

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

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

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

PRINCIPAL OFFICIALS

YEAR ENDED JUNE 30, 2020

Marion County Board of Education

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

Superintendent

Dr. Kandace Bethea

Director of Finance

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

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Greene Finney, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Marion County School District, South Carolina (the "School District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Marion County School District, South Carolina, as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule, the pension plan schedules, and the other postemployment benefit plan schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the 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 and Other Information

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

The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2021 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Greene Finney, LLP

Greene Finney, LLP
Mauldin, South Carolina
January 26, 2021

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2020

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, 2020. 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 2020 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 \$57.2 million. Unrestricted net position was a deficit of \$90.5 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, 2020 (including deferred outflows and inflows) was \$53.2 million and the net OPEB plan liability at June 30, 2020 (including deferred outflows and inflows) was \$43.5 million.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$8.3 million. 59% of the total amount, or \$4.9 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 \$4.9 million, which was 13% of total General Fund expenditures for fiscal year 2020.
- The School District's fund balance for the General Fund decreased by \$0.8 million.
- During the 2020 fiscal year, the School District's governmental fund revenues were \$50.0 million compared to \$51.3 million in the prior year, or a decrease of \$1.3 million.
- During the 2020 fiscal year, the School District's governmental fund expenditures were \$52.6 million compared to \$51.3 million in the prior year, or an increase of \$1.3 million.
- On the government-wide basis, the School District's total net position decreased by \$4.3 million, primarily due to expenditures exceeding revenues.
- The School District's net capital assets decreased by \$2.0 million during the current fiscal year due to depreciation expense of \$1.7 million and net disposals of \$0.6 million exceeding current year additions of \$0.3 million.
- The School District did not have any outstanding long-term obligations at June 30, 2020 or at June 30, 2019. The School District had \$1.0 million in outstanding short-term debt, issued in May 2020 that matures in March 2021.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

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

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

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

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

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2020

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 \$57.2 million at the close of the most recent fiscal year.

A summary of the School District's net position as of June 30, 2020 compared to June 30, 2019 is presented below:

| | 2020 | 2019 |
|--|------------------------|------------------------|
| Assets | | |
| Current and Other Assets | \$ 16,718,335 | \$ 17,379,302 |
| Capital Assets (Net) | 30,418,649 | 32,428,967 |
| Total Assets | <u>47,136,984</u> | <u>49,808,269</u> |
| Deferred Outflows of Resources | | |
| Deferred Pension Charges | 6,358,442 | 8,960,299 |
| Deferred Other Postemployment Benefit Plan Charges | 6,355,539 | 3,951,454 |
| Total Deferred Outflows of Resources | <u>12,713,981</u> | <u>12,911,753</u> |
| Liabilities | | |
| Other Liabilities | 7,673,247 | 6,281,795 |
| Net Pension Liability | 53,363,420 | 56,687,771 |
| Net Other Postemployment Benefit Plan Liability | 42,890,843 | 43,351,079 |
| Total Liabilities | <u>103,927,510</u> | <u>106,320,645</u> |
| Deferred Inflows of Resources | | |
| Deferred Pension Credits | 6,212,835 | 5,750,000 |
| Deferred Other Postemployment Benefit Plan Credits | 6,936,831 | 3,545,666 |
| Total Deferred Inflows of Resources | <u>13,149,666</u> | <u>9,295,666</u> |
| Net Position | | |
| Net Investment in Capital Assets | 30,418,649 | 33,190,564 |
| Restricted | 2,904,487 | 2,545,907 |
| Unrestricted | (90,549,347) | (88,632,760) |
| Total Net Position | <u>\$ (57,226,211)</u> | <u>\$ (52,896,289)</u> |

Total assets decreased by \$2.7 million primarily due to a decrease in capital assets of \$2.0 million as depreciation expense and net disposals exceeded current year additions. Other assets decreased \$0.7 million primarily due to a reduction in cash, primarily driven by expenditures exceeding revenues offset by an increase in property taxes receivable. Total liabilities decreased \$2.4 million primarily due to a decrease in the net pension and net other postemployment benefit plan liabilities offset by an increase in short-term debt and accounts payable.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, was a deficit of \$90.5 million at June 30, 2020, due to the School District's proportionate share of the State of South Carolina's net pension and net other postemployment benefit plan liabilities.

The following table shows the changes in net position for fiscal year 2020 compared to 2019:

| | Changes in Net Position | |
|--|--------------------------------|------------------------|
| | <u>2020</u> | <u>2019</u> |
| Revenues | | |
| Program Revenues: | | |
| Charges for Services | \$ 285,511 | \$ 282,539 |
| Operating Grants and Contributions | 33,852,875 | 34,784,006 |
| Capital Grants and Contributions | 163,101 | 84,828 |
| General Revenues: | | |
| Property Taxes and Revenue in Lieu of Taxes | 15,215,956 | 15,151,847 |
| Other | 192,731 | 315,192 |
| Total Revenues | <u>49,710,174</u> | <u>50,618,412</u> |
| Program Activities | | |
| Instruction | 26,786,990 | 27,461,584 |
| Support Services | 27,147,920 | 25,587,643 |
| Community Services | - | 17,095 |
| Intergovernmental | 88,444 | 111,781 |
| Interest and Other Charges | 16,742 | 19,654 |
| Total Expenses | <u>54,040,096</u> | <u>53,197,757</u> |
| Change in Net Position | (4,329,922) | (2,579,345) |
| Net Position, Beginning of Year, as Restated | <u>(52,896,289)</u> | <u>(50,316,944)</u> |
| Net Position, End of Year | <u>\$ (57,226,211)</u> | <u>\$ (52,896,289)</u> |

Overall, the School District's financial condition decreased in fiscal year 2020, as expenses exceeded revenues by \$4.3 million, compared to a decrease of \$2.6 million in the prior year (the decrease is due to the School District's share of the increases in the net pension and net other postemployment benefit plan liabilities). Total revenues decreased \$0.9 million from 2019 primarily due to a decrease in operating grants and contributions of \$0.9 million. Program expenses increased \$0.9 million from 2019.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2020

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, 2020, the School District's governmental funds reported a *combined* fund balance of \$8.3 million as compared to \$10.7 million for the prior year.

The General Fund is the chief operating fund of the School District. At the end of the current fiscal year, total fund balance for the General Fund was \$5.1 million, decreasing by \$0.8 million during the current fiscal year. The unassigned fund balance of the General Fund was \$4.9 million, increasing \$0.8 million during the current fiscal year.

The School District's Special Revenue Funds (Special Revenue, EIA and Food Service) are used to account for revenues derived from the state of South Carolina and the federal government. The Special Revenue Fund-EIA does not have a fund balance as revenues should be expended, deferred, or returned to the grantor. The fund balance for the Special Revenue Fund-Food Service decreased by \$1.0 million due to fewer lunches being sold during the school closures due to COVID-19.

The School District's Debt Service Fund balance decreased by \$0.4 million during the 2020 fiscal year to \$0.2 million at June 30, 2020.

The School District's Capital Projects Fund balance decreased by \$0.2 million during the 2020 fiscal year to \$2.4 million at June 30, 2020.

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 exceeding annual appropriations by \$1.8 million.

At June 30, 2020, the General Fund had a negative total budget vs. actual variance of \$2.6 million. This negative variance is primarily due to actual expenditures being more than budgeted expenditures by \$0.9 million and actual revenues were less than budgeted revenues by \$0.9 million, primarily due to revenues from State Sources coming in under budget by \$0.7 million due to funding changes at the State and a decrease in the District's student count.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2020, the School District had \$30.4 million in capital assets, net of depreciation.

The net decrease in the School District's capital assets was \$2.0 million. The decrease was due to depreciation expense of \$1.7 million and net disposals of \$0.6 million exceeding current year additions of \$0.3 million.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2020

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Capital Assets (Continued)

The additions were for security equipment for the schools and new equipment (mostly food service equipment) at various locations.

The following table shows fiscal year end 2020 capital asset balances compared to 2019:

| | Capital Assets (Net of Depreciation) | |
|----------------------------|---|----------------------|
| | Governmental Activities | |
| | 2020 | 2019 |
| Capital Assets | | |
| Land | \$ 2,168,458 | \$ 2,168,458 |
| Buildings and Improvements | 26,735,552 | 28,587,788 |
| Machinery and Equipment | 1,514,639 | 1,672,721 |
| Capital Assets, Net | <u>\$ 30,418,649</u> | <u>\$ 32,428,967</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 the end of the current fiscal year, the School District had no outstanding long-term indebtedness. In May 2019, the District issued a short-term General Obligation Bond in the amount of \$0.6 million; the District repaid this in March 2020 upon maturity, including interest of approximately \$10,000. In May 2020, the School District issued a short-term General Obligation Bond in the amount of approximately \$1.0 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 2021, with interest at 1.5%.

The following table shows fiscal year end 2020 total outstanding debt compared to 2019:

| | Governmental Activities | |
|--------------------------|-------------------------|-------------------|
| | 2020 | 2019 |
| General Obligation Bonds | \$ 1,025,000 | \$ 612,000 |
| Total | <u>\$ 1,025,000</u> | <u>\$ 612,000</u> |

The state limits the amount of general obligation debt that school districts can issue to 8 percent of the assessed value of all taxable property within the School District's corporate limits. The School District is authorized by state statute to exceed the legal debt margin of 8%, if citizens of the School District approve such additional debt through a district-wide referendum. All of the outstanding debt of \$1.0 million is subject to this limit as of June 30, 2020, leaving \$5.0 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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2020

ECONOMIC FACTORS

Marion County School District is the largest single employer in the county with approximately 810 employees. The government sector, of which the School District is a part, is the largest employment sector within the County.

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

FY 2021 GENERAL FUND BUDGET

The Board of Trustees adopted a General Fund budget for fiscal year 2021 that reflected total revenues of \$37.8 million and total appropriations of \$38.4 million. The fiscal year 2021 General Fund original budget represents a 5% increase from the fiscal year 2020 General Fund budget of \$36.0 million.

The fiscal year 2021 General Fund budget includes an EFA base student cost of \$2,489 per student, which is an increase of \$4.00 or 0.16% per student from the prior year. This increase will provide less than \$30,000 in new monies for the district. The EFA base student rate is then computed on the state's weight per EFA category and 135th day Average Daily Membership of the prior year in each category to arrive at the actual allocation. The District continues to experience a reduction in student membership for the past few years and the negative financial impact of this loss and, with such a minor adjustment in the base student cost allocation, anticipated actual EFA dollars and actual revenue to sustain the district will again be strained and have a major impact on the district.

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, 2020

| | PRIMARY GOVERNMENT Governmental Activities |
|---|---|
| ASSETS | |
| Cash and Investments | \$ 6,049,960 |
| Cash and Investments, Restricted | 1,635,788 |
| Cash and Investments Held by County Treasurer | 1,916,147 |
| Property Taxes Receivable, Net | 844,911 |
| Accounts Receivable | 90,221 |
| Due from Other Governments | 6,004,433 |
| Inventories and Prepaid Items | 176,875 |
| Capital Assets: | |
| Non-Depreciable | 2,168,458 |
| Depreciable, Net | 28,250,191 |
| TOTAL ASSETS | 47,136,984 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred Pension Charges | 6,358,442 |
| Deferred Other Postemployment Benefit Plan Charges | 6,355,539 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 12,713,981 |
| LIABILITIES | |
| Accounts Payable | 1,002,848 |
| Accrued Salaries, Fringe & Benefits | 4,844,700 |
| Due to Other Governments | 9,368 |
| Unearned Revenue | 791,331 |
| Short-Term General Obligation Bond Payable | 1,025,000 |
| Non-Current Liabilities: | |
| Net Pension Liability - due in more than one year | 53,363,420 |
| Net Other Postemployment Benefit Plan Liability - due in more than one year | 42,890,843 |
| TOTAL LIABILITIES | 103,927,510 |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred Pension Credits | 6,212,835 |
| Deferred Other Postemployment Benefit Plan Credits | 6,936,831 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 13,149,666 |
| NET POSITION | |
| Net Investment in Capital Assets | 30,418,649 |
| Restricted For: | |
| Debt Service | 1,317,589 |
| Capital Projects | 1,371,748 |
| Food Service | 253,099 |
| Unrestricted | (90,587,296) |
| TOTAL NET POSITION | \$ (57,226,211) |

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, 2020

| 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 | \$ 26,786,990 | 215,499 | 19,731,463 | - | \$ (6,840,028) |
| Support Services | 27,147,920 | 70,012 | 14,121,412 | 163,101 | (12,793,395) |
| Intergovernmental | 88,444 | - | - | - | (88,444) |
| Interest and Other Charges | 16,742 | - | - | - | (16,742) |
| Total Governmental Activities | 54,040,096 | 285,511 | 33,852,875 | 163,101 | (19,738,609) |
| TOTAL PRIMARY GOVERNMENT | \$ 54,040,096 | 285,511 | 33,852,875 | 163,101 | (19,738,609) |
| GENERAL REVENUES: | | | | | |
| General Revenue: | | | | | |
| Property Taxes Levied for General Purposes | | | | | 8,684,180 |
| Property Taxes Levied for Debt Service | | | | | 583,755 |
| State Revenue in Lieu of Taxes | | | | | 5,948,021 |
| Investment Earnings | | | | | 133,517 |
| Miscellaneous | | | | | 59,214 |
| TOTAL GENERAL REVENUES | | | | | 15,408,687 |
| CHANGE IN NET POSITION | | | | | (4,329,922) |
| NET POSITION - Beginning of Year | | | | | (52,896,289) |
| NET POSITION - Ending of Year | | | | | \$ (57,226,211) |

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, 2020

| | GENERAL | SPECIAL REVENUE |
|---|----------------------|----------------------------|
| ASSETS | | |
| Cash and Investments | \$ 5,432,938 | - |
| Cash and Investments, Restricted | - | 686 |
| Cash and Investments Held by County Treasurer | - | - |
| Receivables, Net: | | |
| Taxes | 806,962 | - |
| Accounts | 54,226 | 35,995 |
| Due From: | | |
| County Treasurer | 683,421 | 400 |
| State Agencies | 108,602 | 721,675 |
| Federal Agencies | - | 4,284,797 |
| Other Funds | 4,719,687 | 355 |
| Other Governments | 12,475 | 40,172 |
| Prepaid Items | 51 | - |
| Inventories | 148,653 | - |
| TOTAL ASSETS | \$ 11,967,015 | 5,084,080 |
| LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES | | |
| LIABILITIES: | | |
| Accounts Payable | \$ 999,463 | 240 |
| Accrued Salaries, Fringe & Benefits | 4,781,705 | 62,995 |
| Due To: | | |
| State Agencies | - | 9,368 |
| Other Funds | 388,661 | 4,123,687 |
| Unearned Revenue | - | 565,398 |
| Short-Term Debt - Bond Payable | - | - |
| TOTAL LIABILITIES | 6,169,829 | 4,761,688 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Unavailable Revenue - Property Taxes | 744,497 | - |
| TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES | 6,914,326 | 4,761,688 |
| FUND BALANCES: | | |
| Fund Balances | | |
| Nonspendable: | | |
| Prepaid Items | 51 | - |
| Inventories | 148,653 | - |
| Restricted for: | | |
| Debt Service | - | - |
| Capital Projects | - | - |
| Food Service | - | - |
| Assigned for: | | |
| Special Revenue Programs | - | 322,392 |
| Capital Projects | - | - |
| Unassigned | 4,903,985 | - |
| TOTAL FUND BALANCES | 5,052,689 | 322,392 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | \$ 11,967,015 | 5,084,080 |

