

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

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

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

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

PRINCIPAL OFFICIALS

YEAR ENDED JUNE 30, 2022

Marion County Board of Education

**Patricia Atkinson, Board Chair
Nadine H. Foxworth, Vice-Chair
Ogleretta D White
Cynthia V. Brown
Kevin Dozier
Donnie Hill
Susan S. Pridgen**

Superintendent

Dr. Kandace Bethea

Director of Finance

Angel Cooper

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Greene Finney Cauley, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists.

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The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2022 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
November 23, 2022

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2022

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, 2022. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the 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 2022 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 \$54.4 million. Unrestricted net position was a deficit of \$85.0 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, 2022 (including deferred outflows and inflows) was \$50.2 million and the net OPEB plan liability at June 30, 2022 (including deferred outflows and inflows) was \$47.6 million.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$14.6 million. 74% of the total amount, or \$10.7 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 \$10.7 million, which was 31% of total General Fund expenditures for fiscal year 2022.
- The School District's fund balance for the General Fund increased by \$2.2 million.
- During the 2022 fiscal year, the School District's governmental fund revenues were \$58.1 million compared to \$53.9 million in the prior year, or an increase of \$4.2 million.
- During the 2022 fiscal year, the School District's governmental fund expenditures were \$55.2 million compared to \$51.8 million in the prior year, or an increase of \$3.4 million.
- On the government-wide basis, the School District's total net position increased by \$2.0 million, primarily due to revenues exceeding expenses.
- The School District's net capital assets decreased by \$0.7 million during the current fiscal year due to depreciation expense of \$1.6 million exceeding current year additions of \$0.9 million.
- The School District did not have any outstanding long-term obligations at June 30, 2022 or at June 30, 2021. The School District had \$0.8 million in outstanding short-term debt, issued in May 2022 that matures in March 2023.

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.

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).

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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.

Fiduciary Fund. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's own programs. The School District is the trustee, or fiduciary, for the Private-Purpose Trust Fund for individual scholarships and accounts for this activity in an agency fund. The Fiduciary Fund financial statement 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.

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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Major Features of Marion County School District's Government-Wide and Fund Financial Statements			
	Government-Wide Financial Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Fund
Scope	Entire School District (except fiduciary funds)	The activities of the School District that are not fiduciary	Instances in which the School District is the trustee/agent for someone else's resources, such as the Private-Purpose Trust Fund
Required Financial Statements	<ul style="list-style-type: none"> ▪ Statement of Net Position ▪ Statement of Activities 	<ul style="list-style-type: none"> ▪ Balance Sheet ▪ Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> ▪ Statement of Fiduciary Net Position ▪ Statement of Changes in Fiduciary Net Position
Accounting and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting
Type of Balance Sheet Information	All balance sheet elements, both financial and capital, and short-term and long-term	All balance sheet elements that come due during the year or shortly thereafter; no capital assets or long-term obligations are included	All balance sheet elements, both short-term and long-term
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	All revenues and expenses during year, regardless of when cash is received or paid

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2022

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 \$54.4 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, 2022 compared to June 30, 2021:

Net Position - Governmental Activities

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Assets		
Current and Other Assets	\$ 20,999,594	\$ 19,283,956
Capital Assets (Net)	28,470,223	29,179,466
Total Assets	<u>49,469,817</u>	<u>48,463,422</u>
Deferred Outflows of Resources	<u>22,308,451</u>	<u>20,589,533</u>
Liabilities		
Other Liabilities	6,118,996	7,315,953
Net Pension Liability	47,426,477	57,968,960
Net Other Postemployment Benefit Plan Liability	55,828,406	49,844,015
Total Liabilities	<u>109,373,879</u>	<u>115,128,928</u>
Deferred Inflows of Resources	<u>16,787,944</u>	<u>10,265,685</u>
Net Position		
Net Investment in Capital Assets	28,470,223	29,661,744
Restricted	2,156,575	1,125,049
Unrestricted	(85,010,353)	(87,128,451)
Total Net Position	<u>\$ (54,383,555)</u>	<u>\$ (56,341,658)</u>

Total assets increased by \$1.0 million primarily due to an increase in current and other assets of \$1.7 million primarily due to an increase in cash, primarily driven by revenues exceeding expenditures, and an increase in due from other governments, offset by a decrease in capital assets of \$0.7 million, as depreciation expense exceeded current year additions. Total liabilities decreased \$5.8 million primarily due to a decrease in the net pension liability and a decrease in accrued salaries, fringe and benefits offset by an increase in the net other postemployment benefit plan liability.

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 \$85.0 million at June 30, 2022, due to the School District's proportionate share of the State of South Carolina's net pension and net other postemployment benefit plan liabilities.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The following table shows the changes in net position for fiscal year 2022 compared to 2021:

Changes in Net Position - Governmental Activities		
	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 497,067	\$ 317,325
Operating Grants and Contributions	40,641,218	36,738,904
Capital Grants and Contributions	12,906	-
General Revenues:		
Property Taxes and Revenue in Lieu of Taxes	16,340,020	15,824,886
Other	335,525	250,207
Total Revenues	<u>57,826,736</u>	<u>53,131,322</u>
Program Activities		
Instruction	27,627,363	28,683,639
Support Services	28,072,309	24,522,107
Community Services	42,611	11,819
Intergovernmental	99,419	270,265
Interest and Other Charges	26,931	2,186
Total Expenses	<u>55,868,633</u>	<u>53,490,016</u>
Change in Net Position	1,958,103	(358,694)
Net Position, Beginning of Year	<u>(56,341,658)</u>	<u>(55,982,964)</u>
Net Position, End of Year	<u>\$ (54,383,555)</u>	<u>\$ (56,341,658)</u>

Overall, the School District's financial condition increased in fiscal year 2022, as revenue exceeded expenses by \$2.0 million, compared to a decrease of \$0.4 million in the prior year. Total revenues increased \$4.7 million from 2021 primarily due to an increase in operating grants and contributions of \$3.9 million and an increase in property tax and revenue in lieu of taxes of \$0.5 million. Program expenses increased \$2.4 million from 2021 primarily due to an increase in support services expenses of \$3.6 million offset by a decrease in instruction related expenses of \$1.1 million.

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, 2022, the School District's governmental funds reported a *combined* fund balance of \$14.6 million as compared to \$11.7 million for the prior year.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2022

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (CONINUED)

Governmental Funds (Continued)

Total governmental fund revenues were \$58.1 million, or \$4.2 million more than the prior year. This increase is primarily due to an increase in revenues from local and federal sources (primarily Elementary and Secondary Schools Emergency Relief funds), partially offset by a decrease in revenues from state sources. Total governmental fund expenditures were \$55.2 million, or \$3.5 million higher than the prior year. This increase is primarily due to an increase in support services and capital outlay related expenditures, partially offset by a decrease in instruction expenditures.

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 \$10.8 million, increasing by \$2.2 million during the current fiscal year. The unassigned fund balance of the General Fund was \$10.7 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. However, at the end of the fiscal year in the Special Revenue Fund, the School District had a fund balance of \$0.6 million, which consisted of fund balance restricted for student activities of \$0.2 million and assigned for special revenue program expenditures of \$0.4 million. The Special Revenue Fund also had unearned revenue of \$0.4 million. Special Revenue – EIA Fund did not have a fund balance but had unearned revenue of \$0.7 million.

The Special Revenue – Food Service Fund had an increase in fund balance of \$0.8 million. At June 30, 2022, fund balance was of approximately \$0.6 million.

The School District's Debt Service Fund balance decreased by \$0.1 million during the 2022 fiscal year to a deficit balance of less than \$0.1 million at June 30, 2022.

The School District's Capital Projects Fund balance increased by less than \$0.1 million during the 2022 fiscal year to \$2.6 million at June 30, 2022.

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 revenue sources and annual appropriations of \$37.6 million.

At June 30, 2022, the General Fund had a positive total budget vs. actual variance of \$2.2 million. This variance is primarily due to actual expenditures being less than budgeted expenditures by \$2.7 million, primarily due to instruction and support related expenditures coming in under budget by \$2.7 million. This was offset by actual revenues being less than budgeted revenues by \$0.4 million, primarily due to revenues from state sources coming in under budget by approximately \$0.7 million, partially offset by other local revenues over budget by \$0.2 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2022, the School District had \$28.5 million in capital assets, net of depreciation.

The net decrease in the School District's capital assets was \$0.7 million. The decrease was due to depreciation expense of \$1.6 million exceeding current year additions of \$0.9 million. The additions were primarily for replacement of Mullins High School fire alarm system, Mullins High School gym floor, Palmetto Middle School gym floor, and Jonakin Middle School's bell and public address systems.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2022

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Capital Assets (Continued)

The following table shows the capital asset balances at June 30, 2022 and 2021:

Capital Assets - Governmental Activities

	June 30, 2022	June 30, 2021
Capital Assets		
Land	\$ 2,168,458	\$ 2,168,458
Buildings and Improvements	25,297,447	25,793,326
Machinery and Equipment	1,004,318	1,217,682
Capital Assets, Net	<u>\$ 28,470,223</u>	<u>\$ 29,179,466</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, 2022, the School District had no outstanding long-term indebtedness. In May 2021, the School District issued a short-term General Obligation Bond in the amount of approximately \$0.7 million; the School District repaid this in March 2022 upon maturity, including interest of approximately \$18,000. In May 2022, the School District issued a short-term General Obligation Bond in the amount of approximately \$0.8 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 2023, with interest at 1.79%. The School District's total debt as of June 30, 2022 and 2021 was as follows:

Outstanding Debt - Governmental Activities

	June 30, 2022	June 30, 2021
General Obligation Bonds	\$ 795,000	\$ 742,000
Total	<u>\$ 795,000</u>	<u>\$ 742,000</u>

The state limits the amount of general obligation debt that school districts can issue to 8% of the assessed value of all taxable property within the School District's corporate limits. The School District is authorized by state statute to exceed the legal debt margin of 8% if citizens of the School District approve such additional debt through a district-wide referendum. The outstanding debt of \$0.8 million is subject to this limit as of June 30, 2022, leaving \$5.4 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 712 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 in FY 22/23 was only increased by 4 mills 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, 2022

FY 2023 GENERAL FUND BUDGET

The Board of Trustees adopted a General Fund budget for fiscal year 2023 that reflected total revenues of \$40.6 million and total appropriations of \$40.6 million. The fiscal year 2023 General Fund original budget represents a 8% increase from the fiscal year 2022 General Fund budget of \$37.6 million.

The fiscal year 2023 General Assembly introduced a new funding formula for K-12 education called the Aid to Classrooms Program that replaced the Education Finance Act. The new formula no longer uses the EFA base student cost and weighted pupil units to determine a school district's funding amount. The new formula is based on the number of teachers needed statewide based on an 11.2:1 ration of students to teacher. The number of teachers needed is determined by dividing the state-wide pupils by 11.2. The number of teachers needed statewide is then multiplied by the average state teacher salary of \$69,153 for salary and fringe cost for fiscal year 2023, to calculate the total state funds for education. The School District receives its share of the total State funds based upon its proportion of total weighted pupils and the School District's ability to pay, measured by the Index of Taxpaying Ability. The new formula will generate \$4.1 million in new monies for the School District. The School District continues to experience a reduction in student membership for the past few years; however, with the increase in revenue from the new formula, and a slight millage increase, the approved budget for fiscal year 2023 has increased by \$3.0 million.

