

AUDITED FINANCIAL STATEMENTS

**BARNWELL SCHOOL DISTRICT #45**  
Barnwell, South Carolina

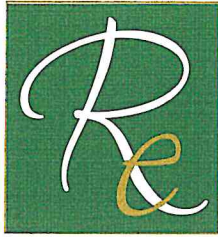
June 30, 2022

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# RISH & ENZASTIGA

Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
Barnwell School District #45  
Barnwell, South Carolina

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, and each major fund of Barnwell School District #45, Barnwell, South Carolina, as of and for the year ended June 30, 2022 and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements, present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Barnwell School District #45, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

#### *Change in Accounting Principle*

Effective July 1, 2021 the District converted its food service activities to a governmental activity and special revenue fund. Our opinion is not modified with respect to this matter.

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis (p 8 -13), budgetary comparison (p. 45), pension liability schedule (p.46 - 47) and net OPEB liabilities (p. 48 - 49) 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 consists of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary Information*

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards (p. 89) as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* along with accompanying supplemental information (p. 51 – 85) is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The supplemental information is presented for purposes of additional

analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements in accordance with auditing standards generally accepted in the United States of America and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

*Other Reporting Required by Government Auditing Standards*

In accordance with Government Auditing Standards, we have issued a report dated September 28, 2022 on our consideration of the District's internal control structure and on its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of testing of internal control over financial reporting and compliance and the result 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 *Governmental Auditing Standards* and should be read in conjunction with the report in considering the results of our audit.

A handwritten signature in blue ink, appearing to read "Rish on Equity".

Lexington, South Carolina  
September 28, 2022

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**BARNWELL SCHOOL DISTRICT #45 OF BARNWELL COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2022**

As management of Barnwell School District 45 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the District's financial statements, additional information furnished in the notes to the financial statements, and the supplementary statements.

**FINANCIAL HIGHLIGHTS**

Major financial highlights for 2022 include:

- **NET POSITION:** Net position as of June 30, 2022 increased from the previous year by \$1,787,622 or 6.1% for governmental activities.
- **FUND BALANCE:** Governmental funds as of June 30, 2022 had combined ending fund balances of \$16,565,493 an increase of \$2,864,772 in comparison with the prior year. Fund balance for the General Fund, the District's general operating fund, increased \$1,030,718. The increase is attributed to an increase in local tax collections along with expenditures being less than budgeted. Debt Service fund balance decreased by \$4,531. The Debt Service fund balance fluctuates due to the timing of when general obligation debt for the District is due. The School Building Fund balance increased \$1,156,838. This change reflects the issuance of GO bonds less any capital expenditures.
- **REVENUES & EXPENDITURES:** Governmental fund expenditures totaled \$30,172,519 for the current year. Expenditures were comprised of \$15,034,974 for instruction, \$13,313,922 for support, \$5,000 for intergovernmental and \$1,238,075 for interest expenses and payment on bonds. Governmental revenues from federal, and local sources totaled \$31,312,420. Governmental net other sources were \$1,724,871. Governmental expenditures for the year were \$2,864,772 less than governmental revenues and transfers, thus the increase in Governmental funds fund balance.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements and the notes to those statements that show information, first, for the School District as a whole. Subsequent statements show more details of specific financial activities. The Statement of Net Position and the Statement of Activities (pages 14 and 15) provide financial information of both a cumulative and a long-term nature. Fund financial statements (beginning on page 16) show the next level of detail. For governmental activities, these statements show how well the School District financed the fund in the short-term and how much remains for future activities. The proprietary fund statements show the activity in the School District's School Food Service Fund. The remaining statement presents financial information about activities for which the School District acts as an agent for the benefit of the students and employees.



## **Reporting the School District as a Whole**

### ***Statement of Net Position and the Statement of Activities***

While the School District's financial statements contain a large number of funds used to account for programs and activities provided to our students, the Statement of Net Position and the Statement of Activities help provide the answer to the question, "How well did we do financially in the 2021 – 2022 school year?" These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting basis used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is paid or received.