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 |
|-----------------------------|--------------------------------------|------------------|---------------------|--------------------------------|
| - | - | - | 617,022 | \$ 6,049,960 |
| - | - | 261,505 | 1,373,597 | 1,635,788 |
| - | - | 892,996 | 1,023,151 | 1,916,147 |
| - | - | 37,949 | - | 844,911 |
| - | - | - | - | 90,221 |
| - | - | - | - | 683,821 |
| 152,891 | - | - | - | 983,168 |
| - | - | - | - | 4,284,797 |
| 73,042 | 228,073 | 87,190 | - | 5,108,347 |
| - | - | - | - | 52,647 |
| - | - | - | - | 51 |
| - | 28,171 | - | - | 176,824 |
| 225,933 | 256,244 | 1,279,640 | 3,013,770 | \$ 21,826,682 |
| - | 3,145 | - | - | \$ 1,002,848 |
| - | - | - | - | 4,844,700 |
| - | - | - | - | 9,368 |
| - | - | - | 595,999 | 5,108,347 |
| 225,933 | - | - | - | 791,331 |
| - | - | 1,025,000 | - | 1,025,000 |
| 225,933 | 3,145 | 1,025,000 | 595,999 | 12,781,594 |
| - | - | 37,949 | - | 782,446 |
| 225,933 | 3,145 | 1,062,949 | 595,999 | 13,564,040 |
| - | - | - | - | 51 |
| - | - | - | - | 148,653 |
| - | - | 216,691 | - | 216,691 |
| - | - | - | 1,373,597 | 1,373,597 |
| - | 253,099 | - | - | 253,099 |
| - | - | - | - | 322,392 |
| - | - | - | 1,044,174 | 1,044,174 |
| - | - | - | - | 4,903,985 |
| - | 253,099 | 216,691 | 2,417,771 | 8,262,642 |
| 225,933 | 256,244 | 1,279,640 | 3,013,770 | \$ 21,826,682 |

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

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

JUNE 30, 2020

| | |
|--|-------------------------------|
| TOTAL FUND BALANCES - GOVERNMENTAL FUNDS | \$ 8,262,642 |
| 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. | 782,446 |
| 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 \$75,338,241 and the accumulated depreciation was \$44,919,592. | 30,418,649 |
| 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. | (53,217,813) |
| 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. | (43,472,135) |
| TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES | <u>\$ (57,226,211)</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, 2020

| | GENERAL | SPECIAL REVENUE |
|--|---------------------|----------------------------|
| REVENUES | | |
| Local Sources: | | |
| Taxes | \$ 8,329,482 | - |
| Investment Earnings | 123,623 | - |
| Other Local Sources | 265,537 | 374,181 |
| State Sources | 26,096,754 | 1,470,237 |
| Federal Sources | 14,030 | 6,590,308 |
| Intergovernmental Revenue | - | 182,072 |
| TOTAL REVENUE ALL SOURCES | 34,829,426 | 8,616,798 |
| EXPENDITURES | | |
| Current: | | |
| Instruction | 19,666,961 | 4,312,790 |
| Support Services | 17,210,354 | 3,723,927 |
| Intergovernmental | 14,593 | 452,117 |
| Capital Outlay | - | 222,083 |
| Debt Service: | | |
| Interest and Fiscal Charges | - | - |
| TOTAL EXPENDITURES | 36,891,908 | 8,710,917 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (2,062,482) | (94,119) |
| OTHER FINANCING SOURCES (USES) | | |
| Sale of Capital Assets | 150,671 | - |
| Transfers In | 1,429,464 | 332,982 |
| Transfers Out | (332,982) | (240,387) |
| TOTAL OTHER FINANCING SOURCES (USES) | 1,247,153 | 92,595 |
| NET CHANGE IN FUND BALANCES | (815,329) | (1,524) |
| FUND BALANCES, Beginning of Year | 5,868,018 | 323,916 |
| FUND BALANCES, End of Year | \$ 5,052,689 | 322,392 |

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 |
|--------------------------------------|---|-------------------------|-----------------------------|---|
| - | - | 562,227 | - | \$ 8,891,709 |
| - | - | 9,894 | - | 133,517 |
| - | 69,899 | - | - | 709,617 |
| 3,357,012 | - | 55,479 | - | 30,979,482 |
| - | 2,512,665 | - | - | 9,117,003 |
| - | - | - | - | 182,072 |
| 3,357,012 | 2,582,564 | 627,600 | - | 50,013,400 |
| 1,927,392 | - | - | - | 25,907,143 |
| 240,543 | 3,401,605 | - | 1,135,458 | 25,711,887 |
| - | - | - | - | 466,710 |
| - | 210,590 | - | 51,789 | 484,462 |
| - | - | 16,742 | - | 16,742 |
| 2,167,935 | 3,612,195 | 16,742 | 1,187,247 | 52,586,944 |
| 1,189,077 | (1,029,631) | 610,858 | (1,187,247) | (2,573,544) |
| - | - | - | - | 150,671 |
| - | - | - | 1,023,151 | 2,785,597 |
| (1,189,077) | - | (1,023,151) | - | (2,785,597) |
| (1,189,077) | - | (1,023,151) | 1,023,151 | 150,671 |
| - | (1,029,631) | (412,293) | (164,096) | (2,422,873) |
| - | 1,282,730 | 628,984 | 2,581,867 | 10,685,515 |
| - | 253,099 | 216,691 | 2,417,771 | \$ 8,262,642 |

**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, 2020

| | | |
|---|-----------|--------------------|
| TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS | \$ | (2,422,873) |
|---|-----------|--------------------|

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. | 370,454 |
| In the Statement of Activities the loss on the disposal of capital assets is reported, whereas in the governmental funds, proceeds from the disposal of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets disposed. | (619,718) |
| 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. | 259,659 |
| 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. | (526,844) |
| 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 (\$312,380) were exceeded by depreciation expense (\$1,702,980) in the current year. | (1,390,600) |

| | | |
|--|-----------|---------------------------|
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | \$ | <u>(4,329,922)</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, 2020

| | PRIVATE-PURPOSE TRUST FUND | AGENCY FUND |
|--------------------------------|---------------------------------------|--------------------|
| ASSETS | | |
| Cash and Investments | \$ 111,817 | \$ - |
| Receivables | - | 238,337 |
| Prepays | | 3,137 |
| Due from Other Funds | 348 | - |
| TOTAL ASSETS | 112,165 | 241,474 |
| LIABILITIES | | |
| Due to Student Organizations | - | 241,474 |
| TOTAL LIABILITIES | - | \$ 241,474 |
| NET POSITION | | |
| Held in Trust for Scholarships | | |
| Nonexpendable | 63,143 | |
| Expendable | 49,022 | |
| TOTAL NET POSITION | \$ 112,165 | |

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, 2020

| | PRIVATE-PURPOSE TRUST FUND |
|----------------------------------|-------------------------------|
| ADDITIONS | |
| Interest Earnings | \$ 44 |
| Contributions and Donations | 2,124 |
| TOTAL ADDITIONS | 2,168 |
| DEDUCTIONS | |
| Scholarships Awarded | 3,900 |
| TOTAL DEDUCTIONS | 3,900 |
| CHANGE IN NET POSITION | (1,732) |
| Net Position, Beginning of Year | 113,897 |
| NET POSITION, END OF YEAR | \$ 112,165 |

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, 2020

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, 2020

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”) and its component units. 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, 2020

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 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 fund types:

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 an agent for individuals, private organizations, other governmental units and/or other funds and include Agency Funds. Fiduciary Fund Types include the following:

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Agency Fund, an unbudgeted fund, accounts for the receipt and disbursement of monies to and from student activity organizations. These funds have no equity (assets are equal to liabilities) and do not include revenues and expenditures for general operation of the School District. This accounting reflects the agency relationship of the District with the student activity organization.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Cash and Investments (Continued)

- (g) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (a), (b), (c), and (f) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

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

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

2. Interfund Receivables and Payables

Transactions between funds that are representative of reimbursement arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds."

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the statement of net position.

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

3. *Inventories and Other Assets*

Inventories

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

Prepaid Items

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

4. *Capital Assets*

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

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

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

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

5. *Compensated Absences*

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

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

6. *Accrued Liabilities and Long-Term Obligations*

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources.

However, claims and judgments, compensated absences, contractually required retirement contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. 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 significant, bond premiums are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Amortization of premiums is included in interest expense. Bond premiums are included with bonds payable and other long-term obligations. Issuance costs are expensed when incurred.

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

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

7. *Deferred Outflows / Inflows of Resources (Continued)*

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

8. *Fund Balance*

In accordance with GASB Statement No. 54 “*Fund Balance Reporting and Governmental Fund Type Definitions*” (“GASB #54”), the School District classifies its governmental fund balances as follows:

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. Fund Balance (Continued)

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.

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.

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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 did not revise the budget.

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

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, 2020, none of the School District's total bank balances of approximately \$2,375,000 (with a carrying value of approximately \$1,913,000) was exposed to custodial credit.

Investments

As of June 30, 2020, the School District had the following investments and maturities:

| Investment Type | Fair Value Level (1) | Credit Rating * | Fair Value | Matures in Less than One Year |
|--|-------------------------|--------------------|---------------------|----------------------------------|
| SC Local Government Investment Pool | N/A | Unrated | \$ 5,884,109 | \$ 5,884,109 |
| Cash and Investments Held by County Treasurer | N/A | N/A | 1,916,147 | N/A |
| Total | | | <u>\$ 7,800,256</u> | <u>\$ 5,884,109</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.

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, 2020, 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.

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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

A. Deposits and Investments (Continued)

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 |

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, 2020, the operating and debt service millage rates were 168 mills (no change from prior year) and 8 mills (no change from prior year), respectively, based on an assessed value of approximately \$75.9 million for the School District.

On the government-wide and fund financial statements, taxes receivable are approximately \$845,000 (net of an allowance for uncollectible property taxes of approximately \$763,000) at June 30, 2020. Allowances for uncollectible balances were not necessary for the other receivable accounts.

Delinquent property taxes of approximately \$62,000 have been recognized as revenue at June 30, 2020, 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, 2020, 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:

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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

C. Deferred Inflows of Resources for Governmental Funds and Unearned Revenues (Continued)

Deferred Inflows:

| | | |
|--|----|----------------|
| Delinquent Property Taxes Receivable (General Fund) | \$ | 744,497 |
| Delinquent Property Taxes Receivable (Debt Service Fund) | | 37,949 |
| Total Deferred Inflows for Governmental Funds | \$ | <u>782,446</u> |

Unearned Revenues:

| | | |
|--|----|----------------|
| Revenue Collected, but Unearned - Special Revenue Fund | \$ | 565,398 |
| Revenue Collected, but Unearned - EIA Fund | | 225,933 |
| Total Unearned Revenues for both Government-wide Financial Statements and Governmental Funds | \$ | <u>791,331</u> |

D. Interfund Receivables and Payables

Interfund receivables and payables at June 30, 2020 (all of which are expected to be repaid within one year), are summarized as follows:

| <u>Fund</u> | <u>Receivables</u> | <u>Payables</u> |
|-------------------------------------|---------------------|---------------------|
| <u>Governmental Funds:</u> | | |
| General Fund | \$ 4,719,687 | \$ 388,661 |
| Special Revenue Fund | - | 4,123,332 |
| Special Revenue - EIA Fund | 73,042 | - |
| Special Revenue - Food Service Fund | 228,073 | - |
| Debt Service Fund | 87,190 | - |
| Capital Projects Fund | - | 595,999 |
| Total | <u>\$ 5,107,992</u> | <u>\$ 5,107,992</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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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

E. Transfers In and (Out)

Transfers from (to) other funds for the year ended June 30, 2020 consisted of the following:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|----------------------------|---------------------|----------------------|
| <u>Governmental Funds:</u> | | |
| General Fund | \$ 1,429,464 | \$ 332,982 |
| Special Revenue Fund | 332,982 | 240,387 |
| Special Revenue - EIA Fund | - | 1,189,077 |
| Debt Service Fund | - | 1,023,151 |
| Capital Projects Fund | 1,023,151 | - |
| Totals | <u>\$ 2,785,597</u> | <u>\$ 2,785,597</u> |

Funds were transferred from the Special Revenue Funds to the General Fund to cover indirect costs and state-mandated EIA teacher salary supplements and related benefits. Funds were transferred from the Debt Service Fund to the Capital Projects Fund from short-term debt proceeds that will be used to fund future capital outlay needs. Funds were transferred from the General Fund to the Special Revenue Fund to subsidize the Medicaid funds, which had losses during the year ended June 30, 2020.

F. Capital Assets

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

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Transfers</u> | <u>Ending Balance</u> |
|---|------------------------------|--------------------|--------------------|------------------|---------------------------|
| Governmental Activities: | | | | | |
| Capital Assets, Non-Depreciable: | | | | | |
| Land | \$ 2,168,458 | - | - | - | \$ 2,168,458 |
| Construction in Progress | - | - | - | - | - |
| 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 | 66,187,999 | 101,790 | (1,205,945) | - | 65,083,844 |
| Machinery and Equipment | 7,922,814 | 210,590 | (47,465) | - | 8,085,939 |
| Total Capital Assets, Depreciable | <u>74,110,813</u> | <u>312,380</u> | <u>(1,253,410)</u> | <u>-</u> | <u>73,169,783</u> |
| Less: Accumulated Depreciation for: | | | | | |
| Buildings and Improvements | 37,600,211 | 1,334,308 | (586,227) | - | 38,348,292 |
| Machinery and Equipment | 6,250,093 | 368,672 | (47,465) | - | 6,571,300 |
| Total Accumulated Depreciation | <u>43,850,304</u> | <u>1,702,980</u> | <u>(633,692)</u> | <u>-</u> | <u>44,919,592</u> |
| Total Capital Assets, Depreciable, Net | <u>30,260,509</u> | <u>(1,390,600)</u> | <u>(619,718)</u> | <u>-</u> | <u>28,250,191</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 32,428,967</u> | <u>(1,390,600)</u> | <u>(619,718)</u> | <u>-</u> | <u>\$ 30,418,649</u> |

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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

F. Capital Assets (Continued)

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

| | |
|--|---------------------|
| Governmental Activities: | |
| Instruction | \$ 868,078 |
| Support Services | 834,902 |
| Total Depreciation Expense - Governmental Activities | <u>\$ 1,702,980</u> |

G. Long-Term Obligations

The School District did not have any long-term obligations as of and for the year ended June 30, 2020.

H. Short-Term Obligations

In May 2019, the School District issued its Series 2019A General Obligation Bond ("2019A SCAGO") in the amount of \$612,000 at a rate of 2.0% to provide funds for future capital outlay. The School District repaid the 2019A SCAGO in March 2019 at its maturity, including interest of approximately \$10,000.

In May 2020, the School District issued its Series 2020A General Obligation Bond ("2020A SCAGO") in the amount of \$1,025,000 at a rate of 1.5% to provide funds for future capital outlay. The School District expects to repay the 2020A SCAGO in March of 2021 at its maturity, including interest of approximately \$12,000. As the 2020A SCAGO debt is short term, it is reflected on the School District's Balance Sheet as a liability as of June 30, 2020.

