

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**



MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA

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MARION, SOUTH CAROLINA

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**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**PRINCIPAL OFFICIALS**

**YEAR ENDED JUNE 30, 2021**

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**Marion County Board of Education**

**Ogleretta D White, Board Chair  
Patricia Atkinson, Board Vice-Chair  
Cynthia V. Brown  
Levant Davis  
Nadine H. Foxworth  
Linda O. Neal  
Susan S. Pridgen**

**Superintendent**

**Dr. Kandace Bethea**

**Director of Finance**

**Gary Lane  
Donna D. Sullivan – Interim**

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# Greene Finney, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

## INDEPENDENT AUDITOR'S REPORT

Marion County Board of Education  
Marion County School District  
Marion, South Carolina

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Marion County School District, South Carolina (the "School District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Marion County School District, South Carolina, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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### ***Correction of Errors***

As discussed in Note IV.G in the notes to the financial statements, in the year ended June 30, 2021 the School District discovered errors primarily relating to the reporting of its due from county treasurer and accrued salaries, fringe & benefits balances that impacted its governmental funds and government-wide financial statements as of June 30, 2020. As a result, the beginning fund balance/net position has been restated in the current year financial statements to correct these errors. Our opinion is not modified with respect to these matters.

### ***Change in Accounting Principle***

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

### ***Other Matters***

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

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

#### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District’s basic financial statements. The supplementary information and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information and 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 supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2021 on our consideration of the School District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District’s internal control over financial reporting and compliance.

*Greene Finney, LLP*

Greene Finney, LLP  
Mauldin, South Carolina  
December 21, 2021

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2021**

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This discussion and analysis of Marion County School District's (the "School District") financial performance provides an overview of the School District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the notes to the financial statements and the financial statements to enhance their understanding of the School District's financial performance.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for 2021 are as follows:

- On the government-wide basis, the assets and deferred outflows of resources of the School District were exceeded by its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$56.3 million. Unrestricted net position was a deficit of \$87.0 million. The deficit in net position is a result of pension accounting standards that were implemented in 2015 (net pension liability) and other postemployment benefit ("OPEB") plan accounting standards that were implemented in 2018 (net OPEB plan liability); the net pension liability at June 30, 2021 (including deferred outflows and inflows) was \$52.5 million and the net OPEB plan liability at June 30, 2021 (including deferred outflows and inflows) was \$45.0 million.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$11.7 million. 71% of the total amount, or \$8.2 million, is available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$8.5 million, which was 24% of total General Fund expenditures for fiscal year 2021.
- The School District's fund balance for the General Fund increased by \$2.5 million.
- During the 2021 fiscal year, the School District's governmental fund revenues were \$53.9 million compared to \$50.0 million in the prior year, or an increase of \$3.9 million.
- During the 2021 fiscal year, the School District's governmental fund expenditures were \$51.8 million compared to \$52.6 million in the prior year, or a decrease of \$0.8 million.
- On the government-wide basis, the School District's total net position decreased by \$0.4 million, primarily due to expenses exceeding revenues.
- The School District's net capital assets decreased by \$1.2 million during the current fiscal year due to depreciation expense of \$1.6 million exceeding current year additions of \$0.4 million.
- The School District did not have any outstanding long-term obligations at June 30, 2021 or at June 30, 2020. The School District had \$0.7 million in outstanding short-term debt, issued in May 2021 that matures in March 2022.
- The School District adopted GASB Statement No. 84, *Fiduciary Activities* ("GASB #84") for fiscal year 2021, which resulted in the student activity funds balances and activities that were previously recorded in a fiduciary fund being recorded in the Special Revenue Fund. The adoption of GASB #84 resulted in the restatement of the School District's fund balance and net position as of July 1, 2020 for its governmental fund financial statements and its government-wide financial statements to reflect the reporting of the student activity funds in the Special Revenue Fund. The fund balance of the School District's governmental funds and net position of the School District's governmental activities as of July 1, 2020 was increased by approximately \$241,000, reflecting the cumulative change in accounting principle related to the adoption of GASB #84.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts — *Introductory Section*, *Financial Section* (which includes the financial statements, required supplementary information which includes this management's discussion and analysis section, the combining and individual fund financial schedules and the location reconciliation schedule) and the *Compliance Section*.

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

MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2021

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OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

Both of the government-wide financial statements distinguish functions of the School District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of the School District include instruction, supporting services, community services and intergovernmental. The School District does not report any business-type activities.

The government-wide financial statements can be found as listed in the table of contents.

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

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

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

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation schedule following each governmental fund financial statement.

The School District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Revenue Fund, Special Revenue Fund-EIA, Special Revenue Fund-Food Service, Debt Service Fund, and Capital Projects Fund, all of which are considered to be major funds. The governmental fund financial statements can be found as listed in the table of contents.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as listed in the table of contents. More detailed information regarding long-term debt and capital asset activity can also be found in the notes to the financial statements.

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2021**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Supplementary Information.** The combining and individual fund schedules and the location reconciliation schedule can be found as listed in the table of contents.

The School District adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for this fund to demonstrate compliance with the budget. This schedule can be found as listed in the table of contents.

Major Features of Marion County School District's Government-Wide and Fund Financial Statements		
		Fund Financial Statements
<u>Government-Wide Statements</u>		<u>Governmental Funds</u>
Scope	Entire School District (except fiduciary funds)	The activities of the School District that are not fiduciary
Required Financial Statements	Statement of Net Position; Statement of Activities	Balance Sheet; Statement of Revenues, Expenditures, and Changes in Fund Balances
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of Asset/Liability Information	All assets, liabilities, and deferred outflows / inflows of resources, both financial and capital, and short-term and long-term	Only assets and deferred outflows of resources (if any) that are expected to be used and liabilities and deferred inflows of resources that come due during the year or soon, thereafter; no capital assets included
Type of Inflow/Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2021**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the School District, assets and deferred outflows of resources were exceeded by its liabilities and deferred inflows of resources by \$56.3 million at the close of the most recent fiscal year. The following table provides a summary of the School District's net position at June 30, 2021 compared to June 30, 2020:

**Net Position - Governmental Activities**

	<u>June 30, 2021 *</u>	<u>June 30, 2020</u>
<b>Assets</b>		
Current and Other Assets	\$ 19,283,956	\$ 16,718,335
Capital Assets (Net)	29,179,466	30,418,649
Total Assets	<u>48,463,422</u>	<u>47,136,984</u>
<b>Deferred Outflows of Resources</b>		
Deferred Pension Charges	9,103,763	6,358,442
Deferred Other Postemployment Benefit Plan Charges	11,485,770	6,355,539
Total Deferred Outflows of Resources	<u>20,589,533</u>	<u>12,713,981</u>
<b>Liabilities</b>		
Other Liabilities	7,315,953	7,673,247
Net Pension Liability	57,968,960	53,363,420
Net Other Postemployment Benefit Plan Liability	49,844,015	42,890,843
Total Liabilities	<u>115,128,928</u>	<u>103,927,510</u>
<b>Deferred Inflows of Resources</b>		
Deferred Pension Credits	3,614,174	6,212,835
Deferred Other Postemployment Benefit Plan Credits	6,651,511	6,936,831
Total Deferred Inflows of Resources	<u>10,265,685</u>	<u>13,149,666</u>
<b>Net Position</b>		
Net Investment in Capital Assets	29,661,744	30,418,649
Restricted	1,125,049	2,904,487
Unrestricted	(87,128,451)	(90,549,347)
Total Net Position	<u>\$ (56,341,658)</u>	<u>\$ (57,226,211)</u>

\* The School District adopted GASB #84 in FY 2021. See Financial Highlights section for more details.

Total assets increased by \$1.3 million primarily due to an increase in current and other assets of \$2.5 million primarily due to an increase in cash, primarily driven by revenues exceeding expenditures, and an increase in due from other governments, partially offset by a decrease in property taxes receivable, and a decrease in capital assets of \$1.2 million as depreciation expense and net disposals exceeded current year additions. Total liabilities increased \$11.2 million primarily due to an increase in the net pension and net other postemployment benefit plan liabilities offset by a decrease in short-term debt and accounts payable.

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2021**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, was a deficit of \$87.0 million at June 30, 2021, due to the School District's proportionate share of the State of South Carolina's net pension and net other postemployment benefit plan liabilities.

The following table shows the changes in net position for fiscal year 2021 compared to 2020:

<b>Changes in Net Position - Governmental Activities</b>		
	<u>June 30, 2021 *</u>	<u>June 30, 2020</u>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 317,325	\$ 285,511
Operating Grants and Contributions	36,738,904	33,852,875
Capital Grants and Contributions	-	163,101
General Revenues:		
Property Taxes and Revenue in Lieu of Taxes	15,824,886	15,215,956
Other	250,207	192,731
Total Revenues	<u>53,131,322</u>	<u>49,710,174</u>
<b>Program Activities</b>		
Instruction	28,683,639	26,786,990
Support Services	24,522,107	27,147,920
Community Services	11,819	-
Intergovernmental	270,265	88,444
Interest and Other Charges	2,186	16,742
Total Expenses	<u>53,490,016</u>	<u>54,040,096</u>
Change in Net Position	(358,694)	(4,329,922)
Net Position, Beginning of Year, as Previously Reported	(57,226,211)	(52,896,289)
Prior Period Adjustment	1,001,773	-
Cumulative Change in Accounting Principle - GASB #84	241,474	-
Net Position, Beginning of Year, Restated	<u>(55,982,964)</u>	<u>(52,896,289)</u>
Net Position, End of Year	<u>\$ (56,341,658)</u>	<u>\$ (57,226,211)</u>

\* The School District adopted GASB #84 in FY 2021. See Financial Highlights section for more details.

Overall, the School District's financial condition decreased in fiscal year 2021, as expenses exceeded revenues by \$0.4 million, compared to a decrease of \$4.3 million in the prior year (the decrease is due to the School District's share of the increases in the net pension and net other postemployment benefit plan liabilities). Total revenues increased \$3.4 million from 2020 primarily due to an increase in operating grants and contributions of \$2.9 million and an increase in property tax and revenue in lieu of taxes of \$0.6 million. Program expenses decreased \$0.6 million from 2020.

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2021**

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

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

***Governmental Funds***

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

For the year ended June 30, 2021, the School District's governmental funds reported a *combined* fund balance of \$11.7 million as compared to \$9.5 million for the restated prior year.

The General Fund is the chief operating fund of the School District. At the end of the current fiscal year, total fund balance for the General Fund was \$8.6 million, increasing by \$2.5 million during the current fiscal year. The unassigned fund balance of the General Fund was \$8.5 million.

The Special Revenue Fund and Special Revenue – EIA Fund, generally, are used to account for revenues derived from the State of South Carolina, the Federal government, and student activities. In general, Special Revenue Funds do not have fund balances as revenues should be expended, deferred, or returned to the grantor, except for the balances associated with student activities.

The Special Revenue – Food Service Fund had a decrease in fund balance of approximately \$0.5 million. At June 30, 2021, fund balance was a deficit of approximately \$0.2 million.

The School District's Debt Service Fund balance decreased by \$0.1 million during the 2021 fiscal year to \$0.1 million at June 30, 2021.

The School District's Capital Projects Fund balance increased by \$0.2 million during the 2021 fiscal year to \$2.6 million at June 30, 2021.

***General Fund Budgetary Highlights***

The School District's General Fund budget is prepared according to South Carolina law and is consistent with U.S. generally accepted accounting principles. The Board of Trustees adopted a budget that reflected total appropriations exceeded revenue sources by less than \$0.1 million.

At June 30, 2021, the General Fund had a positive total budget vs. actual variance of \$3.6 million. This variance is primarily due to actual expenditures being less than budgeted expenditures by \$2.5 million and actual revenues being more than budgeted revenues by \$0.7 million, primarily due to tax revenues coming in over budget by \$0.6 million due to an increase in the School District's assessed values.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

***Capital Assets***

At the end of 2021, the School District had \$29.2 million in capital assets, net of depreciation.

The net decrease in the School District's capital assets was \$1.2 million. The decrease was due to depreciation expense of \$1.6 million exceeding current year additions of \$0.4 million. The additions were for replacement of a gym floor, stadium lights, and technology equipment at various locations.

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2021**

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**CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)**

***Capital Assets (Continued)***

The following table shows the capital asset balances at June 30, 2021 and 2020:

<b>Capital Assets - Governmental Activities</b>		
	<u>June 30, 2021</u>	<u>June 30, 2020</u>
<b>Capital Assets</b>		
Land	\$ 2,168,458	\$ 2,168,458
Buildings and Improvements	25,793,326	26,735,552
Machinery and Equipment	1,217,682	1,514,639
Capital Assets, Net	<u>\$ 29,179,466</u>	<u>\$ 30,418,649</u>

Additional information on the School District's capital assets can be found in Note III.F in the Notes to the Financial Statements.

***Debt Administration***

At June 30, 2021, the School District had no outstanding long-term indebtedness. In May 2020, the District issued a short-term General Obligation Bond in the amount of \$1.0 million; the School District repaid this in March 2021 upon maturity, including interest of approximately \$12,000. In May 2021, the School District issued a short-term General Obligation Bond in the amount of approximately \$0.7 million. The proceeds will be used for various capital improvements for the School District's facilities. This indebtedness is scheduled to be repaid in full at its maturity in March 2022, with interest at 3.0%. The School District's total debt as of June 30, 2021 and 2020 was as follows:

<b>Outstanding Debt - Governmental Activities</b>		
	<u>June 30, 2021</u>	<u>June 30, 2020</u>
General Obligation Bonds	\$ 742,000	\$ 1,025,000
Total	<u>\$ 742,000</u>	<u>\$ 1,025,000</u>

The state limits the amount of general obligation debt that school districts can issue to 8 percent of the assessed value of all taxable property within the School District's corporate limits. The School District is authorized by state statute to exceed the legal debt margin of 8%, if citizens of the School District approve such additional debt through a district-wide referendum. All of the outstanding debt of \$0.7 million is subject to this limit as of June 30, 2021, leaving \$5.5 million available.

Additional detailed information about the School District's indebtedness is presented in Notes III. G. and H. in the Notes to the Financial Statements.

**ECONOMIC FACTORS**

Marion County School District is the largest single employer in the county with approximately 719 employees. The government sector, of which the School District is a part, is the largest employment sector within the County.

The economy in Marion County continues to be stagnant which will affect tax revenues in the future. While the tax base may rise slightly, the amount of millage has not increased in several years and, actual collections are adjusting at the rate needed to compensate for the rise in expenses in operational costs including but not limited to salaries, health insurance, retirement and energy costs which consume the majority of School District revenues.

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2021**

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**FY 2022 GENERAL FUND BUDGET**

The Board of Trustees adopted a General Fund budget for fiscal year 2022 that reflected total revenues of \$37.6 million and total appropriations of \$37.6 million. The fiscal year 2022 General Fund original budget represents a 1% increase from the fiscal year 2021 General Fund budget of \$37.1 million.

The fiscal year 2022 General Fund budget includes an EFA base student cost of \$2,516 per student, which is an increase of \$27.00 or 1% per student from the prior year. This increase will provide just under \$350,000 in new monies for the district. The EFA base student rate is then computed on the state's weight per EFA category and 135th day Average Daily Membership of the prior year in each category to arrive at the actual allocation. The School District continues to experience a reduction in student membership for the past few years; however, with the increase in base student cost, the approved budget for FY 2021/2022 has increased approximately \$500,000.

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

This financial report is designed to provide those interested with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, at Marion County School District, 719 N. Main Street, Marion, SC 29571. In addition, the Annual Financial Report may be found on the School District's website at <http://www.marion.k12.sc.us>.