These two statements report the School District's Net Position, the difference between assets and liabilities, and the changes in them. Over time, increases or decreases in Net Position, reported in the Statement of Activities, are one indicator of whether the School District's financial health is improving or deteriorating. Causes of these changes can be nonfinancial as well as financial. Some of the nonfinancial factors include the School District's property tax base, variances of estimates in State growth, facility conditions, required educational programs and the quality of those programs, and other factors. These factors must be considered when assessing the overall health of the School District.

## **Reporting the School District's Most Significant Funds**

### ***Fund Financial Statements***

The School District's fund financial statements provide detailed information about the most significant funds – not the School District as a whole. Some funds are established as required by State law and by bond covenants. However, the School District establishes many other funds to help it manage and direct money for particular purposes (such as school food service) or to show that it is meeting legal requirements for using grants, certain taxes, and other money. The School District's governmental funds use the following approaches:

- **Governmental Funds** – All of the School District's services are reported in governmental funds. Governmental fund reporting focuses on how money flows into and out of those funds and the balances left at year-end that are available for spending. The funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted into cash. The governmental fund statements provide a detailed short-term view of the School District's operations and the services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements (pages 16 and 18).

## THE SCHOOL DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the School District as a whole and can be an indicator of a government's financial health if compared over a period of time. The following table provides a summary of the School District's Net Position as of fiscal year end 2022 compared to 2021.

### NET POSITION

2021 – (\$29,118,234)

2022 – (\$27,330,612)

Overall, the School District's Net Position increased by \$1,787,622 or 6.1%.

The results of this year's operations for the School District as a whole are reported in the Statement of Activities. The following table takes information from that statement.

### REVENUES

#### Program revenues:

Charges for services	\$ 251,302
Operating grants	21,180,022
Capital grants	--

#### General revenues:

Property taxes	6,323,605
Investment income	15,683
State aid	3,120,748
Insurance proceeds	248,371
Miscellaneous	<u>357,541</u>

Total Revenues 31,497,272

### EXPENSES

Instruction	15,243,586
Support services	14,417,933
Community services	--
Intergovernmental	5,000
Debt service	<u>43,131</u>

Total Expenses 29,709,650

Increase in net position \$ 1,787,622

### ***Governmental Activities***

In South Carolina, basic public education is funded by estimating the cost to educate a student based on the defined program times a weighting. The weighting is based on the grade classification of the student, the poverty index of the district, and any special handicapping condition the student may have. During the 2021 – 2022 school year, the base student cost was \$2,489 per weighted pupil. The base student cost per weighted pupil was the same as the 20-21 school year.

The Statement of Activities shows the cost of program services and the revenues offsetting those services. The following table shows, for governmental activities, the total cost and net cost of services. In other words, it shows the amount supported by tax revenue and unrestricted funds.

#### GOVERNMENTAL ACTIVITIES

June 30, 2022

	Total Cost of Services	Prog Revenues	Net Cost of Services
Instruction	15,243,586	11,053,113	(4,190,473)
Support services	14,417,933	10,378,211	(4,039,722)
Other services	<u>48,131</u>	<u></u>	<u>(48,131)</u>
Total	<u>29,709,650</u>	<u>21,431,324</u>	<u>(8,278,326)</u>

### **THE SCHOOL DISTRICT'S FUNDS**

- Information about the School District's major funds begins on page 16. These funds use the modified accrual basis of accounting. As mentioned earlier, our governmental funds reported an increase of \$2,864,772 in combined fund balance.
- The general fund is the primary operating fund of the School District. During the 2021 – 2022 school year, the general fund balance increased by \$1,030,718. The increase is attributed to an increase in local tax collections along with expenditures being less than budgeted.
- School Building fund balance increased \$1,156,838 during 2021 – 2022. Building projects and their schedules are the primary drivers of revenue and expenditures; therefore, fund balance on the final day of the fiscal year may vary greatly from year to year due to a number of factors. Among those factors are the issuance of bonds, the number of capital projects ongoing, their size, and the percentage completion of each project.
- The debt service fund balance decreased by \$4,531. Revenues of property tax collections from the levy of debt service millage and reimbursement from the State for the year were not more than bond principal and interest payments by this amount.
- The food service fund increased \$630,542 due to higher USDA reimbursements.