Short-term obligations for the School District for the year ended June 30, 2020 was as follows:

| <u>Short-Term Obligation</u> | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> |
|------------------------------|------------------------------|------------------|-------------------|---------------------------|
| 2019A SCAGO | \$ 612,000 | - | 612,000 | \$ - |
| 2020A SCAGO | - | 1,025,000 | - | 1,025,000 |
| Total | <u>\$ 612,000</u> | <u>1,025,000</u> | <u>612,000</u> | <u>\$ 1,025,000</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, 2020 was approximately \$6,074,000, of which approximately \$5,049,000 was available.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

IV. OTHER INFORMATION

A. Retirement Plans

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

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

The PEBA issues a Comprehensive Annual Financial Report ("CAFR") containing financial statements and required supplementary information for the System's Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on 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 comprehensive annual 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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Membership

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

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

Plan Benefits

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

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

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

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS 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 rates were increased to a capped rate of 9.00 percent for SCRS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year through July 1, 2022. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the 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 first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 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 first, and annually thereafter as necessary, the PEBA Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent.

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

| | SCRS and State ORP Rates | | |
|--|--------------------------|---------------|---------------|
| | 2018 | 2019 | 2020 |
| Employer Contribution Rate: [^] | | | |
| Retirement* | 13.41% | 14.41% | 15.41% |
| Incidental Death Benefit | 0.15% | 0.15% | 0.15% |
| Accidental Death Contributions | 0.00% | 0.00% | 0.00% |
| | <u>13.56%</u> | <u>14.56%</u> | <u>15.56%</u> |
| Employee Contribution Rate | <u>9.00%</u> | <u>9.00%</u> | <u>9.00%</u> |

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

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

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Contributions (Continued)

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

| Year Ended June 30, | SCRS Contributions | | State ORP Contributions | |
|---------------------------|--------------------|---------------|-------------------------|---------------|
| | Required | % Contributed | Required | % Contributed |
| 2020 | \$ 3,891,288 | 100% | \$ 46,906 | 100% |
| 2019 | 3,553,591 | 100% | 38,264 | 100% |
| 2018 | \$ 3,517,924 | 100% | \$ 37,542 | 100% |

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

The School District recognized contributions (on-behalf benefits) from the State of approximately \$295,000 for the year ended June 30, 2020. These contributions by the State are recognized as intergovernmental revenues and pension expenditures in the School District's governmental fund financial statements.

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

| Year Ended June 30, | SCRS Payroll | | State ORP Payroll | | Total Payroll |
|------------------------|--------------|------------|-------------------|---------|------------------|
| 2020 | \$ | 25,008,280 | | 444,187 | \$ 25,452,467 |
| 2019 | | 24,406,529 | | 400,248 | 24,806,777 |
| 2018 | \$ | 25,943,391 | | 438,573 | \$ 26,381,964 |

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, 2015.

The June 30, 2019 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 ("GRS"), and are based on an actuarial valuation performed as of July 1, 2018. The TPL was rolled-forward from the valuation date to the Plans' fiscal year end, June 30, 2019, using generally accepted actuarial principles.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Actuarial Assumptions and Methods(Continued)

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2019 for the SCRS.

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

* Includes inflation at 2.25%.

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

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

Long-Term Expected Rate of Return

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2019 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the following table. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Long-Term Expected Rate of Return (Continued)

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

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, 2019 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 | \$ 50,073,060,256 | 27,238,916,138 | \$ 22,834,144,118 | 54.4% |

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

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

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

At June 30, 2020, the School District reported liabilities of approximately \$53,363,000 for its proportionate share of the NPL for the SCRS. The NPL were measured as of June 30, 2019, and the TPL for the Plans used to calculate the NPL were determined based on the most recent actuarial valuation report of July 1, 2018 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, 2019 measurement date, the School District's SCRS proportion was 0.233700 percent, which was a decrease of 0.019293 from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the School District recognized pension expense of approximately \$3,672,000 for the SCRS, respectively. At June 30, 2020, 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 | \$ 36,682 | \$ 383,353 |
| Change in Assumptions | 1,075,350 | - |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 472,445 | - |
| Changes in Proportion and Differences Between the Employer's | | |
| Contributions and Proportionate Share of Contributions | 1,131,184 | 5,829,482 |
| Employer Contributions Subsequent to the Measurement Date | 3,642,781 | - |
| Total SCRS | <u>\$ 6,358,442</u> | <u>\$ 6,212,835</u> |

Approximately \$3,643,000 that were reported as deferred outflows of resources related to the School District's contributions subsequent to the measurement date to the SCRS, respectively, will be recognized as a reduction of the NPL in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS will increase (decrease) pension expense as follows:

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

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

| Year Ended June 30, | SCRS |
|------------------------|-----------------------|
| 2021 | \$ (1,544,647) |
| 2022 | (1,165,334) |
| 2023 | (942,009) |
| 2024 | 154,816 |
| Total | <u>\$ (3,497,174)</u> |

Discount Rate

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

Sensitivity Analysis

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

| System | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|---|------------------------|----------------------------------|------------------------|
| School District's proportionate share of the net pension liability of the SCRS | \$ 67,226,742 | 53,363,420 | \$ 41,793,974 |

Plan Fiduciary Net Position

Detailed information regarding the fiduciary net position of the Plans administered by the PEBA is available in the separately issued CAFR containing financial statements and required supplementary information for the SCRS. The CAFR is publicly available through the Retirement Benefits' link on 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 \$1,140,000 to the PEBA as of June 30, 2020, representing required employer and employee contributions for the month of June 2020 for the SCRS. This amount is included in Accrued Salaries and Fringe & Benefits on the financial statements and was paid in July 2020.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Subsequent Event to the Plans Measurement Date

In May 2020, due to the global health crisis/pandemic caused by the COVID-19 virus, the South Carolina General Assembly included a provision in its continuing resolution for suspending the statutory employer contribution rate increase of 1% for the 2020-2021 fiscal year. This means that the employer contribution rate for the Plans during the 2020-2021 fiscal year, as expressed as a percentage of earnable compensation, shall remain at the same rate as imposed for the 2019-2020 fiscal year.

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 other postemployment benefits ("OPEB"). See Note IV.B for more details on the PEBA and the SFAA.

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

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 comprehensive annual financial report of the state.

Plan Descriptions

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

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

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

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plans (Continued)

Plan Benefits

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

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

Plan Contributions and Funding Policies

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

The SCRHITF is funded through participating employers that are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The South Carolina Retirement System collects the monthly covered payroll surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF also include implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Nonemployer contributions include the mandatory transfer of accumulated PEBA – Insurance Benefits' reserves and the annual appropriation budgeted by the General Assembly. It is also funded through investment income.

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

| | Year Ended June 30, | | |
|---|---------------------|-------|-------|
| | 2018 | 2019 | 2020 |
| Employer Contribution Rate [^] | 5.50% | 6.05% | 6.25% |

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

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plans (Continued)

Plan Contributions and Funding Policies (continued)

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

| Year Ended June 30, | Contributions | | Eligible Payroll |
|------------------------|---------------|---------------|------------------|
| | Required | % Contributed | |
| 2020 | \$ 1,590,779 | 100% | \$ 25,452,467 |
| 2019 | 1,500,810 | 100% | 24,806,777 |
| 2018 | \$ 1,451,008 | 100% | \$ 26,381,964 |

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 \$293,000 for the year ended June 30, 2019 (measurement period). The contributions from these nonemployer contributing entities were approximately \$378,000 for the year ended June 30, 2020 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 net OPEB liability arising from contributions to the OPEB plan during the measurement period from nonemployer contributing entities for purposes other than the separate financing of specific liabilities to the OPEB plan. Therefore, employers should classify this revenue in the same manner as it classifies grants from other entities.

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

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 net OPEB liability, 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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plans (Continued)

Actuarial Assumptions and Methods (Continued)

The total OPEB liability, net OPEB liability, and sensitivity information were determined by the consulting actuary and are based on the June 30, 2018 actuarial valuation. The total OPEB liability was rolled-forward from the valuation date to the OPEB plan's fiscal year ended June 30, 2019 using generally accepted actuarial principles.

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

| | |
|----------------------------|---|
| Valuation Date: | June 30, 2018 |
| Actuarial Cost Method: | Entry Age Normal |
| Actuarial Assumptions: | |
| Inflation: | 2.25% |
| Investment Rate of Return: | 2.75%, net of plan investment expense: including inflation |
| Single Discount Rate: | 3.13% as of June 30, 2019 |
| Demographic Assumptions: | Based on the experience study performed for the South Carolina Retirement Systems for the five-year period ending June 30, 2015 |
| Mortality: | For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. Multipliers are applied to the based tables based on gender and employment type. |
| Health Care Trend Rate: | Initial trend starting at 6.40% and gradually decreasing to an ultimate trend rate of 4.15% over a period of 14 years |
| Participation Assumption: | 79% for retirees who are eligible for funded premiums 59% for retirees who are eligible for partial funded premiums 20% for retirees who are eligible for non-funded premiums |
| Notes: | The discount rate changed from 3.62% as of June 30, 2018 to 3.13% as of June 30, 2019. Minor updates were made to the healthcare trend rate assumption. |

Long-Term Expected Rate of Return

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

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return | Allocation-Weighted Long-Term Expected Real Rate of Return |
|-------------------------------------|-------------------|--|--|
| US Domestic Fixed Income | 80.0% | 0.60% | 0.48% |
| Cash | 20.0% | 0.10% | 0.02% |
| Total | 100.0% | | 0.50% |
| Expected Inflation | | | 2.25% |
| Total Return | | | 2.75% |
| Investment Return Assumption | | | 2.75% |

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plans (Continued)

Single Discount Rate

The Single Discount Rate of 3.13% was used to measure the total OPEB liability for the SCRHITF. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the 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 net OPEB liability ("NOL") is calculated separately for each system and represents that particular system's total OPEB liability determined in accordance with GASB No. 74 less its fiduciary net position. NOL totals, as of the June 30, 2019 measurement date for the SCRHITF, are presented in the following table:

| System | Total OPEB Liability | OPEB Plan Fiduciary Net Position | Employers' Net OPEB Liability (Asset) | OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability |
|---------|----------------------|-------------------------------------|--|---|
| SCRHITF | \$ 16,516,264,617 | 1,394,740,049 | \$ 15,121,524,568 | 8.44% |

The total OPEB liability 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, 2020, the School District reported a liability of approximately \$42,891,000 for its proportionate share of the net OPEB liability for the SCRHITF. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability for the SCRHITF used to calculate the net OPEB liability was determined based on the most recent actuarial valuation report of June 30, 2018 that was projected forward to the measurement date. The School District's proportion of the net OPEB liability 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, 2019 measurement date, the School District's proportion was 0.283641 percent, which was a decrease of 0.022282 from its proportion measured as of June 30, 2018.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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, 2020, the School District recognized OPEB expense of approximately \$2,422,000 for the SCRHITF. At June 30, 2020, 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 | \$ 505,049 | \$ 1,394,183 |
| Change in Assumptions | 2,838,123 | 2,656,034 |
| Net Difference Between Projected and Actual Earnings on OPEB Plan Investments | 50,171 | - |
| Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions | 1,371,417 | 2,886,614 |
| Employer Contributions Subsequent to the Measurement Date | 1,590,779 | - |
| Total | <u>\$ 6,355,539</u> | <u>\$ 6,936,831</u> |

Approximately \$1,591,000 that was reported as deferred outflows of resources related to the School District's contributions subsequent to the measurement date to the SCRHITF, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources (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 |
|------------------------|-------------------------------------|
| 2020 | \$ (465,034) |
| 2021 | (465,034) |
| 2022 | (481,537) |
| 2023 | (507,689) |
| 2024 | (53,958) |
| Thereafter | (198,819) |
| Total | <u>\$ (2,172,071)</u> |

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

The following table presents the sensitivity of the School District's net OPEB liability for the SCRHITF to changes in the discount rate, calculated using the discount rate of 3.13%, as well as what it would be if it were calculated using a discount rate that is 1% point lower (2.13%) or 1% point higher (4.13%) than the current rate:

| | 1% Decrease (2.13%) | Current Discount Rate (3.13%) | 1% Increase (4.13%) |
|--------------------|------------------------|----------------------------------|------------------------|
| Net OPEB Liability | \$ 50,846,570 | 42,890,843 | \$ 36,506,043 |

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2020

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 net OPEB liability to changes in the healthcare cost trend rate, calculated using the healthcare cost trend rate of 6.40% decreasing to 4.15%, as well as what it would be if it were calculated using a healthcare cost trend rate that is 1% point lower (5.40% decreasing to 3.15%) or 1% point higher (7.40% decreasing to 5.15%) than the current rate:

| | 1% Decrease (5.40% decreasing to 3.15%) | Current Healthcare Cost Trend Rate (6.40% decreasing to 4.15%) | 1% Increase (7.40% decreasing to 5.15%) |
|--------------------|---|---|---|
| Net OPEB Liability | \$ 35,003,510 | 42,890,843 | \$ 53,162,481 |

OPEB Plans' Fiduciary Net Position

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

Payable to SCRHITF

The School District reported a payable of approximately \$293,000 to the PEBA as of June 30, 2020, representing required employer contributions for the month of June 2020 for the SCRHITF. This amount is included in Accrued Salaries and Fringe on the financial statements and was paid in July 2020.

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, 2019, the SCSBIT/WCP had net position of approximately \$43,812,000 and the SCSBIT/PCP had net position of approximately \$36,267,000. 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, 2020

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, 2020, the School District's property tax revenues were reduced by approximately \$399,000 under agreements entered into by Marion County, South Carolina.

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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, 2020

| | BUDGETED AMOUNTS | | ACTUAL (BUDGETARY BASIS) | VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE) |
|--|-------------------------|-------------------|---|--|
| | ORIGINAL | FINAL | | |
| REVENUES | | | | |
| Local Sources: | | | | |
| Taxes | \$ 8,502,822 | 8,502,822 | 8,329,482 | \$ (173,340) |
| Investment Earnings | 165,000 | 165,000 | 123,623 | (41,377) |
| Other Local Sources | 271,936 | 271,936 | 265,537 | (6,399) |
| State Sources | 26,815,686 | 26,815,686 | 26,096,754 | (718,932) |
| Federal Sources | - | - | 14,030 | 14,030 |
| TOTAL REVENUE ALL SOURCES | 35,755,444 | 35,755,444 | 34,829,426 | (926,018) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction | 17,934,399 | 17,934,399 | 19,666,961 | (1,732,562) |
| Support Services | 17,996,161 | 17,996,161 | 17,210,354 | 785,807 |
| Community Services | - | - | - | - |
| Intergovernmental | 12,000 | 12,000 | 14,593 | (2,593) |
| Capital Outlay | 43,500 | 43,500 | - | 43,500 |
| TOTAL EXPENDITURES | 35,986,060 | 35,986,060 | 36,891,908 | (905,848) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (230,616) | (230,616) | (2,062,482) | (1,831,866) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Sale of Capital Assets | - | - | 150,671 | 150,671 |
| Transfers In | 2,013,820 | 2,013,820 | 1,429,464 | (584,356) |
| Transfers Out | - | - | (332,982) | (332,982) |
| TOTAL OTHER FINANCING SOURCES (USES) | 2,013,820 | 2,013,820 | 1,247,153 | (766,667) |
| NET CHANGE IN FUND BALANCE | 1,783,204 | 1,783,204 | (815,329) | (2,598,533) |
| FUND BALANCE, Beginning of Year | 5,868,018 | 5,868,018 | 5,868,018 | - |
| FUND BALANCE, End of Year | \$ 7,651,222 | 7,651,222 | 5,052,689 | \$ (2,598,533) |

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

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

LAST SEVEN FISCAL YEARS

| | Year Ended June 30, | | | | | | |
|---|---------------------|------------|------------|------------|------------|------------|---------------|
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| School District's Proportion of the Net Pension Liability | 0.233700% | 0.252933% | 0.243013% | 0.296787% | 0.279607% | 0.295446% | 0.295446% |
| School District's Proportionate Share of the Net Pension Liability | \$ 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 | \$ 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 | 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 | 54.40% | 54.10% | 53.34% | 52.91% | 56.99% | 59.92% | 56.39% |

Notes to Schedule:

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

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM

LAST SEVEN FISCAL YEARS

| | Year Ended June 30, | | | | | |
|---|---------------------|------------|------------|------------|------------|--------------|
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Contractually Required Contribution | \$ 3,938,194 | 3,591,854 | 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 District | 3,642,781 | 3,304,013 | 3,260,053 | 3,077,386 | 2,970,517 | 2,857,662 |
| Contributions from the State | 295,413 | 287,841 | 295,413 | - | - | - |
| Contribution Deficiency (Excess) | \$ - | - | - | - | - | \$ - |
| School District's Covered Payroll | \$ 25,452,467 | 24,806,777 | 26,381,964 | 26,817,279 | 26,846,181 | 26,364,427 |
| Contributions as a Percentage of Covered Payroll | 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 FOUR FISCAL YEARS

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

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year (measurement date).