# **BASIC FINANCIAL STATEMENTS**

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**STATEMENT OF NET POSITION**

**JUNE 30, 2021**

	<b>PRIMARY GOVERNMENT Governmental Activities</b>
<b>ASSETS</b>	
Cash and Investments	\$ 9,859,587
Cash and Investments, Restricted	264,446
Cash and Investments Held by County Treasurer	2,280,048
Property Taxes Receivable, Net	345,039
Accounts Receivable	24,670
Due from Other Governments	6,331,242
Inventories and Prepaid Items	178,924
Capital Assets:	
Non-Depreciable	2,168,458
Depreciable, Net	27,011,008
<b>TOTAL ASSETS</b>	<b>48,463,422</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Pension Charges	9,103,763
Deferred Other Postemployment Benefit Plan Charges	11,485,770
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>20,589,533</b>
<b>LIABILITIES</b>	
Accounts Payable	644,196
Accrued Salaries, Fringe & Benefits	4,774,306
Due to Other Governments	14,460
Unearned Revenue	1,140,991
Short-Term General Obligation Bond Payable	742,000
Non-Current Liabilities:	
Net Pension Liability - due in more than one year	57,968,960
Net Other Postemployment Benefit Plan Liability - due in more than one year	49,844,015
<b>TOTAL LIABILITIES</b>	<b>115,128,928</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Pension Credits	3,614,174
Deferred Other Postemployment Benefit Plan Credits	6,651,511
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>10,265,685</b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	29,661,744
Restricted For:	
Debt Service	882,210
Student Activities	242,839
Unrestricted	(87,128,451)
<b>TOTAL NET POSITION</b>	<b>\$ (56,341,658)</b>

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

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED JUNE 30, 2021**

FUNCTIONS/PROGRAMS		PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
<b>PRIMARY GOVERNMENT:</b>	<b>Expenses</b>				
Governmental Activities:					
Instruction	\$ 28,683,639	164,780	23,928,442	-	\$ (4,590,417)
Support Services	24,522,107	152,545	12,810,462	-	(11,559,100)
Community Services	11,819	-	-	-	(11,819)
Intergovernmental	270,265	-	-	-	(270,265)
Interest and Other Charges	2,186	-	-	-	(2,186)
Total Governmental Activities	53,490,016	317,325	36,738,904	-	(16,433,787)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 53,490,016</b>	<b>317,325</b>	<b>36,738,904</b>	<b>-</b>	<b>(16,433,787)</b>
<b>GENERAL REVENUES:</b>					
General Revenue:					
Property Taxes Levied for General Purposes					8,703,892
Property Taxes Levied for Debt Service					572,081
State Revenue in Lieu of Taxes					6,548,913
Investment Earnings					36,991
Miscellaneous					213,216
<b>TOTAL GENERAL REVENUES</b>					<b>16,075,093</b>
<b>CHANGE IN NET POSITION</b>					<b>(358,694)</b>
NET POSITION - Beginning of Year, as Previously Reported					(57,226,211)
Prior Period Adjustments					1,001,773
Cumulative Change in Accounting Principle - GASB #84					241,474
NET POSITION - Beginning of Year, as Restated					(55,982,964)
<b>NET POSITION - Ending of Year</b>					<b>\$ (56,341,658)</b>

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

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

**JUNE 30, 2021**

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>
<b>ASSETS</b>		
Cash and Investments	\$ 9,058,105	-
Cash and Investments, Restricted	-	577
Cash and Investments Held by County Treasurer	-	-
Receivables, Net:		
Taxes	329,546	-
Accounts	-	24,214
Due From:		
County Treasurer	931,038	-
State Agencies	46,973	684,562
Federal Agencies	-	4,245,142
Other Funds	4,138,752	-
Other Governments	7,319	12,807
Prepaid Items	-	1,462
Inventories	149,291	-
<b>TOTAL ASSETS</b>	<b><u>\$ 14,661,024</u></b>	<b><u>4,968,764</u></b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>		
<b>LIABILITIES:</b>		
Accounts Payable	\$ 585,910	1,988
Accrued Salaries, Fringe & Benefits	4,774,131	175
Due To:		
State Agencies	-	13,635
Other Funds	403,119	3,824,446
Unearned Revenue	-	556,192
Short-Term Debt - Bond Payable	-	-
<b>TOTAL LIABILITIES</b>	<b><u>5,763,160</u></b>	<b><u>4,396,436</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable Revenue - Property Taxes	296,519	-
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b><u>6,059,679</u></b>	<b><u>4,396,436</u></b>
<b>FUND BALANCES:</b>		
Fund Balances		
Nonspendable:		
Prepaid Items	-	1,462
Inventories	149,291	-
Restricted for:		
Debt Service	-	-
Capital Projects	-	-
Student Activities	-	242,839
Assigned for:		
Special Revenue Programs	-	328,027
Capital Projects	-	-
Unassigned	8,452,054	-
<b>TOTAL FUND BALANCES</b>	<b><u>8,601,345</u></b>	<b><u>572,328</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b><u>\$ 14,661,024</u></b>	<b><u>4,968,764</u></b>

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

SPECIAL REVENUE - EIA	SPECIAL REVENUE - FOOD SERVICE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
-	-	-	801,482	\$ 9,859,587
-	-	263,869	-	264,446
-	-	504,827	1,775,221	2,280,048
-	-	15,493	-	345,039
-	456	-	-	24,670
-	-	10,831	-	941,869
269,695	-	-	-	1,001,230
-	122,875	-	-	4,368,017
315,929	-	87,190	-	4,541,871
-	-	-	-	20,126
-	-	-	-	1,462
-	28,171	-	-	177,462
<b>585,624</b>	<b>151,502</b>	<b>882,210</b>	<b>2,576,703</b>	<b>\$ 23,825,827</b>
-	56,298	-	-	\$ 644,196
-	-	-	-	4,774,306
825	-	-	-	14,460
-	314,306	-	-	4,541,871
584,799	-	-	-	1,140,991
-	-	742,000	-	742,000
<b>585,624</b>	<b>370,604</b>	<b>742,000</b>	<b>-</b>	<b>11,857,824</b>
-	-	15,493	-	312,012
<b>585,624</b>	<b>370,604</b>	<b>757,493</b>	<b>-</b>	<b>12,169,836</b>
-	-	-	-	1,462
-	-	-	-	149,291
-	-	124,717	-	124,717
-	-	-	1,224,278	1,224,278
-	-	-	-	242,839
-	-	-	-	328,027
-	-	-	1,352,425	1,352,425
-	(219,102)	-	-	8,232,952
-	(219,102)	124,717	2,576,703	11,655,991
<b>585,624</b>	<b>151,502</b>	<b>882,210</b>	<b>2,576,703</b>	<b>\$ 23,825,827</b>

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

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

**JUNE 30, 2021**

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<b>TOTAL FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$ 11,655,991</b>
Amounts reported for the governmental activities in the Statement of Net Position are different because:	
Property taxes and other revenues that will be collected in the future, but are not available soon enough to pay for the current year's expenditures are therefore unavailable in the funds.	312,012
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of these capital assets was \$75,739,325 and the accumulated depreciation was \$46,559,859.	29,179,466
The School District's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State pension plans are not recorded in the governmental funds but are recorded in the Statement of Net Position.	(52,479,371)
The School District's proportionate shares of the net other postemployment benefit plan liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State pension plans are not recorded in the governmental funds but are recorded in the Statement of Net Position.	(45,009,756)
<b>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ (56,341,658)</u></b>

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

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**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

**YEAR ENDED JUNE 30, 2021**

	<b>GENERAL</b>	<b>SPECIAL REVENUE</b>
<b>REVENUES</b>		
Local Sources:		
Taxes	\$ 9,151,870	-
Investment Earnings	31,144	-
Other Local Sources	359,997	423,363
State Sources	26,752,415	2,485,929
Federal Sources	-	9,359,149
Intergovernmental Revenue	747	162,125
<b>TOTAL REVENUE ALL SOURCES</b>	<b>36,296,173</b>	<b>12,430,566</b>
<b>EXPENDITURES</b>		
Current:		
Instruction	18,994,623	6,648,628
Support Services	15,575,100	5,471,111
Community Services	-	11,819
Intergovernmental	17,321	259,503
Capital Outlay	3,447	56,093
Debt Service:		
Interest and Fiscal Charges	-	-
<b>TOTAL EXPENDITURES</b>	<b>34,590,491</b>	<b>12,447,154</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,705,682</b>	<b>(16,588)</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In	1,450,606	272,173
Transfers Out	(609,405)	(247,123)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>841,201</b>	<b>25,050</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>2,546,883</b>	<b>8,462</b>
FUND BALANCES, Beginning of Year, as Previously Reported	5,052,689	322,392
Prior Period Adjustments	1,001,773	-
Cumulative Change in Accounting Principle - GASB #84	-	241,474
<b>FUND BALANCES, Beginning of Year, Restated</b>	<b>6,054,462</b>	<b>563,866</b>
<b>FUND BALANCES, End of Year</b>	<b>\$ 8,601,345</b>	<b>572,328</b>

The notes to the financial statements are an integral part of this statement.

See accompanying independent auditor's report.

SPECIAL REVENUE - EIA	SPECIAL REVENUE - FOOD SERVICE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
-	-	588,847	-	\$ 9,740,717
-	-	2,364	3,483	36,991
-	11,904	-	-	795,264
2,840,098	-	71,072	-	32,149,514
-	1,659,221	-	-	11,018,370
-	-	-	-	162,872
<b>2,840,098</b>	<b>1,671,125</b>	<b>662,283</b>	<b>3,483</b>	<b>53,903,728</b>
1,823,989	-	-	-	27,467,240
148,047	2,143,326	-	247,122	23,584,706
-	-	-	-	11,819
-	-	-	-	276,824
1,811	-	-	349,500	410,851
-	-	2,186	-	2,186
1,973,847	2,143,326	2,186	596,622	51,753,626
<b>866,251</b>	<b>(472,201)</b>	<b>660,097</b>	<b>(593,139)</b>	<b>2,150,102</b>
337,232	-	-	752,071	2,812,082
(1,203,483)	-	(752,071)	-	(2,812,082)
(866,251)	-	(752,071)	752,071	-
-	<b>(472,201)</b>	<b>(91,974)</b>	<b>158,932</b>	<b>2,150,102</b>
-	253,099	216,691	2,417,771	8,262,642
-	-	-	-	1,001,773
-	-	-	-	241,474
-	253,099	216,691	2,417,771	9,505,889
-	<b>(219,102)</b>	<b>124,717</b>	<b>2,576,703</b>	<b>\$ 11,655,991</b>

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

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

**YEAR ENDED JUNE 30, 2021**

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<b>TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$</b>	<b>2,150,102</b>
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Amounts reported for governmental activities in the Statement of Activities are different because:

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(470,434)
Changes in the School District's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the Statement of Activities.	738,442
Changes in the School District's proportionate share of the net other postemployment benefit plan liability, deferred outflows of resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the Statement of Activities.	(1,537,621)
Governmental funds report capital asset additions as expenditures. However, in the Statement of Activities the cost of those assets that are considered capital asset additions is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital asset additions (\$401,084) were exceeded by depreciation expense (\$1,640,267) in the current year.	(1,239,183)

<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b>(358,694)</b>
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The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.

MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2021

	PRIVATE-PURPOSE TRUST FUND
<b>ASSETS</b>	
Cash and Investments	\$ 94,214
Receivables	348
<b>TOTAL ASSETS</b>	<b>94,562</b>
<b>LIABILITIES</b>	
<b>TOTAL LIABILITIES</b>	<b>-</b>
<b>NET POSITION</b>	
Held in Trust for Scholarships	
Nonexpendable	64,243
Expendable	30,319
<b>TOTAL NET POSITION</b>	<b>\$ 94,562</b>

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

MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2021

	PRIVATE-PURPOSE TRUST FUND
<b>ADDITIONS</b>	
Interest Earnings	\$ 2,111
Contributions and Donations	1,100
<b>TOTAL ADDITIONS</b>	<b>3,211</b>
<b>DEDUCTIONS</b>	
Scholarships Awarded	20,814
<b>TOTAL DEDUCTIONS</b>	<b>20,814</b>
<b>CHANGE IN NET POSITION</b>	<b>(17,603)</b>
NET POSITION, Beginning of Year	112,165
<b>NET POSITION, End of Year</b>	<b>\$ 94,562</b>

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

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

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*Marion County School District, South Carolina* (the "School District") was established by legislation (R168, H4632) to consolidate Marion School Districts One, Two and Seven into one single school district on January 18, 2012, and introduced in the South Carolina State Senate on March 1, 2012. The Governor of South Carolina signed the bill into law on April 23, 2012. The consolidation of the three previously separate districts into Marion County School District became effective July 1, 2012. The School District is controlled by the Marion County Board of Education (the "Board"), which has oversight responsibility over the public school educational activities in the School District. The School District receives funding from local, state and federal government sources and must comply with the related requirements of these funding source entities. The School District is governed by a seven-member Board.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The School District is controlled by the Marion County Board of Education (the "Board"), which has oversight responsibility over the public school education activities in the School District. The School District is not included in any other governmental "reporting entity" as defined in the GASB Sec. 2100.108 and thus is recognized as a primary government.

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

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

Blended component units, although legally separate entities, are in substance, part of the government's operations and data from these units are combined with data of the primary government in the fund financial statements. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the School District. Based on the above criteria, the School District does not have any blended or discretely presented component units.

MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the School District (the primary government"). 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, would be reported separately from *business-type activities*, which rely, to a significant extent, on fees and charges for support. The School District does not report any business-type activities.

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

The **government-wide financial statements** are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are 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.

The government-wide financial statements are prepared using a different measurement focus from the manner in which governmental fund financial statements are prepared (see further detail below). Governmental fund financial statements therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**Governmental fund financial statements** are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government generally considers revenues to be available if they are collected within sixty days of the end of the current fiscal period (thirty days for property taxes). 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, federal and state grant programs and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Fund financial statements report detailed information about the School District. The focus of Governmental Fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

When both restricted and unrestricted resources are available for use, it is the School District's practice to use restricted resources first, then unrestricted resources as they are needed.

MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. There are a minimum number of funds maintained to keep the accounts consistent with legal and managerial requirements. The following major funds and fund types are used by the School District.

**Governmental Fund Types** are those through which most governmental functions of the School District are financed. The School District's expendable financial resources and related assets and liabilities (except for those accounted for in the Fiduciary Fund) are accounted for through governmental funds. Governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. The following are the School District's major governmental funds:

The **General Fund, a major fund, and a budgeted fund** is the general operating fund of the School District and accounts for all revenues and expenditures of the School District except those required to be accounted for in other funds. All general tax revenues and other receipts that (a) are not allocated by law or contractual agreement to other funds or (b) that have not been restricted, committed, or assigned to other funds are accounted for in the General Fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

**Special Revenue Funds** are used to account for and report the proceeds of specific revenue sources (that are expected to continue to comprise a substantial portion of the inflows of the fund) that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The School District has the following major Special Revenue Funds:

- i) The **Special Revenue Fund, a major fund** and an unbudgeted fund, is used to account for financial resources provided by federal, state and local projects and grants (including pupil/student activity funds) that are restricted, committed or assigned for special education programs.
- ii) The **Education Improvement Act ("EIA") Fund, a major fund** and an unbudgeted fund, is used to account for the revenues from the South Carolina Education Improvement Act of 1984 (which is legally required by the state to be accounted for as a specific revenue source) which are restricted for specific programs authorized or mandated by the EIA.
- iii) The **Food Service Fund, a major fund** and an unbudgeted fund, is used to account for the United States Department of Agriculture's ("USDA") approved school breakfast and lunch programs.

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

The **Capital Projects Fund, a major fund** and an unbudgeted fund, is used to account for financial resources to be used for site acquisitions, construction, equipment, and renovation of all major capital facilities for the School District.

**Fiduciary Fund Types** are used to account for expendable assets held by the School District in a trustee capacity or as a custodian for individuals, private organizations, other governmental units and/or other funds and include custodian funds. Fiduciary Fund Types include the following:

MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The *Private-Purpose Trust Fund* is used to report donations received which much be expended according to the provisions of the donors. Donations are generally not expendable, while the related earnings are to be expended for scholarships to individuals. This fund is accounted for in essentially the same manner as proprietary funds.

*Change in Accounting Principle*

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

The adoption of GASB #84 resulted in the restatement of the School District's fund balance and net position as of July 1, 2020 for its governmental funds and government-wide financial statements to reflect the reporting of the pupil/student activity funds in the Special Revenue Fund. Fund balance of the School District's governmental funds and net position of the School District's governmental activities as of July 1, 2020 were increased by approximately \$241,000, reflecting the cumulative change in accounting principle related to the adoption of GASB #84.

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

1. *Cash and Investments*

The School District considers all highly liquid investments as cash and investments for financial reporting purposes. The School District's investment policy is designed to operate within existing statutes (which are identical for all funds, fund types and component units within the State of South Carolina) that authorize the School District to invest in the following:

- (a) Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.
- (b) Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (c) (i) General obligations of the State of South Carolina or any of its political units; or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (d) Savings and Loan Associations to the extent that the same are insured by an agency of the federal government.

MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. *Cash and Investments (Continued)*

- (e) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (a) and (b) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
- (f) Repurchase agreements when collateralized by securities as set forth in this section.
- (g) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (a), (b), (c), and (f) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

The School District's cash investment objectives are preservation of capital, liquidity, and yield. The School District reports its cash and investments at fair value which is normally determined by quoted market prices. The School District currently or in the past year has used the following investments:

- Cash and investments held by the County Treasurer represents property taxes collected by the School District's fiscal agent that have not been remitted to the School District. The County Treasurer presently holds these funds in an interest-bearing checking account.
- Certificates of Deposit ("CD") are bond-type investments issued by a bank when a person or company deposits a certain amount of money for a determined amount of time. The maturity can be for more than one year, and interest is paid to the holder of the CD at an agreed upon rate. Money removed before maturity is subject to a penalty.
- South Carolina Local Government Investment Pool ("LGIP" or "Pool") investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. In accordance with GASB Statement No. 31 *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and GASB Statement No. 72, *Fair Value Measurement and Application*, investments are carried at fair value determined annually based upon (a) quoted market prices for identical or similar investments or (b) observable inputs other than quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours' notice. Financial statements for the Pool may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, P.O. Box 11778, Columbia, SC 29211-1960.

2. *Interfund Receivables and Payables*

Transactions between funds that are representative of reimbursement arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the Statement of Net Position.

MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

3. *Inventories and Other Assets*

*Inventories*

Inventories are accounted for using the consumption method (expensed when used). The School District also includes an amount for commodities received from the USDA, recorded at fair market value at the time of receipt, which have not been consumed as of year-end.