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, 2022

	PRIMARY GOVERNMENT Governmental Activities
ASSETS	
Cash and Investments	\$ 9,630,771
Cash and Investments, Restricted	265,663
Cash and Investments Held by County Treasurer	2,974,408
Property Taxes Receivable, Net	354,010
Accounts Receivable	31,105
Due from Other Governments	7,679,037
Inventories and Prepaid Items	64,600
Capital Assets:	
Non-Depreciable	2,168,458
Depreciable, Net	26,301,765
TOTAL ASSETS	49,469,817
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Charges	7,368,371
Deferred Other Postemployment Benefit Plan Charges	14,940,080
TOTAL DEFERRED OUTFLOWS OF RESOURCES	22,308,451
LIABILITIES	
Accounts Payable	554,801
Accrued Salaries, Fringe & Benefits	3,644,179
Due to Other Governments	2,880
Unearned Revenue	1,122,136
Short-Term General Obligation Bond Payable	795,000
Non-Current Liabilities:	
Net Pension Liability - due in more than one year	47,426,477
Net Other Postemployment Benefit Plan Liability - due in more than one year	55,828,406
TOTAL LIABILITIES	109,373,879
DEFERRED INFLOWS OF RESOURCES	
Deferred Pension Credits	10,111,207
Deferred Other Postemployment Benefit Plan Credits	6,676,737
TOTAL DEFERRED INFLOWS OF RESOURCES	16,787,944
NET POSITION	
Net Investment in Capital Assets	28,470,223
Restricted For:	
Debt Service	810,910
Capital Projects	497,496
Food Service	624,740
Student Activities	223,429
Unrestricted	(85,010,353)
TOTAL NET POSITION	\$ (54,383,555)

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, 2022

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
PRIMARY GOVERNMENT:	Expenses				
Governmental Activities:					
Instruction	\$ 27,627,363	176,439	24,812,755	12,906	\$ (2,625,263)
Support Services	28,072,309	320,628	15,828,463	-	(11,923,218)
Community Services	42,611	-	-	-	(42,611)
Intergovernmental	99,419	-	-	-	(99,419)
Interest and Other Charges	26,931	-	-	-	(26,931)
Total Governmental Activities	55,868,633	497,067	40,641,218	12,906	(14,717,442)
TOTAL PRIMARY GOVERNMENT	\$ 55,868,633	497,067	40,641,218	12,906	(14,717,442)
GENERAL REVENUES:					
General Revenue:					
Property Taxes Levied for General Purposes					8,821,370
Property Taxes Levied for Debt Service					580,956
State Revenue in Lieu of Taxes					6,937,694
Investment Earnings					52,137
Miscellaneous					283,388
TOTAL GENERAL REVENUES					16,675,545
CHANGE IN NET POSITION					1,958,103
NET POSITION - Beginning of Year					(56,341,658)
NET POSITION - Ending of Year					\$ (54,383,555)

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, 2022

	GENERAL	SPECIAL REVENUE
ASSETS		
Cash and Investments	\$ 9,008,714	-
Cash and Investments, Restricted	-	737
Cash and Investments Held by County Treasurer	-	-
Receivables, Net:		
Taxes	338,100	-
Accounts	-	27,018
Due From:		
County Treasurer	242,068	-
State Agencies	84,016	1,672
Federal Agencies	-	7,027,925
Other Funds	6,682,099	-
Other Governments	15,354	105,113
Prepaid Items	-	451
Inventories	28,690	-
TOTAL ASSETS	\$ 16,399,041	7,162,916
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES		
LIABILITIES:		
Accounts Payable	\$ 493,944	2,270
Accrued Salaries, Fringe & Benefits	3,641,662	2,517
Due To:		
State Agencies	-	2,880
Other Funds	1,185,321	6,145,417
Unearned Revenue	14,650	415,181
Short-Term Debt - Bond Payable	-	-
TOTAL LIABILITIES	5,335,577	6,568,265
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue - Property Taxes	287,568	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	5,623,145	6,568,265
FUND BALANCES:		
Fund Balances		
Nonspendable:		
Prepaid Items	-	451
Inventories	28,690	-
Restricted for:		
Capital Projects	-	-
Food Service	-	-
Student Activities	-	223,429
Assigned for:		
Special Revenue Programs	-	370,771
Capital Projects	-	-
Unassigned	10,747,206	-
TOTAL FUND BALANCES	10,775,896	594,651
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 16,399,041	7,162,916

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
-	-	-	622,057	\$ 9,630,771
-	-	264,926	-	265,663
-	-	413,309	2,561,099	2,974,408
-	-	15,910	-	354,010
-	823	-	3,264	31,105
-	-	12,424	-	254,492
189,672	-	-	-	275,360
-	-	-	-	7,027,925
501,517	596,613	87,190	-	7,867,419
-	793	-	-	121,260
-	-	-	-	451
-	35,459	-	-	64,149
691,189	633,688	793,759	3,186,420	\$ 28,867,013
-	7,832	-	50,755	\$ 554,801
-	-	-	-	3,644,179
-	-	-	-	2,880
-	-	-	536,681	7,867,419
691,189	1,116	-	-	1,122,136
-	-	795,000	-	795,000
691,189	8,948	795,000	587,436	13,986,415
-	-	15,910	-	303,478
691,189	8,948	810,910	587,436	14,289,893
-	-	-	-	451
-	35,459	-	-	64,149
-	-	-	1,292,496	1,292,496
-	589,281	-	-	589,281
-	-	-	-	223,429
-	-	-	-	370,771
-	-	-	1,306,488	1,306,488
-	-	(17,151)	-	10,730,055
-	624,740	(17,151)	2,598,984	14,577,120
691,189	633,688	793,759	3,186,420	\$ 28,867,013

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

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

JUNE 30, 2022

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 14,577,120
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.	303,478
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 \$75,168,848 and the accumulated depreciation was \$46,698,625.	28,470,223
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.	(50,169,313)
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.	(47,565,063)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	<u>\$ (54,383,555)</u>

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, 2022

	GENERAL	SPECIAL REVENUE
REVENUES		
Local Sources:		
Taxes	\$ 8,830,321	-
Investment Earnings	34,526	-
Other Local Sources	394,955	773,929
State Sources	26,390,911	1,091,676
Federal Sources	-	12,778,283
Intergovernmental Revenue	-	169,555
TOTAL REVENUE ALL SOURCES	35,650,713	14,813,443
EXPENDITURES		
Current:		
Instruction	19,008,605	5,989,659
Support Services	15,901,041	8,356,852
Community Services	9,069	33,542
Intergovernmental	11,320	94,467
Capital Outlay	-	9,610
Debt Service:		
Interest and Fiscal Charges	-	-
TOTAL EXPENDITURES	34,930,035	14,484,130
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	720,678	329,313
OTHER FINANCING SOURCES (USES)		
Transfers In	1,571,750	27,508
Transfers Out	(117,877)	(334,498)
TOTAL OTHER FINANCING SOURCES (USES)	1,453,873	(306,990)
NET CHANGE IN FUND BALANCES	2,174,551	22,323
FUND BALANCES, Beginning of Year	8,601,345	572,328
FUND BALANCES, End of Year	\$ 10,775,896	594,651

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
-	-	574,898	-	\$ 9,405,219
-	-	16,058	1,553	52,137
-	24,384	-	-	1,193,268
3,102,228	-	79,984	-	30,664,799
-	3,873,790	-	-	16,652,073
-	-	-	-	169,555
3,102,228	3,898,174	670,940	1,553	58,137,051
1,819,255	-	-	-	26,817,519
186,090	3,004,332	-	97,103	27,545,418
-	-	-	-	42,611
-	-	-	-	105,787
-	-	-	668,046	677,656
-	-	26,931	-	26,931
2,005,345	3,004,332	26,931	765,149	55,215,922
1,096,883	893,842	644,009	(763,596)	2,921,129
90,369	-	-	785,877	2,475,504
(1,187,252)	(50,000)	(785,877)	-	(2,475,504)
(1,096,883)	(50,000)	(785,877)	785,877	-
-	843,842	(141,868)	22,281	2,921,129
-	(219,102)	124,717	2,576,703	11,655,991
-	624,740	(17,151)	2,598,984	\$ 14,577,120

**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, 2022

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ 2,921,129
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.	(8,534)
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.	2,310,058
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.	(2,555,307)
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 (\$919,539) were exceeded by depreciation expense (\$1,628,782) in the current year.	(709,243)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 1,958,103</u>

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, 2022

	PRIVATE-PURPOSE TRUST FUND
ASSETS	
Cash and Investments	\$ 94,933
TOTAL ASSETS	94,933
LIABILITIES	
TOTAL LIABILITIES	-
NET POSITION	
Held in Trust for Scholarships	
Nonexpendable	66,143
Expendable	28,790
TOTAL NET POSITION	\$ 94,933

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, 2022

	PRIVATE-PURPOSE TRUST FUND
ADDITIONS	
Interest Earnings	\$ 1,871
Contributions and Donations	1,900
TOTAL ADDITIONS	3,771
DEDUCTIONS	
Scholarships Awarded	3,400
TOTAL DEDUCTIONS	3,400
CHANGE IN NET POSITION	371
NET POSITION, Beginning of Year	94,562
NET POSITION, End of Year	\$ 94,933

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, 2022

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, 2022

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, 2022

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, 2022

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.

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.
- (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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Cash and Investments (Continued)

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.

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.

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

In 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 assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The School District currently has two types of deferred outflows of resources: (1) The School District reports *deferred pension charges* in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. (2) The School District reports *deferred 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 assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The School District currently has three types of deferred inflows of resources: (1) The School District reports *unavailable revenue – 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.

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.

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. *Fund Balance (Continued)*

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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Fair Value (Continued)

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

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, 2022, none of the School District's total bank balances of approximately \$2,816,000 (with a carrying value of approximately \$711,000) was exposed to custodial credit.

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

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

A. Deposits and Investments (Continued)

Investments

As of June 30, 2022, 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	\$ 9,280,282	< 1 Year
Cash and Investments Held by County Treasurer	N/A	N/A	2,974,408	N/A
Total			<u>\$ 12,254,690</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, 2022, 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, 2022

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, 2022, the operating and debt service millage rates were 170 mills (increase of 2 mills from prior year) and 8 mills (no change from prior year), respectively, based on an assessed value of approximately \$77.9 million for the School District.

On the government-wide and fund financial statements, taxes receivable are approximately \$354,000 (net of an allowance for uncollectible property taxes of approximately \$272,000) at June 30, 2022. Allowances for uncollectible balances were not necessary for the other receivable accounts.

Delinquent property taxes of approximately \$51,000 have been recognized as revenue at June 30, 2022, 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, 2022, 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)	\$	287,568
Delinquent Property Taxes Receivable (Debt Service Fund)		15,910
Total Deferred Inflows for Governmental Funds	\$	<u>303,478</u>

Unearned Revenues:

Revenue Collected, but Unearned - General Fund	\$	14,650
Revenue Collected, but Unearned - Special Revenue Fund		415,181
Revenue Collected, but Unearned - EIA Fund		691,189
Revenue Collected, but Unearned - Food Service Fund		1,116
Total Unearned Revenues for both Government-wide Financial Statements and Governmental Funds	\$	<u>1,122,136</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

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

D. Interfund Receivables and Payables

Interfund receivables and payables at June 30, 2022 (these are generally expected to be paid or received within one year), are summarized as follows:

<u>Fund</u>	<u>Receivables</u>	<u>Payables</u>
<u>Governmental Funds:</u>		
General Fund	\$ 6,682,099	\$ 1,185,321
Special Revenue Fund	-	6,145,417
Special Revenue - EIA Fund	501,517	-
Special Revenue - Food Service Fund	596,613	-
Debt Service Fund	87,190	-
Capital Projects Fund	-	536,681
Total	<u>\$ 7,867,419</u>	<u>\$ 7,867,419</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. The payable from the Capital Projects Fund to the General Fund is for payments made by the General Fund for capital related expenditures.

E. Transfers In and (Out)

Transfers from (to) other funds for the year ended June 30, 2022 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Funds:</u>		
General Fund	\$ 1,571,750	\$ 117,877
Special Revenue Fund	27,508	334,498
Special Revenue - EIA Fund	90,369	1,187,252
Special Revenue - Food Service	-	50,000
Debt Service Fund	-	785,877
Capital Projects Fund	785,877	-
Totals	<u>\$ 2,475,504</u>	<u>\$ 2,475,504</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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

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, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
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	65,433,344	787,300	(614,105)	-	65,606,539
Machinery and Equipment	8,137,523	132,239	(875,911)	-	7,393,851
Total Capital Assets, Depreciable	<u>73,570,867</u>	<u>919,539</u>	<u>(1,490,016)</u>	<u>-</u>	<u>73,000,390</u>
Less: Accumulated Depreciation for:					
Buildings and Improvements	39,640,018	1,283,179	(614,105)	-	40,309,092
Machinery and Equipment	6,919,841	345,603	(875,911)	-	6,389,533
Total Accumulated Depreciation	<u>46,559,859</u>	<u>1,628,782</u>	<u>(1,490,016)</u>	<u>-</u>	<u>46,698,625</u>
Total Capital Assets, Depreciable, Net	<u>27,011,008</u>	<u>(709,243)</u>	<u>-</u>	<u>-</u>	<u>26,301,765</u>
Governmental Activities Capital Assets, Net	<u>\$ 29,179,466</u>	<u>(709,243)</u>	<u>-</u>	<u>-</u>	<u>\$ 28,470,223</u>

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

Governmental Activities:	
Instruction	\$ 802,752
Support Services	826,030
Total Depreciation Expense - Governmental Activities	<u>\$ 1,628,782</u>

G. Long-Term Obligations

The School District did not have any long-term obligations as of and for the year ended June 30, 2022.