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

The discount rates used by year were as follows:

| | | | |
|-------|-------|-------|-------|
| 3.13% | 3.62% | 3.56% | 2.92% |
|-------|-------|-------|-------|

**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 FOUR FISCAL YEARS

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

Notes to Schedule:

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

SUPPLEMENTARY INFORMATION

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

Schedule A-1

GENERAL FUND

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

YEAR ENDED JUNE 30, 2020

| | FINAL BUDGET | ACTUAL | VARIANCE |
|---|-----------------|-----------|--------------|
| REVENUES | | | |
| 1000 Revenue from Local Sources: | | | |
| 1200 Revenue from Local Governmental Units Other than LEAs: | | | |
| 1210 Ad Valorem Taxes-Including Delinquent Taxes (Dependent) | \$ 8,302,822 | 8,141,710 | \$ (161,112) |
| 1280 Revenue in Lieu of Taxes (Independent and Dependent) | 200,000 | 187,772 | (12,228) |
| 1300 Tuition: | | | |
| 1310 From Patrons for Regular Day School | 190,880 | 212,045 | 21,165 |
| 1500 Earnings on Investments: | | | |
| 1510 Interest on Investments | 165,000 | 123,623 | (41,377) |
| 1900 Other Revenue from Local Sources: | | | |
| 1910 Rentals | 50,000 | 22,195 | (27,805) |
| 1950 Refund of Prior Year's Expenditures | - | (254) | (254) |
| 1990 Miscellaneous Local Revenue: | | | |
| 1999 Revenue from Other Local Sources | 31,056 | 31,551 | 495 |
| Total Revenue from Local Sources | 8,939,758 | 8,718,642 | (221,116) |
| 3000 Revenue from State Sources: | | | |
| 3100 Restricted State Funding: | | | |
| 3130 Special Programs: | | | |
| 3131 Handicapped Transportation | - | 635 | 635 |
| 3160 School Bus Driver Salary (Includes Hazardous Condition Transportation) | 513,782 | 620,054 | 106,272 |
| 3162 Transportation Workers' Compensation | 32,679 | 32,679 | - |
| 3180 Fringe Benefits Employer Contributions (No Carryover Provision) | 5,543,583 | 5,543,583 | - |
| 3181 Retiree Insurance (No Carryover Provision) | 1,231,582 | 1,231,582 | - |
| 3186 Teacher Salary Aid | 785,529 | 857,772 | 72,243 |
| 3300 Education Finance Act: | | | |
| 3310 Full-Time Programs: | | | |
| 3311 Kindergarten | 622,684 | 568,752 | (53,932) |
| 3312 Primary | 1,647,707 | 1,549,537 | (98,170) |
| 3313 Elementary | 2,869,476 | 2,205,057 | (664,419) |
| 3314 High School | 1,905,104 | 1,737,259 | (167,845) |
| 3315 Trainable Mentally Handicapped | 45,088 | 50,414 | 5,326 |
| 3316 Speech Handicapped (Part-Time) | 871,052 | 799,923 | (71,129) |
| 3317 Homebound | 11,505 | 9,899 | (1,606) |
| 3320 Part-Time Programs: | | | |
| 3321 Emotionally Handicapped | 20,697 | 22,230 | 1,533 |
| 3322 Educable Mentally Handicapped | 68,504 | 79,500 | 10,996 |
| 3323 Learning Disabilities | 1,115,077 | 1,076,032 | (39,045) |
| 3324 Hearing Handicapped | 26,075 | 24,791 | (1,284) |
| 3325 Visually Handicapped | 38,594 | 35,950 | (2,644) |
| 3326 Orthopedically Handicapped | 29,524 | 27,597 | (1,927) |
| 3327 Vocational | \$ 150,076 | 911,727 | \$ 761,651 |

(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, 2020

| | FINAL BUDGET | ACTUAL | VARIANCE |
|---|-------------------|-------------------|------------------|
| 3330 Other EFA Programs: | | | |
| 3331 Autism | \$ 337,244 | 317,736 | \$ (19,508) |
| 3332 High Achieving | 61,788 | 61,371 | (417) |
| 3334 Limited English Proficiency | 32,791 | 32,846 | 55 |
| 3351 Academic Assistance | 540,463 | 536,976 | (3,487) |
| 3352 Pupils in Poverty | 1,550,004 | 1,525,433 | (24,571) |
| 3353 Dual Credit Enrollment | 16,964 | 15,534 | (1,430) |
| 3800 State Revenue in Lieu of Taxes: | | | |
| 3810 Reimbursement for Local Residential Property Tax Relief (Tier 1) | 1,886,350 | 1,866,170 | (20,180) |
| 3820 Homestead Exemption (Tier 2) | 750,000 | 748,244 | (1,756) |
| 3825 Reimbursement for Property Tax Relief (Tier 3) | 2,825,378 | 2,832,770 | 7,392 |
| 3827 \$2.5 Million Bonus | 153,315 | - | (153,315) |
| 3830 Merchant's Inventory Tax | 520,000 | 121,210 | (398,790) |
| 3840 Manufacturers Depreciation Reimbursement | 62,000 | 236,378 | 174,378 |
| 3890 Other State Property Tax Revenues (Includes MC Vehicle Tax) | 200,000 | 93,542 | (106,458) |
| 3900 Other State Revenue: | | | |
| 3993 PEBA On-Behalf | 295,413 | 295,413 | - |
| 3999 Revenue from Other State Sources | 55,658 | 28,158 | (27,500) |
| Total Revenue from State Sources | 26,815,686 | 26,096,754 | (718,932) |
| 4900 Other Federal Sources: | | | |
| 4999 Revenue from Other Federal Sources | - | 14,030 | 14,030 |
| Total Revenue from Federal Sources | - | 14,030 | 14,030 |
| TOTAL REVENUE ALL SOURCES | 35,755,444 | 34,829,426 | (926,018) |

EXPENDITURES

100 Instruction:

110 General Instruction:

111 Kindergarten Programs:

| | | | |
|----------------------------|---------|---------|----------|
| 100 Salaries | 667,625 | 765,946 | (98,321) |
| 200 Employee Benefits | 339,615 | 394,279 | (54,664) |
| 300 Purchased Services | 61,243 | 25,282 | 35,961 |
| 400 Supplies and Materials | 18,904 | 6,176 | 12,728 |
| 600 Other Objects | 400 | 1,866 | (1,466) |

112 Primary Programs:

| | | | |
|----------------------------|-----------|-----------|-----------|
| 100 Salaries | 2,145,437 | 2,239,421 | (93,984) |
| 200 Employee Benefits | 895,360 | 888,878 | 6,482 |
| 300 Purchased Services | 49,414 | 164,372 | (114,958) |
| 400 Supplies and Materials | 34,100 | 23,474 | 10,626 |
| 600 Other Objects | 2,800 | 90,448 | (87,648) |

113 Elementary Programs:

| | | | |
|----------------------------|-----------|-----------|-------------|
| 100 Salaries | 3,017,340 | 3,574,244 | (556,904) |
| 200 Employee Benefits | 1,418,797 | 1,502,832 | (84,035) |
| 300 Purchased Services | 205,942 | 304,198 | (98,256) |
| 400 Supplies and Materials | 63,165 | 49,485 | 13,680 |
| 600 Other Objects | \$ 5,200 | 100,088 | \$ (94,888) |

(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, 2020

| | FINAL BUDGET | ACTUAL | VARIANCE |
|--|-----------------|-----------|--------------|
| 114 High School Programs: | | | |
| 100 Salaries | \$ 2,859,507 | 3,210,637 | \$ (351,130) |
| 200 Employee Benefits | 1,291,850 | 1,360,239 | (68,389) |
| 300 Purchased Services | 129,520 | 160,198 | (30,678) |
| 400 Supplies and Materials | 48,654 | 29,869 | 18,785 |
| 600 Other Objects | 3,900 | 67,425 | (63,525) |
| 115 Career and Technology Education Program: | | | |
| 100 Salaries | 863,390 | 869,211 | (5,821) |
| 200 Employee Benefits | 442,693 | 409,416 | 33,277 |
| 300 Purchased Services - Other Than Tuition | 63,995 | 49,893 | 14,102 |
| 400 Supplies and Materials | 31,045 | 21,417 | 9,628 |
| 600 Other Objects | 1,265 | 2,465 | (1,200) |
| 117 Driver Education Program: | | | |
| 100 Salaries | 56,420 | 56,419 | 1 |
| 200 Employee Benefits | 30,138 | 27,195 | 2,943 |
| 300 Purchased Services | 2,050 | 1,233 | 817 |
| 400 Supplies and Materials | 1,925 | 1,417 | 508 |
| 120 Exceptional Programs: | | | |
| 121 Educable Mentally-Handicapped: | | | |
| 100 Salaries | 276,331 | 163,805 | 112,526 |
| 200 Employee Benefits | 87,677 | 91,994 | (4,317) |
| 300 Purchased Services | 66,351 | 13,760 | 52,591 |
| 400 Supplies and Materials | 4,392 | 2,804 | 1,588 |
| 122 Trainable Mentally Handicapped: | | | |
| 100 Salaries | 211,014 | 292,632 | (81,618) |
| 200 Employee Benefits | 112,492 | 129,705 | (17,213) |
| 300 Purchased Services | 3,000 | 4,933 | (1,933) |
| 400 Supplies and Materials | 858 | 389 | 469 |
| 123 Orthopedically Handicapped: | | | |
| 100 Salaries | 6,916 | 6,916 | - |
| 200 Employee Benefits | 3,079 | 2,704 | 375 |
| 300 Purchased Services | - | 90 | (90) |
| 400 Supplies and Materials | 850 | 838 | 12 |
| 124 Visually Handicapped: | | | |
| 100 Salaries | 6,446 | 7,286 | (840) |
| 200 Employee Benefits | 2,589 | 2,754 | (165) |
| 300 Purchased Services | - | 458 | (458) |
| 125 Hearing Handicapped: | | | |
| 400 Supplies and Materials | 1,242 | - | 1,242 |
| 126 Speech Handicapped: | | | |
| 100 Salaries | 170,354 | 59,746 | 110,608 |
| 200 Employee Benefits | 78,404 | 30,912 | 47,492 |
| 300 Purchased Services | 200,000 | 230,869 | (30,869) |
| 400 Supplies and Materials | 2,150 | 431 | 1,719 |
| 127 Learning Disabilities: | | | |
| 100 Salaries | 726,228 | 856,623 | (130,395) |
| 200 Employee Benefits | 353,204 | 393,784 | (40,580) |
| 300 Purchased Services | 6,662 | 13,707 | (7,045) |
| 400 Supplies and Materials | 2,881 | 1,785 | 1,096 |
| 600 Other Objects | \$ - | 9,000 | \$ (9,000) |

(Continued)

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

Schedule A-1

GENERAL FUND

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

YEAR ENDED JUNE 30, 2020

| | FINAL BUDGET | ACTUAL | VARIANCE |
|---|-----------------|---------|----------|
| 128 Emotionally Handicapped: | | | |
| 100 Salaries | \$ 7,108 | 6,846 | \$ 262 |
| 200 Employee Benefits | 2,622 | 2,824 | (202) |
| 400 Supplies and Materials | 500 | 303 | 197 |
| 130 Pre-School Programs: | | | |
| 137 Pre-School Handicapped-Self-Contained (3 & 4-Yr. Olds): | | | |
| 100 Salaries | 84,771 | 88,920 | (4,149) |
| 200 Employee Benefits | 37,791 | 57,521 | (19,730) |
| 300 Purchased Services | 2,000 | 668 | 1,332 |
| 139 Early Childhood Programs: | | | |
| 400 Supplies and Materials | 700 | - | 700 |
| 140 Special Programs: | | | |
| 141 Gifted and Talented Academic: | | | |
| 100 Salaries | 50,467 | 78,494 | (28,027) |
| 200 Employee Benefits | 24,974 | 32,117 | (7,143) |
| 300 Purchased Services | 825 | - | 825 |
| 400 Supplies and Materials | 400 | 285 | 115 |
| 143 Advanced Placement: | | | |
| 100 Salaries | 19,363 | - | 19,363 |
| 200 Employee Benefits | 6,494 | - | 6,494 |
| 400 Supplies and Materials | 1,392 | 256 | 1,136 |
| 145 Homebound: | | | |
| 100 Salaries | 26,000 | 19,844 | 6,156 |
| 200 Employee Benefits | - | 5,632 | (5,632) |
| 300 Purchased Services | 11,828 | 3,103 | 8,725 |
| 400 Supplies and Materials | 200 | - | 200 |
| 147 CERDEP: | | | |
| 100 Salaries | 225,294 | 238,842 | (13,548) |
| 200 Employee Benefits | 89,318 | 125,736 | (36,418) |
| 300 Purchased Services | 19,500 | 11,529 | 7,971 |
| 400 Supplies and Materials | 15,500 | 2,951 | 12,549 |
| 148 Gifted and Talented - Artistic: | | | |
| 100 Salaries | 8,490 | 8,490 | - |
| 200 Employee Benefits | 5,163 | 4,775 | 388 |
| 149 Other Special Programs: | | | |
| 100 Salaries | - | 18,488 | (18,488) |
| 200 Employee Benefits | - | 5,259 | (5,259) |
| 300 Purchased Services | 8,000 | 3,483 | 4,517 |
| 160 Other Exceptional Programs: | | | |
| 161 Autism: | | | |
| 100 Salaries | 85,473 | 145,242 | (59,769) |
| 200 Employee Benefits | 55,594 | 62,654 | (7,060) |
| 300 Purchased Services | 7,450 | 4,712 | 2,738 |
| 400 Supplies and Materials | 1,150 | 60 | 1,090 |
| 170 Summer School Programs: | | | |
| 175 Instructional Programs Beyond Regular School Day: | | | |
| 100 Salaries | 5,000 | 595 | 4,405 |
| 200 Employee Benefits | \$ 3,000 | - | \$ 3,000 |