*Prepaid Items*

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

4. *Capital Assets*

Capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their estimated acquisition value (as estimated by the School District) at the date of donation. The School District maintains a capitalization threshold of \$5,000.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. The School District does not maintain ownership of any public domain ("infrastructure") general capital assets.

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

<u>Capital Asset Category</u>	<u>Useful Life Range</u>
Buildings and Improvements	10–50 years
Machinery and Equipment	3–10 years

5. *Compensated Absences*

The School District reports compensated absences in accordance with the provisions of GASB Statement No. 16 "Accounting for Compensated Absences." Employees may accumulate sick leave up to a maximum of ninety days. However, if an employee leaves the School District other than by retirement, they are not paid for any unused days. Payments of unused sick leave for retirees have been inconsequential. All 12-month employees accrue vacation of ten days per year. However, unused leave is forfeited. Thus, no accrual is recorded for compensated absences.

MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

6. *Accrued Liabilities and Long-Term Obligations*

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, contractually required retirement contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due and payable.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position. If material, bond premium and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Amortization of premiums is included in interest expense. Bonds payable are reported net of the applicable bond premiums or discounts.

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 expenditures.

7. *Deferred Outflows / Inflows of Resources*

In addition to assets, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The School District currently has two types of deferred outflows of resources: (1) The School District reports *deferred pension charges* in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. (2) The School District reports *deferred OPEB charges* in its Statement(s) of Net Position in connection with its participation in the South Carolina Retiree Health Insurance Trust Fund. The *deferred pension and OPEB charges* are either (a) recognized in the subsequent period as a reduction of the net pension/OPEB liability (which includes contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension/OPEB expense in future periods in accordance with GAAP.

In addition to liabilities, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The School District currently has three types of deferred inflows of resources: (1) The School District reports *unavailable revenue – property taxes* only in the governmental funds Balance Sheet; it is deferred and recognized as an inflow of resources (property tax revenues) in the period the amounts become available. (2) The School District also reports *deferred pension credits* in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and South Carolina Police Officers Retirement System. (3) The School District reports *deferred OPEB credits* in its Statement of Net Position in connection with its participation in the South Carolina Retiree Health Insurance Trust Fund. The *deferred pension and OPEB credits* are amortized in a systematic and rational method and recognized as a reduction of pension/OPEB expense in future periods in accordance with GAAP.

MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. *Fund Balance*

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

**Nonspendable** – includes amounts that inherently cannot be spent either because it is not in spendable form (i.e. prepaids, inventories, etc.) or because of legal or contractual requirements (i.e. principal on an endowment, etc.).

**Restricted** – includes amounts that are constrained by specific purposes which are externally imposed by (a) other governments through laws and regulations, (b) grantors or contributions through agreements, (c) creditors through debt covenants or other contracts, or (d) imposed by law through constitutional provisions or enabling legislation.

**Committed** – includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action made by the highest level of decision making authority (The Board) before the end of the reporting period. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed amounts for the School District consist of amounts approved by a majority vote of the Board Members (a) in the annual budget or (b) in subsequent requests made throughout the year.

**Assigned** – includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and that such assignments are made before the report issuance date. The Board has formally granted the Superintendent the right to make assignments of fund balance for the School District.

**Unassigned** – includes amounts that do not qualify to be accounted for and reported in any of the other fund balance categories. This classification represents the amount of fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts of restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

The School District generally uses restricted amounts to be spent first when both restricted and unrestricted (committed, assigned, and unassigned) fund balance is available unless there are legal documents, contracts, or agreements that prohibit doing such. Additionally, the School District generally would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

9. *Net Position*

Net Position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in the Statement of Net Position. Net position is classified as net investment in capital assets; restricted; and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt which has not been spent is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments.

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

***10. Accounting Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. In addition, they affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates and assumptions.

***11. Pensions and Other Postemployment Benefits***

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

***12. Fair Value***

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

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the School District can access at the measurement date.
- Level 2 – Inputs to the valuation methodology, other than quoted prices included in Level 1 that are observable for an asset or liability either directly or indirectly and include:
  - Quoted prices for similar assets and liabilities in active markets.
  - Quoted prices for identical or similar assets or liabilities in inactive markets.
  - Inputs other than quoted market prices that are observable for the asset or liability.
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 – Inputs to the valuation methodology that are unobservable for an asset or liability and include:
  - Fair value is often based on developed models in which there are few, if any, observable inputs.

MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

*12. Fair Value (Continued)*

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

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The School District believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no significant changes from the prior year in the methodologies used to measure fair value.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

***Budgetary Practices*** – The General Fund budget is presented as required supplementary information. The budget is presented on the modified accrual basis of accounting, which is consistent with GAAP.

The budget is prepared by function and object as dictated by the State of South Carolina adopted Program Oriented Budgeting and Accounting System and for management control purposes. The School District's policies do not allow funds to be transferred between functions without Board approval. The legal level of control is at the function level. All annual appropriations lapse at fiscal year end. During the year, the Board revised the budget.

The following procedures are followed in establishing the budgetary data reflected in the budgetary comparison schedule:

- (1) In the spring the School District begins its budget process for the next succeeding fiscal year. The School District's leadership team reviews all requests and allocation requirements and related revenue.
- (2) The Finance Director then presents a proposed budget to the Board of Trustees which reviews it in a series of workshops and makes any additions or deletions it deems necessary.
- (3) Prior to July 1, the budget is legally enacted through passage of a resolution by the Board.

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A. Deposits and Investments

***Deposits***

**Custodial Credit Risk for Deposits:** Custodial credit risk for deposits is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. The School District does not have a deposit policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2021, none of the School District's total bank balances of approximately \$2,624,000 (with a carrying value of approximately \$950,000) was exposed to custodial credit.

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

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

**A. Deposits and Investments (Continued)**

***Investments***

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

Investment Type	Fair Value Level (1)	Credit Rating *	Fair Value	Weighted Average Maturity
SC Local Government Investment Pool	N/A	Unrated	\$ 9,268,329	< 1 Year
Cash and Investments Held by County Treasurer	N/A	N/A	2,280,048	N/A
Total			<u>\$ 11,548,377</u>	

(1) See Note I.C.12 for details of the School District's fair value hierarchy.

\* Credit Ratings are from Standard & Poors, Moody's Services, and Fitch Ratings, respectively.

N/A - Not Applicable

**Interest Rate Risk:** The School District does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

**Custodial Credit Risk for Investments:** Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2021, none of the School District's investments were exposed to custodial credit risk.

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

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

**B. Property Taxes and Other Receivables**

Real and personal property taxes (excluding vehicles) are levied on October 1 for the assessed valuations of property located in Marion County as of the preceding January 1, and are due and payable at that time. All unpaid taxes levied October 1 become delinquent January 15 of the following year, and property taxes attach as an enforceable lien if not paid by March 16 of the following year.

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

January 16 through February 1	3% of Tax
February 2 through March 16	10% of Tax
March 17 and Thereafter	15 % of Tax Plus Collection Costs

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

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

**B. Property Taxes and Other Receivables (Continued)**

Motor vehicle taxes are levied on the first day of the month in which the motor vehicle license expires and is due by the end of the month. Property taxes are billed and collected by the County. Property tax revenue is recognized when collected by the County Treasurer's Office. Real property taxes collected by the County within 30 days after fiscal year end are also recognized as revenue for the year.

For the year ended June 30, 2021, the operating and debt service millage rates were 168 mills (no change from prior year) and 8 mills (no change from prior year), respectively, based on an assessed value of approximately \$78.0 million for the School District.

On the government-wide and fund financial statements, taxes receivable are approximately \$345,000 (net of an allowance for uncollectible property taxes of approximately \$354,000) at June 30, 2021. Allowances for uncollectible balances were not necessary for the other receivable accounts.

Delinquent property taxes of approximately \$33,000 have been recognized as revenue at June 30, 2021, because they were collected within thirty days after year end and are considered measurable and available.

**C. Deferred Inflows of Resources for Governmental Funds and Unearned Revenues**

Governmental funds report deferred inflows of resources and unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Also, both the government-wide financial statements and governmental funds do not recognize revenue in connection with resources that have been received but not yet earned. At June 30, 2021, the various components of deferred inflows of resources for governmental funds and unearned revenues for both the government-wide financial statements and governmental funds were as follows:

Deferred Inflows:

Delinquent Property Taxes Receivable (General Fund)	\$ 296,519
Delinquent Property Taxes Receivable (Debt Service Fund)	15,493
Total Deferred Inflows for Governmental Funds	<u>\$ 312,012</u>

Unearned Revenues:

Revenue Collected, but Unearned - Special Revenue Fund	\$ 556,192
Revenue Collected, but Unearned - EIA Fund	584,799
Total Unearned Revenues for both Government-wide Financial Statements and Governmental Funds	<u>\$ 1,140,991</u>

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

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

**D. Interfund Receivables and Payables**

Interfund receivables and payables at June 30, 2021 (all of which are expected to be repaid within one year), are summarized as follows:

<u>Fund</u>	<u>Receivables</u>	<u>Payables</u>
<u>Governmental Funds:</u>		
General Fund	\$ 4,138,752	\$ 403,119
Special Revenue Fund	-	3,824,446
Special Revenue - EIA Fund	315,929	-
Special Revenue - Food Service Fund	-	314,306
Debt Service Fund	87,190	-
Total	<u>\$ 4,541,871</u>	<u>\$ 4,541,871</u>

All cash activities are recorded in the General Fund, and as a result, receivable and payables exist at year end that are either due to or due from the General Fund in the other funds. The payable from the Special Revenue Fund to the General Fund is for payments not received from the State Department of Education until after the fiscal year-end.

**E. Transfers In and (Out)**

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

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Funds:</u>		
General Fund	\$ 1,450,606	\$ 609,405
Special Revenue Fund	272,173	247,123
Special Revenue - EIA Fund	337,232	1,203,483
Debt Service Fund	-	752,071
Capital Projects Fund	752,071	-
Totals	<u>\$ 2,812,082</u>	<u>\$ 2,812,082</u>

Funds were transferred from the Special Revenue Funds to the General Fund to cover indirect costs and state-mandated EIA teacher salary supplements and related benefits. Funds were transferred from the Debt Service Fund to the Capital Projects Fund from short-term debt proceeds that will be used to fund future capital outlay needs. Funds were transferred from the General Fund to the Special Revenue Fund to subsidize the Medicaid funds, which had losses during the year ended June 30, 2021.

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

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

**F. Capital Assets**

Capital asset activity for the School District for the year ended June 30, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental Activities:</b>					
Capital Assets, Non-Depreciable:					
Land	\$ 2,168,458	-	-	-	\$ 2,168,458
Total Capital Assets, Non-Depreciable	<u>2,168,458</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,168,458</u>
Capital Assets, Depreciable:					
Buildings and Improvements	65,083,844	349,500	-	-	65,433,344
Machinery and Equipment	8,085,939	51,584	-	-	8,137,523
Total Capital Assets, Depreciable	<u>73,169,783</u>	<u>401,084</u>	<u>-</u>	<u>-</u>	<u>73,570,867</u>
Less: Accumulated Depreciation for:					
Buildings and Improvements	38,348,292	1,291,726	-	-	39,640,018
Machinery and Equipment	6,571,300	348,541	-	-	6,919,841
Total Accumulated Depreciation	<u>44,919,592</u>	<u>1,640,267</u>	<u>-</u>	<u>-</u>	<u>46,559,859</u>
Total Capital Assets, Depreciable, Net	<u>28,250,191</u>	<u>(1,239,183)</u>	<u>-</u>	<u>-</u>	<u>27,011,008</u>
Governmental Activities Capital Assets, Net	<u>\$ 30,418,649</u>	<u>(1,239,183)</u>	<u>-</u>	<u>-</u>	<u>\$ 29,179,466</u>

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

<b>Governmental Activities:</b>	
Instruction	\$ 880,797
Support Services	759,470
Total Depreciation Expense - Governmental Activities	<u>\$ 1,640,267</u>

**G. Long-Term Obligations**

The School District did not have any long-term obligations as of and for the year ended June 30, 2021.

**H. Short-Term Obligations**

In May 2020, the School District issued its Series 2020A General Obligation Bond ("2020A GOB") in the amount of \$1,025,000 at a rate of 1.5% to provide funds for future capital outlay. The School District repaid the 2020A GOB in March 2021 at its maturity, including interest of approximately \$12,000.

In May 2021, the School District issued its Series 2021A General Obligation Bond ("2021A GOB") in the amount of \$742,000 at a rate of 3.0% to provide funds for future capital outlay. The School District expects to repay the 2021A GOB in March 2022 at its maturity, including interest of approximately \$18,000. As the 2021A GOB is short term, it is reflected on the School District's Balance Sheet as a liability as of June 30, 2021.

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

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

**H. Short-Term Obligations (Continued)**

Short-term obligations for the School District for the year ended June 30, 2021 was as follows:

Short-Term Obligations	Beginning Balance	Additions	Reductions	Ending Balance
2020A GOB	\$ 1,025,000	-	1,025,000	\$ -
2021A GOB	-	742,000	-	742,000
Total	<u>\$ 1,025,000</u>	<u>742,000</u>	<u>1,025,000</u>	<u>\$ 742,000</u>

The School District has authority to issue general obligation bonds each calendar year, subject to a constitutional debt limit equal to 8% of the assessed value of all taxable property in the School District. The debt limitation does not apply to certain certificates of participation, debt approved through a district-wide referendum, and original or refunding debt for obligations issued on or before November 30, 1982. The School District's constitutional debt limit at June 30, 2021 was approximately \$6,239,000, of which approximately \$5,497,000 was available.

**IV. OTHER INFORMATION**

**A. Retirement Plans**

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

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

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

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

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**IV. OTHER INFORMATION (CONTINUED)**

**A. Retirement Plans (Continued)**

*Plan Description*

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

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

*Plan Membership*

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

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

*Plan Benefits*

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

MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

*Plan Benefits (Continued)*

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

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

*Plan Contributions*

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

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

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

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

**IV. OTHER INFORMATION (CONTINUED)**

**A. Retirement Plans (Continued)**

*Plan Contributions (Continued)*

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

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

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

The required contributions and percentages of amounts contributed to the Plan for the past three years were as follows:

Year Ended June 30,	SCRS Contributions		State ORP Contributions	
	Required	% Contributed	Required	% Contributed
2021	\$ 3,778,021	100%	\$ 76,328	100%
2020	3,891,288	100%	46,906	100%
2019	\$ 3,553,591	100%	\$ 38,264	100%

In an effort to help offset a portion of the burden of the increased contribution requirement for employers, the State General Assembly ("State") funded 1 percent of the SCRS contribution increases for the year ended June 30, 2019. The State's budget appropriated these funds directly to the PEBA for the South Carolina Retirement System Trust Fund. The amount of funds appropriated by the State (nonemployer contributing entity) for the year ended June 30, 2020 (measurement date) to the School District were approximately \$295,000 for the SCRS.

The School District recognized contributions (on-behalf benefits) from the State of approximately \$295,000 for the year ended June 30, 2021. These contributions by the State are recognized as intergovernmental revenues and pension expenditures in the School District's governmental fund financial statements.

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

Year Ended June 30,	SCRS Payroll	State ORP Payroll	Total Payroll
2021	\$ 24,280,338	722,799	\$ 25,003,137
2020	25,008,280	444,187	25,452,467
2019	\$ 24,406,529	400,248	\$ 24,806,777

MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

*Actuarial Assumptions and Methods*

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019 for first use in the July 1, 2021 actuarial valuation (previous report was issued for the period ending June 30, 2015).

The June 30, 2020 total pension liability ("TPL"), net pension liability ("NPL"), and sensitivity information shown in this report were determined by the consulting actuary, Gabriel, Roeder, Smith and Company, and are based on an actuarial valuation performed as of July 1, 2019. The TPL was rolled-forward from the valuation date to the Plans' fiscal year end, June 30, 2020, using generally accepted actuarial principles.

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

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

\* Includes inflation at 2.25%.

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

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

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

**IV. OTHER INFORMATION (CONTINUED)**

**A. Retirement Plans (Continued)**

*Long-Term Expected Rate of Return*

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2020 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the following table. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

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

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

The NPL is calculated separately for each System and represents that particular System's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of the June 30, 2020 measurement date, for the SCRS, are presented in the following table:

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

**IV. OTHER INFORMATION (CONTINUED)**

**A. Retirement Plans (Continued)**

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

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 51,844,187,763	26,292,418,682	\$ 25,551,769,081	50.7%

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 No. 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the Plan's funding requirements.