H. Short-Term Obligations

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 repaid the 2021A GOB in March 2022 at its maturity, including interest of approximately \$18,000.

In May 2022, the School District issued its Series 2022A General Obligation Bond ("2022A GOB") in the amount of \$795,000 at a rate of 1.79% to provide funds for future capital outlay. The School District expects to repay the 2022A GOB in March 2023 at its maturity, including interest of approximately \$11,000. As the 2022A GOB is short term, it is reflected on the School District's Balance Sheet as a liability as of June 30, 2022, which resulted in a fund deficit of approximately \$17,000 for the School District's Debt Service Fund at June 30, 2022.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

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, 2022 was as follows:

Short-Term Obligations	Beginning Balance	Additions	Reductions	Ending Balance
2021A GOB	\$ 742,000	-	742,000	\$ -
2022A GOB	-	795,000	-	795,000
Total	<u>\$ 742,000</u>	<u>795,000</u>	<u>742,000</u>	<u>\$ 795,000</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, 2022 was approximately \$6,229,000, of which approximately \$5,434,000 was available.

I. Food Service

Federal Guidelines

The School District's Special Revenue – Food Service Fund administers the lunch programs in accordance with USDA guidelines. Revenues are provided from USDA reimbursements and cash collections. The meals served to pupils are classified as regular, reduced, or free lunches by the Special Revenue – Food Service Fund. The type of meal served determines the amount of reimbursement from the USDA. Reimbursements may be in the form of cash or commodities. The food service expenditures are inclusive of approximately \$129,000 of commodities consumed during the year ended June 30, 2022. Ending food inventory includes both purchased food and USDA reimbursed commodities. At June 30, 2022, food and supply inventory was approximately \$35,000.

IV. OTHER INFORMATION

A. Retirement Plans

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

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

Plan Description

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Benefits

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

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

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

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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Contributions (Continued)

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

	SCRS and State ORP Rates
	2022
Employer Contribution Rate: ^	
Retirement*	16.41%
Incidental Death Benefit	0.15%
Accidental Death Contributions	0.00%
	16.56%
Employee Contribution Rate ^	9.00%

^ Calculated on earnable compensation as defined in Title 9 of the South

* 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 actual and required contributions to the SCRS and ORP were approximately \$4,131,000 and \$89,000, respectively, for the year ended June 30, 2022 and include the nonemployer contributions noted below.

Nonemployer Contributions

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, 2022. 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, 2022 was approximately \$295,000 for the SCRS. These contributions (on-behalf benefits) from the State were recognized as intergovernmental revenues and pension expenditures in the School District's governmental fund financial statements.

Actuarial Assumptions and Methods

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

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Actuarial Assumptions and Methods (Continued)

The June 30, 2021 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, 2020. The TPL was rolled-forward from the valuation date to the Plans' fiscal year end, June 30, 2021, using generally accepted actuarial principles. There was no legislation enacted during the 2021 legislative session that had a material change in the benefit provisions for any of the systems. In FY 2021, the PEBA Board adopted updated demographic assumptions. Also, the General Assembly permitted the investment return assumption at July 1, 2021 to decrease from 7.25% to 7.00%, as provided by Section 9-16-335 in South Carolina State Code.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2021 (measurement date) for the SCRS.

	SCRS
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return*	7.00%
Projected Salary Increases*	3.0% to 11.0% (varies by service)
Benefit Adjustments	Lesser of 1% or \$500 annually

* Includes inflation at 2.25%.

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table ("2020 PRSC"), were developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

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

Long-Term Expected Rate of Return

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Long-Term Expected Rate of Return (Continued)

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2021 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the following table. For actuarial purposes, the 7.00 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.87%	3.16%
Bonds	26.0%	0.27%	0.07%
Private Equity	9.0%	9.68%	0.87%
Private Debt	7.0%	5.47%	0.39%
Real Assets	12.0%		
Real Estate	9.0%	6.01%	0.54%
Infrastructure	3.0%	5.08%	0.15%
Total Expected Real Rate of Return	100.0%		5.18%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.43%

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, 2021 measurement date, for the SCRS, are presented in the following table

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 55,131,579,363	33,490,305,970	\$ 21,641,273,393	60.7%

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, 2022, the School District reported a liability of approximately \$47,426,000 for its proportionate share of the NPL for the SCRS. The NPL were measured as of June 30, 2021, and the TPL for the Plans used to calculate the NPL were determined based on the most recent actuarial valuation report of July 1, 2020 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, 2021 measurement date, the School District's SCRS proportion was 0.219148 percent, which was a decrease of 0.007721 from its proportion measured as of June 30, 2020.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

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

For the year ended June 30, 2022, the School District recognized pension expense of approximately \$1,910,000 for the SCRS. At June 30, 2022, the School District reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences Between Expected and Actual Experience	\$ 807,855	\$ 64,008
Change in Assumptions	2,595,970	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	6,889,320
Changes in Proportion and Differences Between the Employer's		
Contributions and Proportionate Share of Contributions	40,061	3,157,879
Employer Contributions Subsequent to the Measurement Date	3,924,485	-
Total SCRS	<u>\$ 7,368,371</u>	<u>\$ 10,111,207</u>

Approximately \$3,924,000 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, 2023. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS will increase (decrease) pension expense as follows:

Year Ended June 30,	SCRS
2023	\$ (2,080,434)
2024	(989,899)
2025	(1,019,095)
2026	(2,577,893)
Total	<u>\$ (6,667,321)</u>

Discount Rate

The discount rate used to measure the TPL was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in the SCRS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Sensitivity Analysis

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

System	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability of the SCRS	\$ 62,122,780	47,426,477	\$ 35,210,809

Plan Fiduciary Net Position

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

Payable to Plan

The School District reported a payable of approximately \$675,000 to the PEBA as of June 30, 2022, representing required employer and employee contributions for the month of June 2022 for the SCRS. This amount is included in Accrued Salaries, Fringe & Benefits on the financial statements and was paid in July 2022.

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 or a copy may be obtained by submitting a request to the PEBA – Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223. The PEBA is considered a division of the primary government of the state of South Carolina and therefore, OPEB trust fund financial information is also included in the Annual Comprehensive Financial Report (formerly known as the Comprehensive Annual Financial Report) of the state.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plans (Continued)

Plan Descriptions

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

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

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

Plan Benefits

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

The SCLTDITF is a long-term disability plan that covers employees of the State of South Carolina, including all agencies and public school districts and all participating local governmental entities. The SCLTDITF provides disability payments to eligible employees that have been approved for disability. Since the employer contribution/premium paid and the proportionate share of the 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 covered payroll surcharge for the year ended June 30, 2021 was 6.25 percent. The South Carolina Retirement System collects the monthly covered payroll surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF also include implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer’s active employees.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plans (Continued)

Plan Contributions and Funding Policies (Continued)

For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Nonemployer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits reserves. However, due to the COVID-19 pandemic and the impact it has had on the PEBA – Insurance Benefits reserves, the General Assembly has indefinitely suspended the statutorily required transfer until further notice. It is also funded through investment income.

The covered payroll surcharge rate for the year ended June 30, 2022 was 6.25% and was calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws. The actual and required contributions to the SCRHITF were approximately \$1,607,000 for the year ended June 30, 2022.

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 \$7,000 for the year ended June 30, 2021 (measurement period). The contributions from these nonemployer contributing entities were approximately \$6,000 for the year ended June 30, 2022 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.

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, 2020 actuarial valuation. The TOL was rolled-forward from the valuation date to the OPEB Plan's fiscal year ended June 30, 2021 using generally accepted actuarial principles.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

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, 2020
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:	1.92% as of June 30, 2021
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the five-year period ending June 30, 2019
Mortality:	For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with fully generational mortality projections based on a fully generational basis by the 80% of Scale UMP to account for future mortality improvements and adjusted with multipliers based on plan experience.
Health Care Trend Rate:	Initial trend starting at 6.00% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 15 years
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 single discount rate changed from 2.45% as of June 30, 2020 to 1.92% as of June 30, 2021. Also, the demographic and salary increase assumptions were updated to reflect the 2020 SCRS experience study and the health care trend rates were reset to better reflect the plan's anticipated experience.

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plans (Continued)

Single Discount Rate

The Single Discount Rate of 1.92% 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, 2021 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	\$ 22,506,597,989	1,683,416,992	\$ 20,823,180,997	7.48%

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, 2022, the School District reported a liability of approximately \$55,828,000 for its proportionate share of the NOL for the SCRHITF. The NOL was measured as of June 30, 2021, and the TOL for the SCRHITF used to calculate the NOL was determined based on the most recent actuarial valuation report of June 30, 2020 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, 2021 measurement date, the School District's proportion was 0.268107 percent, which was a decrease of 0.008015 from its proportion measured as of June 30, 2020.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

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, 2022, the School District recognized OPEB expense of approximately \$4,195,000 for the SCRHITF. At June 30, 2022, 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	\$ 1,129,792	\$ 1,430,970
Change in Assumptions	11,350,180	1,344,274
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	15,097
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	844,251	3,886,396
Employer Contributions Subsequent to the Measurement Date	1,615,857	-
Total	<u>\$ 14,940,080</u>	<u>\$ 6,676,737</u>

Approximately \$1,616,000 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, 2023. 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	\$ 961,134
2023	936,414
2024	1,365,367
2025	1,279,749
2026	1,406,001
Thereafter	698,821
Total	<u>\$ 6,647,486</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 1.92%, as well as what it would be if it were calculated using a discount rate that is 1% point lower (0.92%) or 1% point higher (2.92%) than the current rate:

	1% Decrease (0.92%)	Current Discount Rate (1.92%)	1% Increase (2.92%)
Net OPEB Liability	\$ 67,287,038	55,828,406	\$ 46,794,686

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

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 6.00% decreasing to 4.00%, as well as what it would be if it were calculated using a healthcare cost trend rate that is 1% point lower (5.00% decreasing to 3.00%) or 1% point higher (7.00% decreasing to 5.00%) than the current rate:

	1% Decrease (5.00% decreasing to 3.00%)	Current Healthcare Cost Trend Rate (6.00% decreasing to 4.00%)	1% Increase (7.00% decreasing to 5.00%)
Net OPEB Liability	\$ 44,789,407	55,828,406	\$ 70,537,505

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 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 \$168,000 to the PEBA as of June 30, 2022, representing required employer contributions for the month of June 2022 for the SCRHITF. This amount is included in Accrued Salaries, Fringe & Benefits on the financial statements and was paid in July 2022.

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, 2021, the SCSBIT/WCP had net position of approximately \$62,751,000 and the SCSBIT/PCP had net position of approximately \$47,604,000. 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, 2022

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. 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, 2022, the School District's property tax revenues were reduced by approximately \$701,000 under agreements entered into by Marion County, South Carolina.

F. Subsequent Events

In July 2022, the School District entered into an agreement with Blackwater Paving for the resurfacing of Marion area schools. This project's total cost is expected to be approximately \$485,000.

In August 2022, the School District entered into an agreement with Trane U.S. Inc. for HVAC renovations at Marion High School. This project's total cost is expected to be approximately \$2,554,000.

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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, 2022

	BUDGETED AMOUNTS		ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Local Sources:				
Taxes	\$ 8,756,916	8,756,916	8,830,321	\$ 73,405
Investment Earnings	40,000	40,000	34,526	(5,474)
Other Local Sources	216,000	216,000	394,955	178,955
State Sources	27,053,017	27,053,017	26,390,911	(662,106)
TOTAL REVENUE ALL SOURCES	36,065,933	36,065,933	35,650,713	(415,220)
EXPENDITURES				
Current:				
Instruction	19,537,258	20,030,370	19,008,605	1,021,765
Support Services	18,029,737	17,531,125	15,901,041	1,630,084
Community Services	-	-	9,069	(9,069)
Intergovernmental	12,000	12,000	11,320	680
Capital Outlay	38,971	44,471	-	44,471
TOTAL EXPENDITURES	37,617,966	37,617,966	34,930,035	2,687,931
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,552,033)	(1,552,033)	720,678	2,272,711
OTHER FINANCING SOURCES (USES)				
Transfers In	1,552,033	1,552,033	1,571,750	19,717
Transfers Out	-	-	(117,877)	(117,877)
TOTAL OTHER FINANCING SOURCES (USES)	1,552,033	1,552,033	1,453,873	(98,160)
NET CHANGE IN FUND BALANCE	-	-	2,174,551	2,174,551
FUND BALANCE, Beginning of Year	8,601,345	8,601,345	8,601,345	-
FUND BALANCE, End of Year	\$ 8,601,345	8,601,345	10,775,896	\$ 2,174,551

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

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

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

LAST NINE FISCAL YEARS

	Year Ended June 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's Proportion of the Net Pension Liability	0.219148%	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	\$ 47,426,477	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	\$ 25,003,137	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	189.68%	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	60.75%	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 (a) 7.25% to 7.00% beginning with the year ended June 30, 2021 measurement date and (b) 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 - PENSION PLAN SCHEDULES

SCHEDULE OF CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM

LAST NINE FISCAL YEARS

	Year Ended June 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 4,219,898	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	3,924,485	3,558,936	3,642,781	3,304,014	3,260,053	3,077,386	2,970,517	2,857,662	2,844,094
Contributions from the State	295,413	295,413	295,413	287,841	295,413	-	-	-	-
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	-	\$ -
School District's Covered Payroll	\$ 25,714,686	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	16.41%	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.