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2020

| | FINAL BUDGET | ACTUAL | VARIANCE |
|--|-----------------|------------|-------------|
| 180 Adult/Continuing Educational Programs: | | | |
| 181 Adult Basic Education Programs: | | | |
| 300 Purchased Services | \$ 200 | 200 | \$ - |
| 400 Supplies and Materials | 600 | 555 | 45 |
| 182 Adult Secondary Education Programs: | | | |
| 300 Purchased Services | 200 | 200 | - |
| 400 Supplies and Materials | 403 | 49 | 354 |
| 188 Parenting/Family Literacy: | | | |
| 400 Supplies and Materials | 1,000 | - | 1,000 |
| 190 Instructional Pupil Activity: | | | |
| 100 Salaries | 38,082 | 15,850 | 22,232 |
| 200 Employee Benefits | 12,733 | 4,530 | 8,203 |
| Total Instruction | 17,934,399 | 19,666,961 | (1,732,562) |
| 200 Support Services: | | | |
| 210 Pupil Services: | | | |
| 211 Attendance and Social Work Services: | | | |
| 100 Salaries | 208,103 | 206,142 | 1,961 |
| 200 Employee Benefits | 74,043 | 98,833 | (24,790) |
| 300 Purchased Services | 10,800 | 3,675 | 7,125 |
| 212 Guidance Services: | | | |
| 100 Salaries | 692,094 | 712,813 | (20,719) |
| 200 Employee Benefits | 322,860 | 304,983 | 17,877 |
| 300 Purchased Services | 8,100 | 1,363 | 6,737 |
| 400 Supplies and Materials | 7,906 | 5,272 | 2,634 |
| 600 Other Objects | 200 | - | 200 |
| 213 Health Services: | | | |
| 100 Salaries | 325,267 | 291,178 | 34,089 |
| 200 Employee Benefits | 199,394 | 146,946 | 52,448 |
| 300 Purchased Services | 5,505 | 11,048 | (5,543) |
| 400 Supplies and Materials | 10,270 | 8,348 | 1,922 |
| 214 Psychological Services: | | | |
| 100 Salaries | 49,340 | 49,970 | (630) |
| 200 Employee Benefits | 30,175 | 27,926 | 2,249 |
| 215 Exceptional Program Services: | | | |
| 300 Purchased Services | - | (3,137) | 3,137 |
| 216 Vocational Placement Services: | | | |
| 200 Employee Benefits | - | 1,554 | (1,554) |
| 300 Purchased Services | 2,000 | - | 2,000 |
| 400 Supplies and Materials | 600 | 385 | 215 |
| 217 Career Specialist Services: | | | |
| 100 Salaries | 10,450 | - | 10,450 |
| 200 Employee Benefits | 5,108 | (476) | 5,584 |
| 220 Instructional Staff Services: | | | |
| 221 Improvement of Instruction Curriculum Development: | | | |
| 100 Salaries | 448,156 | 315,188 | 132,968 |
| 200 Employee Benefits | 180,110 | 116,679 | 63,431 |
| 300 Purchased Services | 51,500 | 8,933 | 42,567 |
| 400 Supplies and Materials | 7,002 | 321 | 6,681 |
| 600 Other Objects | \$ 1,100 | 702 | \$ 398 |

(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, 2020

| | FINAL BUDGET | ACTUAL | VARIANCE |
|--|-----------------|-----------|-------------|
| 222 Library and Media Services: | | | |
| 100 Salaries | \$ 410,110 | 481,015 | \$ (70,905) |
| 200 Employee Benefits | 230,081 | 231,465 | (1,384) |
| 300 Purchased Services | 31,450 | 12,899 | 18,551 |
| 400 Supplies and Materials | 34,144 | 12,819 | 21,325 |
| 223 Supervision of Special Programs: | | | |
| 100 Salaries | 102,997 | 126,101 | (23,104) |
| 200 Employee Benefits | 63,517 | 50,515 | 13,002 |
| 300 Purchased Services | 28,599 | 18,634 | 9,965 |
| 400 Supplies and Materials | 6,278 | 1,384 | 4,894 |
| 600 Other Objects | 1,455 | 1,093 | 362 |
| 224 Improvement of Instruction Inservice and Staff Training: | | | |
| 100 Salaries | 13,889 | 13,875 | 14 |
| 200 Employee Benefits | 1,061 | 1,001 | 60 |
| 300 Purchased Services | 26,730 | 5,480 | 21,250 |
| 400 Supplies and Materials | 5,148 | 662 | 4,486 |
| 600 Other Objects | 3,115 | 2,471 | 644 |
| 230 General Administrative Services: | | | |
| 231 Board of Education: | | | |
| 100 Salaries | 66,725 | 93,623 | (26,898) |
| 200 Employee Benefits | 30,028 | 29,987 | 41 |
| 300 Purchased Services | 164,112 | 101,703 | 62,409 |
| 318 Audit Services | 49,250 | 50,250 | (1,000) |
| 400 Supplies and Materials | 24,300 | 18,303 | 5,997 |
| 600 Other Objects | 16,400 | 14,270 | 2,130 |
| 232 Office of Superintendent: | | | |
| 100 Salaries | 179,079 | 279,331 | (100,252) |
| 200 Employee Benefits | 83,035 | 107,158 | (24,123) |
| 300 Purchased Services | 26,028 | 16,383 | 9,645 |
| 400 Supplies and Materials | 23,300 | 13,839 | 9,461 |
| 600 Other Objects | 24,700 | 14,536 | 10,164 |
| 233 School Administration: | | | |
| 100 Salaries | 2,300,152 | 2,252,634 | 47,518 |
| 200 Employee Benefits | 1,105,260 | 1,007,787 | 97,473 |
| 300 Purchased Services | 23,999 | 11,097 | 12,902 |
| 400 Supplies and Materials | 46,968 | 30,237 | 16,731 |
| 600 Other Objects | 21,753 | 5,134 | 16,619 |
| 250 Finance and Operations Services: | | | |
| 252 Fiscal Services: | | | |
| 100 Salaries | 360,698 | 177,475 | 183,223 |
| 200 Employee Benefits | 184,766 | 84,559 | 100,207 |
| 300 Purchased Services | 211,600 | 223,330 | (11,730) |
| 400 Supplies and Materials | 18,000 | 25,142 | (7,142) |
| 600 Other Objects | 11,613 | 7,469 | 4,144 |
| 253 Facilities Acquisition and Construction: | | | |
| 300 Purchased Services | \$ 17,027 | - | \$ 17,027 |

(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, 2020

| | FINAL BUDGET | ACTUAL | VARIANCE |
|---|-----------------|-----------|--------------|
| 254 Operation and Maintenance of Plant: | | | |
| 100 Salaries | \$ 942,109 | 1,078,830 | \$ (136,721) |
| 200 Employee Benefits | 548,660 | 1,654,160 | (1,105,500) |
| 300 Purchased Services (Excludes Energy Costs) | 1,506,413 | 1,310,704 | 195,709 |
| 321 Public Utilities (Excludes Gas, Oil, Elec. & Other Heating Fuels) | 89,087 | 128,286 | (39,199) |
| 400 Supplies and Materials (Include Energy Costs) | 500,689 | 320,365 | 180,324 |
| 470 Energy (Includes Gas, Oil, Elec. & Other Heating Fuels) | 1,495,635 | 1,305,332 | 190,303 |
| 500 Capital Outlay | 13,500 | - | 13,500 |
| 600 Other Objects | 800 | 176 | 624 |
| 255 Student Transportation (State Mandated): | | | |
| 100 Salaries | 1,134,974 | 1,057,021 | 77,953 |
| 140 Terminal Leave | - | - | - |
| 200 Employee Benefits | 249,683 | 509,172 | (259,489) |
| 300 Purchased Services | 96,470 | 81,964 | 14,506 |
| 400 Supplies and Materials | 16,950 | 12,446 | 4,504 |
| 600 Other Objects | 4,320 | 3,230 | 1,090 |
| 256 Food Service: | | | |
| 200 Employee Benefits | 571,141 | - | 571,141 |
| 257 Internal Services: | | | |
| 300 Purchased Services | 20,860 | 12,799 | 8,061 |
| 400 Supplies and Materials | 3,220 | 653 | 2,567 |
| 600 Other Objects | 600 | - | 600 |
| 258 Security: | | | |
| 300 Purchased Services | 350,964 | 304,787 | 46,177 |
| 400 Supplies and Materials | 4,390 | 400 | 3,990 |
| 260 Central Support Services: | | | |
| 263 Information Services: | | | |
| 100 Salaries | 76,471 | 76,471 | - |
| 200 Employee Benefits | 32,242 | 27,566 | 4,676 |
| 300 Purchased Services | 37,700 | 37,112 | 588 |
| 400 Supplies and Materials | 2,000 | 81 | 1,919 |
| 600 Other Objects | 2,000 | 1,106 | 894 |
| 264 Staff Services: | | | |
| 100 Salaries | 298,110 | 284,610 | 13,500 |
| 140 Terminal Leave | - | - | - |
| 200 Employee Benefits | 111,455 | 103,265 | 8,190 |
| 300 Purchased Services | 25,895 | 27,712 | (1,817) |
| 400 Supplies and Materials | 8,300 | 8,135 | 165 |
| 600 Other Objects | 2,633 | 527 | 2,106 |
| 266 Technology and Data Processing Services: | | | |
| 100 Salaries | 219,335 | 244,196 | (24,861) |
| 200 Employee Benefits | 96,517 | 106,485 | (9,968) |
| 300 Purchased Services | 281,481 | 249,054 | 32,427 |
| 400 Supplies and Materials | 56,496 | 8,256 | 48,240 |
| 500 Capital Outlay | 30,000 | - | 30,000 |
| 600 Other Objects | \$ 400 | 176 | \$ 224 |

(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, 2020

| | FINAL BUDGET | ACTUAL | VARIANCE |
|--|---------------------|-------------------|-----------------------|
| 270 Support Services Pupil Activity: | | | |
| 271 Pupil Services Activities: | | | |
| 100 Salaries (Optional) | \$ 297,921 | 222,329 | \$ 75,592 |
| 200 Employee Benefits (Optional) | 92,897 | 58,647 | 34,250 |
| 300 Purchased Services (Optional) | 106,839 | 78,724 | 28,115 |
| 600 Other Objects (Optional) | 7,000 | 4,299 | 2,701 |
| 660 Pupil Activity | 106,054 | 58,971 | 47,083 |
| Total Support Services | 18,039,661 | 17,210,354 | 829,307 |
| 400 Other Charges: | | | |
| 410 Intergovernmental Expenditures: | | | |
| 411 Payments to the SDE | | | |
| 720 Transits | 10,000 | - | 10,000 |
| 412 Payments to Other Governmental Units | | | |
| 720 Transits | 2,000 | 14,593 | (12,593) |
| Total Intergovernmental Expenditures | 12,000 | 14,593 | (2,593) |
| TOTAL EXPENDITURES | 35,986,060 | 36,891,908 | (905,848) |
| OTHER FINANCING SOURCES (USES) | | | |
| 5300 Sale of Fixed Assets | - | 150,671 | 150,671 |
| Interfund Transfers, From (To) Other Funds: | | | |
| 5230 Transfer from Special Revenue EIA Fund | 1,543,820 | 1,189,077 | (354,743) |
| 5280 Transfer from Other Funds Indirect Costs | 470,000 | 240,387 | (229,613) |
| 421-710 Transfer to Special Revenue Fund | - | (332,982) | (332,982) |
| TOTAL OTHER FINANCING SOURCES (USES) | 2,013,820 | 1,247,153 | (766,667) |
| EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES | 1,783,204 | (815,329) | (2,598,533) |
| FUND BALANCE, Beginning of Year | 5,868,018 | 5,868,018 | - |
| FUND BALANCES, End of Year | \$ 7,651,222 | 5,052,689 | \$ (2,598,533) |

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

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2020

| | Title I (BA Projects) (201 / 202) | IDEA (CA Projects) (203 / 204) |
|--|--|---|
| REVENUES | | |
| 1000 Revenue from Local Sources: | | |
| 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: | | |
| 3135 Reading Coaches | - | - |
| 3136 Student Health and Fitness - Nurses | - | - |
| 3156 Adult Education | - | - |
| 3190 Miscellaneous Restricted State Grants: | | |
| 3199 Other Restricted State Grants | - | - |
| 3300 Education Finance Act (EFA): | | |
| 3393 Capital Improvement Plan - Additional | - | - |
| 3900 Other State Revenue: | | |
| 3994 PEBA Nonemployer Contributions | - | - |
| 3999 Revenue from Other State Sources | - | - |
| Total Revenue from State Sources | \$ - | - |

| Preschool Handicapped (CG Projects) (205 / 206) | CATE (VA Projects) (207) | Adult Education (EA Projects) (243) | Other Designated Restricted State Grants (900s) | Other Special Revenue Programs (200s/800s/900s) | Totals |
|--|---|--|--|--|---------------|
| - | - | - | - | 45,474 | \$ 45,474 |
| - | - | - | - | 312,134 | 312,134 |
| - | - | - | - | 16,573 | 16,573 |
| - | - | - | - | 374,181 | 374,181 |
| - | - | - | - | 182,072 | 182,072 |
| - | - | - | - | 182,072 | 182,072 |
| - | - | - | 246,054 | - | 246,054 |
| - | - | - | 31,869 | - | 31,869 |
| - | - | - | 294,136 | - | 294,136 |
| - | - | - | 138,286 | - | 138,286 |
| - | - | - | 5,662 | - | 5,662 |
| - | - | - | - | 1,337 | 1,337 |
| - | - | - | 163,101 | - | 163,101 |
| - | - | - | 378,266 | - | 378,266 |
| - | - | - | - | 211,526 | 211,526 |
| - | - | - | 1,257,374 | 212,863 | \$ 1,470,237 |

(Continued)

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

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2020

| | 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) | 2,708,650 | - |
| 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) | - | 1,501,969 |
| 4520 Preschool Grants for Children With Disabilities (IDEA) | - | - |
| 4900 Other Federal Sources: | | |
| 4997 Title IV - SSAE | - | - |
| 4999 Revenue from Other Federal Sources | - | - |
| Total Revenue from Federal Sources | <u>2,708,650</u> | <u>1,501,969</u> |
| TOTAL REVENUE ALL SOURCES | <u>2,708,650</u> | <u>1,501,969</u> |