At June 30, 2021, the School District reported a liability of approximately \$57,969,000 for its proportionate share of the NPL for the SCRS. The NPL were measured as of June 30, 2020, and the TPL for the Plans used to calculate the NPL were determined based on the most recent actuarial valuation report of July 1, 2019 that was projected forward to the measurement date. The School District's proportion of the NPL were based on a projection of the School District's long-term share of contributions to the Plans relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2020 measurement date, the School District's SCRS proportion was 0.226869 percent, which was a decrease of 0.006831 from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized pension expense of approximately \$3,116,000 for the SCRS. At June 30, 2021, the School District reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>SCRS</b>		
Differences Between Expected and Actual Experience	\$ 668,885	\$ 219,205
Change in Assumptions	71,021	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,264,103	-
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	540,819	3,394,970
Employer Contributions Subsequent to the Measurement Date	3,558,935	-
Total SCRS	<u>\$ 9,103,763</u>	<u>\$ 3,614,175</u>

Approximately \$3,559,000 that was reported as a deferred outflow of resources related to the School District's contributions subsequent to the measurement date to the SCRS will be recognized as a reduction of the NPL in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS will increase (decrease) pension expense as follows:

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

**IV. OTHER INFORMATION (CONTINUED)**

**A. Retirement Plans (Continued)**

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

Year Ended June 30,	SCRS
2022	\$ (223,400)
2023	(14,612)
2024	1,080,559
2025	1,088,106
Total	<u>\$ 1,930,653</u>

*Discount Rate*

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

*Sensitivity Analysis*

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

System	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
School District's proportionate share of the net pension liability of the SCRS	\$ 71,845,418	57,968,960	\$ 46,381,951

*Plan Fiduciary Net Position*

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

*Payable to Plan*

The School District reported a payable of approximately \$1,141,000 to the PEBA as of June 30, 2021, representing required employer and employee contributions for the months of May and June 2021 for the SCRS. This amount is included in Accrued Salaries and Fringe & Benefits on the financial statements and was paid in July 2021.

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

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**IV. OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefit Plans**

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

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

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

*Plan Descriptions*

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

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

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

The SCRHITF is a healthcare plan that covers retired employees of the State of South Carolina, including all agencies, and public school districts. The SCRHITF provides health and dental insurance benefits to eligible retirees. Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires beginning employment May 2, 2008 and after, retirees are eligible for benefits if they have established 25 years of service for 100% employer funding and 15-24 years of service for 50% employer funding.

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

**IV. OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefit Plans (Continued)**

*Plan Benefits*

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

*Plan Contributions and Funding Policies*

Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires the postemployment and long-term disability benefits to be funded through nonemployer and employer contributions for active employees and retirees to the PEBA – Insurance Benefits. Nonemployer contributions 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 South Carolina Retirement System collects the monthly covered payroll surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF also include implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Nonemployer contributions include the mandatory transfer of accumulated PEBA – Insurance Benefits' reserves and the annual appropriation budgeted by the General Assembly. It is also funded through investment income.

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

	Year Ended June 30,		
	2019	2020	2021
Employer Contribution Rate <sup>^</sup>	6.05%	6.25%	6.25%

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

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

Year Ended June 30,	Contributions		Eligible Payroll
	Required	% Contributed	
2021	\$ 1,562,696	100%	\$ 25,003,137
2020	1,590,779	100%	25,452,467
2019	\$ 1,500,810	100%	\$ 24,806,777

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

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**IV. OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefit Plans (Continued)**

*Plan Contributions and Funding Policies (Continued)*

The State (via state appropriations) and the PEBA – Insurance Benefits (via state statute to transfer amounts above 140% of incurred but not reported claims) contributed to the SCRHITF on behalf of the School District approximately \$378,000 for the year ended June 30, 2020 (measurement period). The contributions from these nonemployer contributing entities were approximately \$7,000 for the year ended June 30, 2021 and are recognized as state revenues and intergovernmental expenditures in the School District’s governmental fund financial statements.

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

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

*Actuarial Assumptions and Methods*

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

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

The total OPEB liability (“TOL”), NOL, and sensitivity information were determined by the consulting actuary and are based on the June 30, 2019 actuarial valuation. The TOL was rolled-forward from the valuation date to the OPEB plan’s fiscal year ended June 30, 2020 using generally accepted actuarial principles.

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

**IV. OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefit Plans (Continued)**

*Actuarial Assumptions and Methods (Continued)*

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

Valuation Date:	June 30, 2019
Actuarial Cost Method:	Entry Age Normal
Actuarial Assumptions:	
Inflation:	2.25%
Investment Rate of Return:	2.75%, net of plan investment expense (including inflation)
Single Discount Rate:	2.45% as of June 30, 2020
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the five-year period ending June 30, 2015
Mortality:	For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. Multipliers are applied to the based tables based on gender and employment type.
Health Care Trend Rate:	Initial trend starting at 6.40% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 15 years
Participation Assumption:	79% for retirees who are eligible for funded premiums 59% for retirees who are eligible for partial funded premiums 20% for retirees who are eligible for non-funded premiums
Notes:	The discount rate changed from 3.13% as of June 30, 2019 to 2.45% as of June 30, 2020; updates were also made to the healthcare trend rate assumption, including an adjustment to reflect the repeal of the "Cadillac Tax".

*Long-Term Expected Rate of Return*

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

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

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

**IV. OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefit Plans (Continued)**

*Single Discount Rate*

The Single Discount Rate of 2.45% was used to measure the TOL for the SCRHITF. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the SCRHITF's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

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

The NOL is calculated separately for each system and represents that particular system's TOL determined in accordance with GASB No. 74 less its fiduciary net position. NOL totals, as of the June 30, 2020 measurement date for the SCRHITF, are presented in the following table:

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

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

At June 30, 2021, the School District reported a liability of approximately \$49,844,000 for its proportionate share of the NOL for the SCRHITF. The NOL was measured as of June 30, 2020, and the TOL for the SCRHITF used to calculate the NOL was determined based on the most recent actuarial valuation report of June 30, 2019 that was projected forward to the measurement date. The School District's proportion of the NOL was based on a projection of the School District's long-term share of contributions to the SCRHITF relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2020 measurement date, the School District's proportion was 0.276122 percent, which was a decrease of 0.007519 from its proportion measured as of June 30, 2019.

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

**IV. OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefits Plans (Continued)**

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

For the year ended June 30, 2021, the School District recognized OPEB expense of approximately \$3,423,000 for the SCRHITF. At June 30, 2021, the School District reported deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to OPEBs from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,425,584	\$ 1,135,127
Change in Assumptions	7,417,412	1,985,043
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	116,259
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	1,107,834	3,415,082
Employer Contributions Subsequent to the Measurement Date	1,534,940	-
Total	<u>\$ 11,485,770</u>	<u>\$ 6,651,511</u>

Approximately \$1,535,000 that was reported as deferred outflows of resources related to the School District's contributions subsequent to the measurement date (which includes and adjustment for the implicit subsidy) to the SCRHITF, will be recognized as a reduction of the NOL in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to the SCRHITF will increase (decrease) OPEB expense as follows:

Year Ended June 30,	Increase (Decrease) OPEB Expense
2022	\$ 343,516
2023	327,450
2024	301,992
2025	743,766
2026	661,868
Thereafter	920,727
Total	<u>\$ 3,299,319</u>

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate*

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

	1% Decrease (1.45%)	Current Discount Rate (2.45%)	1% Increase (3.45%)
Net OPEB Liability	\$ 59,473,915	49,844,015	\$ 42,149,005

MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plans (Continued)

*Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate*

The following table presents the sensitivity of the School District's NOL to changes in the healthcare cost trend rate, calculated using the healthcare cost trend rate of 6.40% decreasing to 4.00%, as well as what it would be if it were calculated using a healthcare cost trend rate that is 1% point lower (5.40% decreasing to 3.00%) or 1% point higher (7.40% decreasing to 5.00%) than the current rate:

	1% Decrease (5.40% decreasing to 3.00%)	Current Healthcare Cost Trend Rate (6.40% decreasing to 4.00%)	1% Increase (7.40% decreasing to 5.00%)
Net OPEB Liability	\$ 40,343,946	49,844,015	\$ 62,320,340

*OPEB Plans' Fiduciary Net Position*

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

*Payable to SCRHITF*

The School District reported a payable of approximately \$296,000 to the PEBA as of June 30, 2021, representing required employer contributions for the months of May and June 2021 for the SCRHITF. This amount is included in Accrued Salaries, Fringe & Benefits on the financial statements and was paid in July 2021.

C. Risk Management

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. Because of the high cost of insurance purchased from commercial insurers, the School District has chosen to participate with other school districts in South Carolina in the South Carolina School Boards Insurance Trust/Workers' Compensation Pool ("SCSBIT/WCP"), as well as in its Property and Casualty Pool ("SCSBIT/PCP"). These public entity risk pools operate as a common risk management and insurance program for member school districts.

The School District pays annual premiums to the public entity risk pools for its workers' compensation and property liability insurance coverage based upon the total payroll of the School District for each plan year. The agreement for formation of the public entity risk pools provides that SCSBIT/WCP and SCSBIT/PCP will be self-sustaining through member premiums and any deficiencies can be charged back to the member school districts in the event that a fund deficit arises. As of the latest available audited financial statements at June 30, 2020, the SCSBIT/WCP had net position of approximately \$57,104,000 and the SCSBIT/PCP had net position of approximately \$44,573,000. There were no reductions in insurance coverage as compared to the previous year. There were no insurance settlements that exceeded insurance coverage in any of the past three years.

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

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**IV. OTHER INFORMATION (CONTINUED)**

**D. Commitments and Contingencies**

The School District participates in a number of state and federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amount of program expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the School District expects such amounts, if any, would not have a material adverse effect on the financial condition of the School District.

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

**E. Deficit Balance in Special Revenue - Food Service Fund**

The Special Revenue – Food Service Fund had a deficit fund balance of approximately \$219,000, at June 30, 2021. To offset this deficit, the School District received approximately \$278,000 in August 2021 from the South Carolina Department of Education through the Child Nutrition Emergency Operational Cost Reimbursement Program.

**F. Tax Abatements**

*School District's Tax Abatements*

The School District does not have any of its own tax abatement agreements.

*Marion County's Abatements*

During the year ended June 30, 2021, the School District's property tax revenues were reduced by approximately \$750,000 under agreements entered into by Marion County, South Carolina.

**G. Prior Period Adjustments**

In connection with the School District's review of its account balances, the School District became aware of misstatements in its prior year balances in both its governmental fund financial statements and its government-wide financial statements. The School District recorded two prior period adjustments to correct these errors. These errors primarily relate to over accruing the SCRS retirement payment at year end and not accruing the new school tax credit revenue received from the County Treasurer.

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

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**IV. OTHER INFORMATION (CONTINUED)**

**G. Prior Period Adjustments (Continued)**

The total impact of the above adjustments that affected beginning fund balance/net position for the year ended June 30, 2021 was as follows:

Description	Fund Financial Statements	
	Increase (Decrease) in Fund Balance	
Understated Due From County Treasurer	\$	308,395
Overstated Accrued Salaries, Fringe & Benefits		693,378
Governmental Fund	\$	1,001,773
<hr/>		
Description	Government-Wide Financial Statements	
	Increase (Decrease) in Net Position	
Understated Due From Other Governments	\$	308,395
Overstated Accrued Salaries, Fringe & Benefits		693,378
Governmental Activities	\$	1,001,773

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# **REQUIRED SUPPLEMENTARY INFORMATION**

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE**

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

**YEAR ENDED JUNE 30, 2021**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL (BUDGETARY BASIS)</b>	<b>VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Local Sources:				
Taxes	\$ 8,502,822	8,502,822	9,151,870	\$ 649,048
Investment Earnings	165,000	165,000	31,144	(133,856)
Other Local Sources	271,936	283,936	359,997	76,061
Intergovernmental	-	-	747	747
State Sources	26,815,686	26,659,076	26,752,415	93,339
<b>TOTAL REVENUE ALL SOURCES</b>	<b>35,755,444</b>	<b>35,610,834</b>	<b>36,296,173</b>	<b>685,339</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	20,148,016	19,707,758	18,994,623	713,135
Support Services	17,931,132	17,366,791	15,575,100	1,791,691
Intergovernmental	12,000	12,000	17,321	(5,321)
Capital Outlay	-	43,500	3,447	40,053
<b>TOTAL EXPENDITURES</b>	<b>38,091,148</b>	<b>37,130,049</b>	<b>34,590,491</b>	<b>2,539,558</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(2,335,704)</b>	<b>(1,519,215)</b>	<b>1,705,682</b>	<b>3,224,897</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,013,820	1,515,765	1,450,606	(65,159)
Transfers Out	-	-	(609,405)	(609,405)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>2,013,820</b>	<b>1,515,765</b>	<b>841,201</b>	<b>(674,564)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(321,884)</b>	<b>(3,450)</b>	<b>2,546,883</b>	<b>2,550,333</b>
FUND BALANCE, Beginning of Year, as Previously Reported	5,052,689	5,052,689	5,052,689	-
PRIOR PERIOD ADJUSTMENT	-	-	1,001,773	1,001,773
FUND BALANCE, Beginning of Year, Restated	5,052,689	5,052,689	6,054,462	1,001,773
<b>FUND BALANCE, End of Year</b>	<b>\$ 4,730,805</b>	<b>5,049,239</b>	<b>8,601,345</b>	<b>\$ 3,552,106</b>

**Note to the Required Supplementary Information:**

The budget is presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America  
The School District's original and revised budget reflected the expected use of fund balance of approximately \$322,000 and \$3,000, respectively.

MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT FISCAL YEARS

	Year Ended June 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
School District's Proportion of the Net Pension Liability	0.226869%	0.233700%	0.252933%	0.243013%	0.296787%	0.279607%	0.295446%	0.295446%
School District's Proportionate Share of the Net Pension Liability	\$ 57,968,960	53,363,420	56,687,771	54,706,134	63,393,265	53,028,816	50,866,006	\$ 52,992,473
School District's Covered Payroll	\$ 25,452,467	24,806,777	26,381,964	26,817,279	26,846,181	26,364,427	26,922,564	\$ 26,684,469
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	227.75%	215.12%	214.87%	204.00%	236.14%	201.14%	188.93%	198.59%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	50.71%	54.40%	54.10%	53.34%	52.91%	56.99%	59.92%	56.39%

Notes to Schedule:

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

MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS  
SOUTH CAROLINA RETIREMENT SYSTEM

LAST EIGHT FISCAL YEARS

	Year Ended June 30,					
	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 3,854,349	3,938,194	3,591,855	3,555,466	3,077,386	2,970,517
						2,857,662
						\$ 2,844,094
Contributions in Relation to the Contractually Required Contribution:						
Contributions from the School District	3,558,936	3,642,781	3,304,014	3,260,053	3,077,386	2,970,517
Contributions from the State	295,413	295,413	287,841	295,413	-	-
						2,857,662
						-
						-
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-
						\$ -
School District's Covered Payroll	\$ 25,003,137	25,452,467	24,806,777	26,381,964	26,817,279	26,846,181
						26,364,427
						\$ 26,922,564
Contributions as a Percentage of Covered Payroll	15.42%	15.48%	14.48%	13.48%	11.48%	11.06%
						10.84%
						10.56%

Notes to Schedule:

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

Due to the health pandemic, the General Assembly postponed the one percent increase in the SCRS employer contribution rate that was scheduled to go into effect beginning July 1, 2020.