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 SIX FISCAL YEARS

		Year Ended June 30,				
		2022	2021	2020	2019	2018
School District's Proportion of the Net OPEB Liability		0.268107%	0.276122%	0.283641%	0.305923%	0.293107%
School District's Proportionate Share of the Net OPEB Liability	\$	55,828,406	49,844,015	42,890,843	43,351,079	39,700,863
School District's Covered Payroll	\$	25,003,137	25,452,467	24,806,777	26,381,964	26,817,279
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll		223.3%	195.8%	172.9%	164.3%	148.0%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability		7.5%	8.4%	8.4%	7.9%	7.6%

Notes to Schedule:

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

1.92%	3.13%	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 SIX FISCAL YEARS

	Year Ended June 30,					
	2022	2021	2020	2019	2018	2017
Contractually Required Contribution	\$ 1,607,168	1,562,696	1,590,779	1,500,810	1,451,008	\$ 1,429,361
Contributions in Relation to the Contractually Required Contribution	1,607,168	1,562,696	1,590,779	1,500,810	1,451,008	1,429,361
Contribution Deficiency (Excess)	\$ -	-	-	-	-	\$ -
School District's Covered Payroll	\$ 25,714,686	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%	6.25%	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.
The above amounts exclude any adjustments for implicit subsidies made by the School District.

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, 2022

	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES			
1000 Revenue from Local Sources:			
1100 Taxes:			
1110 Ad Valorem Taxes-Including Delinquent (Independent)	\$ 8,606,916	8,609,615	\$ 2,699
1200 Revenue from Local Governmental Units Other than LEAs:			
1280 Revenue in Lieu of Taxes (Independent and Dependent)	150,000	220,706	70,706
1300 Tuition:			
1310 From Patrons for Regular Day School	157,000	171,604	14,604
1500 Earnings on Investments:			
1510 Interest on Investments	40,000	34,526	(5,474)
1900 Other Revenue from Local Sources:			
1910 Rentals	27,000	34,327	7,327
1950 Refund of Prior Year's Expenditures	-	122,687	122,687
1990 Miscellaneous Local Revenue:			
1993 Receipt of Insurance Proceeds	-	10,485	10,485
1999 Revenue from Other Local Sources	32,000	55,852	23,852
Total Revenue from Local Sources	9,012,916	9,259,802	246,886
3000 Revenue from State Sources:			
3100 Restricted State Funding:			
3130 Special Programs:			
3131 Handicapped Transportation	-	678	678
3160 School Bus Driver Salary (Includes Hazardous Condition Transportation)	550,000	671,501	121,501
3162 Transportation Workers' Compensation	32,565	32,250	(315)
3180 Fringe Benefits Employer Contributions (No Carryover Provision)	5,623,950	5,205,445	(418,505)
3181 Retiree Insurance (No Carryover Provision)	1,206,293	1,172,577	(33,716)
3186 Teacher Salary Aid	1,246,128	1,169,099	(77,029)
3300 Education Finance Act:			
3310 Full-Time Programs:			
3311 Kindergarten	615,106	498,782	(116,324)
3312 Primary	1,651,106	1,569,597	(81,509)
3313 Elementary	2,756,287	2,534,668	(221,619)
3314 High School	1,227,550	1,311,951	84,401
3315 Trainable Mentally Handicapped	67,449	34,016	(33,433)
3316 Speech Handicapped (Part-Time)	695,454	571,951	(123,503)
3317 Homebound	4,210	8,123	3,913
3320 Part-Time Programs:			
3321 Emotionally Handicapped	38,533	43,500	4,967
3322 Educable Mentally Handicapped	76,819	132,712	55,893
3323 Learning Disabilities	1,050,323	1,032,372	(17,951)
3324 Hearing Handicapped	26,521	22,542	(3,979)
3325 Visually Handicapped	47,738	35,803	(11,935)
3326 Orthopedically Handicapped	38,657	30,117	(8,540)
3327 Vocational	\$ 1,052,221	774,969	\$ (277,252)

(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, 2022

	FINAL BUDGET	ACTUAL	VARIANCE
3330 Other EFA Programs:			
3331 Autism	\$ 294,396	279,741	\$ (14,655)
3332 High Achieving	45,757	45,733	(24)
3334 Limited English Proficiency	30,277	25,689	(4,588)
3351 Academic Assistance	553,994	527,558	(26,436)
3352 Pupils in Poverty	1,515,651	1,414,282	(101,369)
3353 Dual Credit Enrollment	15,810	17,607	1,797
3392 NBC Excess EFA Formula	-	30,489	30,489
3800 State Revenue in Lieu of Taxes:			
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	1,866,170	1,866,170	-
3820 Homestead Exemption (Tier 2)	748,244	748,244	-
3825 Reimbursement for Property Tax Relief (Tier 3)	3,263,554	3,521,697	258,143
3830 Merchant's Inventory Tax	121,795	119,515	(2,280)
3840 Manufacturers Depreciation Reimbursement	77,197	229,551	152,354
3890 Other State Property Tax Revenues (Includes MC Vehicle Tax)	200,000	378,175	178,175
3900 Other State Revenue:			
3993 PEBA On-Behalf	295,413	295,413	-
3999 Revenue from Other State Sources	17,849	38,394	20,545
Total Revenue from State Sources	27,053,017	26,390,911	(662,106)
TOTAL REVENUE ALL SOURCES	36,065,933	35,650,713	(415,220)
EXPENDITURES			
100 Instruction:			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	585,585	578,091	7,494
200 Employee Benefits	293,484	346,464	(52,980)
300 Purchased Services	1,416	5,851	(4,435)
400 Supplies and Materials	15,950	15,346	604
600 Other Objects	300	933	(633)
112 Primary Programs:			
100 Salaries	2,398,793	2,406,976	(8,183)
200 Employee Benefits	1,120,153	981,565	138,588
300 Purchased Services	200,014	212,574	(12,560)
400 Supplies and Materials	27,647	26,520	1,127
600 Other Objects	61,425	60,449	976
113 Elementary Programs:			
100 Salaries	3,642,758	3,374,308	268,450
200 Employee Benefits	1,642,996	1,449,433	193,563
300 Purchased Services	195,748	263,179	(67,431)
400 Supplies and Materials	46,732	43,420	3,312
600 Other Objects	114,550	113,314	1,236
114 High School Programs:			
100 Salaries	3,110,553	3,143,805	(33,252)
200 Employee Benefits	1,367,814	1,179,321	188,493
300 Purchased Services	206,498	222,065	(15,567)
400 Supplies and Materials	31,955	34,596	(2,641)
600 Other Objects	\$ 176,025	175,796	\$ 229

(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, 2022

	FINAL BUDGET	ACTUAL	VARIANCE
115 Career and Technology Education Program:			
100 Salaries	\$ 876,389	897,136	\$ (20,747)
200 Employee Benefits	416,123	416,601	(478)
300 Purchased Services - Other Than Tuition	31,939	3,598	28,341
400 Supplies and Materials	30,210	27,711	2,499
600 Other Objects	1,650	1,322	328
117 Driver Education Program:			
100 Salaries	57,420	57,420	-
200 Employee Benefits	27,593	27,477	116
300 Purchased Services	889	268	621
400 Supplies and Materials	1,360	882	478
120 Exceptional Programs:			
121 Educable Mentally-Handicapped:			
100 Salaries	148,511	94,105	54,406
200 Employee Benefits	73,351	40,787	32,564
300 Purchased Services	90	90	-
400 Supplies and Materials	2,436	1,181	1,255
122 Trainable Mentally Handicapped:			
100 Salaries	242,043	195,893	46,150
200 Employee Benefits	146,400	105,888	40,512
300 Purchased Services	13,409	17,012	(3,603)
400 Supplies and Materials	860	680	180
123 Orthopedically Handicapped:			
100 Salaries	20,567	7,177	13,390
200 Employee Benefits	7,030	7,302	(272)
400 Supplies and Materials	1,000	763	237
124 Visually Handicapped:			
100 Salaries	5,460	5,460	-
200 Employee Benefits	2,611	2,607	4
300 Purchased Services	38,156	41,334	(3,178)
125 Hearing Handicapped:			
300 Purchased Services	10,784	15,522	(4,738)
126 Speech Handicapped:			
100 Salaries	194,495	152,479	42,016
200 Employee Benefits	79,757	59,689	20,068
300 Purchased Services	90,060	33,344	56,716
400 Supplies and Materials	1,300	269	1,031
127 Learning Disabilities:			
100 Salaries	790,767	695,516	95,251
200 Employee Benefits	366,534	313,194	53,340
300 Purchased Services	105,799	71,689	34,110
400 Supplies and Materials	2,520	1,674	846
600 Other Objects	54,750	54,750	-
128 Emotionally Handicapped:			
100 Salaries	7,601	7,601	-
200 Employee Benefits	3,209	3,229	(20)
300 Purchased Services	15,026	15,833	(807)
400 Supplies and Materials	400	239	161
130 Pre-School Programs:			
137 Pre-School Handicapped-Self-Contained (3 & 4-Yr. Olds):			
100 Salaries	64,272	42,004	22,268
200 Employee Benefits	\$ 45,406	43,304	\$ 2,102

(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, 2022

	FINAL BUDGET	ACTUAL	VARIANCE
139 Early Childhood Programs:			
400 Supplies and Materials	\$ 700	697	\$ 3
140 Special Programs:			
141 Gifted and Talented Academic:			
100 Salaries	82,482	76,283	6,199
200 Employee Benefits	34,052	31,409	2,643
400 Supplies and Materials	400	400	-
143 Advanced Placement:			
400 Supplies and Materials	2,000	2,000	-
145 Homebound:			
100 Salaries	-	80,991	(80,991)
200 Employee Benefits	-	23,072	(23,072)
300 Purchased Services	11,000	-	11,000
147 CERDEP:			
100 Salaries	230,191	229,569	622
200 Employee Benefits	106,207	113,972	(7,765)
300 Purchased Services	34,121	35,037	(916)
400 Supplies and Materials	15,500	14,798	702
148 Gifted and Talented - Artistic:			
100 Salaries	8,660	8,660	-
200 Employee Benefits	4,775	4,760	15
149 Other Special Programs:			
100 Salaries	-	5,495	(5,495)
200 Employee Benefits	-	1,640	(1,640)
300 Purchased Services	8,000	-	8,000
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	143,780	119,784	23,996
200 Employee Benefits	74,738	64,113	10,625
300 Purchased Services	10,000	17,141	(7,141)
400 Supplies and Materials	2,244	2,191	53
170 Summer School Programs:			
171 Primary Summer School:			
100 Salaries	-	1,023	(1,023)
200 Employee Benefits	-	312	(312)
175 Instructional Programs Beyond Regular School Day:			
100 Salaries	-	39,432	(39,432)
200 Employee Benefits	-	10,030	(10,030)
180 Adult/Continuing Educational Programs:			
181 Adult Basic Education Programs:			
300 Purchased Services	200	-	200
400 Supplies and Materials	600	-	600
182 Adult Secondary Education Programs:			
200 Employee Benefits	-	46	(46)
300 Purchased Services	200	-	200
400 Supplies and Materials	200	-	200
190 Instructional Pupil Activity:			
100 Salaries	32,000	21,914	10,086
200 Employee Benefits	9,747	6,800	2,947
Total Instruction	\$ 20,030,370	19,008,605	\$ 1,021,765