EXPENDITURES

| | | |
|----------------------------|---------|---|
| 100 Instruction: | | |
| 110 General Instruction: | | |
| 111 Kindergarten Program: | | |
| 100 Salaries | 28,211 | - |
| 200 Employee Benefits | 22,911 | - |
| 300 Purchased Services | 7,010 | - |
| 112 Primary Programs: | | |
| 100 Salaries | 265,538 | - |
| 200 Employee Benefits | 136,630 | - |
| 300 Purchased Services | 33,770 | - |
| 400 Supplies and Materials | 12,340 | - |
| 113 Elementary Programs: | | |
| 100 Salaries | 324,365 | - |
| 200 Employee Benefits | 116,784 | - |
| 300 Purchased Services | 107,814 | - |
| 400 Supplies and Materials | 29,776 | - |
| 600 Other Objects | \$ 240 | - |

| Preschool Handicapped (CG Projects) (205 / 206) | CATE (VA Projects) (207) | Adult Education (EA Projects) (243) | Other Designated Restricted State Grants (900s) | Other Special Revenue Programs (200s/800s/900s) | Totals |
|--|--------------------------------|---|--|---|-----------|
| - | 31,952 | - | - | - | \$ 31,952 |
| - | - | - | - | 415,890 | 3,124,540 |
| - | - | - | - | 16,774 | 16,774 |
| - | - | - | - | 468 | 468 |
| - | - | - | - | 260,593 | 260,593 |
| - | - | 66,287 | - | - | 66,287 |
| - | - | - | - | 132,738 | 132,738 |
| - | - | - | - | - | 1,501,969 |
| 42,745 | - | - | - | - | 42,745 |
| - | - | - | - | 150,571 | 150,571 |
| - | - | - | - | 1,261,671 | 1,261,671 |
| 42,745 | 31,952 | 66,287 | - | 2,238,705 | 6,590,308 |
| 42,745 | 31,952 | 66,287 | 1,257,374 | 3,007,821 | 8,616,798 |
| - | - | - | - | 97,858 | 126,069 |
| - | - | - | - | 38,396 | 61,307 |
| - | - | - | - | 1,760 | 8,770 |
| - | - | - | 21,143 | 87,795 | 374,476 |
| - | - | - | 7,297 | 38,451 | 182,378 |
| - | - | - | - | 9,544 | 43,314 |
| - | - | - | 1,684 | 31,115 | 45,139 |
| - | - | - | 163,860 | 160,757 | 648,982 |
| - | - | - | 71,449 | 80,900 | 269,133 |
| - | - | - | - | 22,317 | 130,131 |
| - | - | - | 1,389 | 323,025 | 354,190 |
| - | - | - | - | - | \$ 240 |

(Continued)

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

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2020

| | Title I (BA Projects) (201 / 202) | IDEA (CA Projects) (203 / 204) |
|--|--|---|
| 114 High School Programs: | | |
| 100 Salaries | \$ 109,697 | - |
| 200 Employee Benefits | 47,574 | - |
| 300 Purchased Services | 74,856 | - |
| 400 Supplies and Materials | 15,266 | - |
| 115 Career and Technology Education Program: | | |
| 100 Salaries | 3 | - |
| 200 Employee Benefits | 2,898 | - |
| 300 Purchased Services (Other Than Tuition) | - | - |
| 400 Supplies and Materials | 209 | - |
| 500 Capital Outlay | - | - |
| 600 Other Objects | - | - |
| 120 Exceptional Programs: | | |
| 121 Educable Mentally Handicapped: | | |
| 100 Salaries | - | 93,947 |
| 200 Employee Benefits | - | 35,374 |
| 300 Purchased Services | - | 10,289 |
| 400 Supplies and Materials | - | 2,500 |
| 122 Trainable Mentally Handicapped: | | |
| 100 Salaries | - | 47,873 |
| 200 Employee Benefits | - | 29,276 |
| 300 Purchased Services | - | 538 |
| 400 Supplies and Materials | - | 1,526 |
| 123 Orthopedically Handicapped: | | |
| 100 Salaries | - | 14,152 |
| 200 Employee Benefits | - | 7,789 |
| 300 Purchased Services | - | 983 |
| 124 Visually Handicapped: | | |
| 300 Purchased Services | - | 37,026 |
| 400 Supplies and Materials | - | 3,833 |
| 125 Hearing Handicapped: | | |
| 300 Purchased Services | - | 335 |
| 126 Speech Handicapped: | | |
| 100 Salaries | - | 1,263 |
| 200 Employee Benefits | - | 373 |
| 300 Purchased Services | - | 7,855 |
| 400 Supplies and Materials | - | 699 |
| 127 Learning Disabilities: | | |
| 100 Salaries | - | 233,545 |
| 200 Employee Benefits | - | 29,973 |
| 300 Purchased Services | - | 6,708 |
| 400 Supplies and Materials | \$ - | 118 |

| Preschool Handicapped (CG Projects) (205 / 206) | CATE (VA Projects) (207) | Adult Education (EA Projects) (243) | Other Designated Restricted State Grants (900s) | Other Special Revenue Programs (200s/800s/900s) | Totals |
|--|--------------------------------|---|--|---|------------|
| - | - | - | - | 205,346 | \$ 315,043 |
| - | - | - | - | 70,012 | 117,586 |
| - | - | - | - | 10,597 | 85,453 |
| - | - | - | - | 166,979 | 182,245 |
| - | - | - | - | - | 3 |
| - | - | - | - | - | 2,898 |
| - | 16,149 | - | - | - | 16,149 |
| - | 6,321 | - | - | - | 6,530 |
| - | 8,981 | - | - | - | 8,981 |
| - | - | - | - | 132,743 | 132,743 |
| - | - | - | - | - | 93,947 |
| - | - | - | - | - | 35,374 |
| - | - | - | - | - | 10,289 |
| - | - | - | - | - | 2,500 |
| - | - | - | - | - | 47,873 |
| - | - | - | - | - | 29,276 |
| - | - | - | - | - | 538 |
| - | - | - | - | 3,584 | 5,110 |
| - | - | - | - | - | 14,152 |
| - | - | - | - | - | 7,789 |
| - | - | - | - | - | 983 |
| - | - | - | - | - | 37,026 |
| - | - | - | - | - | 3,833 |
| - | - | - | - | - | 335 |
| - | - | - | - | - | 1,263 |
| - | - | - | - | - | 373 |
| - | - | - | - | 169,996 | 177,851 |
| - | - | - | - | - | 699 |
| - | - | - | - | - | 233,545 |
| - | - | - | - | - | 29,973 |
| - | - | - | - | - | 6,708 |
| - | - | - | - | - | \$ 118 |

(Continued)

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

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2020

| | Title I (BA Projects) (201 / 202) | IDEA (CA Projects) (203 / 204) |
|---|--|---|
| 128 Emotionally Handicapped: | | |
| 100 Salaries | \$ - | 1,247 |
| 200 Employee Benefits | - | 533 |
| 130 Pre-School Programs: | | |
| 137 Pre-School Handicapped Self-Contained (3 & 4-Yr. Olds): | | |
| 100 Salaries | - | 56,323 |
| 200 Employee Benefits | - | 25,680 |
| 300 Purchased Services | - | 1,001 |
| 400 Supplies and Materials | - | 2,709 |
| 147 CDEPP: | | |
| 400 Supplies and Materials | - | - |
| 149 Other Special Programs: | | |
| 100 Salaries | - | 13,875 |
| 200 Employee Benefits | - | 4,194 |
| 300 Purchased Services | - | 5,035 |
| 160 Other Exceptional Programs: | | |
| 161 Autism: | | |
| 100 Salaries | - | 104,906 |
| 200 Employee Benefits | - | 45,826 |
| 300 Purchased Services | - | 26,580 |
| 175 Instructional Programs Beyond Regular School Day: | | |
| 100 Salaries | - | - |
| 200 Employee Benefits | - | - |
| 180 Adult/Continuing Educational Programs: | | |
| 181 Adult Basic Education Programs: | | |
| 100 Salaries | - | - |
| 200 Employee Benefits | - | - |
| 182 Adult Secondary Education Programs: | | |
| 100 Salaries | - | - |
| 200 Employee Benefits | - | - |
| 300 Purchased Services | - | - |
| 400 Supplies and Materials | - | - |
| 184 Post Secondary Education Programs: | | |
| 100 Salaries | - | - |
| 200 Employee Benefits | - | - |
| 188 Parenting/Family Literacy: | | |
| 100 Salaries | 37,340 | - |
| 200 Employee Benefits | 12,701 | - |
| 400 Supplies and Materials | 276 | - |
| Total Instruction | <u>\$ 1,386,209</u> | <u>853,884</u> |

| Preschool Handicapped (CG Projects) (205 / 206) | CATE (VA Projects) (207) | Adult Education (EA Projects) (243) | Other Designated Restricted State Grants (900s) | Other Special Revenue Programs (200s/800s/900s) | Totals |
|--|--------------------------------|---|--|---|--------------|
| - | - | - | - | - | \$ 1,247 |
| - | - | - | - | - | 533 |
| 34,196 | - | - | - | - | 90,519 |
| 8,549 | - | - | - | - | 34,229 |
| - | - | - | - | - | 1,001 |
| - | - | - | - | - | 2,709 |
| - | - | - | - | 590 | 590 |
| - | - | - | - | - | 13,875 |
| - | - | - | - | - | 4,194 |
| - | - | - | - | - | 5,035 |
| - | - | - | - | - | 104,906 |
| - | - | - | - | - | 45,826 |
| - | - | - | - | - | 26,580 |
| - | - | - | - | 11,066 | 11,066 |
| - | - | - | - | 3,515 | 3,515 |
| - | - | 29,122 | - | - | 29,122 |
| - | - | 9,436 | - | - | 9,436 |
| - | - | 21,238 | - | - | 21,238 |
| - | - | 6,297 | - | - | 6,297 |
| - | - | - | 1,936 | 1,559 | 3,495 |
| - | - | - | - | 1,003 | 1,003 |
| - | - | - | 2,876 | - | 2,876 |
| - | - | - | 849 | - | 849 |
| - | - | - | - | - | 37,340 |
| - | - | - | - | - | 12,701 |
| - | - | - | - | - | 276 |
| 42,745 | 31,451 | 66,093 | 272,483 | 1,668,908 | \$ 4,321,773 |

(Continued)

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

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2020

| | Title I (BA Projects) (201 / 202) | IDEA (CA Projects) (203 / 204) |
|--|--|---|
| 200 Support Services: | | |
| 210 Pupil Services: | | |
| 213 Health Services: | | |
| 100 Salaries | \$ - | 27,762 |
| 200 Employee Benefits | - | 4,747 |
| 300 Purchased Services | - | - |
| 214 Psychological Services: | | |
| 100 Salaries | - | 22,078 |
| 200 Employee Benefits | - | 19,761 |
| 300 Purchased Services | - | 112,394 |
| 400 Supplies and Materials | - | 4,390 |
| 215 Exceptional Program Services: | | |
| 300 Purchased Services | - | 139,053 |
| 216 Vocational Placement Services: | | |
| 300 Purchased Services | - | 9,442 |
| 217 Career Specialists Services: | | |
| 100 Salaries | - | - |
| 200 Employee Benefits | - | - |
| 220 Instructional Staff Services: | | |
| 221 Improvement of Instruction Curriculum Development: | | |
| 100 Salaries | 661,830 | - |
| 200 Employee Benefits | 266,780 | - |
| 300 Purchased Services | 1,847 | 230 |
| 400 Supplies and Materials | 4,722 | - |
| 222 Library and Media: | | |
| 400 Supplies and Materials | 5,500 | - |
| 223 Supervision of Special Programs: | | |
| 100 Salaries | 77,160 | 180,911 |
| 200 Employee Benefits | 33,532 | 69,489 |
| 300 Purchased Services | 2,348 | 5,888 |
| 400 Supplies and Materials | 455 | 1,232 |
| 224 Improvement of Instruction Inservice and Staff Training: | | |
| 100 Salaries | - | - |
| 200 Employee Benefits | - | - |
| 300 Purchased Services | 39,479 | 28,645 |
| 400 Supplies and Materials | 859 | - |
| 600 Other Objects | 7,276 | - |
| 230 General Administration Services: | | |
| 231 Board of Education: | | |
| 400 Supplies and Materials | - | - |
| 253 Facilities Acquisition and Construction: | | |
| 500 Capital Outlay: | | |
| 525 Buildings | \$ - | - |

| Preschool Handicapped (CG Projects) (205 / 206) | CATE (VA Projects) (207) | Adult Education (EA Projects) (243) | Other Designated Restricted State Grants (900s) | Other Special Revenue Programs (200s/800s/900s) | Totals |
|--|--------------------------------|---|--|---|------------|
| - | - | - | 98,466 | - | \$ 126,228 |
| - | - | - | 39,823 | 411 | 44,981 |
| - | - | - | - | 2,115 | 2,115 |
| - | - | - | - | - | 22,078 |
| - | - | - | - | - | 19,761 |
| - | - | - | - | 25,836 | 138,230 |
| - | - | - | - | - | 4,390 |
| - | - | - | - | 50,194 | 189,247 |
| - | - | - | - | - | 9,442 |
| - | - | - | 170,042 | - | 170,042 |
| - | - | - | 76,366 | - | 76,366 |
| - | - | - | 45,901 | 324,669 | 1,032,400 |
| - | - | - | 12,926 | 124,509 | 404,215 |
| - | - | - | - | 1,675 | 3,752 |
| - | - | - | - | 19,084 | 23,806 |
| - | - | - | - | - | 5,500 |
| - | - | - | - | 29,185 | 287,256 |
| - | - | - | - | 12,185 | 115,206 |
| - | - | - | - | 22,344 | 30,580 |
| - | - | 194 | - | 892 | 2,773 |
| - | - | - | - | 54,948 | 54,948 |
| - | - | - | - | 9,230 | 9,230 |
| - | - | - | - | 691,287 | 759,411 |
| - | 501 | - | - | 4,906 | 6,266 |
| - | - | - | - | - | 7,276 |
| - | - | - | - | 1,311 | 1,311 |
| - | - | - | - | 50,000 | \$ 50,000 |

(Continued)

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

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2020

| | Title I (BA Projects) (201 / 202) | IDEA (CA Projects) (203 / 204) |
|--|--|---|
| 254 Operation and Maintenance of Plant: | | |
| 500 Capital Outlay | \$ - | - |
| 258 Security: | | |
| 400 Supplies and Materials | - | - |
| 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 | - | - |
| 270 Support Services - Pupil Activity: | | |
| 271 Pupil Services Activities: | | |
| 100 Salaries (Optional) | 397 | 623 |
| 200 Employee Benefits (Optional) | 182 | 207 |
| 400 Supplies and Materials (Optional) | - | - |
| 600 Other Objects (Optional) | 436 | 484 |
| Total Support Services | <u>1,102,803</u> | <u>627,336</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>2,489,012</u> | <u>1,481,220</u> |
| OTHER FINANCING SOURCES (USES) | | |
| Interfund Transfers, From (To) Other Funds: | | |
| 5210 Transfer from General Fund (Exclude Indirect Costs) | - | - |
| 431-791 Special Revenue Fund Indirect Costs (Use Only for Transfer of Indirect Costs to General Fund) | (219,638) | (20,749) |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(219,638)</u> | <u>(20,749)</u> |
| EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES | - | - |
| FUND BALANCE, Beginning of Year | <u>-</u> | <u>-</u> |
| FUND BALANCES, End of Year | <u>\$ -</u> | <u>-</u> |

| Preschool Handicapped (CG Projects) (205 / 206) | CATE (VA Projects) (207) | Adult Education (EA Projects) (243) | Other Designated Restricted State Grants (900s) | Other Special Revenue Programs (200s/800s/900s) | Totals |
|--|---|--|--|--|-------------------|
| - | - | - | 163,101 | - | \$ 163,101 |
| - | - | - | - | 11,830 | 11,830 |
| - | - | - | - | 68 | 68 |
| - | - | - | - | 93,182 | 93,182 |
| - | - | - | - | 34,284 | 34,284 |
| - | - | - | - | 18,699 | 18,699 |
| - | - | - | - | 6,253 | 6,253 |
| - | - | - | - | 3,469 | 4,489 |
| - | - | - | - | 1,024 | 1,413 |
| - | - | - | - | 3,022 | 3,022 |
| - | - | - | - | 2,957 | 3,877 |
| - | 501 | 194 | 606,625 | 1,599,569 | 3,937,028 |
| - | - | - | - | 73,851 | 73,851 |
| - | - | - | 378,266 | - | 378,266 |
| - | - | - | 378,266 | 73,851 | 452,117 |
| 42,745 | 31,952 | 66,287 | 1,257,374 | 3,342,328 | 8,710,918 |
| - | - | - | - | 332,982 | 332,982 |
| - | - | - | - | - | (240,387) |
| - | - | - | - | 332,982 | 92,595 |
| - | - | - | - | (1,525) | (1,525) |
| - | - | - | - | 323,916 | 323,916 |
| - | - | - | - | 322,391 | \$ 322,391 |