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES**

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

**LAST FIVE FISCAL YEARS**

	Year Ended June 30,				
	2021	2020	2019	2018	2017
School District's Proportion of the Net OPEB Liability	0.276122%	0.283641%	0.305923%	0.293107%	0.293107%
School District's Proportionate Share of the Net OPEB Liability	\$ 49,844,015	42,890,843	43,351,079	39,700,863	\$ 42,408,570
School District's Covered Payroll	\$ 25,452,467	24,806,777	26,381,964	26,817,279	\$ 26,846,181
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	195.8%	172.9%	164.3%	148.0%	158.0%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	8.4%	8.4%	7.9%	7.6%	6.6%

**Notes to Schedule:**

The amounts presented for each fiscal year were determined as of June 30th of the preceding year (measurement date).  
The School District adopted GASB #75 during the year ended June 30, 2018. Information before 2017 is not available.  
The discount rates used by year were as follows:

2.45%	3.62%	3.56%	2.92%
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**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES**

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

**LAST FIVE FISCAL YEARS**

	Year Ended June 30,				
	2021	2020	2019	2018	2017
Contractually Required Contribution	\$ 1,562,696	1,590,779	1,500,810	1,451,008	\$ 1,429,361
Contributions in Relation to the Contractually Required Contribution	1,562,696	1,590,779	1,500,810	1,451,008	1,429,361
Contribution Deficiency (Excess)	\$ -	-	-	-	\$ -
School District's Covered Payroll	\$ 25,003,137	25,452,467	24,806,777	26,381,964	\$ 26,817,279
Contributions as a Percentage of Covered Payroll	6.25%	6.25%	6.05%	5.50%	5.33%

**Notes to Schedule:**

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

# **SUPPLEMENTARY INFORMATION**

MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA

Schedule A-1

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
FINAL BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2021

	FINAL BUDGET	ACTUAL	VARIANCE
<b>REVENUES</b>			
1000 Revenue from Local Sources:			
1100 Taxes:			
1110 Ad Valorem Taxes-Including Delinquent (Independent)	\$ 8,302,822	9,056,238	753,416
1200 Revenue from Local Governmental Units Other than LEAs:			
1280 Revenue in Lieu of Taxes (Independent and Dependent)	200,000	95,632	(104,368)
1300 Tuition:			
1310 From Patrons for Regular Day School	186,380	164,356	(22,024)
1350 From Patrons for Summer School	4,500	-	(4,500)
1500 Earnings on Investments:			
1510 Interest on Investments	165,000	31,144	(133,856)
1900 Other Revenue from Local Sources:			
1910 Rentals	62,000	27,075	(34,925)
1990 Miscellaneous Local Revenue:			
1993 Receipt of Insurance Proceeds	-	132,287	132,287
1999 Revenue from Other Local Sources	31,056	36,279	5,223
Total Revenue from Local Sources	8,951,758	9,543,011	591,253
2000 Intergovernmental Revenue:			
2100 Payments from Other Governmental Units	-	747	747
Total Intergovernmental Revenue	-	747	747
3000 Revenue from State Sources:			
3100 Restricted State Funding:			
3130 Special Programs:			
3131 Handicapped Transportation	-	635	635
3160 School Bus Driver Salary (Includes Hazardous Condition Transportation)	618,652	630,764	12,112
3162 Transportation Workers' Compensation	32,250	32,250	-
3180 Fringe Benefits Employer Contributions (No Carryover Provision)	5,399,728	5,400,728	1,000
3181 Retiree Insurance (No Carryover Provision)	1,206,293	1,206,293	-
3186 Teacher Salary Aid	785,529	868,164	82,635
3189 Teacher Step Aid	147,391	147,391	-
3300 Education Finance Act:			
3310 Full-Time Programs:			
3311 Kindergarten	602,221	605,870	3,649
3312 Primary	1,644,207	1,626,312	(17,895)
3313 Elementary	2,732,009	2,405,867	(326,142)
3314 High School	1,811,003	1,416,387	(394,616)
3315 Trainable Mentally Handicapped	66,483	66,436	(47)
3316 Speech Handicapped (Part-Time)	661,342	685,011	23,669
3317 Homebound	2,028	5,917	3,889
3320 Part-Time Programs:			
3321 Emotionally Handicapped	28,962	37,955	8,993
3322 Educable Mentally Handicapped	85,081	75,665	(9,416)
3323 Learning Disabilities	1,044,440	1,034,551	(9,889)
3324 Hearing Handicapped	26,062	26,123	61
3325 Visually Handicapped	36,487	47,021	10,534
3326 Orthopedically Handicapped	35,290	38,077	2,787
3327 Vocational	\$ 292,095	1,136,412	\$ 844,317

(Continued)

MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA

Schedule A-1

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
FINAL BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2021

	FINAL BUDGET	ACTUAL	VARIANCE
3330 Other EFA Programs:			
3331 Autism	\$ 278,547	289,975	\$ 11,428
3332 High Achieving	36,507	45,070	8,563
3334 Limited English Proficiency	29,733	29,823	90
3351 Academic Assistance	549,306	545,675	(3,631)
3352 Pupils in Poverty	1,486,463	1,492,892	6,429
3353 Dual Credit Enrollment	18,456	15,572	(2,884)
3392 NBC Excess EFA Formula	34,567	34,567	-
3800 State Revenue in Lieu of Taxes:			
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	1,886,350	1,866,170	(20,180)
3820 Homestead Exemption (Tier 2)	748,250	748,244	(6)
3825 Reimbursement for Property Tax Relief (Tier 3)	3,263,554	3,334,221	70,667
3827 \$2.5 Million Bonus	153,315	-	(153,315)
3830 Merchant's Inventory Tax	150,000	119,492	(30,508)
3840 Manufacturers Depreciation Reimbursement	95,104	95,104	-
3890 Other State Property Tax Revenues (Includes MC Vehicle Tax)	320,300	320,300	-
3900 Other State Revenue:			
3993 PEBA On-Behalf	295,413	295,413	-
3999 Revenue from Other State Sources	55,658	26,068	(29,590)
Total Revenue from State Sources	26,659,076	26,752,415	93,339
<b>TOTAL REVENUE ALL SOURCES</b>	<b>35,610,834</b>	<b>36,296,173</b>	<b>685,339</b>
<b>EXPENDITURES</b>			
100 Instruction:			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	695,850	724,236	(28,386)
200 Employee Benefits	396,839	620,502	(223,663)
300 Purchased Services	61,243	787	60,456
400 Supplies and Materials	18,904	16,748	2,156
600 Other Objects	400	933	(533)
112 Primary Programs:			
100 Salaries	2,488,969	2,446,279	42,690
200 Employee Benefits	1,178,273	936,513	241,760
300 Purchased Services	49,414	116,102	(66,688)
400 Supplies and Materials	31,100	26,374	4,726
600 Other Objects	2,800	55,974	(53,174)
113 Elementary Programs:			
100 Salaries	3,473,763	3,317,673	156,090
200 Employee Benefits	1,607,636	1,309,251	298,385
300 Purchased Services	205,942	101,124	104,818
400 Supplies and Materials	68,565	45,714	22,851
600 Other Objects	5,200	86,462	(81,262)
114 High School Programs:			
100 Salaries	3,134,131	3,063,216	70,915
200 Employee Benefits	1,413,991	1,211,112	202,879
300 Purchased Services	117,570	134,776	(17,206)
400 Supplies and Materials	47,796	45,529	2,267
600 Other Objects	\$ 15,850	56,114	\$ (40,264)

(Continued)

MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA

Schedule A-1

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
FINAL BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2021

	FINAL BUDGET	ACTUAL	VARIANCE
115 Career and Technology Education Program:			
100 Salaries	\$ 815,584	865,364	\$ (49,780)
200 Employee Benefits	392,446	381,103	11,343
300 Purchased Services - Other Than Tuition	63,995	34,310	29,685
400 Supplies and Materials	31,045	20,955	10,090
600 Other Objects	1,265	1,322	(57)
117 Driver Education Program:			
100 Salaries	56,420	56,420	-
200 Employee Benefits	29,795	26,203	3,592
300 Purchased Services	2,050	25	2,025
400 Supplies and Materials	1,925	192	1,733
120 Exceptional Programs:			
121 Educable Mentally-Handicapped:			
100 Salaries	162,356	162,948	(592)
200 Employee Benefits	123,631	87,022	36,609
300 Purchased Services	66,478	-	66,478
400 Supplies and Materials	4,392	2,580	1,812
122 Trainable Mentally Handicapped:			
100 Salaries	334,047	340,620	(6,573)
200 Employee Benefits	199,564	156,902	42,662
300 Purchased Services	3,000	-	3,000
400 Supplies and Materials	858	850	8
123 Orthopedically Handicapped:			
100 Salaries	6,916	6,984	(68)
200 Employee Benefits	2,715	2,729	(14)
400 Supplies and Materials	850	850	-
124 Visually Handicapped:			
100 Salaries	5,131	5,362	(231)
200 Employee Benefits	4,180	2,440	1,740
300 Purchased Services	-	165,934	(165,934)
125 Hearing Handicapped:			
300 Purchased Services	-	52,949	(52,949)
400 Supplies and Materials	1,242	-	1,242
126 Speech Handicapped:			
100 Salaries	58,821	49,245	9,576
200 Employee Benefits	72,521	26,374	46,147
300 Purchased Services	200,000	201,701	(1,701)
400 Supplies and Materials	2,150	1,151	999
127 Learning Disabilities:			
100 Salaries	794,340	799,670	(5,330)
200 Employee Benefits	368,110	351,923	16,187
300 Purchased Services	6,535	2,563	3,972
400 Supplies and Materials	2,881	791	2,090
600 Other Objects	-	42,900	(42,900)
128 Emotionally Handicapped:			
100 Salaries	7,108	7,269	(161)
200 Employee Benefits	3,001	2,914	87
400 Supplies and Materials	500	300	200
130 Pre-School Programs:			
137 Pre-School Handicapped-Self-Contained (3 & 4-Yr. Olds):			
100 Salaries	76,442	79,449	(3,007)
200 Employee Benefits	53,497	52,225	1,272
300 Purchased Services	\$ 2,000	1,673	\$ 327

(Continued)

MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA

Schedule A-1

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
FINAL BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2021

	FINAL BUDGET	ACTUAL	VARIANCE
139 Early Childhood Programs:			
400 Supplies and Materials	\$ 700	675	\$ 25
140 Special Programs:			
141 Gifted and Talented Academic:			
100 Salaries	78,495	74,592	3,903
200 Employee Benefits	32,136	30,994	1,142
300 Purchased Services	825	-	825
400 Supplies and Materials	400	399	1
143 Advanced Placement:			
200 Employee Benefits	6,494	-	6,494
400 Supplies and Materials	1,392	718	674
145 Homebound:			
100 Salaries	-	10,844	(10,844)
200 Employee Benefits	-	3,188	(3,188)
300 Purchased Services	11,828	158	11,670
400 Supplies and Materials	200	-	200
147 CERDEP:			
100 Salaries	229,208	238,518	(9,310)
200 Employee Benefits	104,401	113,005	(8,604)
300 Purchased Services	19,500	17,830	1,670
400 Supplies and Materials	15,500	13,197	2,303
148 Gifted and Talented - Artistic:			
100 Salaries	8,490	8,490	-
200 Employee Benefits	4,632	4,517	115
149 Other Special Programs:			
100 Salaries	-	225	(225)
200 Employee Benefits	-	68	(68)
300 Purchased Services	8,000	-	8,000
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	98,379	98,931	(552)
200 Employee Benefits	54,721	40,961	13,760
300 Purchased Services	7,450	-	7,450
400 Supplies and Materials	1,150	-	1,150
170 Summer School Programs:			
171 Primary Summer School:			
100 Salaries	-	3,759	(3,759)
200 Employee Benefits	-	1,096	(1,096)
175 Instructional Programs Beyond Regular School Day:			
100 Salaries	5,000	527	4,473
200 Employee Benefits	3,000	128	2,872
180 Adult/Continuing Educational Programs:			
181 Adult Basic Education Programs:			
200 Employee Benefits	-	2,445	(2,445)
300 Purchased Services	200	-	200
400 Supplies and Materials	600	115	485
182 Adult Secondary Education Programs:			
300 Purchased Services	200	-	200
400 Supplies and Materials	403	34	369
188 Parenting/Family Literacy:			
400 Supplies and Materials	\$ 1,000	-	\$ 1,000

(Continued)

MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA

Schedule A-1

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
FINAL BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2021

	FINAL BUDGET	ACTUAL	VARIANCE
190 Instructional Pupil Activity:			
100 Salaries	\$ 32,000	15,050	\$ 16,950
200 Employee Benefits	9,427	4,528	4,899
Total Instruction	19,707,758	18,994,623	713,135
200 Support Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	184,415	148,408	36,007
200 Employee Benefits	88,985	72,079	16,906
300 Purchased Services	10,800	-	10,800
212 Guidance Services:			
100 Salaries	691,181	578,863	112,318
200 Employee Benefits	304,972	251,740	53,232
300 Purchased Services	8,100	75	8,025
400 Supplies and Materials	6,906	3,988	2,918
600 Other Objects	200	-	200
213 Health Services:			
100 Salaries	311,724	201,441	110,283
200 Employee Benefits	170,317	114,712	55,605
300 Purchased Services	5,355	1,468	3,887
400 Supplies and Materials	10,420	7,574	2,846
214 Psychological Services:			
100 Salaries	49,340	51,078	(1,738)
200 Employee Benefits	27,075	26,749	326
216 Vocational Placement Services:			
300 Purchased Services	2,000	-	2,000
400 Supplies and Materials	600	-	600
217 Career Specialist Services:			
100 Salaries	5,225	6,173	(948)
200 Employee Benefits	2,554	2,348	206
220 Instructional Staff Services:			
221 Improvement of Instruction Curriculum Development:			
100 Salaries	483,833	305,999	177,834
200 Employee Benefits	190,285	92,669	97,616
300 Purchased Services	51,500	7,020	44,480
400 Supplies and Materials	7,002	94	6,908
600 Other Objects	1,100	527	573
222 Library and Media Services:			
100 Salaries	512,007	517,121	(5,114)
200 Employee Benefits	254,113	236,501	17,612
300 Purchased Services	31,450	12,423	19,027
400 Supplies and Materials	33,144	16,795	16,349
223 Supervision of Special Programs:			
100 Salaries	112,092	107,411	4,681
200 Employee Benefits	55,883	76,686	(20,803)
300 Purchased Services	27,749	9,523	18,226
400 Supplies and Materials	6,278	2,467	3,811
600 Other Objects	2,305	1,015	1,290
224 Improvement of Instruction Inservice and Staff Training:			
300 Purchased Services	26,730	890	25,840
400 Supplies and Materials	5,148	898	4,250
600 Other Objects	\$ 3,115	1,344	\$ 1,771

(Continued)

MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA

Schedule A-1

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
FINAL BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2021

	FINAL BUDGET	ACTUAL	VARIANCE
230 General Administrative Services:			
231 Board of Education:			
100 Salaries	\$ 89,925	92,919	\$ (2,994)
200 Employee Benefits	30,604	29,841	763
300 Purchased Services	163,512	85,051	78,461
318 Audit Services	49,250	54,560	(5,310)
400 Supplies and Materials	22,300	19,567	2,733
600 Other Objects	18,400	29,347	(10,947)
232 Office of Superintendent:			
100 Salaries	84,590	184,835	(100,245)
200 Employee Benefits	39,037	89,917	(50,880)
300 Purchased Services	26,028	12,436	13,592
400 Supplies and Materials	23,300	9,726	13,574
600 Other Objects	39,650	4,893	34,757
233 School Administration:			
100 Salaries	2,350,002	2,169,990	180,012
200 Employee Benefits	1,017,588	966,040	51,548
300 Purchased Services	23,299	12,837	10,462
400 Supplies and Materials	48,668	37,406	11,262
600 Other Objects	21,853	4,915	16,938
250 Finance and Operations Services:			
252 Fiscal Services:			
100 Salaries	252,907	258,248	(5,341)
200 Employee Benefits	117,207	126,984	(9,777)
300 Purchased Services	211,600	200,875	10,725
400 Supplies and Materials	18,000	6,594	11,406
600 Other Objects	11,713	1,804	9,909
254 Operation and Maintenance of Plant:			
100 Salaries	980,780	1,003,110	(22,330)
200 Employee Benefits	554,704	523,711	30,993
300 Purchased Services (Excludes Energy Costs)	1,523,439	1,485,645	37,794
321 Public Utilities (Excludes Gas, Oil, Elec. & Other Heating Fuels)	89,087	70,446	18,641
400 Supplies and Materials (Include Energy Costs)	500,189	347,514	152,675
470 Energy (Includes Gas, Oil, Elec. & Other Heating Fuels)	1,495,635	1,219,698	275,937
500 Capital Outlay	13,500	-	13,500
600 Other Objects	800	4,109	(3,309)
255 Student Transportation (State Mandated):			
100 Salaries	842,071	749,581	92,490
200 Employee Benefits	428,742	442,110	(13,368)
300 Purchased Services	96,470	80,095	16,375
400 Supplies and Materials	16,950	8,451	8,499
600 Other Objects	4,320	2,625	1,695
256 Food Service:			
200 Employee Benefits	248,426	608,510	(360,084)
257 Internal Services:			
300 Purchased Services	20,860	5,022	15,838
400 Supplies and Materials	3,220	-	3,220
600 Other Objects	600	-	600
258 Security:			
300 Purchased Services	350,964	323,514	27,450
400 Supplies and Materials	\$ 4,390	334	\$ 4,056

(Continued)

MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA

Schedule A-1

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
FINAL BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2021

	FINAL BUDGET	ACTUAL	VARIANCE
260 Central Support Services:			
263 Information Services:			
100 Salaries	\$ 76,471	76,471	\$ -
200 Employee Benefits	28,096	28,073	23
300 Purchased Services	37,700	26,701	10,999
400 Supplies and Materials	2,000	483	1,517
600 Other Objects	2,000	931	1,069
264 Staff Services:			
100 Salaries	266,600	265,100	1,500
200 Employee Benefits	98,217	106,851	(8,634)
300 Purchased Services	57,405	18,437	38,968
400 Supplies and Materials	8,300	6,369	1,931
600 Other Objects	2,633	527	2,106
266 Technology and Data Processing Services:			
100 Salaries	219,335	203,394	15,941
200 Employee Benefits	93,834	93,426	408
300 Purchased Services	281,481	208,143	73,338
400 Supplies and Materials	93,423	35,858	57,565
500 Capital Outlay	30,000	3,447	26,553
600 Other Objects	400	176	224
270 Support Services Pupil Activity:			
271 Pupil Services Activities:			
100 Salaries (Optional)	293,310	196,191	97,119
200 Employee Benefits (Optional)	80,610	53,673	26,937
300 Purchased Services (Optional)	106,939	70,141	36,798
400 Supplies and Materials (Optional)	-	(42)	42
600 Other Objects (Optional)	113,054	4,290	108,764
660 Pupil Activity	-	50,568	(50,568)
Total Support Services	17,410,291	15,578,547	1,831,744
400 Other Charges:			
410 Intergovernmental Expenditures:			
411 Payments to the SDE			
720 Transits	10,000	-	10,000
412 Payments to Other Governmental Units			
720 Transits	2,000	17,321	(15,321)
Total Intergovernmental Expenditures	12,000	17,321	(5,321)
<b>TOTAL EXPENDITURES</b>	<b>37,130,049</b>	<b>34,590,491</b>	<b>2,539,558</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interfund Transfers, From (To) Other Funds:			
5220 Transfer from Special Revenue Fund (Excludes Indirect Cost)	-	119,063	119,063
5230 Transfer from Special Revenue EIA Fund	1,160,280	1,203,483	43,203
5280 Transfer from Other Funds Indirect Costs	355,485	128,060	(227,425)
421-710 Transfer to Special Revenue Fund	-	(272,173)	(272,173)
422-710 Transfer to Special Revenue EIA Fund	-	(337,232)	(337,232)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 1,515,765</b>	<b>841,201</b>	<b>\$ (674,564)</b>

