the Year Awards	1,076
3538 Students At Risk of School Failure	264,328
3541 Child Early Reading Development and Education Program (CERDEP) - Full Day 4K	479,354
3550 Teacher Salary Increase	582,864
3555 Teacher Salary Fringe	148,699
3557 Summer Reading Program	11,828
3558 Reading	-
3571 CSI and Priority Schools	70,732
3577 Teacher Supplies	48,950
3593 Capital Improvement Plan	24,708
3595 EEDA - Supplies and Materials	764
3597 Aid to Districts	21,991
3599 Other EIA	-
TOTALS	\$ <u><u>1,848,790</u></u>

<u>EXPENDITURES</u>	<u>EIA INTERFUND TRANSFERS IN/(OUT)</u>	<u>OTHER FUND TRANSFERS IN/(OUT)</u>	<u>UNEARNED REVENUE</u>
\$ -	\$ -	\$ -	\$ 5,117
32,648	-	-	-
5,468	-	-	7,434
778	-	-	-
11,561	-	-	17,242
10,000	-	-	10,000
10,054	-	-	69,185
122,987	-	-	-
1,076	-	-	-
264,328	-	-	96,391
479,354	-	-	-
-	-	(582,864)	-
-	-	(148,699)	-
11,828	-	-	12,504
-	-	-	1,026
70,732	-	-	30,952
48,950	-	-	-
24,708	-	-	-
764	-	-	4,941
21,991	-	-	106,146
-	-	-	2,500
<u>\$ 1,117,227</u>	<u>\$ -</u>	<u>\$ (731,563)</u>	<u>\$ 363,438</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, 2020**

	<u>ACTUAL</u>
REVENUES	
1000 Revenue From Local Sources	
1100 Taxes	
1110 Ad Valorem Taxes - Including Delinquent Taxes	\$ 1,870,108
1200 Revenue from Local Governmental Units Other than LEAs	
1280 Revenue in Lieu of Taxes	152,698
1500 Earnings on Investments	
1510 Interest on Investments	<u>23,693</u>
Total Local Sources	<u>\$ 2,046,499</u>
3000 Revenue From State Sources	
3800 State Revenue in Lieu of Taxes	
3820 Homestead Exemption	\$ 88,337
3830 Merchant's Inventory Tax	4,765
3840 Manufacturers Depreciation Reimbursement	76,160
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	<u>2,644</u>
Total State Sources	<u>\$ 171,906</u>
TOTAL REVENUE ALL SOURCES	<u>\$ 2,218,405</u>
EXPENDITURES	
500 Debt Service	
610 Redemption of Principal	\$ 1,299,526
620 Interest	491,367
690 Other Objects (Includes Fees for Servicing Bonds)	<u>10,677</u>
TOTAL EXPENDITURES	<u>\$ 1,801,570</u>
Excess Revenues Over (Under) Expenditures	<u>\$ 416,835</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers From (To) Other Funds	
424-710 Tranfer to School Building Fund	\$ <u>(400,859)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (400,859)</u>
Excess Revenues and Expenditures Over (Under) Other Financing Sources (Uses)	<u>\$ 15,976</u>
FUND BALANCE JULY 1, 2019	<u>1,257,561</u>
FUND BALANCE JUNE 30, 2020	<u><u>\$ 1,273,537</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, 2020**

	<u>ACTUAL</u>
REVENUES	
1000 Revenue From Local Sources	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 532
Total Local Sources	\$ 532
TOTAL REVENUE ALL SOURCES	\$ 532
EXPENDITURES	
200 Supporting Services	
250 Finance and Operations	
253 Facilities Acquisition & Construction	
500 Capital Outlay	
520 Construction Services	\$ 6,286
260 Central Support Services	
266 Technology and Data Processing Services	
500 Capital Outlay	363,692
Total Supporting Services	\$ 369,978
TOTAL EXPENDITURES	\$ 369,978
Excess Revenues Over (Under) Expenditures	\$ (369,446)
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds	
5210 Transfer from General Fund	\$ 6,286
5240 Transfer from Debt Service Fund	400,859
TOTAL OTHER FINANCING SOURCES (USES)	\$ 407,145
Excess (Deficiency) of Revenues and Expenditures Over Other Financing Sources (Uses)	\$ 37,699
FUND BALANCE JULY 1, 2019	-
FUND BALANCE JUNE 30, 2020	\$ 37,699