### ***General Fund Budgeting Highlights***

The School District's budget is prepared according to South Carolina law and special legislation unique to the Barnwell School District #45. Revenues came in over budget \$865,568 due to higher local, state and federal revenue sources. Expenditures came in under budget \$420,727 due to energy savings, conservative spending, and open positions.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### **Capital Assets**

As of June 30, 2022, the School District had \$9,486,450 invested in a broad range of capital assets, including land, buildings, furniture, equipment, and vehicles. This represents a net decrease of \$293,246 than the previous year

2021 – \$ 9,779,696

2022 - \$ 9,486,450

More detailed information on the School District's capital assets is available in Note F (Capital Assets) to the financial statements.

#### ***Debt***

As of June 30, 2022, the School District's long-term debt consisted of:

Bond Issue	\$	2,921,000
Compensated Absences Payable		<u>499,568</u>
Total	\$	<u>3,420,568</u>

More information on these obligations is available in Note H (Long-Term Debt) of the financial statements.

#### ***Net Pension Liability***

The District has recorded a liability of \$25,447,506 due to the District's participation in the SC retirement system (PEBA). The District pays the required contributions annually.

#### ***Net OPEB Liability***

The District has a liability of \$30,067,008 for OPEB – retiree health insurance. The District pays a surcharge of 6.25% of payroll to cover this outlay.

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

Our elected and appointed officials considered many factors when setting the School District's budget and tax rates for 2022 – 2023. The most important factor affecting the budget each year is the amount of state funding the School District anticipates receiving.

The State increased the minimum teacher salary schedule for the 2022-2023 school year. To provide consistency within our teacher salary scale, 4% was added to each cell of the state's salary schedule. This ensured at least a \$2000 increase for every certified employee. This is the funding provided for the annual teacher step increase that is normally earned through longevity. In addition to state funding received for teacher salaries, the District adds a local supplement in order to provide a more competitive salary. Eligible non-teaching staff also received the lump sum step increase for the fiscal year 2022-2023 in June 2022.

The original General Fund revenue and expenditure budget for the 2022-2023 year increased by 1.23% over prior year amounts. The operating millage for the School District for 2022-2023 increased from 197 to 199 mils.

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

This financial report is designed to provide our citizens, taxpayers, and investors and creditors 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 Crissie Stapleton, Superintendent, at Barnwell County School District #45, 770 Hagood Avenue, Barnwell, SC 29812, or e-mail at [cstapleton@bsd45.net](mailto:cstapleton@bsd45.net).

## BASIC FINANCIAL STATEMENTS

## BARNWELL SCHOOL DISTRICT #45

## STATEMENT OF NET POSITION

June 30, 2022

	<b>PRIMARY GOVERNMENT</b>	
	<u>Governmental Activities</u>	<u>Total</u>
<b>ASSETS AND OTHER DEBITS</b>		
Current Assets		
Cash and cash equivalents - Note B	\$ 8,104,360	\$ 8,104,360
Due from county treasurer	8,899,344	8,899,344
Inventory	24,015	24,015
Prepaid items	17,614	17,614
Receivables		
Property taxes - Note C	714,938	714,938
Due from other governments and agencies	<u>2,914,917</u>	<u>2,914,917</u>
Total Current Assets	<u>20,675,188</u>	<u>20,675,188</u>
Capital Assets - Note F		
Non-depreciable capital assets	353,235	353,235
Depreciable capital assets	<u>9,133,215</u>	<u>9,133,215</u>
DEFERRED OUTFLOW - OPEB	7,842,098	7,842,098
DEFERRED OUTFLOW - pension	<u>6,217,902</u>	<u>6,217,902</u>
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 44,221,638</u>	<u>\$ 44,221,638</u>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	\$ 521,658	\$ 521,658
Accrued expenses	2,389,058	2,389,058
Accrued interest	13,596	13,596
Bonds payable, current portion - Note H	<u>1,197,000</u>	<u>1,197,000</u>
Total Current Liabilities	<u>4,121,312</u>	<u>4,121,312</u>
Bonds payable, less current portion - Note H	1,724,000	1,724,000
Net OPEB liability	30,068,790	30,068,790
Net pension liability	25,495,109	25,495,109
Accrued annual leave - Note H	<u>499,568</u>	<u>499,568</u>
TOTAL LIABILITIES	<u>61,908,779</u>	<u>61,908,779</u>
DEFERRED INFLOWS - grant income	<u>487,423</u>	<u>487,423</u>
DEFERRED INFLOWS - OPEB	<u>2,781,109</u>	<u>2,781,109</u>
DEFERRED INFLOWS - pension	<u>6,374,939</u>	<u>6,374,939</u>
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	6,565,450	6,565,450
Restricted for:		
debt service	895,141	895,141
capital projects	6,146,295	6,146,295
special projects	509,116	509,116
Unrestricted/(deficit)	<u>(41,446,614)</u>	<u>(41,446,614)</u>
TOTAL NET POSITION	<u>(27,330,612)</u>	<u>(27,330,612)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 44,221,638</u>	<u>\$ 44,221,638</u>