(Continued)

MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA

Schedule A-1

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
FINAL BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2021

	FINAL BUDGET	ACTUAL	VARIANCE
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	\$ (3,450)	2,546,883	\$ 2,550,333
FUND BALANCE, Beginning of Year, as Previously Reported	5,052,689	5,052,689	-
PRIOR PERIOD ADJUSTMENT	-	1,001,773	1,001,773
FUND BALANCE, Beginning of Year, Restated	5,052,689	6,054,462	1,001,773
FUND BALANCES, End of Year	<u>\$ 5,049,239</u>	<u>8,601,345</u>	<u>\$ 3,552,106</u>

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**SPECIAL REVENUE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**YEAR ENDED JUNE 30, 2021**

	<b>Title I (BA Projects) (201/202)</b>	<b>IDEA (CA Projects) (203/204)</b>
<b>REVENUES</b>		
1000 Revenue from Local Sources:		
1300 Tuition:		
1310 Tuition from Patrons for Regular Day School	\$ -	-
1700 Pupil Activities:		
1710 Admissions	-	-
1730 Pupil Organization Membership Dues and Fees	-	-
1740 Student Fees	-	-
1790 Other Pupil Activity Income	-	-
1900 Other Revenue from Local Sources:		
1920 Contributions and Donations Private Sources	-	-
1930 Special Needs Transportation - Medicaid	-	-
1999 Revenue from Other Local Sources	-	-
Total Revenue from Local Sources	<u>-</u>	<u>-</u>
2000 Intergovernmental Revenue:		
2100 Payments from Other Governmental Units	-	-
Total Intergovernmental Revenue	<u>-</u>	<u>-</u>
3000 Revenue from State Sources:		
3100 Restricted State Funding:		
3110 Occupational Education:		
3118 EEDA Career Specialists	-	-
3120 General Education:		
3127 Student Health and Fitness - PE Teachers	-	-
3130 Special Programs:		
3134 CERDEP - Full Day 4K	-	-
3135 Reading Coaches	-	-
3136 Student Health and Fitness - Nurses	-	-
3156 Adult Education	-	-
3190 Miscellaneous Restricted State Grants:		
3193 Education License Plates	-	-
3600 Education Lottery Act Revenue:		
3670 School Safety Upgrades	-	-
3699 Other State Lottery Programs	-	-
3900 Other State Revenue:		
3994 PEBA Nonemployer Contributions	-	-
3995 Coronavirus Aid, Relief, and Economic Security Act (CARES)	-	-
3999 Revenue from Other State Sources	-	-
Total Revenue from State Sources	<u>\$ -</u>	<u>-</u>

## Schedule B-1

Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207)	Adult Education (EA Projects) (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s/900s)	Pupil Activity Programs (700s)	Totals
-	-	-	-	13,912	-	\$ 13,912
-	-	-	-	-	34,438	34,438
-	-	-	-	-	1,500	1,500
-	-	-	-	-	288	288
-	-	-	-	772	104,415	105,187
-	-	-	-	15,042	12,489	27,531
-	-	-	-	231,344	-	231,344
-	-	-	-	9,163	-	9,163
-	-	-	-	270,233	153,130	423,363
-	-	-	-	162,125	-	162,125
-	-	-	-	162,125	-	162,125
-	-	-	319,782	-	-	319,782
-	-	-	28,221	-	-	28,221
-	-	-	224,148	-	-	224,148
-	-	-	301,477	-	-	301,477
-	-	-	179,474	-	-	179,474
-	-	-	1,988	-	-	1,988
-	-	-	1,512	-	-	1,512
-	-	-	-	142,000	-	142,000
-	-	-	132	-	-	132
-	-	-	6,559	-	-	6,559
-	-	-	-	1,093,602	-	1,093,602
-	-	-	-	187,034	-	187,034
-	-	-	1,063,293	1,422,636	-	\$ 2,485,929

(Continued)

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**SPECIAL REVENUE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**YEAR ENDED JUNE 30, 2021**

	<b>Title I (BA Projects) (201/202)</b>	<b>IDEA (CA Projects) (203/204)</b>
4000 Revenue from Federal Sources:		
4200 Occupational Education:		
4210 Perkins Aid, Title I - Career & Technology Education - Basic Grants to States	\$ -	-
4300 Elementary and Secondary Education Act of 1965 (ESEA):		
4310 Title I, Basic State Grant Programs (Carryover Provision)	3,276,888	-
4312 Rural and Low-Income School Program, Title V	-	-
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III	-	-
4351 Supporting Effective Instruction	-	-
4400 Adult Education:		
4410 Basic Adult Education	-	-
4490 Other Adult Education	-	-
4500 Programs for Children with Disabilities:		
4510 Individuals with Disabilities Education Act (IDEA)	-	1,302,935
4520 Preschool Grants for Children With Disabilities (IDEA)	-	-
4900 Other Federal Sources:		
4975 Coronavirus Aid, Relief, and Economic Security (CARES) Act	-	-
4977 ESSER II	-	-
4997 Title IV - SSAE	-	-
4999 Revenue from Other Federal Sources	-	-
Total Revenue from Federal Sources	<u>3,276,888</u>	<u>1,302,935</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<b><u>3,276,888</u></b>	<b><u>1,302,935</u></b>

**EXPENDITURES**

100 Instruction:		
110 General Instruction:		
111 Kindergarten Program:		
100 Salaries	56,420	-
200 Employee Benefits	29,285	-
112 Primary Programs:		
100 Salaries	319,108	-
200 Employee Benefits	138,105	-
300 Purchased Services	25,652	-
400 Supplies and Materials	5,249	-
113 Elementary Programs:		
100 Salaries	369,894	-
200 Employee Benefits	236,865	-
300 Purchased Services	95,441	-
400 Supplies and Materials	17,133	-
600 Other Objects	\$ 183	-

## Schedule B-1

<b>Preschool Handicapped (CG Projects) (205/206)</b>	<b>CATE (VA Projects) (207)</b>	<b>Adult Education (EA Projects) (243)</b>	<b>Other Designated Restricted State Grants (900s)</b>	<b>Other Special Revenue Programs (200s/800s/900s)</b>	<b>Pupil Activity Programs (700s)</b>	<b>Totals</b>
-	126,896	-	-	-	-	\$ 126,896
-	-	-	-	-	-	3,276,888
-	-	-	-	73,891	-	73,891
-	-	-	-	7,721	-	7,721
-	-	-	-	218,773	-	218,773
-	-	21,556	-	-	-	21,556
-	-	-	-	268,650	-	268,650
-	-	-	-	678	-	1,303,613
40,698	-	-	-	-	-	40,698
-	-	-	-	2,409,101	-	2,409,101
-	-	-	-	269,968	-	269,968
-	-	-	-	139,234	-	139,234
-	-	-	-	1,202,160	-	1,202,160
40,698	126,896	21,556	-	4,590,176	-	9,359,149
<b>40,698</b>	<b>126,896</b>	<b>21,556</b>	<b>1,063,293</b>	<b>6,445,170</b>	<b>153,130</b>	<b>12,430,566</b>
-	-	-	-	100,590	-	157,010
-	-	-	-	37,120	-	66,405
-	-	-	19,646	169,591	-	508,345
-	-	-	7,567	55,258	-	200,930
-	-	-	-	14,807	-	40,459
-	-	-	1,462	181,283	-	187,994
-	-	-	-	348,272	-	718,166
-	-	-	-	147,975	-	384,840
-	-	-	-	142,833	-	238,274
-	-	-	832	738,563	-	756,528
-	-	-	-	-	-	\$ 183

(Continued)

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**SPECIAL REVENUE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**YEAR ENDED JUNE 30, 2021**

	<b>Title I (BA Projects) (201/202)</b>	<b>IDEA (CA Projects) (203/204)</b>
114 High School Programs:		
100 Salaries	\$ 139,260	-
200 Employee Benefits	78,323	-
300 Purchased Services	75,517	-
400 Supplies and Materials	18,742	-
115 Career and Technology Education Program:		
100 Salaries	5	-
200 Employee Benefits	1,769	-
300 Purchased Services (Other Than Tuition)	-	-
400 Supplies and Materials	-	-
500 Capital Outlay	-	-
600 Other Objects	-	-
120 Exceptional Programs:		
121 Educable Mentally Handicapped:		
100 Salaries	-	88,435
200 Employee Benefits	-	19,033
300 Purchased Services	-	156
122 Trainable Mentally Handicapped:		
100 Salaries	-	59,772
200 Employee Benefits	-	31,783
123 Orthopedically Handicapped:		
100 Salaries	-	14,152
200 Employee Benefits	-	8,445
124 Visually Handicapped:		
300 Purchased Services	-	5,717
125 Hearing Handicapped:		
300 Purchased Services	-	-
126 Speech Handicapped:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	300
127 Learning Disabilities:		
100 Salaries	-	214,847
200 Employee Benefits	-	29,899
300 Purchased Services	-	30,228
400 Supplies and Materials	-	2,920
128 Emotionally Handicapped:		
100 Salaries	-	2,138
200 Employee Benefits	-	1,046
130 Pre-School Programs:		
137 Pre-School Handicapped Self-Contained (3 & 4-Yr. Olds):		
100 Salaries	-	53,892
200 Employee Benefits	-	36,464
400 Supplies and Materials	\$ -	419

## Schedule B-1

Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207)	Adult Education (EA Projects) (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s/900s)	Pupil Activity Programs (700s)	Totals
-	-	-	-	253,824	-	\$ 393,084
-	-	-	-	69,780	-	148,103
-	-	-	-	22,643	-	98,160
-	-	-	227	774,133	-	793,102
-	-	-	-	2,924	-	2,929
-	-	-	-	224	-	1,993
-	37,483	-	-	-	-	37,483
-	33,320	-	-	-	-	33,320
-	56,093	-	-	-	-	56,093
-	-	-	-	268,650	-	268,650
-	-	-	-	6,048	-	94,483
-	-	-	-	7,265	-	26,298
-	-	-	-	-	-	156
-	-	-	-	1,516	-	61,288
-	-	-	-	116	-	31,899
-	-	-	-	372	-	14,524
-	-	-	-	113	-	8,558
-	-	-	-	160,594	-	166,311
-	-	-	-	40,927	-	40,927
-	-	-	-	433	-	433
-	-	-	-	33	-	33
-	-	-	-	236,072	-	236,372
-	-	-	-	15,353	-	230,200
-	-	-	-	6,968	-	36,867
-	-	-	-	242	-	30,470
-	-	-	-	-	-	2,920
-	-	-	-	-	-	2,138
-	-	-	-	-	-	1,046
36,368	-	-	-	866	-	91,126
-	-	-	-	66	-	36,530
4,330	-	-	-	-	-	\$ 4,749

(Continued)

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**SPECIAL REVENUE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**YEAR ENDED JUNE 30, 2021**

	<b>Title I (BA Projects) (201/202)</b>	<b>IDEA (CA Projects) (203/204)</b>
139 Early Childhood Programs:		
100 Salaries	\$ -	-
200 Employee Benefits	-	-
140 Special Programs:		
141 Gifted and Talented - Academic:		
100 Salaries	-	-
200 Employee Benefits	-	-
147 CERDEP:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
149 Other Special Programs:		
100 Salaries	-	6,125
200 Employee Benefits	-	518
300 Purchased Services	-	3,244
160 Other Exceptional Programs:		
161 Autism:		
100 Salaries	-	63,151
200 Employee Benefits	-	27,703
300 Purchased Services	-	19,534
170 Summer School Programs:		
171 Primary Summer School:		
100 Salaries	-	-
200 Employee Benefits	-	-
400 Supplies and Materials	-	-
175 Instructional Programs Beyond Regular School Day:		
100 Salaries	-	-
200 Employee Benefits	-	-
180 Adult/Continuing Educational Programs:		
181 Adult Basic Education Programs:		
100 Salaries	-	-
200 Employee Benefits	-	-
182 Adult Secondary Education Programs:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
188 Parenting/Family Literacy:		
100 Salaries	37,337	-
200 Employee Benefits	13,729	-
Total Instruction	<u>\$ 1,658,017</u>	<u>719,921</u>

Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207)	Adult Education (EA Projects) (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s/900s)	Pupil Activity Programs (700s)	Totals
-	-	-	-	1,299	-	\$ 1,299
-	-	-	-	99	-	99
-	-	-	-	1,575	-	1,575
-	-	-	-	428	-	428
-	-	-	-	18,421	-	18,421
-	-	-	-	5,475	-	5,475
-	-	-	107,320	-	-	107,320
-	-	-	107,320	-	-	107,320
-	-	-	-	-	-	6,125
-	-	-	-	-	-	518
-	-	-	-	-	-	3,244
-	-	-	-	1,837	-	64,988
-	-	-	-	458	-	28,161
-	-	-	-	6,477	-	26,011
-	-	-	7,336	-	-	7,336
-	-	-	2,172	-	-	2,172
-	-	-	-	450	-	450
-	-	-	-	7,632	-	7,632
-	-	-	-	2,335	-	2,335
-	-	25,034	-	541	-	25,575
-	-	7,578	-	41	-	7,619
-	-	12,799	-	-	-	12,799
-	-	3,873	-	-	-	3,873
-	-	-	1,988	-	-	1,988
-	-	-	-	1,199	-	38,536
-	-	-	-	314	-	14,043
40,698	126,896	49,284	255,870	3,854,035	-	\$ 6,704,721

(Continued)

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**SPECIAL REVENUE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**YEAR ENDED JUNE 30, 2021**

	<b>Title I (BA Projects) (201/202)</b>	<b>IDEA (CA Projects) (203/204)</b>
200 Support Services:		
210 Pupil Services:		
212 Guidance Services:		
100 Salaries	\$ -	-
200 Employee Benefits	-	-
213 Health Services:		
100 Salaries	-	-
200 Employee Benefits	-	(42)
300 Purchased Services	-	-
214 Psychological Services:		
100 Salaries	-	59,283
200 Employee Benefits	-	21,935
300 Purchased Services	-	108,142
400 Supplies and Materials	-	1,271
215 Exceptional Program Services:		
300 Purchased Services	-	141,749
217 Career Specialists Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
220 Instructional Staff Services:		
221 Improvement of Instruction Curriculum Development:		
100 Salaries	618,688	-
200 Employee Benefits	283,967	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
222 Library and Media:		
100 Salaries	-	-
200 Employee Benefits	-	-
400 Supplies and Materials	-	-
223 Supervision of Special Programs:		
100 Salaries	77,475	219,452
200 Employee Benefits	59,080	30,191
300 Purchased Services	100	1,033
400 Supplies and Materials	860	-
600 Other Objects	-	-
224 Improvement of Instruction Inservice and Staff Training:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	17,558	-
400 Supplies and Materials	433,083	-
230 General Administration Services:		
231 Board of Education:		
100 Salaries	-	-
200 Employee Benefits	\$ -	-

## Schedule B-1

Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207)	Adult Education (EA Projects) (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s/900s)	Pupil Activity Programs (700s)	Totals
-	-	-	63,533	9,758	-	\$ 73,291
-	-	-	25,110	2,268	-	27,378
-	-	-	131,009	66,906	-	197,915
-	-	-	48,465	22,178	-	70,601
-	-	-	-	10,529	-	10,529
-	-	-	-	650	-	59,933
-	-	-	-	50	-	21,985
-	-	-	-	49,075	-	157,217
-	-	-	-	-	-	1,271
-	-	-	-	42,925	-	184,674
-	-	-	160,649	1,965	-	162,614
-	-	-	70,968	595	-	71,563
-	-	-	217,689	500,011	-	1,336,388
-	-	-	83,788	175,043	-	542,798
-	-	-	-	62,005	-	62,005
-	-	-	-	39,095	-	39,095
-	-	-	-	10,175	-	10,175
-	-	-	-	2,639	-	2,639
-	-	-	-	493	-	493
-	-	-	-	31,242	-	328,169
-	-	-	-	13,039	-	102,310
-	-	-	-	36,397	-	37,530
-	-	-	-	55	-	915
-	-	-	-	777	-	777
-	-	-	-	199,000	-	199,000
-	-	-	-	16,254	-	16,254
-	-	-	-	420,803	-	438,361
-	-	-	-	83,174	-	516,257
-	-	-	-	1,733	-	1,733
-	-	-	-	87	-	\$ 87

(Continued)