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	<u>ACTUAL</u>
REVENUES	
1000 Revenue From Local Sources	
1600 Food Service	
1630 Special Sales to Pupils	\$ 14,023
1640 Lunch Sales to Adults	38,646
1650 Breakfast Sales to Adults	4,978
1660 Special Sales to Adults	<u>5,385</u>
Total Local Sources	\$ <u>63,032</u>
3000 Revenue From State Sources	
3900 Other State Sources	
3999 Revenue from Other State Sources	\$ <u>2,294</u>
Total State Sources	\$ <u>2,294</u>
4000 Revenue From Federal Sources	
4800 USDA Reimbursement	
4810 School Lunch Program	\$ 698,949
4830 School Breakfast Program	244,483
4860 Fresh Fruits & Vegetables Program	21,581
4880 Summer Feeding Programs (SFSP)	702,070
4900 Other Federal Sources	
4991 USDA Commodities	<u>80,122</u>
Total Federal Sources	\$ <u>1,747,205</u>
TOTAL REVENUE ALL SOURCES	\$ <u>1,812,531</u>
EXPENSES	
250 Finance and Operations	
256 Food Service	
100 Salaries	\$ 854,311
300 Purchased Services	39,948
400 Supplies and Materials	920,746
500 Capital Outlay	23,541
600 Other Objects	<u>4,579</u>
TOTAL EXPENSES	\$ <u>1,843,125</u>
Change in Net Position	\$ (30,594)
NET POSITION JULY 1, 2019	<u>387,747</u>
NET POSITION JUNE 30, 2020	\$ <u><u>357,153</u></u>

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, 2020

	<u>ACTUAL</u>
RECEIPTS	
1000 Receipts From Local Sources	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 42
1700 Pupil Activities	
1740 Student Fees	21,692
1790 Other	<u>463,596</u>
Total Receipts from Local Sources	\$ <u>485,330</u>
TOTAL RECEIPTS ALL SOURCES	\$ <u>485,330</u>
DISBURSEMENTS	
190 Instructional Pupil Activity	
660 Pupil Activity	\$ 23,439
270 Supporting Services Pupil Activity	
271 Pupil Service Activities	
660 Pupil Activity	405,989
272 Enterprise Activities	
660 Pupil Activity	<u>47,417</u>
TOTAL DISBURSEMENTS	\$ <u>476,845</u>
Excess Receipts Over (Under) Disbursements	\$ 8,485
DUE TO THIRD PARTIES JULY 1, 2019	<u>175,379</u>
DUE TO THIRD PARTIES JUNE 30, 2020	<u><u>\$ 183,864</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, 2020**

PROGRAM	PROJECT AND GRANT NUMBER	REVENUE & SUBFUND CODE	DESCRIPTION	STATUS	AMOUNT DUE TO SDE OR FED GOV'T
Rural & Low Income	20 REAP	4312/251	Overclaimed Costs	Paid 8-19-20, Check #121732	\$ 950
Medicaid	N/A	1930/801	Local Match	Recouped	<u>6,599</u>
TOTALS					<u><u>\$ 7,549</u></u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
LOCATION RECONCILIATION SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2020**

LOCATION	LOCATION DESCRIPTION	EDUCATION LEVEL	COST TYPE	TOTAL EXPENDITURES
10	District Office	Non-Schools	Central	\$ 8,589,898
15	Office of Curriculum/OPEC	Non-Schools	Central	8,987
20	Harleyville-Ridgeville	Elementary Schools	School	3,269,776
30	Williams Memorial	Elementary Schools	School	6,731,579
40	St. George	Middle Schools	School	3,995,402
50	Woodland	High Schools	School	7,604,398
70	Odyssey Education Center	Other Schools	School	736,576
71	Clay Hill	Elementary Schools	School	2,517,031
72	Harleyville-Ridgeville	Middle Schools	School	2,504,480
92	Adult Education	Other Schools	School	245
TOTAL EXPENDITURES/DISBURSEMENTS FOR ALL FUNDS				\$ 35,958,372

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

General Fund (Subfunds 100s)	\$ 27,147,154
Special Revenue Fund (Subfunds 200s, 800s, 900s)	3,202,473
Special Revenue EIA Fund (Subfunds 300s)	1,117,227
Debt Service Fund (Subfunds 400s)	1,801,570
Capital Projects Fund (School Building) (Subfunds 500s)	369,978
Proprietary Fund (Food Service) (Subfunds 600s)	1,843,125
Trust and Agency Fund (Pupil Activity) (Subfunds 700s)	476,845
TOTAL EXPENDITURES/DISBURSEMENTS FOR ALL FUNDS	\$ 35,958,372

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
SPECIAL PROJECTS FUND
SUBFUND CODE LIST
FOR FISCAL YEAR ENDED JUNE 30, 2020**

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
251	Rural and Low-Income School Program
267	Improving Teacher Quality
801	Medicaid - OPEC
802	Back to School Bash
820	Recycling Mini Grant
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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 7, 2021.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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.