COMMITMENTS AND CONTINGENCIES - NOTE I

BARNWELL SCHOOL DISTRICT #45  
STATEMENT OF ACTIVITIES  
Year Ended June 30, 2022

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net Revenue &amp; Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Capital Grants</u>	<u>Governmental Activities</u>	<u>Total</u>
Governmental Activities:						
Instruction	\$ 15,243,586	\$ 251,302	\$ 10,801,811	\$ -	\$ (4,190,473)	\$ (4,190,473)
Support services	14,417,933	-	10,378,211	-	(4,039,722)	(4,039,722)
Community services	-	-	-	-	-	-
Intergovernmental	5,000	-	-	-	(5,000)	(5,000)
Debt service						
Interest and fees	43,131	-	-	-	(43,131)	(43,131)
Total Governmental Activities	<u>29,709,650</u>	<u>251,302</u>	<u>21,180,022</u>	<u>-</u>	<u>(8,278,326)</u>	<u>(8,278,326)</u>
Total Primary Government	<u>\$ 29,709,650</u>	<u>\$ 251,302</u>	<u>\$ 21,180,022</u>	<u>\$ -</u>	<u>(8,278,326)</u>	<u>(8,278,326)</u>
			General Revenues			
			Property Taxes Levied For:			
			General Purposes	5,173,806	5,173,806	
			Debt Service	1,149,799	1,149,799	
			State Revenue in Lieu of Taxes	3,120,748	3,120,748	
			Unrestricted Investment Earnings	15,683	15,683	
			Miscellaneous	357,541	357,541	
			Insurance proceeds	248,371	248,371	
			Transfers	-	-	
			Total General Revenues and Transfers	<u>10,065,948</u>	<u>10,065,948</u>	
			Change in Net Position	1,787,622	1,787,622	
			Net Position, Beginning of Year	<u>(29,118,234)</u>	<u>(29,118,234)</u>	
			NET POSITION, END OF YEAR	<u>\$ (27,330,612)</u>	<u>\$ (27,330,612)</u>	

The accompanying notes are an integral part of this statement.