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**SPECIAL REVENUE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**YEAR ENDED JUNE 30, 2021**

	<b>Title I (BA Projects) (201/202)</b>	<b>IDEA (CA Projects) (203/204)</b>
232 Office of the Superintendent:		
100 Salaries	\$ -	-
200 Employee Benefits	-	-
400 Supplies and Materials	-	-
233 School Administration:		
100 Salaries	-	-
200 Employee Benefits	-	-
250 Finance and Operations Services:		
252 Fiscal Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
400 Supplies and Materials	-	-
254 Operation and Maintenance of Plant:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
255 Student Transportation (State Mandated):		
100 Salaries	-	-
200 Employee Benefits	-	-
400 Supplies and Materials	-	-
256 Food Service:		
100 Salaries	-	-
200 Employee Benefits	-	-
400 Supplies and Materials (Include Energy)	-	-
258 Security:		
400 Supplies and Materials	-	-
260 Central Support Services:		
264 Staff Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
266 Technology and Data Processing Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
270 Support Services - Pupil Activity:		
271 Pupil Services Activities:		
100 Salaries (Optional)	-	-
200 Employee Benefits (Optional)	-	-
400 Supplies and Materials (Optional)	-	-
600 Other Objects (Optional)	\$ -	-

## Schedule B-1

Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207)	Adult Education (EA Projects) (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s/900s)	Pupil Activity Programs (700s)	Totals
-	-	-	-	433	-	\$ 433
-	-	-	-	20	-	20
-	-	-	-	3,544	-	3,544
-	-	-	-	7,774	-	7,774
-	-	-	-	786	-	786
-	-	-	-	866	-	866
-	-	-	-	66	-	66
-	-	-	130	-	-	130
-	-	-	-	6,281	-	6,281
-	-	-	-	481	-	481
-	-	-	-	19,340	-	19,340
-	-	-	-	106,711	-	106,711
-	-	-	-	33,936	-	33,936
-	-	-	-	7,830	-	7,830
-	-	-	-	142,000	-	142,000
-	-	-	-	30,132	-	30,132
-	-	-	-	8,301	-	8,301
-	-	-	-	91,287	-	91,287
-	-	-	-	6,689	-	6,689
-	-	-	-	112,604	-	112,604
-	-	-	-	31,907	-	31,907
-	-	-	-	13,411	-	13,411
-	-	-	-	7,544	-	7,544
-	-	-	-	1,191	-	1,191
-	-	-	-	83	-	83
-	-	-	-	10,000	-	10,000
-	-	-	-	-	1,390	1,390
-	-	-	-	-	326	326
-	-	-	-	42	-	42
-	-	-	-	-	138,312	\$ 138,312

(Continued)

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**SPECIAL REVENUE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**YEAR ENDED JUNE 30, 2021**

	<b>Title I (BA Projects) (201/202)</b>	<b>IDEA (CA Projects) (203/204)</b>
272 Pupil Services Activities:		
100 Salaries (Optional)	\$ -	-
200 Employee Benefits (Optional)	-	-
660 Pupil Activity	-	-
273 Trust and Agency Activities: (Carryover Only)		
600 Other Objects (Optional)	-	-
Total Support Services	<u>1,490,811</u>	<u>583,014</u>
300 Community Services:		
370 Non-Public School Services:		
300 Purchased Services	-	-
Total Community Services	<u>-</u>	<u>-</u>
410 Intergovernmental Expenditures:		
411 Payments to SDE		
720 Transits	-	-
419 Payments from PEBA Nonemployer Contributions		
720 Transits	-	-
Total Intergovernmental Expenditures	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u><b>3,148,828</b></u>	<u><b>1,302,935</b></u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Interfund Transfers, From (To) Other Funds:		
5210 Transfer from General Fund (Exclude Indirect Costs)	-	-
420-710 Transfer to General Fund (Exclude Indirect Costs)	-	-
431-791 Special Revenue Fund Indirect Costs (Use Only for Transfer of Indirect Costs to General Fund)	(128,060)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(128,060)</u>	<u>-</u>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	-	-
FUND BALANCE, Beginning of Year, as Previously Reported	-	-
Cumulative Change in Accounting Principle - GASB #84	-	-
FUND BALANCE, Beginning of Year, Restated	<u>-</u>	<u>-</u>
<b>FUND BALANCES, End of Year</b>	<u><b>\$ -</b></u>	<u><b>-</b></u>

Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207)	Adult Education (EA Projects) (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s/900s)	Pupil Activity Programs (700s)	Totals
-	-	-	-	-	7,330	\$ 7,330
-	-	-	-	-	2,200	2,200
-	-	-	-	-	2,207	2,207
-	-	-	-	2,000	-	2,000
-	-	-	801,341	2,444,180	151,765	5,471,111
-	-	-	-	11,819	-	11,819
-	-	-	-	11,819	-	11,819
-	-	-	-	252,944	-	252,944
-	-	-	6,559	-	-	6,559
-	-	-	6,559	252,944	-	259,503
40,698	126,896	49,284	1,063,770	6,562,978	151,765	12,447,154
-	-	27,728	477	243,968	-	272,173
-	-	-	-	(119,063)	-	(119,063)
-	-	-	-	-	-	(128,060)
-	-	27,728	477	124,905	-	25,050
-	-	-	-	7,097	1,365	8,462
-	-	-	-	322,392	-	322,392
-	-	-	-	-	241,474	241,474
-	-	-	-	322,392	241,474	563,866
-	-	-	-	329,489	242,839	\$ 572,328

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**Schedule B-2**

**SPECIAL REVENUE FUND**

**SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES - STATE RESTRICTED GRANTS**

**YEAR ENDED JUNE 30, 2021**

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**OTHER DESIGNATED  
RESTRICTED STATE GRANTS**

919	Education License Plates
924	Child Early Reading Development and Education Program (CERDEP) - Full Day 4K
928	EEDA Career Specialists
935	Reading Coaches
936	Student Health and Fitness - Nurses
937	Student Health and Fitness - PE Teachers
956	Adult Education
969	Misc. Lottery
994	PEBA Nonemployer Contribution

SPECIAL REVENUE FUND

SUMMARY SCHEDULE FOR OTHER DESIGNATED RESTRICTED STATE GRANTS

YEAR ENDED JUNE 30, 2021

SUBFUND	REVENUE CODE	PROGRAMS	REVENUES	EXPENDITURES	SPECIAL REVENUE		
					INTERFUND TRANSFERS IN (OUT)	OTHER FUND TRANSFERS IN (OUT)	UNEARNED
919	3193	Education License Plates	\$ 1,512	1,512	-	-	\$ 402
924	3134	CERDEP - Full Day 4K	224,148	224,148	-	-	47,360
928	3118	EEDA Career Specialists	319,782	320,259	477	-	-
935	3135	Reading Coaches	301,477	301,477	-	-	-
936	3136	Student Health and Fitness - Nurses	179,474	179,474	-	-	-
937	3127	Student Health and Fitness - PE Teachers	28,221	28,221	-	-	979
956	3156	Adult Education	1,988	1,988	-	-	166
969	3699	Misc. Lottery	132	132	-	-	-
994	3994	PEBA Nonemployer Contributions	6,559	6,559	-	-	-
<b>Totals</b>			<b>\$ 1,063,293</b>	<b>1,063,770</b>	<b>477</b>	<b>-</b>	<b>\$ 48,907</b>

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**Schedule B-4**

**EDUCATION IMPROVEMENT ACT**

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

**YEAR ENDED JUNE 30, 2021**

	<b>ACTUAL</b>
<b>REVENUES</b>	
3000 Revenue from State Sources:	
3500 Education Improvement Act:	
3502 ADEPT	\$ 100
3518 Adoption List of Formative Assessment	26,906
3526 Refurbishment of Science Kits	6,288
3528 Industry Certifications/Credentials	13,322
3529 Career and Technology Education	10,427
3532 National Board Salary Supplement (No Carryover Provision)	19,419
3533 Teacher of the Year Awards (No Carryover Provision)	2,153
3538 Students at Risk of School Failure	630,867
3541 Child Early Reading Development & Education Program (CERDEP) - Full Day 4K	394,101
3550 Teacher Salary Increase (No Carryover Provision)	967,954
3555 Teacher Salary Fringe (No Carryover Provision)	235,529
3556 Adult Education	142,060
3557 Summer Reading Program	174,891
3577 Teacher Supplies (No Carryover Provision)	88,275
3595 EEDA - Supplies and Materials	8,530
3597 Aid to Districts	119,276
Total Revenue from State Sources	<u>2,840,098</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<b><u>\$ 2,840,098</u></b>
<b>EXPENDITURES</b>	
100 Instruction:	
110 General Instruction:	
111 Kindergarten Programs:	
100 Salaries	1,000
200 Employee Benefits	77
400 Supplies and Materials	\$ 2,750
112 Primary Programs:	
100 Salaries	114,719
200 Employee Benefits	45,806
400 Supplies and Materials	19,291
113 Elementary Programs:	
100 Salaries	224,844
200 Employee Benefits	96,372
400 Supplies and Materials	30,447
114 High School Programs:	
100 Salaries	173,827
200 Employee Benefits	52,231
300 Purchased Services	(285)
400 Supplies and Materials	\$ 20,075

(Continued)

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**Schedule B-4**

**EDUCATION IMPROVEMENT ACT**

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

**YEAR ENDED JUNE 30, 2021**

	<b>ACTUAL</b>
115 Career and Technology Education Program:	
300 Purchased Services - Other Than Tuition	\$ 1,794
400 Supplies and Materials	22,453
500 Capital Outlay	1,811
600 Other Objects	2,651
117 Driver Education Program:	
400 Supplies and Materials	275
120 Exceptional Programs:	
121 Educable Mentally Handicapped:	
400 Supplies and Materials	1,100
122 Trainable Mentally Handicapped:	
100 Salaries	25,808
200 Employee Benefits	12,787
400 Supplies and Materials	1,375
126 Speech Handicapped:	
400 Supplies and Materials	275
127 Learning Disabilities:	
100 Salaries	7,500
200 Employee Benefits	2,210
400 Supplies and Materials	5,225
130 Pre-School Programs:	
137 Preschool Handicapped Self Contained (3 & 4 Yr. Olds):	
400 Supplies and Materials	550
140 Special Programs:	
141 Gifted and Talented - Academic:	
400 Supplies and Materials	275
147 CERDEP:	
100 Salaries	491,025
200 Employee Benefits	239,348
400 Supplies and Materials	3,710
170 Summer School Programs:	
171 Primary Summer School:	
100 Salaries	65,267
200 Employee Benefits	16,813
300 Purchased Services	9,435
400 Supplies and Materials	87,375
180 Adult/Continuing Educational Programs:	
181 Adult Basic Education Programs:	
400 Supplies and Materials	104
182 Adult Secondary Education Programs:	
300 Purchased Services	438
400 Supplies and Materials	\$ 264

(Continued)

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**Schedule B-4**

**EDUCATION IMPROVEMENT ACT**

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

**YEAR ENDED JUNE 30, 2021**

	<b>ACTUAL</b>
184 Post Secondary Education Programs:	
100 Salaries	\$ 31,183
200 Employee Benefits	13,595
Total Instruction	<u>1,825,800</u>
200 Support Services:	
210 Pupil Services:	
212 Guidance Services:	
300 Purchased Services	384
400 Supplies and Materials	10,071
217 Career Specialist Services:	
400 Supplies and Materials	1,650
220 Instructional Staff Services:	
222 Library and Media:	
400 Supplies and Materials	1,925
223 Supervision of Special Programs:	
100 Salaries	66,421
200 Employee Benefits	29,951
400 Supplies and Materials	105
224 Improvement of Instruction - In-service and Staff Training:	
100 Salaries	2,305
200 Employee Benefits	659
300 Purchased Services	28,990
400 Supplies and Materials	5,561
600 Other Objects	25
Total Support Services	<u>148,047</u>
<b>TOTAL EXPENDITURES</b>	<b><u>1,973,847</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>	
Interfund Transfers, From (To) Other Funds:	
5210 Transfer from General Fund (Excludes Indirect Costs)	337,232
420-710 Transfer to General Fund (Exclude Indirect Costs)	(1,203,483)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(866,251)</u>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>-</b>
<b>FUND BALANCES, Beginning of Year</b>	<b><u>-</u></b>
<b>FUND BALANCES, End of Year</b>	<b><u>\$ -</u></b>

MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA

Schedule B-5

EDUCATION IMPROVEMENT ACT

SUMMARY SCHEDULE BY PROGRAM

YEAR ENDED JUNE 30, 2021

Program	Revenues	Expenditures	EIA Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	EIA Fund Unearned Revenue
3500 Education Improvement Act:					
3502 ADEPT	\$ 100	100	-	-	\$ 12,034
3507 Aid to District Technology	-	-	-	-	3,392
3518 Adoption List of Formative Assessment	26,906	26,906	-	-	24,150
3526 Refurbishment of Science Kits	6,288	6,288	-	-	21,376
3528 Industry Certifications/Credentials	13,322	13,322	-	-	37,545
3529 Career and Technology Education	10,427	10,427	-	-	101,977
3532 National Board Salary Supplement (No Carryover Provision)	19,419	19,419	-	-	-
3533 Teacher of the Year Awards (No Carryover Provision)	2,153	2,153	-	-	-
3538 Students at Risk of School Failure	630,867	630,867	-	-	20
3541 Child Early Development & Education Program (CERDEP) - Full Day 4K	394,101	731,333	337,232	-	272,000
3550 Teacher Salary Increase (No Carryover Provision)	967,954	-	-	(967,954)	-
3555 Teacher Salary Fringe (No Carryover Provision)	235,529	-	-	(235,529)	-
3556 Adult Education	142,060	142,060	-	-	5,566
3557 Summer Reading Program	174,891	174,891	-	-	90,286
3577 Teacher Supplies (No Carryover Provision)	88,275	88,275	-	-	-
3595 EEDA - Supplies and Materials	8,530	8,530	-	-	201
3597 Aid to Districts	119,276	119,276	-	-	16,252
<b>Totals</b>	<b>\$ 2,840,098</b>	<b>1,973,847</b>	<b>337,232</b>	<b>(1,203,483)</b>	<b>\$ 584,799</b>

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

YEAR ENDED JUNE 30, 2021

Program	Project/Grant Number	Revenue & Subfund Code	Description	Amount Due to State Department of Education or Federal Government	Status of Amount Due to Grantors
IDEA	IDEA	4510 / 203	Overclaimed funds	\$ 4,740.38	To be paid in FY 2022
Teacher Supplies	EIA	3577 / 377	Unexpended funds	825.00	To be paid in FY 2022
CERDEP - Full Day 4K	DRSR	3134 / 924	Unexpended funds	8,894.88	To be paid in FY 2022
				<u>\$ 14,460.26</u>	

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**Schedule C-1**

**DEBT SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

**YEAR ENDED JUNE 30, 2021**

	<u><b>ACTUAL</b></u>
<b>REVENUES</b>	
1000 Revenue from Local Sources:	
1200 Taxes:	
1110 Ad Valorem Taxes - Including Delinquent (Fiscally Independent LEA)	\$ 583,404
1200 Revenue from Local Governmental Units Other than LEAs:	
1280 Revenue in Lieu of Taxes (Independent and Dependent)	5,443
1500 Earnings on Investments:	
1510 Interest on Investments	2,364
Total Revenue from Local Sources	<u>591,211</u>
3000 Revenue from State Sources:	
3800 State Revenue in Lieu of Taxes:	
3820 Homestead Exemption (Tier 2)	45,601
3830 Merchant's Inventory Tax	5,690
3840 Manufacturers Depreciation Reimbursement	4,529
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	15,252
Total Revenue from State Sources	<u>71,072</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<u><b>662,283</b></u>
<b>EXPENDITURES</b>	
500 Debt Service:	
620 Interest	2,186
Total Debt Service	<u>2,186</u>
<b>TOTAL EXPENDITURES</b>	<u><b>2,186</b></u>
<b>OTHER FINANCING SOURCES (USES)</b>	
424-710 Transfer to Capital Projects Fund	(752,071)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u><b>(752,071)</b></u>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>(91,974)</b>
FUND BALANCE, Beginning of Year	<u>216,691</u>
<b>FUND BALANCE, End of Year</b>	<u><b>\$ 124,717</b></u>

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**Schedule D-1**

**CAPITAL PROJECTS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

**YEAR ENDED JUNE 30, 2021**

	<b>ACTUAL</b>
<b>REVENUES</b>	
1000 Revenue from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 3,483
Total Revenue from Local Sources	<u>3,483</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<b><u>3,483</u></b>
<b>EXPENDITURES</b>	
250 Finance and Operations Services:	
253 Facilities Acquisition & Construction:	
300 Purchased Services	\$ 3,500
500 Capital Outlay:	
530 Improvements Other Than Buildings	349,500
254 Operations and Maintenance of Plant:	
300 Purchased Services	162,222
255 Student Transportation:	
400 Supplies and Materials	81,400
Total Support Services	<u>596,622</u>
<b>TOTAL EXPENDITURES</b>	<b><u>596,622</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>	
5240 Transfer from Debt Service Fund	752,071
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b><u>752,071</u></b>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>158,932</b>
FUND BALANCE, Beginning of Year	<u>2,417,771</u>
<b>FUND BALANCE, End of Year</b>	<b><u>\$ 2,576,703</u></b>