(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, 2022

	FINAL BUDGET	ACTUAL	VARIANCE
200 Support Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	\$ 58,789	107,383	\$ (48,594)
200 Employee Benefits	33,178	55,507	(22,329)
300 Purchased Services	9,000	305	8,695
212 Guidance Services:			
100 Salaries	672,449	557,865	114,584
200 Employee Benefits	299,420	252,200	47,220
300 Purchased Services	1,370	315	1,055
400 Supplies and Materials	5,430	4,874	556
213 Health Services:			
100 Salaries	300,648	261,820	38,828
200 Employee Benefits	162,343	133,599	28,744
300 Purchased Services	4,500	1,425	3,075
400 Supplies and Materials	6,499	5,413	1,086
214 Psychological Services:			
100 Salaries	52,345	54,118	(1,773)
200 Employee Benefits	28,530	29,116	(586)
300 Purchased Services	-	992	(992)
216 Vocational Placement Services:			
300 Purchased Services	900	-	900
400 Supplies and Materials	600	552	48
217 Career Specialist Services:			
100 Salaries	5,472	5,472	-
200 Employee Benefits	2,676	2,212	464
300 Purchased Services	-	1,099	(1,099)
220 Instructional Staff Services:			
221 Improvement of Instruction Curriculum Development:			
100 Salaries	528,618	406,328	122,290
200 Employee Benefits	241,873	189,913	51,960
300 Purchased Services	50,850	7,152	43,698
400 Supplies and Materials	2,470	2,400	70
600 Other Objects	700	202	498
222 Library and Media Services:			
100 Salaries	527,645	493,829	33,816
200 Employee Benefits	248,115	228,266	19,849
300 Purchased Services	17,240	8,572	8,668
400 Supplies and Materials	22,700	10,972	11,728
223 Supervision of Special Programs:			
100 Salaries	117,890	121,169	(3,279)
200 Employee Benefits	53,935	53,316	619
300 Purchased Services	24,701	10,898	13,803
400 Supplies and Materials	2,169	906	1,263
600 Other Objects	1,130	-	1,130
224 Improvement of Instruction Inservice and Staff Training:			
200 Employee Benefits	-	722	(722)
300 Purchased Services	14,420	-	14,420
400 Supplies and Materials	1,200	1,199	1
600 Other Objects	\$ 1,880	-	\$ 1,880

(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, 2022

	FINAL BUDGET	ACTUAL	VARIANCE
230 General Administrative Services:			
231 Board of Education:			
100 Salaries	\$ 90,558	99,900	\$ (9,342)
200 Employee Benefits	31,631	32,228	(597)
300 Purchased Services	136,700	100,216	36,484
318 Audit Services	62,500	74,860	(12,360)
400 Supplies and Materials	7,350	5,933	1,417
600 Other Objects	16,950	2,902	14,048
232 Office of Superintendent:			
100 Salaries	277,643	285,238	(7,595)
200 Employee Benefits	110,899	118,503	(7,604)
300 Purchased Services	23,630	15,507	8,123
400 Supplies and Materials	19,884	17,801	2,083
600 Other Objects	24,600	17,722	6,878
233 School Administration:			
100 Salaries	2,248,838	2,275,103	(26,265)
200 Employee Benefits	1,026,669	1,017,341	9,328
300 Purchased Services	30,206	8,224	21,982
400 Supplies and Materials	37,252	34,958	2,294
600 Other Objects	6,529	4,747	1,782
250 Finance and Operations Services:			
252 Fiscal Services:			
100 Salaries	310,304	291,878	18,426
200 Employee Benefits	134,577	(47,056)	181,633
300 Purchased Services	228,500	205,767	22,733
400 Supplies and Materials	24,350	24,992	(642)
600 Other Objects	12,250	2,216	10,034
254 Operation and Maintenance of Plant:			
100 Salaries	1,001,710	921,778	79,932
200 Employee Benefits	558,493	483,098	75,395
300 Purchased Services (Excludes Energy Costs)	1,730,193	1,738,001	(7,808)
321 Public Utilities (Excludes Gas, Oil, Elec. & Other Heating Fuels)	77,157	96,038	(18,881)
400 Supplies and Materials (Include Energy Costs)	398,419	392,541	5,878
470 Energy (Includes Gas, Oil, Elec. & Other Heating Fuels)	1,338,635	1,397,170	(58,535)
500 Capital Outlay	5,500	-	5,500
600 Other Objects	400	3,909	(3,509)
255 Student Transportation (State Mandated):			
100 Salaries	1,209,944	959,715	250,229
200 Employee Benefits	549,815	463,065	86,750
300 Purchased Services	78,216	68,779	9,437
400 Supplies and Materials	13,854	3,857	9,997
600 Other Objects	4,430	2,875	1,555
256 Food Service:			
300 Purchased Services	-	683	(683)
257 Internal Services:			
300 Purchased Services	15,140	9,369	5,771
400 Supplies and Materials	660	-	660
258 Security:			
300 Purchased Services	352,678	325,615	27,063
400 Supplies and Materials	\$ 8,521	884	\$ 7,637

(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, 2022

	FINAL BUDGET	ACTUAL	VARIANCE
260 Central Support Services:			
263 Information Services:			
100 Salaries	\$ 81,143	81,144	\$ (1)
200 Employee Benefits	29,770	29,862	(92)
300 Purchased Services	37,955	20,509	17,446
400 Supplies and Materials	275	252	23
600 Other Objects	1,110	1,106	4
264 Staff Services:			
100 Salaries	271,218	238,968	32,250
200 Employee Benefits	104,368	102,244	2,124
300 Purchased Services	24,975	19,665	5,310
400 Supplies and Materials	7,575	7,265	310
600 Other Objects	710	527	183
266 Technology and Data Processing Services:			
100 Salaries	241,467	213,175	28,292
200 Employee Benefits	106,715	98,515	8,200
300 Purchased Services	305,175	212,137	93,038
400 Supplies and Materials	82,248	15,087	67,161
500 Capital Outlay	38,971	-	38,971
600 Other Objects	400	176	224
270 Support Services Pupil Activity:			
271 Pupil Services Activities:			
100 Salaries (Optional)	298,351	208,285	90,066
200 Employee Benefits (Optional)	93,769	55,375	38,394
300 Purchased Services (Optional)	86,236	82,194	4,042
400 Supplies and Materials (Optional)	100	-	100
600 Other Objects (Optional)	5,620	3,672	1,948
660 Pupil Activity	50,175	44,415	5,760
Total Support Services	17,575,596	15,901,041	1,674,555
300 Community Services:			
370 Non-Public School Services:			
300 Purchased Services	-	9,069	(9,069)
Total Community Services	-	9,069	(9,069)
400 Other Charges:			
410 Intergovernmental Expenditures:			
412 Payments to Other Governmental Units			
720 Transits	12,000	11,320	680
Total Intergovernmental Expenditures	12,000	11,320	680
TOTAL EXPENDITURES	37,617,966	34,930,035	2,687,931
OTHER FINANCING SOURCES (USES)			
Interfund Transfers, From (To) Other Funds:			
5220 Transfer from Special Revenue Fund (Excludes Indirect Cost)	-	181,672	181,672
5230 Transfer from Special Revenue EIA Fund	1,282,033	1,187,252	(94,781)
5280 Transfer from Other Funds Indirect Costs	270,000	202,826	(67,174)
421-710 Transfer to Special Revenue Fund	-	(27,508)	(27,508)
422-710 Transfer to Special Revenue EIA Fund	-	(90,369)	(90,369)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 1,552,033	1,453,873	\$ (98,160)

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2022

	FINAL BUDGET	ACTUAL	VARIANCE
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	\$ -	2,174,551	\$ 2,174,551
FUND BALANCE, Beginning of Year	8,601,345	8,601,345	-
FUND BALANCES, End of Year	<u>\$ 8,601,345</u>	<u>10,775,896</u>	<u>\$ 2,174,551</u>

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

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2022

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)
REVENUES		
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	-	-
2000 Intergovernmental Revenue:		
2100 Payments from Other Governmental Units	-	-
Total Intergovernmental Revenue	-	-
3000 Revenue from State Sources:		
3100 Restricted State Funding:		
3110 Occupational Education:		
3118 EEDA Career Specialists	-	-
3120 General Education:		
3127 Student Health and Fitness - PE Teachers	-	-
3130 Special Programs:		
3134 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	-	-
3199 Other Restricted State Grants	-	-
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	\$ -	-

Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207/208)	Adult Education (EA Projects) (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s/900s)	Pupil Activity Programs (700s)	Totals
-	-	-	-	54,420	-	\$ 54,420
-	-	-	-	-	129,024	129,024
-	-	-	-	-	3,200	3,200
-	-	-	-	-	979	979
-	-	-	-	-	169,053	169,053
-	-	-	-	-	20,412	20,412
-	-	-	-	377,505	-	377,505
-	-	-	-	19,336	-	19,336
-	-	-	-	451,261	322,668	773,929
-	-	-	-	169,555	-	169,555
-	-	-	-	169,555	-	169,555
-	-	-	274,554	-	-	274,554
-	-	-	30,379	-	-	30,379
-	-	-	52,161	-	-	52,161
-	-	-	228,864	-	-	228,864
-	-	-	187,531	-	-	187,531
-	-	-	186	-	-	186
-	-	-	402	-	-	402
-	-	-	-	11,752	-	11,752
-	-	-	6,368	-	-	6,368
-	-	-	-	105,879	-	105,879
-	-	-	-	193,600	-	193,600
-	-	-	780,445	311,231	-	\$ 1,091,676

(Continued)

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

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2022

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)
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)	2,754,004	-
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)	-	1,657,611
4520 Preschool Grants for Children With Disabilities (IDEA)	-	-
4900 Other Federal Sources:		
4931 ARP IDEA	-	-
4933 ARP IDEA Preschool	-	-
4974 ESSER III	-	-
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>2,754,004</u>	<u>1,657,611</u>
TOTAL REVENUE ALL SOURCES	<u>2,754,004</u>	<u>1,657,611</u>

EXPENDITURES

100 Instruction:		
110 General Instruction:		
111 Kindergarten Program:		
100 Salaries	85,692	-
200 Employee Benefits	27,954	-
400 Supplies and Materials	-	-
112 Primary Programs:		
100 Salaries	272,562	-
200 Employee Benefits	103,242	-
300 Purchased Services	17,439	-
400 Supplies and Materials	9,965	-
113 Elementary Programs:		
100 Salaries	312,044	-
200 Employee Benefits	118,601	-
300 Purchased Services	61,491	-
400 Supplies and Materials	\$ 171,264	-

Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207/208)	Adult Education (EA Projects) (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s/900s)	Pupil Activity Programs (700s)	Totals
-	54,939	-	-	-	-	\$ 54,939
-	-	-	-	47,820	-	2,801,824
-	-	-	-	177,796	-	177,796
-	-	-	-	13,382	-	13,382
-	-	-	-	120,018	-	120,018
-	-	59,613	-	-	-	59,613
-	-	-	-	112,052	-	112,052
-	-	-	-	1,576	-	1,659,187
49,401	-	-	-	-	-	49,401
-	-	-	-	274,298	-	274,298
-	-	-	-	26,491	-	26,491
-	-	-	-	154,992	-	154,992
-	-	-	-	161,164	-	161,164
-	-	-	-	5,624,961	-	5,624,961
-	-	-	-	284,296	-	284,296
-	-	-	-	1,203,869	-	1,203,869
49,401	54,939	59,613	-	8,202,715	-	12,778,283
49,401	54,939	59,613	780,445	9,134,762	322,668	14,813,443
-	-	-	-	153,574	-	239,266
-	-	-	-	18,128	-	46,082
-	-	-	534	-	-	534
-	-	-	20,040	313,591	-	606,193
-	-	-	8,205	150,494	-	261,941
-	-	-	-	11,110	-	28,549
-	-	-	2,003	108,564	-	120,532
-	-	-	-	443,456	-	755,500
-	-	-	-	183,629	-	302,230
-	-	-	-	26,177	-	87,668
-	-	-	-	155,155	-	\$ 326,419

(Continued)

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

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2022

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)
114 High School Programs:		
100 Salaries	\$ 146,514	-
200 Employee Benefits	68,813	-
300 Purchased Services	171,043	-
400 Supplies and Materials	23,113	-
115 Career and Technology Education Program:		
100 Salaries	17,024	-
200 Employee Benefits	14,999	-
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	-	102,070
200 Employee Benefits	-	24,363
122 Trainable Mentally Handicapped:		
100 Salaries	-	42,516
200 Employee Benefits	-	25,834
300 Purchased Services	-	-
400 Supplies and Materials	-	-
123 Orthopedically Handicapped:		
100 Salaries	-	14,324
200 Employee Benefits	-	9,454
124 Visually Handicapped:		
300 Purchased Services	-	548
400 Supplies and Materials	-	45
125 Hearing Handicapped:		
300 Purchased Services	-	15,501
400 Supplies and Materials	-	138
126 Speech Handicapped:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	12,976
127 Learning Disabilities:		
100 Salaries	-	211,782
200 Employee Benefits	-	47,291
300 Purchased Services	-	405
400 Supplies and Materials	-	1,366
128 Emotionally Handicapped:		
100 Salaries	-	2,271
200 Employee Benefits	\$ -	1,148

Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207/208)	Adult Education (EA Projects) (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s/900s)	Pupil Activity Programs (700s)	Totals
-	-	-	-	402,962	-	\$ 549,476
-	-	-	-	128,776	-	197,589
-	-	-	-	30,416	-	201,459
-	-	-	-	43,126	-	66,239
-	-	-	-	20,450	-	37,474
-	-	-	-	5,303	-	20,302
-	33,724	-	-	15,913	-	49,637
-	11,605	-	-	-	-	11,605
-	9,610	-	-	-	-	9,610
-	-	-	-	96,960	-	96,960
-	-	-	-	65,905	-	167,975
-	-	-	-	37,388	-	61,751
-	-	-	-	71,430	-	113,946
-	-	-	-	17,400	-	43,234
-	-	-	-	17,000	-	17,000
-	-	-	-	1,135	-	1,135
-	-	-	-	14,172	-	28,496
-	-	-	-	74	-	9,528
-	-	-	-	116,040	-	116,588
-	-	-	-	-	-	45
-	-	-	-	16,036	-	31,537
-	-	-	-	-	-	138
-	-	-	-	4,700	-	4,700
-	-	-	-	1,087	-	1,087
-	-	-	-	178,603	-	191,579
-	-	-	-	45,309	-	257,091
-	-	-	-	3,788	-	51,079
-	-	-	-	-	-	405
-	-	-	-	-	-	1,366
-	-	-	-	-	-	2,271
-	-	-	-	-	-	\$ 1,148

(Continued)

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

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2022

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)
130 Pre-School Programs:		
137 Pre-School Handicapped Self-Contained (3 & 4-Yr. Olds):		
100 Salaries	\$ -	7,561
200 Employee Benefits	-	21,642
400 Supplies and Materials	-	339
139 Early Childhood Programs:		
100 Salaries	-	-
200 Employee Benefits	-	-
140 Special Programs:		
141 Gifted and Talented - Academic:		
100 Salaries	-	-
147 CERDEP:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
149 Other Special Programs:		
100 Salaries	-	6,013
200 Employee Benefits	-	1,880
300 Purchased Services	-	7,976
400 Supplies and Materials	-	1,721
160 Other Exceptional Programs:		
161 Autism:		
100 Salaries	-	75,645
200 Employee Benefits	-	43,612
300 Purchased Services	-	6,475
163 Comprehensive Coordinated Early Intervening Service (CCEIS):		
300 Purchased Services	-	39,782
400 Supplies and Materials	-	367,018
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	-	-
300 Purchased Services	-	-
400 Supplies and Materials	\$ -	-

Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207/208)	Adult Education (EA Projects) (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s/900s)	Pupil Activity Programs (700s)	Totals
42,984	-	-	-	26,769	-	\$ 77,314
-	-	-	-	1,137	-	22,779
-	-	-	-	-	-	339
-	-	-	-	4,600	-	4,600
-	-	-	-	1,401	-	1,401
-	-	-	-	196	-	196
-	-	-	-	22,350	-	22,350
-	-	-	-	5,408	-	5,408
-	-	-	23,680	-	-	23,680
-	-	-	23,680	-	-	23,680
-	-	-	-	-	-	6,013
-	-	-	-	-	-	1,880
-	-	-	-	-	-	7,976
-	-	-	-	-	-	1,721
-	-	-	-	28,964	-	104,609
-	-	-	-	940	-	44,552
-	-	-	-	2,374	-	8,849
6,417	-	-	-	-	-	46,199
-	-	-	-	-	-	367,018
-	-	-	3,667	-	-	3,667
-	-	-	1,134	-	-	1,134
-	-	-	-	575	-	575
-	-	-	-	11,607	-	11,607
-	-	-	-	3,885	-	3,885
-	-	17,640	-	3,777	-	21,417
-	-	8,160	-	1,051	-	9,211
-	-	1,831	166	-	-	1,997
-	-	239	-	-	-	\$ 239

(Continued)

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

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2022

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)
182 Adult Secondary Education Programs:		
100 Salaries	\$ -	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
184 Post Secondary Education Programs:		
100 Salaries	-	-
200 Employee Benefits	-	-
188 Parenting/Family Literacy:		
100 Salaries	19,729	-
200 Employee Benefits	1,501	-
400 Supplies and Materials	44	-
Total Instruction	<u>1,643,034</u>	<u>1,091,696</u>
200 Support Services:		
210 Pupil Services:		
211 Attendance and Social Work Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
212 Guidance Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
213 Health Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
214 Psychological Services:		
100 Salaries	-	61,511
200 Employee Benefits	-	23,894
300 Purchased Services	-	80,040
400 Supplies and Materials	-	1,748
600 Other Objects	-	300
215 Exceptional Program Services:		
300 Purchased Services	-	129,684
217 Career Specialists Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
220 Instructional Staff Services:		
221 Improvement of Instruction Curriculum Development:		
100 Salaries	398,737	-
200 Employee Benefits	173,976	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
600 Other Objects	\$ -	-

Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207/208)	Adult Education (EA Projects) (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s/900s)	Pupil Activity Programs (700s)	Totals
-	-	20,301	-	150	-	\$ 20,451
-	-	6,349	-	-	-	6,349
-	-	3,630	-	211	-	3,841
-	-	1,463	-	-	-	1,463
-	-	-	-	2,100	-	2,100
-	-	-	-	631	-	631
-	-	-	-	1,150	-	20,879
-	-	-	-	350	-	1,851
-	-	-	-	-	-	44
49,401	54,939	59,613	83,109	3,017,477	-	5,999,269
-	-	-	-	1,500	-	1,500
-	-	-	-	107	-	107
-	-	-	-	15,350	-	15,350
-	-	-	-	3,983	-	3,983
-	-	-	133,703	16,100	-	149,803
-	-	-	53,828	3,978	-	57,806
-	-	-	-	13,828	-	13,828
-	-	-	-	3,300	-	64,811
-	-	-	-	772	-	24,666
-	-	-	-	47,805	-	127,845
-	-	-	-	-	-	1,748
-	-	-	-	-	-	300
-	-	-	-	27,924	-	157,608
-	-	-	191,978	1,000	-	192,978
-	-	-	82,576	74	-	82,650
-	-	-	174,619	754,110	-	1,327,466
-	-	-	54,246	256,628	-	484,850
-	-	-	-	359,359	-	359,359
-	-	-	-	246,218	-	246,218
-	-	-	-	13,137	-	\$ 13,137

(Continued)

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

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2022

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)
222 Library and Media:		
100 Salaries	\$ -	-
200 Employee Benefits	-	-
400 Supplies and Materials	-	-
223 Supervision of Special Programs:		
100 Salaries	117,024	188,133
200 Employee Benefits	51,662	78,788
300 Purchased Services	1,000	710
400 Supplies and Materials	680	1,107
600 Other Objects	-	-
224 Improvement of Instruction Inservice and Staff Training:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	182,932	-
400 Supplies and Materials	28,585	-
600 Other Objects	5,750	-
230 General Administration Services:		
231 Board of Education:		
100 Salaries	-	-
200 Employee Benefits	-	-
232 Office of the Superintendent:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
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	-	-
300 Purchased Services	-	-
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	-	-
256 Food Service:		
100 Salaries	-	-
200 Employee Benefits	-	-
258 Security:		
400 Supplies and Materials	\$ -	-

Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207/208)	Adult Education (EA Projects) (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s/900s)	Pupil Activity Programs (700s)	Totals
-	-	-	-	16,250	-	\$ 16,250
-	-	-	-	3,910	-	3,910
-	-	-	-	1,209	-	1,209
-	-	-	-	48,628	-	353,785
-	-	-	-	18,921	-	149,371
-	-	-	-	32,335	-	34,045
-	-	-	18	342	-	2,147
-	-	-	-	663	-	663
-	-	-	-	72,808	-	72,808
-	-	-	-	9,956	-	9,956
-	-	-	-	1,108,723	-	1,291,655
-	-	-	-	13,740	-	42,325
-	-	-	-	-	-	5,750
-	-	-	-	1,600	-	1,600
-	-	-	-	372	-	372
-	-	-	-	4,400	-	4,400
-	-	-	-	1,101	-	1,101
-	-	-	-	9,282	-	9,282
-	-	-	-	256	-	256
-	-	-	-	88,133	-	88,133
-	-	-	-	16,973	-	16,973
-	-	-	-	8,650	-	8,650
-	-	-	-	1,939	-	1,939
-	-	-	-	31,059	-	31,059
-	-	-	-	202,474	-	202,474
-	-	-	-	87,918	-	87,918
-	-	-	-	45,150	-	45,150
-	-	-	-	92,785	-	92,785
-	-	-	-	92,834	-	92,834
-	-	-	-	18,586	-	18,586
-	-	-	-	99,900	-	99,900
-	-	-	-	24,523	-	24,523
-	-	-	-	18,798	-	\$ 18,798

(Continued)

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

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2022

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)
260 Central Support Services:		
263 Information Services:		
300 Purchased 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	-	-
400 Supplies and Materials	-	-
270 Support Services - Pupil Activity:		
271 Pupil Services Activities:		
100 Salaries (Optional)	-	-
200 Employee Benefits (Optional)	-	-
300 Purchased Services (Optional)	-	-
400 Supplies and Materials (Optional)	-	-
600 Other Objects (Optional)	-	-
272 Pupil Services Activities:		
100 Salaries (Optional)	-	-
200 Employee Benefits (Optional)	-	-
660 Pupil Activity	-	-
Total Support Services	<u>960,346</u>	<u>565,915</u>
300 Community Services:		
360 Welfare Services:		
400 Supplies and Materials	926	-
370 Non-Public School Services:		
300 Purchased Services	-	-
400 Supplies and Materials	-	-
Total Community Services	<u>926</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>
TOTAL EXPENDITURES	<u>\$ 2,604,306</u>	<u>1,657,611</u>

Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207/208)	Adult Education (EA Projects) (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s/900s)	Pupil Activity Programs (700s)	Totals
-	-	-	-	17,058	-	\$ 17,058
-	-	-	-	6,200	-	6,200
-	-	-	-	1,663	-	1,663
-	-	-	-	34,850	-	34,850
-	-	-	-	4,605	-	4,605
-	-	-	-	8,800	-	8,800
-	-	-	-	2,218	-	2,218
-	-	-	-	26,000	-	26,000
-	-	-	-	1,740,656	-	1,740,656
-	-	-	-	3,222	20,773	23,995
-	-	-	-	1,004	6,619	7,623
-	-	-	-	75	-	75
-	-	-	-	7,877	-	7,877
-	-	-	-	3,926	297,524	301,450
-	-	-	-	-	2,055	2,055
-	-	-	-	-	613	613
-	-	-	-	-	14,494	14,494
-	-	-	690,968	5,797,545	342,078	8,356,852
-	-	-	-	-	-	926
-	-	-	-	30,305	-	30,305
-	-	-	-	2,311	-	2,311
-	-	-	-	32,616	-	33,542
-	-	-	-	88,099	-	88,099
-	-	-	6,368	-	-	6,368
-	-	-	6,368	88,099	-	94,467
49,401	54,939	59,613	780,445	8,935,737	342,078	\$ 14,484,130

(Continued)

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

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2022

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)
OTHER FINANCING SOURCES (USES)		
Interfund Transfers, From (To) Other Funds:		
5210 Transfer from General Fund (Exclude Indirect Costs)	\$ -	-
420-710 Transfer to General Fund (Exclude Indirect Costs)	-	-
431-791 Special Revenue Fund Indirect Costs (Use Only for Transfer of Indirect Costs to General Fund)	(149,698)	-
TOTAL OTHER FINANCING SOURCES (USES)	(149,698)	-
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-	-
FUND BALANCE, Beginning of Year	-	-
FUND BALANCES, End of Year	\$ -	-

Preschool Handicapped (CG Projects) (205/206)	CATE (VA Projects) (207/208)	Adult Education (EA Projects) (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s/900s)	Pupil Activity Programs (700s)	Totals
-	-	-	-	27,508	-	\$ 27,508
-	-	-	-	(181,672)	-	(181,672)
-	-	-	-	(3,128)	-	(152,826)
-	-	-	-	(157,292)	-	(306,990)
-	-	-	-	41,733	(19,410)	22,323
-	-	-	-	329,489	242,839	572,328
-	-	-	-	371,222	223,429	\$ 594,651