BARNWELL SCHOOL DISTRICT #45  
 COMBINED BALANCE SHEET - - ALL GOVERNMENTAL FUNDS  
 June 30, 2022

	Governmental Fund Types							Totals (Memorandum Only)
	General	Special Revenue	Education Improvement Act	Pupil Activity	Food Service	Debt Service	School Building	
<b>ASSETS</b>								
Cash and cash equivalents - Note B	\$ 6,046,178	\$ -	\$ -	\$ 1,882,881	\$ 175,301	\$ -	\$ -	\$ 8,104,360
Due from county treasurer	1,930,369	-	-	-	-	889,271	6,079,704	8,899,344
Prepaid items	17,614	-	-	-	-	-	-	17,614
Inventory	-	-	-	-	24,015	-	-	24,015
Receivables	-	-	-	-	-	-	-	-
Property taxes - Note C	22,775	-	-	-	-	5,870	-	28,645
Due from general fund - Note D	-	-	147,665	-	1,548,583	-	67,127	1,763,375
Due from student activities - Note D	1,556,888	-	-	-	-	-	-	1,556,888
Due from special revenue - Note D	1,848,621	-	-	-	-	-	-	1,848,621
Due from other governments and agencies	160,723	2,607,003	90,492	-	56,699	-	-	2,914,917
<b>TOTAL ASSETS</b>	<b>\$ 11,583,168</b>	<b>\$ 2,607,003</b>	<b>\$ 238,157</b>	<b>\$ 1,882,881</b>	<b>\$ 1,804,598</b>	<b>\$ 895,141</b>	<b>\$ 6,146,831</b>	<b>\$ 25,157,779</b>
<b>LIABILITIES</b>								
Accounts payable	\$ 521,658	\$ -	\$ -	\$ -	\$ 25,263	\$ -	\$ -	\$ 546,921
Accrued expenses	2,388,522	-	-	-	-	-	536	2,389,058
Due to education improvement act	147,665	-	-	-	-	-	-	147,665
Due to food service - Note D	1,548,583	-	-	-	-	-	-	1,548,583
Due from capital projects - Note D	67,127	-	-	-	-	-	-	67,127
Due to general fund - Note D	-	1,848,621	-	1,556,888	-	-	-	3,405,509
<b>TOTAL LIABILITIES</b>	<b>4,673,555</b>	<b>1,848,621</b>	<b>-</b>	<b>1,556,888</b>	<b>25,263</b>	<b>-</b>	<b>536</b>	<b>8,104,863</b>
DEFERRED INFLOWS - Deferred grant income	-	249,266	238,157	-	-	-	-	487,423
<b>FUND EQUITY</b>								
Fund Balance/(Deficit)								
Nonspendable - prepaid items	17,614	-	-	-	-	-	-	17,614
Assigned for debt service - Note L	-	-	-	-	-	895,141	-	895,141
Assigned for capital projects - Note L	-	-	-	-	-	-	6,146,295	6,146,295
Assigned for special revenue	-	509,116	-	325,993	1,779,335	-	-	2,614,444
Unassigned	6,891,999	-	-	-	-	-	-	6,891,999
<b>TOTAL FUND EQUITY/(DEFICIT)</b>	<b>6,909,613</b>	<b>509,116</b>	<b>-</b>	<b>325,993</b>	<b>1,779,335</b>	<b>895,141</b>	<b>6,146,295</b>	<b>16,565,493</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY</b>	<b>\$ 11,583,168</b>	<b>\$ 2,607,003</b>	<b>\$ 238,157</b>	<b>\$ 1,882,881</b>	<b>\$ 1,804,598</b>	<b>\$ 895,141</b>	<b>\$ 6,146,831</b>	<b>\$ 25,157,779</b>

COMMITMENTS AND CONTINGENCIES - NOTE I

Reconciliation of governmental fund balances to statement of net assets:

Total Fund Balance - Governmental Funds	\$ 16,565,493
Capital assets, net of accumulated depreciation	9,486,450
Bonds payable	(2,921,000)
Net OPEB adjustment	(25,007,801)
Net pension adjustment	(25,652,146)
Compensated absences	(499,568)
Accrued interest	(13,596)
Recognition of deferred taxes	711,556
<b>Total Net Position - Governmental Activities</b>	<b>\$ (27,330,612)</b>