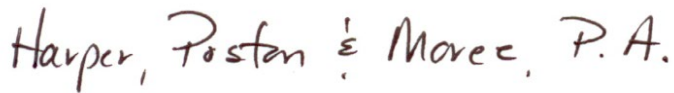
Compliance and Other Matters

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 January 7, 2021.

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
January 7, 2021



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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, 2020. 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, 2020.

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 of compliance, 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
January 7, 2021

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

A. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the basic financial statements.
2. No significant deficiencies or material weaknesses 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 significant deficiencies or material weaknesses 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>
Title I Cluster	84.010

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, 2020**

LEA SUBFUND CODE	FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	TOTAL EXPENDITURES
U.S. DEPARTMENT OF EDUCATION				
Passed Through State Department of Education:				
Title I Cluster:				
201	Title I Grants to LEA's	84.010	20 Title I	\$ 630,248
202	Title I Grants to LEA's	84.010	19 Title I Carryover	1,103
238	Title I Support	84.010	19 Title I	135,299
	Total Title I Cluster			<u>766,650 *</u>
Special Education Cluster:				
203	IDEA	84.027	18 IDEA	56,499
203	IDEA	84.027	19 IDEA	469,028
203	IDEA	84.027	20 IDEA	231,216
205	Preschool Grant	84.173	19 IDEA Preschool	1,945
205	Preschool Grant	84.173	20 IDEA Preschool	29,926
212	IDEA - Extended School Year	84.027	19 IDEA ESY	1,052
	Total Special Education Cluster			<u>789,666</u>
Vocational Education (CATE):				
207	Subprogram 08	84.048	19 CATE	142
207	Subprogram 01	84.048	20 CATE	7,092
207	Subprogram 02	84.048	20 CATE	311
207	Subprogram 04	84.048	20 CATE	1,857
207	Subprogram 15	84.048	20 CATE	125
	Total Vocational Education (CATE)			<u>9,527</u>
Title IV:				
210	Title IV SSAE	84.424	19 SSAE	7,552
210	Title IV SSAE	84.424	20 SSAE	23,265
	Total Title IV SSAE			<u>30,817</u>
21st Century:				
224	21st Century After School Learning Center	84.287	19 21st Century	7,777
224	21st Century After School Learning Center	84.287	20 21st Century	280,912
	Total 21st Century Learning			<u>288,689</u>
Title VI:				
251	Rural and Low-Income Schools	84.358	19 REAP	11,522
251	Rural and Low-Income Schools	84.358	20 REAP	22,757
	Total Title VI Rural and Low-Income Schools			<u>34,279</u>
Title II:				
267	Title II - Improving Teacher Quality	84.367	19 Title II - ITQ	25,644
267	Title II - Improving Teacher Quality	84.367	20 Title II - ITQ	31,854
	Total Title II			<u>57,498</u>
Total U.S. Department of Education				\$ <u>1,977,126</u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

LEA SUBFUND CODE	FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	TOTAL EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through State Department of Education:				
Child Nutrition Cluster:				
Non-Cash Assistance (Commodities):				
600	School Lunch Program	10.555	N/A	\$ 80,122
Cash Assistance:				
600	School Breakfast Program	10.553	N/A	244,483
600	School Lunch Program	10.555	N/A	698,949
603	Summer Food Service for Children	10.559	N/A	702,070
	Total Child Nutrition Cluster			<u>1,725,624</u>
602	Fresh Fruits and Vegetables	10.582	N/A	<u>21,581</u>
Total U.S. Department of Agriculture			(See Disclosure)	\$ <u>1,747,205</u> **
U.S. DEPARTMENT OF DEFENSE				
Direct Program:				
100	ROTC	12.U01	N/A	\$ <u>67,672</u>
Total U.S. Department of Defense				\$ <u>67,672</u>
TOTAL FEDERAL AWARDS EXPENDED				\$ <u><u>3,792,003</u></u>

**DORCHESTER COUNTY SCHOOL DISTRICT NUMBER FOUR
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

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 \$65,326 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, 2020. 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 \$80,122 in the form of federal non-cash USDA commodities for the year ended June 30, 2020. 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, 2020.
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, 2020**

Findings – Financial Statement Audit

None

Findings – Major Federal Awards Program Audit

None