**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, 2020

**OTHER DESIGNATED
RESTRICTED STATE GRANTS**

| | |
|-----|--|
| 919 | Education License Plates |
| 924 | Child Early Reading Development and Education Program (CDEP) - Full Day 4K |
| 928 | EEDA Career Specialists |
| 936 | Student Health and Fitness - Nurses |
| 939 | Capital Improvement Plan |
| 956 | Adult Education |
| 969 | Misc. Lottery |

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

Schedule B-3

SPECIAL REVENUE FUND

SUMMARY SCHEDULE FOR OTHER DESIGNATED RESTRICTED STATE GRANTS

YEAR ENDED JUNE 30, 2020

| SUBFUND | REVENUE CODE | PROGRAMS | REVENUES | EXPENDITURES | SPECIAL REVENUE | | |
|---------------|-----------------|--|---------------------|------------------|------------------------------------|-------------------------------------|-------------------|
| | | | | | INTERFUND TRANSFERS IN (OUT) | OTHER FUND TRANSFERS IN (OUT) | UNEARNED |
| 919 | 3193 | Education License Plates | \$ - | - | - | - | \$ 920 |
| 924 | 3134 | CDEP Expansion Full Day 4K | - | - | - | - | 262,000 |
| 928 | 3118 | EEDA Career Specialists | 246,054 | 246,409 | - | - | 36,864 |
| 935 | 3135 | Reading Coaches | 294,136 | 294,136 | - | - | - |
| 936 | 3136 | Student Health and Fitness - Nurses | 138,286 | 138,286 | - | - | 6,589 |
| 937 | 3127 | Student Health and Fitness - PE Teachers | 31,869 | 31,514 | - | - | - |
| 939 | 3393 | Capital Improvement Plan - Additional | 163,101 | 163,101 | - | - | - |
| 956 | 3156 | Adult Education | 5,662 | 5,662 | - | - | 1,988 |
| 969 | 3699 | Misc. Lottery | - | - | - | - | 131 |
| 994 | 3994 | PEBA Nonemployer Contributions | 378,266 | 378,266 | - | - | - |
| Totals | | | \$ 1,257,374 | 1,257,374 | - | - | \$ 308,492 |

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, 2020

| | ACTUAL |
|---|---------------------|
| REVENUES | |
| 3000 Revenue from State Sources: | |
| 3500 Education Improvement Act: | |
| 3502 ADEPT | \$ 17,555 |
| 3518 Adoption List of Formative Assessment | 26,040 |
| 3519 Grade 10 Assessments | 5,579 |
| 3526 Refurbishment of Science Kits | 16,275 |
| 3528 Industry Certifications/Credentials | 10,831 |
| 3529 Career and Technology Education | 32,840 |
| 3532 National Board Salary Supplement (No Carryover Provision) | 9,710 |
| 3538 Students at Risk of School Failure | 653,021 |
| 3541 Child Early Reading Development & Education Program (CERDEP) - Full Day 4K | 925,136 |
| 3550 Teacher Salary Increase (No Carryover Provision) | 947,383 |
| 3555 Teacher Salary Fringe (No Carryover Provision) | 241,694 |
| 3556 Adult Education | 144,286 |
| 3557 Summer Reading Program | 42,484 |
| 3558 Reading (Carryover) | 1,107 |
| 3577 Teacher Supplies (No Carryover Provision) | 83,875 |
| 3595 EEDA - Supplies and Materials | 2,934 |
| 3597 Aid to Districts | 171,262 |
| 3599 Other EIA | 25,000 |
| Total Revenue from State Sources | 3,357,012 |
| TOTAL REVENUE ALL SOURCES | \$ 3,357,012 |

(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, 2020

| | <u>ACTUAL</u> |
|--|---------------|
| EXPENDITURES | |
| 100 Instruction: | |
| 110 General Instruction: | |
| 111 Kindergarten Programs: | |
| 400 Supplies and Materials | \$ 3,300 |
| 112 Primary Programs: | |
| 100 Salaries | 135,044 |
| 200 Employee Benefits | 52,224 |
| 400 Supplies and Materials | 15,415 |
| 113 Elementary Programs: | |
| 100 Salaries | 212,299 |
| 200 Employee Benefits | 87,697 |
| 300 Purchased Services | 2,674 |
| 400 Supplies and Materials | 39,910 |
| 114 High School Programs: | |
| 100 Salaries | 179,647 |
| 200 Employee Benefits | 51,858 |
| 300 Purchased Services | 3,621 |
| 400 Supplies and Materials | 51,005 |
| 115 Career and Technology Education Program: | |
| 300 Purchased Services - Other Than Tuition | 2,472 |
| 400 Supplies and Materials | 9,534 |
| 600 Other Objects | 2,494 |
| 117 Driver Education Program: | |
| 400 Supplies and Materials | 275 |
| 120 Exceptional Programs: | |
| 121 Educable Mentally Handicapped: | |
| 400 Supplies and Materials | 275 |
| 122 Trainable Mentally Handicapped: | |
| 100 Salaries | 25,808 |
| 200 Employee Benefits | 11,496 |
| 400 Supplies and Materials | 1,650 |
| 126 Speech Handicapped: | |
| 400 Supplies and Materials | 825 |
| 127 Learning Disabilities: | |
| 300 Purchased Services | 359 |
| 400 Supplies and Materials | 5,225 |
| 130 Pre-School Programs: | |
| 137 Preschool Handicapped Self Contained (3 & 4 Yr. Olds): | |
| 100 Salaries | 7,704 |
| 200 Employee Benefits | 2,005 |
| 400 Supplies and Materials | \$ 275 |

(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, 2020

| | <u>ACTUAL</u> |
|--|---------------------|
| 140 Special Programs: | |
| 141 Gifted and Talented - Academic: | |
| 400 Supplies and Materials | \$ 275 |
| 147 CERDEP: | |
| 100 Salaries | 491,750 |
| 200 Employee Benefits | 221,384 |
| 300 Purchased Services | 212,000 |
| 400 Supplies and Materials | 3,027 |
| 160 Other Exceptional Programs: | |
| 161 Autism: | |
| 400 Supplies and Materials | 550 |
| 170 Summer School Programs: | |
| 171 Primary Summer School: | |
| 100 Salaries | 11,206 |
| 200 Employee Benefits | 3,286 |
| 300 Purchased Services | 19,200 |
| 400 Supplies and Materials | 8,792 |
| 180 Adult/Continuing Educational Programs: | |
| 181 Adult Basic Education Programs: | |
| 100 Salaries | 4,319 |
| 200 Employee Benefits | 499 |
| 182 Adult Secondary Education Programs: | |
| 100 Salaries | 4,162 |
| 200 Employee Benefits | 1,391 |
| 300 Purchased Services | 43 |
| 400 Supplies and Materials | 4 |
| 184 Post Secondary Education Programs: | |
| 100 Salaries | 28,307 |
| 200 Employee Benefits | 12,106 |
| Total Instruction | <u>1,927,392.00</u> |
| 200 Support Services: | |
| 210 Pupil Services: | |
| 212 Guidance Services: | |
| 300 Purchased Services | 2,934 |
| 400 Supplies and Materials | 3,025 |
| 217 Career Specialist Services: | |
| 400 Supplies and Materials | \$ 1,375 |

(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, 2020

| | <u>ACTUAL</u> |
|---|-------------------------|
| 222 Library and Media: | |
| 400 Supplies and Materials | \$ 2,200 |
| 223 Supervision of Special Programs: | |
| 100 Salaries | 66,621 |
| 200 Employee Benefits | 26,407 |
| 300 Purchased Services | 427 |
| 400 Supplies and Materials | - |
| 224 Improvement of Instruction - In-service and Staff Training: | |
| 100 Salaries | 15,212 |
| 200 Employee Benefits | 2,793 |
| 300 Purchased Services | 51,314 |
| 400 Supplies and Materials | 43,046 |
| 600 Other Objects | 189 |
| 250 Finance and Operations Services: | |
| 254 Operation and Maintenance of Plant: | |
| 500 Capital Outlay | - |
| 260 Central Support Services: | |
| 266 Technology and Data Processing Services: | |
| 400 Supplies and Materials | 25,000 |
| Total Support Services | <u>240,543</u> |
| TOTAL EXPENDITURES | <u>2,167,935</u> |
| OTHER FINANCING SOURCES (USES) | |
| Interfund Transfers, From (To) Other Funds: | |
| 420-710 Transfer to General Fund (Exclude Indirect Costs) | (1,189,077) |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(1,189,077)</u> |
| EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES | - |
| FUND BALANCES, Beginning of Year | <u>-</u> |
| FUND BALANCES, End of Year | <u>\$ -</u> |

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

Schedule B-5

EDUCATION IMPROVEMENT ACT

SUMMARY SCHEDULE BY PROGRAM

YEAR ENDED JUNE 30, 2020

| Program | Revenues | Expenditures | EIA Interfund Transfers In/(Out) | Other Fund Transfers In/(Out) | EIA Fund Unearned Revenue |
|---|---------------------|------------------|--|-------------------------------------|---------------------------------|
| 3500 Education Improvement Act: | | | | | |
| 3502 ADEPT | \$ 17,555 | 17,555 | - | - | \$ - |
| 3507 Aid to District Technology | - | - | - | - | 3,392 |
| 3518 Adoption List of Formative Assessment | 26,040 | 26,040 | - | - | 26,906 |
| 3519 Grade 10 Assessments | 5,579 | 5,579 | - | - | (3,152) |
| 3526 Refurbishment of Science Kits | 16,275 | 16,275 | - | - | 6,083 |
| 3528 Industry Certifications/Credentials | 10,831 | 10,831 | - | - | 35,648 |
| 3529 Career and Technology Education | 32,840 | 32,840 | - | - | 41,991 |
| 3532 National Board Salary Supplement (No Carryover Provision) | 9,710 | 9,710 | - | - | - |
| 3533 Teacher of the Year Awards (No Carryover Provision) | - | - | - | - | 1,077 |
| 3538 Students at Risk of School Failure | 653,021 | 653,021 | - | - | - |
| 3541 Child Early Development & Education Program (CERDEP) - Full Day 4K | 925,136 | 925,136 | - | - | - |
| 3550 Teacher Salary Increase (No Carryover Provision) | 947,383 | - | - | (947,383) | - |
| 3555 Teacher Salary Fringe (No Carryover Provision) | 241,694 | - | - | (241,694) | - |
| 3556 Adult Education | 144,286 | 144,286 | - | - | 4,382 |
| 3557 Summer Reading Program | 42,484 | 42,484 | - | - | 103,906 |
| 3558 Reading (Carryover) | 1,107 | 1,107 | - | - | - |
| 3577 Teacher Supplies (No Carryover Provision) | 83,875 | 83,875 | - | - | - |
| 3595 EEDA - Supplies and Materials | 2,934 | 2,934 | - | - | 5,407 |
| 3597 Aid to Districts | 171,262 | 171,262 | - | - | 293 |
| 3599 Other EIA | 25,000 | 25,000 | - | - | - |
| Totals | \$ 3,357,012 | 2,167,935 | - | (1,189,077) | \$ 225,933 |

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

YEAR ENDED JUNE 30, 2020

| Program | Project/Grant Number | Revenue & Subfund Code | Description | Amount Due to State Department of Education or Federal Government | Status of Amount Due to Grantors |
|----------------------|-------------------------|---------------------------|------------------|---|--|
| Perkins Aid, Title I | Title I | 4210 / 207 | Unexpended funds | \$ 9,367.68 | Will be repaid subsequent to year-end |
| | | | | <u>\$ 9,367.68</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, 2020

| | ACTUAL |
|---|---------------------------|
| REVENUES | |
| 1000 Revenue from Local Sources: | |
| 1200 Revenue from Local Governmental Units Other than LEAs: | |
| 1210 Ad Valorem Taxes - Including Delinquent (Dependent) | \$ 542,194 |
| 1280 Revenue in Lieu of Taxes (Independent and Dependent) | 20,033 |
| 1500 Earnings on Investments: | |
| 1510 Interest on Investments | 9,894 |
| Total Revenue from Local Sources | <u>572,121</u> |
| 3000 Revenue from State Sources: | |
| 3800 State Revenue in Lieu of Taxes: | |
| 3820 Homestead Exemption (Tier 2) | 45,628 |
| 3830 Merchant's Inventory Tax | 5,772 |
| 3840 Manufacturers Depreciation Reimbursement | 4,079 |
| Total Revenue from State Sources | <u>55,479</u> |
| TOTAL REVENUE ALL SOURCES | <u>627,600</u> |
| EXPENDITURES | |
| 500 Debt Service: | |
| 620 Interest | 9,758 |
| 690 Other Objects (Includes Fees for Servicing Bonds) | 6,984 |
| Total Debt Service | <u>16,742</u> |
| TOTAL EXPENDITURES | <u>16,742</u> |
| Interfund Transfers, From (To) Other Funds: | |
| 424-710 Transfer to Capital Projects Fund | (1,023,151) |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(1,023,151)</u> |
| EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES | <u>(412,293)</u> |
| FUND BALANCE, Beginning of Year | <u>628,984</u> |
| FUND BALANCE, End of Year | <u>\$ 216,691</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, 2020

| | ACTUAL |
|--|---------------------|
| EXPENDITURES | |
| 250 Finance and Operations Services: | |
| 253 Facilities Acquisition & Construction: | |
| 300 Purchased Services | \$ 19,137 |
| 500 Capital Outlay: | |
| 520 Construction Services | 51,789 |
| 254 Operations and Maintenance of Plant: | |
| 300 Purchased Services | 1,109,264 |
| 260 Repairs and Maintenance: | |
| 266 Services for Repairs: | |
| 300 Purchased Services | 7,057 |
| | |
| Total Support Services | 1,187,247 |
| TOTAL EXPENDITURES | 1,187,247 |
| OTHER FINANCING SOURCES (USES) | |
| 5240 Transfer from Debt Service Fund | 1,023,151 |
| TOTAL OTHER FINANCING SOURCES (USES) | 1,023,151 |
| EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES | (164,096) |
| FUND BALANCE, Beginning of Year | 2,581,867 |
| FUND BALANCE, End of Year | \$ 2,417,771 |