BARNWELL SCHOOL DISTRICT #45

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES

ALL GOVERNMENTAL FUND TYPES

Year Ended June 30, 2022

	General	Special Revenue	Education Improvement Act	Pupil Activity Fund	Food Service	Debt Service	School Building	Totals (Memorandum Only)
Revenue								
Local	\$ 4,904,431	\$ 523,528	\$ -	\$ 339,267	\$ 64,409	\$ 1,167,500	\$ 12,515	\$ 7,011,650
Intergovernmental	-	70,660	-	-	-	-	-	70,660
State	13,049,319	742,374	1,824,981	-	-	66,044	-	15,682,718
Federal	1,274,147	5,117,289	-	-	2,155,956	-	-	8,547,392
	<u>19,227,897</u>	<u>6,453,851</u>	<u>1,824,981</u>	<u>339,267</u>	<u>2,220,365</u>	<u>1,233,544</u>	<u>12,515</u>	<u>31,312,420</u>
Expenditures								
Instruction	10,589,926	3,560,256	884,792	-	-	-	-	15,034,974
Support services	8,394,197	2,620,173	328,573	381,156	1,589,823	-	-	13,313,922
Community services	-	-	-	-	-	-	-	-
Intergovernmental	5,000	-	-	-	-	-	-	5,000
Debt service								
Principal	-	-	-	-	-	1,197,000	-	1,197,000
Interest and fees	-	-	-	-	-	41,075	-	41,075
Facilities acquisition and construction	-	-	-	-	-	-	580,548	580,548
	<u>18,989,123</u>	<u>6,180,429</u>	<u>1,213,365</u>	<u>381,156</u>	<u>1,589,823</u>	<u>1,238,075</u>	<u>580,548</u>	<u>30,172,519</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	238,774	273,422	611,616	(41,889)	630,542	(4,531)	(568,033)	1,139,901
Other financing sources (uses)								
GO Bond and lease purchase proceeds	-	-	-	-	-	-	1,476,500	1,476,500
Insurance proceeds	-	-	-	-	-	-	248,371	248,371
Operating transfers in	791,944	-	-	-	-	-	-	791,944
Operating transfers out	-	(180,328)	(611,616)	-	-	-	-	(791,944)
	<u>791,944</u>	<u>(180,328)</u>	<u>(611,616)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,724,871</u>	<u>1,724,871</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER /(UNDER) EXPENDITURES AND OTHER USES	1,030,718	93,094	-	(41,889)	630,542	(4,531)	1,156,838	2,864,772
Fund balance, July 1, 2021	<u>5,878,895</u>	<u>416,022</u>	<u>-</u>	<u>367,882</u>	<u>1,148,793</u>	<u>899,672</u>	<u>4,989,457</u>	<u>13,700,721</u>
FUND BALANCE, JUNE 30, 2022	<u>\$ 6,909,613</u>	<u>\$ 509,116</u>	<u>\$ -</u>	<u>\$ 325,993</u>	<u>\$ 1,779,335</u>	<u>\$ 895,141</u>	<u>\$ 6,146,295</u>	<u>\$ 16,565,493</u>

BARNWELL SCHOOL DISTRICT #45  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2022

Net change in fund balances - total governmental funds	\$	2,864,772
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over the estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceed depreciation in the period.</p>		
Capital outlays	381,538	
Depreciation expense	<u>(674,784)</u>	(293,246)
<p>Repayment/(Issuance) of bond principal is a revenue/expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities</p>		
	(1,500,000)	
	<u>1,197,000</u>	(303,000)
<p>Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, interest expense is recognized as it accrues, regardless of the due date.</p>		
Interest on bonds decreased by:		(2,056)
<p>In the statement of activities, compensated absences are measured by the amounts expended during the year. In governmental funds, expenditures for this item are measured by the amount of financial resources used.</p>		
		6,543
<p>In the statement of activities, pension plan liabilities are measured by the accrued liability recorded during the year. In governmental funds, expenditures for this item are measured by the amount of financial resources used.</p>		
		984,698
<p>In the statement of activities, OPEB liabilities are measured by the accrued liability recorded during the year. In governmental funds, expenditures for this item are measured by the amount of financial resources used.</p>		
		(1,406,570)
<p>Some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds, and are instead recorded as deferred tax revenues. In the statement of activities, property taxes are recorded as revenue in the year levied.</p>		
		<u>(63,519)</u>
Change in net position - governmental activities	\$	<u>1,787,622</u>

BARNWELL SCHOOL DISTRICT #45

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Barnwell School District #45 (the District) operates under the direction of an elected Board of Trustees, with a superintendent serving as the chief administrative officer, and provides education services to approximately 2,500 students, kindergarten through high school, plus preschool students. The accounting policies of the District conform to generally accepted accounting principles as applicable to school districts. The following is a summary of the more significant policies of the District.

Reporting Entity

The reporting entity is the District, including all of its fund types. The District is an autonomous government whose elected board controls its operations and fiscal accountability. Because the County does not exercise significant oversight responsibility, it is not required to fund any District deficits, nor is it entitled to any excesses. The District is a separate reporting entity from the County and is not a component unit. In addition, there are no other entities that need to be included in the District's financial statements.