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**Schedule E-1**

**SPECIAL REVENUE - FOOD SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

**YEAR ENDED JUNE 30, 2021**

	<b>ACTUAL</b>
<b>REVENUES</b>	
1000 Revenue from Local Sources:	
1600 Food Service:	
1630 Special Sales to Pupils	\$ 73
1640 Lunch Sales to Adults	11,399
1660 Special Sales to Adults	430
Total Revenue from Local Sources	<u>11,904</u>
4000 Revenue from Federal Sources:	
4800 USDA Reimbursement:	
4810 School Lunch and After School Snacks Program, and Special Milk Program	944,744
4830 School Breakfast Program (Carryover Provision)	542,070
4880 Summer Feeding Program (SFSP)	10,000
4900 Other Federal Sources:	
4991 USDA Commodities (Food Distribution Program) (Carryover Provision)	162,407
Total Revenue from Federal Sources	<u>1,659,221</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<b><u>1,671,125</u></b>
<b>EXPENDITURES</b>	
256 Food Service:	
100 Salaries	1,043,884
200 Employee Benefits	3,726
300 Purchased Services (Exclude Energy Costs)	76,823
400 Supplies and Materials (Include Energy Costs)	1,015,905
600 Other Objects	2,988
Total Food Service Expenses	<u>2,143,326</u>
<b>TOTAL EXPENDITURES</b>	<b><u>2,143,326</u></b>
<b>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>(472,201)</b>
FUND NET ASSETS, Beginning of Year	<u>253,099</u>
<b>FUND NET ASSETS, End of Year</b>	<b><u>\$ (219,102)</u></b>

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**LOCATION RECONCILIATION SCHEDULE**

**YEAR ENDED JUNE 30, 2021**

<b>Location ID</b>	<b>Location Description</b>	<b>Education Level</b>	<b>Cost Type</b>	<b>Total Expenditures</b>
000	DISTRICT WIDE	NON-SCHOOLS	CENTRAL	\$ 299,819
001	SPRING BRANCH PROPERTY	NON-SCHOOLS	CENTRAL	14,543
002	MARION HIGH SCHOOL	HIGH SCHOOL	SCHOOL	6,852,691
003	EASTERLING ELEMENTARY SCHOOL	ELEMENTARY	SCHOOL	4,464,961
004	MARION INTERMEDIATE SCHOOL	ELEMENTARY	SCHOOL	4,290,715
007	JOHNAKIN MIDDLE SCHOOL	MIDDLE SCHOOL	SCHOOL	4,315,729
008	MULLINS HIGH SCHOOL	HIGH SCHOOL	SCHOOL	5,261,931
009	PALMETTO MIDDLE SCHOOL	MIDDLE SCHOOL	SCHOOL	3,117,651
010	McCORMICK ELEMENTARY SCHOOL	ELEMENTARY	SCHOOL	2,632,712
012	FOX FIELD	NON-SCHOOLS	CENTRAL	18,651
013	NORTH MULLINS PRIMARY SCHOOL	ELEMENTARY	SCHOOL	2,554,002
014	MULLINS EARLY CHILDHOOD CENTER	ELEMENTARY	SCHOOL	2,429,433
022	ACTIVITY BUS	NON-SCHOOLS	CENTRAL	37,533
023	BRITTONS NECK ELEMENTARY SCHOOL	ELEMENTARY	SCHOOL	93,902
025	CREEK BRIDGE STEM ACADEMY	ELEM/MIDDLE	SCHOOL	3,733,912
030	ADULT EDUCATION	OTHER SCHOOL	SCHOOL	282,410
031	SUCCESS ACADEMY/PALMETTO ED CTR	ALTERNATIVE SCHL	SCHOOL	945,420
032	ATHLETIC COMPLEX - MARION	HIGH SCHOOL	CENTRAL	23,938
907	COMMUNITY CENTER - CENTENARY	NON-SCHOOLS	CENTRAL	6,563
908	SAFFOLD BUILDING	NON-SCHOOLS	CENTRAL	7,633
910	MARION COUNTY SCHS-DISTRICT OFC	NON-SCHOOLS	CENTRAL	6,765,817
913	MARION COUNTY SCHS-ANNEX OFC	NON-SCHOOLS	CENTRAL	960,992
922	SUPERINTENDENT'S HOUSE-CENTENARY	NON-SCHOOLS	CENTRAL	1,387
925	MAINTENANCE DEPARTMENT	NON-SCHOOLS	CENTRAL	426,572
926	STORAGE	NON-SCHOOLS	CENTRAL	252
927	OLD RED BRICK SCHOOL	NON-SCHOOLS	CENTRAL	3,843
928	OLD RAINS CENTENARY ELEMENTARY	NON-SCHOOLS	CENTRAL	13,348
929	RAINS DO-HOUSE	NON-SCHOOLS	CENTRAL	555
933	SOUTHSIDE	NON-SCHOOLS	CENTRAL	23,626
940	BUS DRIVER	NON-SCHOOLS	CENTRAL	20,773
975	TOM GASQUE AVE APARTMENTS	NON-SCHOOLS	CENTRAL	7,374
995	ACADEMY FOR CAREERS/TECHNOLOGY	HIGH SCHOOL	SCHOOL	2,111,701
999	PEE DEE ACADEMY	GRADES K - 12	SCHOOL	33,237
				<u><u>\$ 51,753,626</u></u>

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

<b>Fund</b>	<b>Amount</b>
General Fund	\$ 34,590,491
Special Revenue Fund	12,447,154
Special Revenue - EIA Fund	1,973,847
Special Revenue - Food Service Fund	2,143,326
Debt Service Fund	2,186
Capital Projects Fund	596,622
	<u><u>\$ 51,753,626</u></u>

## **COMPLIANCE SECTION**

MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2021

LEA Subfund Code	Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass Through Grantor's Number	Federal Expenditures
<b>US DEPARTMENT OF AGRICULTURE</b>				
	Pass-through State Department of Education:			
600	School Breakfast Program	10.553	N/A	\$ 542,070
600	National School Lunch Program	10.555	N/A	944,744
600	National School Lunch Program - Non-Cash Assistance	10.555	N/A	162,407
625	Summer Food Service Program for Children	10.559	N/A	10,000
	Total 10.553, 10.555 & 10.559			1,659,221
<b>TOTAL US DEPARTMENT OF AGRICULTURE</b>				<b>1,659,221</b>
<b>US DEPARTMENT OF EDUCATION</b>				
	Pass-through State Department of Education:			
201	Title I Grants to LEA's	84.010	19/20 Title I	2,450,593
237	Title I Targeted Support & Improvement	84.010	20 Title I Support	826,295
	Total 84.010			3,276,888
	Individuals with Disabilities Education Act:			
203	IDEA	84.027	19/20/21 IDEA	1,302,935
205	Handicapped Preschool Grants	84.173	19/20/21 Preschool	40,698
212	Extended School Year	84.027	20 IDEA ESY	678
	Total 84.027 & 84.173			1,344,311
207	Vocational Education - WBL Activities	84.048	20/21 CATE	126,896
210	Student Support and Academic Enrichment (SSAE)	84.424A	19/20 Title IV SSAE	139,234
	Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund (ESSER):			
220	COVID-19 - Elementary and Secondary School Emergency and Relief Fund	84.425D	20 SC CARES ESSER I	2,409,101
225	COVID-19 - Elementary and Secondary School Emergency and Relief Fund	84.425D	ESSER II	269,968
	Total 84.425D			2,679,069
243	Adult Education	84.002	19/20 Adult Ed	21,556
251	Rural and Low Income Schools	84.358	19/20 Title VI REAP	73,891
264	Language Instruction - Title III	84.365	19/20 Title III	7,721
267	Improving Teacher Quality - Title II	84.367	19/20/21 Title II ITQ	218,773
	Total Pass-through State Department of Education:			7,888,339
	Pass-through Insight Education Group, Inc:			
836	Empowering Educators to Excel (E3) - TSL	84.374A	U374A170085-17A	1,056,550
	Direct Programs:			
820	Federal Pell Grant Program	84.063	N/A	100,710
	Higher Education Emergency Relief Fund (HEERF)			
820	COVID - 19 - HEERF Student Aid Portion	84.425E	N/A	35,100
820	COVID - 19 - HEERF Institutional Portion	84.425F	N/A	132,840
	Total 84.425E & F			167,940
<b>TOTAL US DEPARTMENT OF EDUCATION</b>				<b>\$ 9,213,539</b>

(Continued)

MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2021

LEA Subfund Code	Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass Through Grantor's Number	Federal Expenditures
<b>US DEPARTMENT OF DEFENSE</b>				
Direct Program:				
296	JROTC - Army	12.000	N/A	\$ 90,681
297	JROTC - Marine Corps	12.000	N/A	54,929
Total 12.000				145,610
<b>TOTAL US DEPARTMENT OF DEFENSE</b>				<b>145,610</b>
<b>TOTAL FEDERAL ASSISTANCE EXPENDED</b>				<b>\$ 11,018,370</b>

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

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED JUNE 30, 2021**

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**A – General**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) presents the activity of all federal award programs of Marion County School District, South Carolina (the “School District”) for the year ended June 30, 2021. All federal awards received directly from the federal agencies, as well as those passed through other government agencies, are included on the Schedule.

**B – Basis of Accounting**

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

**C – Relationship to Financial Statements**

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

**D – Relationship to Federal Financial Reports**

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

**E – Indirect Cost Rate**

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



# Greene Finney, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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

### INDEPENDENT AUDITOR'S REPORT

Marion County Board of Education  
Marion County School District  
Marion, 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, each major fund, and the aggregate remaining fund information of Marion County School District, South Carolina (the "School District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 21, 2021.

#### Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in the internal controls, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

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### **School District's Response to the Finding**

The School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

### **Purpose of this Report**

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

*Greene Finney, LLP*

Greene Finney, LLP  
Mauldin, South Carolina  
December 21, 2021



# Greene Finney, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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

### INDEPENDENT AUDITOR'S REPORT

Marion County Board of Education  
Marion County School District  
Marion, South Carolina

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

We have audited Marion County School District, South Carolina's (the "School District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2021. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### *Management's Responsibility*

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

#### *Auditor's Responsibility*

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

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

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

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

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## Report on Internal Control Over Compliance

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

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

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

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

*Greene Finney, LLP*

Greene Finney, LLP  
Mauldin, South Carolina  
December 21, 2021

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**YEAR ENDED JUNE 30, 2021**

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**Section II – Financial Statement Findings**

**2020-001: MATERIAL WEAKNESS IN YEAR END CLOSING PROCESS**

**Condition:** During the 2020 audit, it was noted that several items, primarily bank reconciliations, liability accounts, and special revenue funds were not properly completed, reviewed and closed out in a timely manner prior to us arriving for the audit. In addition, after receiving the initial trial balance for our audit, it was determined that significant amounts of check runs and electronic payments were not recorded in the general ledger. The School District also failed to record / reconcile its debt service fund activity, which primarily flows through the Marion County Treasurer's office.

**Criteria:** The District should have completed and reviewed these items during the year end closing process prior to the year-end audit work beginning. In addition, internal controls should be in place to ensure all transactions are recorded in the general ledger and that bank reconciliations are completed and reviewed on a timely basis.

**Context, Cause and Effect:** COVID-19 caused disruptions in the financial operations. The accounting manager also became ill and decided to retire with little notice and the District was without a full-time Director of Finance for the year. Finally, internal controls were not operating such that the reconciliations and errors in accounts were not identified and updated on a timely basis. As a result, significant audit adjustments were required to properly report balances as of June 30, 2020.

**Status:** The School District is still in the process of putting controls into place for completing and reviewing the close out process. A finding will also be issued for the 2021 audit.

**Section III – Federal Award Findings and Questioned Costs**

None Reported

MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2021

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Section I - Summary of Auditor's Results

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

  X   Yes        No

Significant deficiency(s) identified that are not  
considered to be material weaknesses?

       Yes   X   None Reported

Noncompliance material to financial statements noted?

       Yes   X   No

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?

       Yes   X   No

Significant deficiency(s) identified that are not  
considered to be material weaknesses?

       Yes   X   None Reported

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

Any audit findings disclosed that are required to be reported  
in accordance with section 2 CFR 200.516 (Uniform Guidance)?

       Yes   X   No

Identification of major programs:

Assistance Listing Number(s)

Name of Federal Program or Cluster

10.553, 10.555, and 10.559

Child Nutrition Cluster

84.027 and 84.173

IDEA Cluster

84.425D

COVID-19 Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund

Dollar threshold used to distinguish between type A and type B programs:

          \$ 750,000          

Auditee qualified as low-risk auditee?

       Yes   X   No

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED JUNE 30, 2021**

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**Section II – Current Year Financial Statement Findings**

**2021-001: MATERIAL WEAKNESS IN MAINTAINING AN ACCURATE GENERAL LEDGER IN THE YEAR  
END CLOSING PROCESS**

**Condition:** During the 2021 audit, it was noted that several items, primarily bank reconciliations, liability accounts, and special revenue funds were not properly completed, reviewed and closed out in a timely manner prior to us arriving for the audit. In addition, after receiving the initial trial balance for our audit, it was noted that there were several material adjustments that needed to be made to both the balance sheet and income statement accounts. The School District also failed to record / reconcile its Debt Service Fund activity, which primarily flows through the Marion County Treasurer's office.

- The bank reconciliation for the School District's main operating account was significantly out of balance as of June 30, 2021, and was not completed until December, 2021.
- The School District failed to record its short-term debt issuance from the time the debt was issued through the final audit field work date.
- At the beginning of final field work, the School District had fund balance in an EIA fund. The EIA fund should always have a \$0 fund balance and therefore this fund was not properly closed out.
- The School District's retirement accrual was materially misstated and needed significant adjustments during final audit field work. During our final audit field work, we also found that the School District over accrued its retirement in the previous year and therefore needed a prior period adjustment to restate the beginning fund balance. The School District also had a debit balance in its health insurance liability account. After finding this, the School District noticed that the health insurance expense was not recorded for the Food Service Fund for the entire year and therefore a new trial balance was needed after final fieldwork started.
- There were significant adjustments to the School District's capital assets in the year ended June 30, 2021. The School District failed to capitalize the replacement of the Marion County High School gym and the Mullings High School stadium lights. Additionally, asset listings are sent out annually to the department heads to update. These listings are not always updated and sent back to the Operations Specialist.
- It was noted that the School District's food service inventory did not change from the prior year to the current year. The School District should have periodic inventory counts to ensure that the amount showing on the ledger is an accurate representation of what is actually in the inventory balance.
- The School District failed to accrue a school tax credit revenue in the previous year that resulted in a prior period adjustment to restate the beginning balance for the General Fund.

**Criteria:** The School District should have completed and reviewed these items during the year end closing process prior to the year-end audit work beginning. In addition, internal controls should be in place to ensure all transactions are accurately and completely recorded in the general ledger and that bank reconciliations are completed and reviewed on a timely basis.

**Context, Cause and Effect:** Turnover in the School District's finance department caused disruptions in the financial operations. The Director of Finance suddenly left the School District close to the end of the 2021 fiscal year. Finally, internal controls were not operating such that the reconciliations and errors in accounts were not identified and updated on a timely basis. As a result, significant audit adjustments were required to properly report balances as of June 30, 2021.

**Recommendation:** We recommend that the School District hire adequate financial staff as well as develop and implement appropriate internal controls to ensure that all year end closing items are correctly reviewed and completed prior to year end audit work.

**MARION COUNTY SCHOOL DISTRICT  
MARION, SOUTH CAROLINA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED JUNE 30, 2021**

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**Section II – Current Year Financial Statement Findings (Continued)**

**2021-001: MATERIAL WEAKNESS IN MAINTAINING AN ACCURATE GENERAL LEDGER IN THE YEAR  
END CLOSING PROCESS (CONTINUED)**

**Response:** The School District agrees with this finding and will adhere to the corrective action plan on page 107 in this audit report.

**Section III – Current Year Federal Award Findings and Questioned Cost**

None Noted



**DR. KANDACE BETHEA**  
*Superintendent*

**Marion County School District  
Marion, South Carolina**

**Corrective Action Plan**

**Year Ended June 30, 2021**

**Section II – Current Year Financial Statement Findings**

**Finding:** 2021-001

**Contact Person:** Donna D. Sullivan, CGFO, Interim Finance Director  
[dsullivan@marion.k12.sc.us](mailto:dsullivan@marion.k12.sc.us)

**Corrective Action:** The School District is aware of the areas of deficiency, and is working toward hiring a full-time Finance Director to oversee and manage the Finance Department. The internal controls and oversight needed for the departmental staff will be stressed to the new director, and will be implemented by current staff until a new director is hired. Steps will be taken to thoroughly review the general ledger and trial balance on a monthly basis, with more stringent evaluation and assessment at year end close out.

**Proposed Completion**

**Date:** Prior to June 30, 2022

**Section III – Current Year Federal Award Findings and Questioned Costs**

No matters to report.