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, 2020

| | <u>ACTUAL</u> |
|---|--------------------------|
| REVENUES | |
| 1000 Revenue from Local Sources: | |
| 1600 Food Service: | |
| 1630 Special Sales to Pupils | \$ 36,161 |
| 1640 Lunch Sales to Adults | 23,185 |
| 1660 Special Sales to Adults | 1,021 |
| 1900 Other Revenue from Local Sources: | |
| 1999 Revenue from Other Local Sources | 9,532 |
| Total Revenue from Local Sources | <u>69,899</u> |
| 4000 Revenue from Federal Sources: | |
| 4800 USDA Reimbursement: | |
| 4810 School Lunch and After School Snacks Program, and Special Milk Program | 1,790,686 |
| 4830 School Breakfast Program (Carryover Provision) | 585,292 |
| 4860 Fresh Fruits & Vegetables Program (FFVP) (Carryover Provision) | 8,533 |
| 4900 Other Federal Sources: | |
| 4991 USDA Commodities (Food Distribution Program) (Carryover Provision) | 128,154 |
| Total Revenue from Federal Sources | <u>2,512,665</u> |
| TOTAL REVENUE ALL SOURCES | <u>2,582,564</u> |
| EXPENDITURES | |
| 256 Food Service: | |
| 100 Salaries | 1,171,041 |
| 200 Employee Benefits | 430,563 |
| 300 Purchased Services (Exclude Energy Costs) | 243,724 |
| 400 Supplies and Materials (Include Energy Costs) | 1,553,557 |
| 500 Capital Outlay | 210,590 |
| 600 Other Objects | 2,720 |
| Total Food Service Expenses | <u>3,612,195</u> |
| TOTAL EXPENDITURES | <u>3,612,195</u> |
| EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES | (1,029,631) |
| FUND NET ASSETS, Beginning of Year | <u>1,282,730</u> |
| FUND NET ASSETS, End of Year | <u>\$ 253,099</u> |

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

Schedule F-1

PUPIL ACTIVITY FUND

SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN DUE TO STUDENT ORGANIZATIONS

YEAR ENDED JUNE 30, 2020

| | ACTUAL |
|---|--------------------------|
| RECEIPTS | |
| 1000 Receipts from Local Sources: | |
| 1700 Pupil Activities: | |
| 1710 Admissions | \$ 115,484 |
| 1730 Pupil Organization Membership Dues and Fees | 3,520 |
| 1740 Student Fees | 3,198 |
| 1790 Other Pupil Activity Income | 232,288 |
| 1900 Other Revenue from Local Sources | |
| 1920 Contributions and Donations From Private Sources | 19,137 |
| Total Receipts from Local Sources | <u>373,627</u> |
| TOTAL RECEIPTS ALL SOURCES | <u>373,627</u> |
| DISBURSEMENTS | |
| 270 Support Services Pupil Activity: | |
| 272 Enterprise Activities: | |
| 100 Salaries (Optional) | 21,924 |
| 200 Employee Benefits (Optional) | 6,814 |
| 660 Pupil Activity | 324,007 |
| Total Pupil Activity Expenditures | <u>352,745</u> |
| TOTAL DISBURSEMENTS | <u>352,745</u> |
| EXCESS/DEFICIENCY OF RECEIPTS OVER DISBURSEMENTS | 20,882 |
| DUE TO STUDENT ORGANIZATIONS, Beginning of Year | <u>220,592</u> |
| DUE TO STUDENT ORGANIZATIONS, End of Year | <u>\$ 241,474</u> |

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

LOCATION RECONCILIATION SCHEDULE

YEAR ENDED JUNE 30, 2020

| Location ID | Location Description | Education Level | Cost Type | Total Expenditures |
|--------------------|----------------------------------|------------------------|------------------|-----------------------------|
| 001 | SPRING BRANCH PROPERTY | NON-SCHOOLS | CENTRAL | \$ 386,183 |
| 002 | MARION HIGH SCHOOL | HIGH SCHOOL | SCHOOL | 7,012,303 |
| 003 | EASTERLING ELEMENTARY SCHOOL | ELEMENTARY | SCHOOL | 4,146,284 |
| 004 | MARION INTERMEDIATE SCHOOL | ELEMENTARY | SCHOOL | 4,195,697 |
| 007 | JOHNAKIN MIDDLE SCHOOL | MIDDLE SCHOOL | SCHOOL | 4,233,303 |
| 008 | MULLINS HIGH SCHOOL | HIGH SCHOOL | SCHOOL | 5,251,669 |
| 009 | PALMETTO MIDDLE SCHOOL | MIDDLE SCHOOL | SCHOOL | 3,301,023 |
| 010 | McCORMICK ELEMENTARY SCHOOL | ELEMENTARY | SCHOOL | 2,815,647 |
| 012 | FOX FIELD | NON-SCHOOLS | CENTRAL | 21,237 |
| 013 | NORTH MULLINS PRIMARY SCHOOL | ELEMENTARY | SCHOOL | 2,780,052 |
| 014 | MULLINS EARLY CHILDHOOD CENTER | ELEMENTARY | SCHOOL | 2,168,065 |
| 022 | ACTIVITY BUS | NON-SCHOOLS | CENTRAL | 41,197 |
| 023 | BRITTONS NECK ELEMENTARY SCHOOL | ELEMENTARY | SCHOOL | 105,745 |
| 024 | CREEK BRIDGE HIGH SCHOOL | HIGH SCHOOL | SCHOOL | 13,339 |
| 025 | CREEK BRIDGE STEM ACADEMY | ELEM/MIDDLE | SCHOOL | 3,758,649 |
| 030 | ADULT EDUCATION | OTHER SCHOOL | SCHOOL | 290,514 |
| 031 | SUCCESS ACADEMY/PALMETTO ED CTR | ALTERNATIVE SCHL | SCHOOL | 920,960 |
| 032 | ATHLETIC COMPLEX - MARION | HIGH SCHOOL | CENTRAL | 24,516 |
| 907 | COMMUNITY CENTER - CENTENARY | NON-SCHOOLS | CENTRAL | 15,275 |
| 908 | SAFFOLD BUILDING | NON-SCHOOLS | CENTRAL | 580 |
| 910 | MARION COUNTY SCHS-DISTRICT OFC | NON-SCHOOLS | CENTRAL | 7,673,672 |
| 913 | MARION COUNTY SCHS-ANNEX OFC | NON-SCHOOLS | CENTRAL | 1,034,101 |
| 922 | SUPERINTENDENT'S HOUSE-CENTENARY | NON-SCHOOLS | CENTRAL | 1,606 |
| 925 | MAINTENANCE DEPARTMENT | NON-SCHOOLS | CENTRAL | 724,162 |
| 926 | STORAGE | NON-SCHOOLS | CENTRAL | 694 |
| 927 | OLD RED BRICK SCHOOL | NON-SCHOOLS | CENTRAL | 3,695 |
| 928 | OLD RAINS CENTENARY ELEMENTARY | NON-SCHOOLS | CENTRAL | 48,286 |
| 929 | RAINS DO-HOUSE | NON-SCHOOLS | CENTRAL | 3,802 |
| 933 | SOUTHSIDE | NON-SCHOOLS | CENTRAL | 35,957 |
| 940 | BUS DRIVER | NON-SCHOOLS | CENTRAL | 8,963 |
| 975 | TOM GASQUE AVE APARTMENTS | NON-SCHOOLS | CENTRAL | 1,027 |
| 995 | ACADEMY FOR CAREERS/TECHNOLOGY | HIGH SCHOOL | SCHOOL | 1,921,487 |
| | | | | <u><u>\$ 52,939,690</u></u> |

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

| Fund | Amount |
|-------------------------------------|-----------------------------|
| General Fund | \$ 36,891,908 |
| Special Revenue Fund | 8,710,918 |
| Special Revenue - EIA Fund | 2,167,935 |
| Special Revenue - Food Service Fund | 3,612,195 |
| Debt Service Fund | 16,742 |
| Capital Projects Fund | 1,187,247 |
| Pupil Activity Fund | 352,745 |
| | <u><u>\$ 52,939,690</u></u> |

COMPLIANCE SECTION

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2020

| LEA Subfund Code | Federal Grantor/ Pass-Through Grantor/ Program Title | Federal CFDA Number | Pass Through Grantor's Number | Federal Expenditures |
|---|--|---------------------------|-------------------------------------|-------------------------|
| US DEPARTMENT OF AGRICULTURE | | | | |
| Pass-through State Department of Education: | | | | |
| 600 | National School Breakfast Program | 10.553 | N/A | \$ 585,292 |
| 600 | National School Lunch Program | 10.555 | N/A | 1,790,686 |
| 600 | National School Lunch Program - Non-Cash Assistance | 10.555 | N/A | 128,154 |
| Total 10.553 & 10.555 Cluster | | | | 2,504,132 |
| 600 | Fresh Fruit and Vegetable Program | 10.582 | N/A | 8,533 |
| TOTAL US DEPARTMENT OF AGRICULTURE | | | | 2,512,665 |
| US DEPARTMENT OF EDUCATION | | | | |
| Pass-through State Department of Education: | | | | |
| 201 | Title I Grants to LEA's | 84.010 | 19/20 Title I | 2,310,967 |
| 202 | Title I Mini Grant | 84.010 | 20 Title I Mini Grant | 397,683 |
| 237 | Title I Targeted Support & Improvement | 84.010 | 20 Title I Support | 84,443 |
| 238 | Title I Support | 84.010 | N/A | 331,447 |
| Total 84.010 | | | | 3,124,540 |
| Individuals with Disabilities Education Act: | | | | |
| 203 | IDEA | 84.027 | 19/20 IDEA | 1,445,634 |
| 204 | IDEA | 84.027 | 19/20 IDEA | 56,335 |
| 205 | Handicapped Preschool Grants | 84.173 | 19/20 Preschool | 42,745 |
| Total 84.027 & 84.173 Cluster | | | | 1,544,714 |
| 207 | Occupational Education - WBL Activities | 84.048 | N/A | 31,952 |
| 210 | Student Support and Academic Enrichment (SSAE) | 84.424A | N/A | 150,571 |
| 243 | Adult Education | 84.002 | N/A | 66,287 |
| 251 | Rural and Low Income Schools | 84.358 | N/A | 16,774 |
| 264/265 | Language Instruction - Title III | 84.365 | 19/20 Title III | 468 |
| 267 | Improving Teacher Quality - Title II | 84.367 | 19/20 Title II ITQ | 260,593 |
| Total Pass-through State Department of Education: | | | | 5,195,899 |
| Pass-through Insight Education Group, Inc: | | | | |
| 836 | Empowering Educators to Excel (E3) - TSL | 84.374A | U374A170085-17A | 1,142,380 |
| Total Pass-through the SC Commission on Higher Education: | | | | 1,142,380 |
| Direct Program: | | | | |
| 820 | PELL | 84.063 | N/A | 132,738 |
| TOTAL US DEPARTMENT OF EDUCATION | | | | \$ 6,471,017 |

(Continued)

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2020

| LEA Subfund Code | Federal Grantor/ Pass-Through Grantor/ Program Title | Federal CFDA Number | Pass Through Grantor's Number | Federal Expenditures |
|---|--|---------------------------|-------------------------------------|-------------------------|
| US DEPARTMENT OF DEFENSE | | | | |
| | Direct Program: | | | |
| 296 | JROTC - Army | 12.000 | N/A | \$ 62,191 |
| 297 | JROTC - Marine Corps | 12.000 | N/A | 57,100 |
| | | Total 12.000 | | 119,291 |
| | TOTAL US DEPARTMENT OF DEFENSE | | | 119,291 |
| US DEPARTMENT OF HOMELAND SECURITY | | | | |
| | Pass-through SC Emergency Management Division: | | | |
| 100 | FEMA Disaster Grants - Public Assistance | 97.036 | FEMA | 14,030 |
| | TOTAL US DEPARTMENT OF HOMELAND SECURITY | | | 14,030 |
| | TOTAL FEDERAL ASSISTANCE EXPENDED | | | \$ 9,117,003 |

Note: There were no expenditures to subrecipients for the year ended June 30, 2020.

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

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2020

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, 2020. 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 General Fund, the Special Revenue Fund and the Special Revenue – Food Service Fund.

D – Relationship to Federal Financial Reports

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

E – Indirect Cost Rate

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



Greene Finney, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Marion County School District, South Carolina (the "School District"), as of and for the year ended June 30, 2020, 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 January 26, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in the internal controls, described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be a material weakness.

Compliance and Other Matters

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

School District's Response to the Finding

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

Purpose of this Report

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

Greene Finney, LLP

Greene Finney, LLP
Mauldin, South Carolina
January 26, 2021



Greene Finney, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal Program

We have audited Marion County School District, South Carolina's (the "School District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2020. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

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Report on Internal Control Over Compliance

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

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

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

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

Greene Finney, LLP

Greene Finney, LLP
Mauldin, South Carolina
January 26, 2021

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2020

There were no audit findings in the prior year.

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2020

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? | <u> X </u> Yes | <u> </u> No |
| Significant deficiency(s) identified that are not considered to be material weaknesses? | <u> </u> Yes | <u> X </u> None Reported |
| Noncompliance material to financial statements noted? | <u> </u> Yes | <u> X </u> No |

Federal Awards

Internal control over major programs:

| | | |
|---|-----------------------|----------------------------|
| Material weakness(es) identified? | <u> </u> Yes | <u> X </u> No |
| Significant deficiency(s) identified that are not considered to be material weaknesses? | <u> </u> Yes | <u> X </u> 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)? | <u> </u> Yes | <u> X </u> No |
|--|-----------------------|-----------------|

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|---|
| 10.553 and 10.555 | National School Breakfast and Lunch Cluster |

| | |
|--|-----------------------|
| Dollar threshold used to distinguish between type A and type B programs: | <u> \$ 750,000 </u> |
|--|-----------------------|

| | | |
|--|------------------|----------------------|
| Auditee qualified as low-risk auditee? | <u> X </u> Yes | <u> </u> No |
|--|------------------|----------------------|

Section II - Financial Statement Findings

NONE

Section III - Federal Awards Findings and Questioned Costs

NONE

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2020

Section II – Current Year Financial Statement Findings

2020-001: MATERIAL WEAKNESS IN YEAR END CLOSING PROCESS

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

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

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

Recommendation: We recommend that the District hire adequate financial staff as well as develop and implement appropriate internal controls to ensure that all year end closing items are correctly reviewed and completed prior to year end audit work. We recommend that the debt service transactions be completed and reviewed on a quarterly basis.

Response: The District agrees with this finding and will adhere to the corrective action plan on page 106 in this audit report.

Section III – Current Year Federal Award Findings and Questioned Cost

None Noted



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DR. KANDACE BETHEA
Superintendent

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

CORRECTIVE ACTION PLAN

YEAR ENDED JUNE 30, 2020

Section II – Financial Statement Findings

Finding: 2020-001

Contact Person: Gary Lane, Director of Finance, glane@marion.k12.sc.us

Corrective Action: The District realizes that they were deficient in these areas. These areas were exacerbated by the pandemic and by the sudden departure of an important financial staff person and the lack of a full-time Director of Finance. A full-time Director of Finance was hired effective July 1, 2020. The District is in the process of hiring additional finance staff.

The District has taken steps to ensure bank accounts are completed and reviewed timely, as well as the general ledger and trial balance are thoroughly reviewed during the close out of the June 30, 2021 fiscal year end. We will also work toward updating debt service activity during the year.

Proposed Completion

Date: Prior to June 30, 2021

Section III – Federal Award Findings and Questioned Costs

No matters to report.