**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, 2022

**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
994	PEBA Nonemployer Contribution

SPECIAL REVENUE FUND

SUMMARY SCHEDULE FOR OTHER DESIGNATED RESTRICTED STATE GRANTS

YEAR ENDED JUNE 30, 2022

SUBFUND	REVENUE CODE	PROGRAMS	REVENUES	EXPENDITURES	SPECIAL REVENUE		
					INTERFUND TRANSFERS IN (OUT)	OTHER FUND TRANSFERS IN (OUT)	UNEARNED
919	3193	Education License Plates	\$ 402	402	-	-	\$ 815
924	3134	CERDEP - Full Day 4K	52,161	52,161	-	-	-
928	3118	EEDA Career Specialists	274,554	274,554	-	-	8,764
935	3135	Reading Coaches	228,864	228,864	-	-	38,110
936	3136	Student Health and Fitness - Nurses	187,531	187,531	-	-	-
937	3127	Student Health and Fitness - PE Teachers	30,379	30,379	-	-	1,127
956	3156	Adult Education	186	186	-	-	1,038
994	3994	PEBA Nonemployer Contributions	6,368	6,368	-	-	-
Totals			\$ 780,445	780,445	-	-	\$ 49,854

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, 2022

	ACTUAL
REVENUES	
3000 Revenue from State Sources:	
3500 Education Improvement Act:	
3502 ADEPT	\$ 12,034
3509 Arts in Education	9,892
3518 Adoption List of Formative Assessment	24,150
3519 Grade 10 Assessments	2,500
3526 Refurbishment of Science Kits	21,376
3528 Industry Certifications/Credentials	37,545
3529 Career and Technology Education	69,844
3532 National Board Salary Supplement (No Carryover Provision)	10,865
3533 Teacher of the Year Awards (No Carryover Provision)	1,077
3538 Students at Risk of School Failure	427,196
3541 Child Early Reading Development & Education Program (CERDEP) - Full Day 4K	798,649
3550 Teacher Salary Increase (No Carryover Provision)	915,981
3555 Teacher Salary Fringe (No Carryover Provision)	220,030
3556 Adult Education	141,002
3557 Summer Reading Program	117,314
3577 Teacher Supplies (No Carryover Provision)	84,700
3595 EEDA - Supplies and Materials	4,182
3597 Aid to Districts	203,891
Total Revenue from State Sources	3,102,228
TOTAL REVENUE ALL SOURCES	3,102,228
EXPENDITURES	
100 Instruction:	
110 General Instruction:	
111 Kindergarten Programs:	
400 Supplies and Materials	2,750
112 Primary Programs:	
100 Salaries	39,571
200 Employee Benefits	18,664
400 Supplies and Materials	37,787
113 Elementary Programs:	
100 Salaries	217,684
200 Employee Benefits	100,062
400 Supplies and Materials	35,831
114 High School Programs:	
100 Salaries	103,274
200 Employee Benefits	28,714
300 Purchased Services	1,325
400 Supplies and Materials	\$ 41,970

(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, 2022

	<u>ACTUAL</u>
115 Career and Technology Education Program:	
300 Purchased Services - Other Than Tuition	\$ 34,422
400 Supplies and Materials	48,483
600 Other Objects	11,188
120 Exceptional Programs:	
121 Educable Mentally Handicapped:	
400 Supplies and Materials	1,375
122 Trainable Mentally Handicapped:	
100 Salaries	26,309
200 Employee Benefits	14,321
400 Supplies and Materials	275
126 Speech Handicapped:	
400 Supplies and Materials	825
127 Learning Disabilities:	
100 Salaries	6,054
200 Employee Benefits	1,660
400 Supplies and Materials	2,475
130 Pre-School Programs:	
137 Preschool Handicapped Self Contained (3 & 4 Yr. Olds):	
400 Supplies and Materials	275
139 Early Childhood Programs:	
400 Supplies and Materials	275
140 Special Programs:	
141 Gifted and Talented - Academic:	
400 Supplies and Materials	275
147 CERDEP:	
100 Salaries	394,126
200 Employee Benefits	235,693
300 Purchased Services	259,200
400 Supplies and Materials	825
170 Summer School Programs:	
171 Primary Summer School:	
100 Salaries	52,514
200 Employee Benefits	13,159
300 Purchased Services	1,050
400 Supplies and Materials	49,503
180 Adult/Continuing Educational Programs:	
181 Adult Basic Education Programs:	
300 Purchased Services	1,000
182 Adult Secondary Education Programs:	
300 Purchased Services	\$ 1,062

(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, 2022

	ACTUAL
184 Post Secondary Education Programs:	
100 Salaries	\$ 24,258
200 Employee Benefits	10,521
300 Purchased Services	350
400 Supplies and Materials	150
Total Instruction	<u>1,819,255</u>
200 Support Services:	
210 Pupil Services:	
212 Guidance Services:	
300 Purchased Services	2,127
400 Supplies and Materials	5,081
217 Career Specialist Services:	
400 Supplies and Materials	275
220 Instructional Staff Services:	
222 Library and Media:	
400 Supplies and Materials	2,200
223 Supervision of Special Programs:	
100 Salaries	68,803
200 Employee Benefits	33,483
400 Supplies and Materials	1,036
224 Improvement of Instruction - In-service and Staff Training:	
100 Salaries	921
200 Employee Benefits	278
300 Purchased Services	53,758
400 Supplies and Materials	16,442
600 Other Objects	598
270 Support Services - Pupil Activity:	
271 Pupil Services Activities:	
100 Salaries	510
200 Employee Benefits	150
600 Other Objects (Optional)	428
Total Support Services	<u>186,090</u>
TOTAL EXPENDITURES	<u>2,005,345</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
5210 Transfer from General Fund (Excludes Indirect Costs)	90,369
420-710 Transfer to General Fund (Exclude Indirect Costs)	(1,187,252)
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (1,096,883)</u>

(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, 2022

	<u>ACTUAL</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	\$ -
FUND BALANCE, Beginning of Year	<u>-</u>
FUND BALANCE, End of Year	<u><u>\$ -</u></u>

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

Schedule B-5

EDUCATION IMPROVEMENT ACT

SUMMARY SCHEDULE BY PROGRAM

YEAR ENDED JUNE 30, 2022

Program	Revenues	Expenditures	EIA Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	EIA Fund Unearned Revenue
3500 Education Improvement Act:					
3502 ADEPT	\$ 12,034	12,034	-	-	\$ 6,832
3507 Aid to District Technology	-	-	-	-	3,392
3509 Arts in Education	9,892	9,892	-	-	-
3518 Adoption List of Formative Assessment	24,150	24,150	-	-	18,989
3519 Grade 10 Assessments	2,500	2,500	-	-	1,307
3526 Refurbishment of Science Kits	21,376	21,376	-	-	22,076
3528 Industry Certifications/Credentials	37,545	37,545	-	-	21,693
3529 Career and Technology Education	69,844	69,844	-	-	107,585
3532 National Board Salary Supplement (No Carryover Provision)	10,865	10,865	-	-	-
3533 Teacher of the Year Awards (No Carryover Provision)	1,077	1,077	-	-	-
3536 Student Health & Fitness	-	-	-	-	45,833
3538 Students at Risk of School Failure	427,196	427,196	-	-	195,555
3541 Child Early Development & Education Program (CERDEP) - Full Day 4K	798,649	889,017	-	90,369	162,800
3550 Teacher Salary Increase (No Carryover Provision)	915,981	-	-	(915,981)	-
3555 Teacher Salary Fringe (No Carryover Provision)	220,030	-	-	(220,030)	-
3556 Adult Education	141,002	140,663	-	(340)	5,887
3557 Summer Reading Program	117,314	117,314	-	-	93,530
3577 Teacher Supplies (No Carryover Provision)	84,700	84,700	-	-	-
3595 EEDA - Supplies and Materials	4,182	4,182	-	-	4,710
3597 Aid to Districts	203,891	152,990	-	(50,901)	-
3599 Other EIA	-	-	-	-	1,000
Totals	\$ 3,102,228	2,005,345	-	(1,096,883)	\$ 691,189

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

YEAR ENDED JUNE 30, 2022

Program	Project/Grant Number	Revenue & Subfund Code	Description	Amount Due to State Department of Education or Federal Government	Status of Amount Due to Grantors
CERDEP - Full Day 4K	DRSR	3134 / 924	Unexpended funds	\$ 2,880.36	To be paid in FY 2023
				<u>\$ 2,880.36</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, 2022

	ACTUAL
REVENUES	
1000 Revenue from Local Sources:	
1200 Taxes:	
1110 Ad Valorem Taxes - Including Delinquent (Fiscally Independent LEA)	\$ 556,609
1200 Revenue from Local Governmental Units Other than LEAs:	
1280 Revenue in Lieu of Taxes (Independent and Dependent)	18,289
1500 Earnings on Investments:	
1510 Interest on Investments	16,058
Total Revenue from Local Sources	<u>590,956</u>
3000 Revenue from State Sources:	
3800 State Revenue in Lieu of Taxes:	
3820 Homestead Exemption (Tier 2)	45,574
3830 Merchant's Inventory Tax	5,641
3840 Manufacturers Depreciation Reimbursement	10,873
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	17,896
Total Revenue from State Sources	<u>79,984</u>
TOTAL REVENUE ALL SOURCES	<u>670,940</u>
EXPENDITURES	
500 Debt Service:	
620 Interest	17,808
690 Other Objects (Includes Fees for Servicing Bonds)	9,123
Total Debt Service	<u>26,931</u>
TOTAL EXPENDITURES	<u>26,931</u>
OTHER FINANCING SOURCES (USES)	
424-710 Transfer to Capital Projects Fund	(785,877)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(785,877)</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	(141,868)
FUND BALANCE, Beginning of Year	<u>124,717</u>
FUND BALANCE, End of Year	<u>\$ (17,151)</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, 2022

	ACTUAL
REVENUES	
1000 Revenue from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 1,553
Total Revenue from Local Sources	1,553
TOTAL REVENUE ALL SOURCES	1,553
EXPENDITURES	
250 Finance and Operations Services:	
253 Facilities Acquisition & Construction:	
500 Capital Outlay:	
530 Improvements Other Than Buildings	660,604
540 Equipment	7,442
254 Operations and Maintenance of Plant:	
300 Purchased Services	97,103
Total Support Services	765,149
TOTAL EXPENDITURES	765,149
OTHER FINANCING SOURCES (USES)	
5240 Transfer from Debt Service Fund	785,877
TOTAL OTHER FINANCING SOURCES (USES)	785,877
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	22,281
FUND BALANCE, Beginning of Year	2,576,703
FUND BALANCE, End of Year	\$ 2,598,984

**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, 2022

	ACTUAL
REVENUES	
1000 Revenue from Local Sources:	
1600 Food Service:	
1640 Lunch Sales to Adults	\$ 17,610
1660 Special Sales to Adults	438
1900 Other Revenue from Local Sources:	
1950 Refund of Prior Year's Expenditures (Include Only if Expenditure Occurred Last Year and the Refund This Year)	6,336
Total Revenue from Local Sources	<u>24,384</u>
4000 Revenue from Federal Sources:	
4800 USDA Reimbursement:	
4810 School Lunch and After School Snacks Program, and Special Milk Program	2,338,098
4820 Supply Chain Assistance Funding	82,937
4830 School Breakfast Program (Carryover Provision)	1,045,935
4890 Healthy Meals-USDA	278,127
4900 Other Federal Sources:	
4991 USDA Commodities (Food Distribution Program) (Carryover Provision)	128,693
Total Revenue from Federal Sources	<u>3,873,790</u>
TOTAL REVENUE ALL SOURCES	<u>3,898,174</u>
EXPENDITURES	
256 Food Service:	
100 Salaries	985,199
200 Employee Benefits	561,180
300 Purchased Services (Exclude Energy Costs)	96,296
400 Supplies and Materials (Include Energy Costs)	1,358,187
600 Other Objects	3,470
Total Food Service Expenses	<u>3,004,332</u>
TOTAL EXPENDITURES	<u>3,004,332</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
432-791 Food Service Fund Indirect Costs	(50,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(50,000)</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	843,842
FUND BALANCE, Beginning of Year	<u>(219,102)</u>
FUND BALANCE, End of Year	<u>\$ 624,740</u>

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

LOCATION RECONCILIATION SCHEDULE

YEAR ENDED JUNE 30, 2022

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
000	DISTRICT WIDE	NON-SCHOOLS	CENTRAL	\$ 139,744
001	SPRING BRANCH PROPERTY	NON-SCHOOLS	CENTRAL	14,177
002	MARION HIGH SCHOOL	HIGH SCHOOL	SCHOOL	6,268,553
003	EASTERLING ELEMENTARY SCHOOL	ELEMENTARY	SCHOOL	4,135,844
004	MARION INTERMEDIATE SCHOOL	ELEMENTARY	SCHOOL	4,053,488
007	JOHNAKIN MIDDLE SCHOOL	MIDDLE SCHOOL	SCHOOL	4,261,524
008	MULLINS HIGH SCHOOL	HIGH SCHOOL	SCHOOL	5,689,940
009	PALMETTO MIDDLE SCHOOL	MIDDLE SCHOOL	SCHOOL	3,196,378
010	McCORMICK ELEMENTARY SCHOOL	ELEMENTARY	SCHOOL	2,736,523
012	FOX FIELD	NON-SCHOOLS	CENTRAL	71,269
013	NORTH MULLINS PRIMARY SCHOOL	ELEMENTARY	SCHOOL	3,053,916
014	MULLINS EARLY CHILDHOOD CENTER	ELEMENTARY	SCHOOL	2,365,474
022	ACTIVITY BUS	NON-SCHOOLS	CENTRAL	60,332
023	BRITTONS NECK ELEMENTARY SCHOOL	ELEMENTARY	SCHOOL	180,729
025	CREEK BRIDGE STEM ACADEMY	ELEM/MIDDLE	SCHOOL	3,913,658
030	ADULT EDUCATION	OTHER SCHOOL	SCHOOL	294,458
031	SUCCESS ACADEMY/PALMETTO ED CTR	ALTERNATIVE SCHL	SCHOOL	1,277,576
032	ATHLETIC COMPLEX - MARION	HIGH SCHOOL	CENTRAL	25,425
033	SUCCESS ACADEMY/ANNEX	ALTERNATIVE SCHL	SCHOOL	30,535
907	COMMUNITY CENTER - CENTENARY	NON-SCHOOLS	CENTRAL	18,327
908	SAFFOLD BUILDING	NON-SCHOOLS	CENTRAL	8,182
910	MARION COUNTY SCHS-DISTRICT OFC	NON-SCHOOLS	CENTRAL	9,823,937
913	MARION COUNTY SCHS-ANNEX OFC	NON-SCHOOLS	CENTRAL	911,366
922	SUPERINTENDENT'S HOUSE-CENTENARY	NON-SCHOOLS	CENTRAL	1,643
925	MAINTENANCE DEPARTMENT	NON-SCHOOLS	CENTRAL	496,263
926	STORAGE	NON-SCHOOLS	CENTRAL	919
927	OLD RED BRICK SCHOOL	NON-SCHOOLS	CENTRAL	3,899
928	OLD RAINS CENTENARY ELEMENTARY	NON-SCHOOLS	CENTRAL	5,826
929	RAINS DO-HOUSE	NON-SCHOOLS	CENTRAL	565
933	SOUTHSIDE	NON-SCHOOLS	CENTRAL	26,810
940	BUS DRIVER	NON-SCHOOLS	CENTRAL	112,704
975	TOM GASQUE AVE APARTMENTS	NON-SCHOOLS	CENTRAL	10,719
995	ACADEMY FOR CAREERS/TECHNOLOGY	HIGH SCHOOL	SCHOOL	1,983,534
999	PEE DEE ACADEMY	GRADES K - 12	SCHOOL	41,685
				<u>\$ 55,215,922</u>

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

Fund	Amount
General Fund	\$ 34,930,035
Special Revenue Fund	14,484,130
Special Revenue - EIA Fund	2,005,345
Special Revenue - Food Service Fund	3,004,332
Debt Service Fund	26,931
Capital Projects Fund	765,149
	<u>\$ 55,215,922</u>

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COMPLIANCE SECTION

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2022

LEA Subfund Code	Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass Through Grantor's Number	Federal Expenditures
US DEPARTMENT OF AGRICULTURE				
Pass-through State Department of Education:				
600	School Breakfast Program	10.553	N/A	\$ 1,045,935
600	National School Lunch Program	10.555	N/A	2,338,098
600	National School Lunch Program - Non-Cash Assistance	10.555	N/A	128,693
600	Supply Chain Assistance Funding	10.555	N/A	82,937
630	COVID-19 CN Operational Costs Reimbursement	10.555	N/A	278,127
Total 10.553, 10.555 & 10.559 - Child Nutrition Cluster				3,873,790
TOTAL US DEPARTMENT OF AGRICULTURE				3,873,790
US DEPARTMENT OF EDUCATION				
Pass-through State Department of Education:				
201/202	Title I Grants to LEA's	84.010	19/20/21 Title I, Part A (Regular)	2,754,004
237	Title I Targeted Support & Improvement	84.010	20 Title I Support	47,820
Total 84.010				2,801,824
Individuals with Disabilities Education Act:				
203	IDEA	84.027	19/20/21 IDEA	1,657,611
205	Handicapped Preschool Grants	84.173	19/20/21 Preschool	49,401
212	Extended School Year	84.027	20 IDEA ESY	1,577
230	COVID-19 IDEA/ARP Act	84.027X	21 IDEA/ARP	274,298
233	COVID-19 IDEA/ARP Act - Preschool	84.173X	21 IDEA/ARP PreSchool	26,491
Total 84.027 & 84.173 - Special Education Cluster (IDEA)				2,009,378
207/208	Vocational Education - WBL Activities	84.048	22 CATE	54,939
210	Student Support and Academic Enrichment (SSAE)	84.424A	19/20/21 Title IV SSAE	284,296
Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund (ESSER):				
220	COVID-19 ESSER I	84.425D	20 SC CARES ESSER I	161,164
225	COVID-19 ESSER II	84.425D	ESSER II	5,624,961
218	COVID-19 ARP ESSER III	84.425U	ARP ESSER III	154,992
Total 84.425D & 84.425U				5,941,117
243	Adult Education	84.002	20/21/22 Adult Ed	59,613
251	Rural and Low Income Schools	84.358	20 Title VI REAP	177,796
264	Language Instruction - Title III	84.365	20 Title III	13,382
267	Improving Teacher Quality - Title II	84.367	19/20/21 Title II ITQ	120,018
Total Pass-through State Department of Education:				11,462,363
Pass-through Insight Education Group, Inc:				
836	Empowering Educators to Excel (E3) - TSL	84.374A	U374A170085-17A	1,096,198
Direct Programs:				
820	Federal Pell Grant Program	84.063	N/A	96,439
Higher Education Emergency Relief Fund (HEERF)				
820	COVID - 19 - HEERF Student Aid Portion	84.425E	N/A	15,613
TOTAL US DEPARTMENT OF EDUCATION				\$ 12,670,613

(Continued)

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2022

LEA Subfund Code	Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass Through Grantor's Number	Federal Expenditures
US DEPARTMENT OF DEFENSE				
	Direct Program:			
296	JROTC - Army	12.000	N/A	\$ 74,242
297	JROTC - Marine Corps	12.000	N/A	33,428
		Total 12.000		107,670
	TOTAL US DEPARTMENT OF DEFENSE			107,670
	TOTAL FEDERAL ASSISTANCE EXPENDED			\$ 16,652,073

Note: There were no expenditures to subrecipients for the year ended June 30, 2022.

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

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2022

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, 2022. 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 Cauley, 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, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated November 23, 2022.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

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The School District's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the School District's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
November 23, 2022



Greene Finney Cauley, 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

Opinion on Each Major Federal Program

We have audited Marion County School District, South Carolina's (the "School District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2022. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.

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The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal program as a whole.

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

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-002. Our opinion on each major federal program is not modified with respect to this matter.

Governmental Auditing Standards requires the auditor to perform limited procedures on the School District's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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 a 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-002 to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on the School District's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
November 23, 2022

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MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2022

Section II – 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.

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2022

Section II – Financial Statement Findings (Continued)

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

Status: The School District made improvements in the processes, procedures, and controls for completing and reviewing the close out process and the prior year findings have been corrected.

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, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

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

 X Yes _____ None Reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

_____ Yes X No

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

 X Yes _____ 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)?

 X Yes _____ No

Identification of major programs:

Assistance Listing Number(s)

Name of Federal Program or Cluster

84.010
84.425D & 84.425U
84.374A

Title I
COVID-19 Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund
Empowering Educators to Excel

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, 2022

Section II – Current Year Financial Statement Findings

2022-001: SIGNIFICANT DEFICIENCY IN ACCOUNTS PAYABLE

Condition:	During the 2022 audit, Marion County School District (the “School District”) accrued one item related to technology and supplies that should not have been accrued at June 30, 2022, and which also overstated revenue for federal programs. The School District corrected this by recording an adjusting entry to decrease accounts payable and related expenses (all of which involved federal funds) by approximately \$202,000 as of June 30, 2022.
Criteria:	The School District should have an effective system of internal controls in place to ensure all accounts payable accruals and federal revenues are properly recorded.
Context, Cause and Effect:	Turnover in the School District’s finance department caused disruptions in the financial operations. The Interim Finance Director left in the middle of the year and a new Finance Director started at the District in April 2022. There was a new set of controls put into place with different employees completing tasks from the previous year. In this instance, there was an error in reviewing the invoice and, as a result, it was not recorded in the correct fiscal year, which also impact the recognition of federal revenues.
Recommendation:	We recommend that the School District review all liability and revenue accounts and compare the balances to supporting documents and subsequent payments to ensure that all accrued liabilities and federal revenues have been properly recorded.
Response:	The School District agrees with this finding and will adhere to the corrective action plan on page 114 in this audit report.

Section III – Current Year Federal Award Findings and Questioned Costs

Federal Agency: U.S. Department of Education
Pass-Through Agency: South Carolina Department of Education
Title I: Assistance Listing # 84.010
Pass-Through Grantor’s Award Numbers and Years: 2019 H63010100119; 2020 H63010100120
2021 H63010100121
FAIN: S010A180040; S010A190040; S010A200040
Repeat Comment from Prior Year? No

2022-002: ALLOWABLE COSTS/ COST PRINCIPLES

Questioned Costs

\$ - 0 -

Condition:	During the 2022 audit, Marion County School District (the “School District”) accrued one item related to technology and supplies that should not have been accrued at June 30, 2022, and which also overstated revenue for federal programs. The School District corrected this by recording an adjusting entry to decrease accounts payable and related expenses (all of which involved federal funds) by approximately \$202,000 as of June 30, 2022.
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MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2022

Section III – Current Year Federal Award Findings and Questioned Costs (Continued)

2022-002: ALLOWABLE COSTS/ COST PRINCIPLES (CONTINUED)

Criteria:	The School District should have an effective system of internal controls in place to ensure all accounts payable accruals and federal revenues are properly recorded.
Context, Cause and Effect:	Turnover in the School District's finance department caused disruptions in the financial operations. The Interim Finance Director left in the middle of the year and a new Finance Director started at the District in April 2022. There was a new set of controls put into place with different employees completing tasks from the previous year. In this instance, there was an error in reviewing the invoice and, as a result, it was not recorded in the correct fiscal year, which also impact the recognition of federal revenues.
Recommendation:	We recommend that the School District review all liability and revenue accounts, specifically the accrued liability and federal revenue accounts, and compare the balances to supporting documents and subsequent payments to ensure that all accrued liabilities and federal revenues have been properly recorded.
Response:	The School District agrees with this finding and will adhere to the corrective action plan on page 114 in this audit report



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DR. KANDACE BETHEA
Superintendent

Marion County School District
Marion, South Carolina

Corrective Action Plan

Year Ended June 30, 2022

Section II – Current Year Financial Statement Findings

Finding: 2022-001

Contact Person: Angel Cooper, Finance Director
acooper@marion.k12.sc.us

Corrective Action: The School District will provide training on proper procedures and processes for recording accounts payable. The School District will ensure the invoices are reviewed before being recorded.

Proposed Completion

Date: Prior to June 30, 2023

Section III – Current Year Federal Award Findings and Questioned Costs

Finding: 2022-002

Contact Person: Angel Cooper, Finance Director
acooper@marion.k12.sc.us

Corrective Action: The School District is going to obtain training and will review and update current policies as necessary in order to comply with allowable costs and cost principles. Training will be provided to School District staff in the proper procedures and processes.

Proposed Completion

Date: Prior to June 30, 2023