Government-wide and Governmental Fund Financial Statements

**Government-wide Funds**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized as revenue when the County has assessed and levied the appropriate amounts due. Government-wide financial statements are prepared using a different measurement focus than governmental fund financial statements. A reconciliation of the two financial statements has been shown to identify the relationship between the government-wide statements and the governmental fund financial statements. Fiduciary funds or changes in fiduciary assets are not included in the government-wide statements. The effects of interfund transfers and receivables have been eliminated from these statements.

**Governmental Funds**

Governmental fund financial statements are reported using the current financial resources measurements 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 to pay current liabilities. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, compensated absences and certain claims or judgements, are recorded when the payment(s) become due. Only the portion of uncollected taxes at June 30, 2022, that are collected within sixty days after June 30 is considered to be available to liquidate current liabilities under the modified accrual basis of accounting. The accounts of the District are organized and operated on the basis of funds.

BARNWELL SCHOOL DISTRICT #45

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Governmental Funds (Continued)**

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. The accounts of the District are organized on the basis of funds and an account group, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses. Government resources are allocated to and accounted for in individual funds, based upon the purposes for which they are to be spent, and are the means by which spending activities are controlled. The various funds are grouped, in the combined financial statements, into the following fund types and account groups.

General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. All property taxes, intergovernmental revenue, charges for services, education finance act revenue, and miscellaneous revenue are recorded in this fund except amounts which are specifically collected to service debt or for which the District collects funds in a fiduciary capacity. Operational expenditures for general instruction, support services, general administration and other departments of the District are paid through the General Fund.

Special Revenue Fund, Education Improvement Act, Pupil Activity Fund & Food Service— major funds

Special Revenue Funds, Education Improvement Act Funds, Pupil Activity Funds & Food Service are used to account for specific proceeds received on projects approved by various authorizing agencies. They are not budgeted in General Fund operations. The project monies are pursuant to federal and state statutes; thus, the allowable expenditures are specified in the enabling legislation and related regulations, and may not be used to supplant District expenditures which would otherwise have been made.

Debt Service Fund – major fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. Interest and principal on long-term debt are generally not recorded as they accrue, but when they become due and payable. However, when monies have been transferred to the Debt Service Fund during the fiscal year in anticipation of making debt service payments shortly after the end of the period, the District accrues interest and maturing debt in the Debt Service Fund in the year the transfer is made. This is preferred treatment under generally accepted accounting principles.

BARNWELL SCHOOL DISTRICT #45

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Projects Fund – School Building Fund – major fund

The Capital Projects Fund is used to account for financial resources specifically allocated for the District's approved state building projects, construction or purchase of new facilities and major repairs or renovations to District facilities other than those financed by Proprietary or Fiduciary Funds.

Encumbrances

Executory contracts, including purchase orders that are outstanding, represent commitments of the District and are reported as a reservation of the respective fund balance of the Governmental Fund and an appropriation of retained earnings of the Proprietary Fund. They do not constitute an expenditure (expense) or liability until such time the goods are received or the service rendered, but are an extension of formal budgetary integration in the Governmental Funds and a commitment of the Proprietary Fund. Outstanding purchase orders lapse after twelve months.

Budgets and Budgetary Accounting

The District follows the following procedures in establishing the budgetary data reflected in the financial statements:

- Prior to May 1, the superintendent submits to the Board of Education a proposed general operating budget for the General Fund for the subsequent fiscal year. The general operating budget includes proposed revenue and expenditures.
- Taxpayers are given the opportunity to comment on the proposed budget in regular open board meetings.
- The budget is legally adopted prior to June 30.
- Any budget revisions are approved by the Board of Education.
- Budgets for certain Special Revenue Funds are adopted through submission and subsequent approval of a project application to the appropriate authorizing agency.
- Budgets are not prepared for the State Education Improvement Act Special Revenue Fund
- Formal budgetary integration is employed as a management control device during the year for the General Fund and certain Special Revenue Funds. Formal budgetary integration is not employed for the Debt Service Fund because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.
- A budget is not prepared for the Building Fund.
- Budgetary appropriations for the General Fund lapse at year-end.

BARNWELL SCHOOL DISTRICT #45

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For financial statement purposes, the District considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash.

Inventories

Inventories recorded in the Proprietary Fund are stated at the lower of cost or market, except for commodities received from the United States Department of Agriculture (USDA) which are stated at values assigned by the USDA. Inventories are accounted for using the consumption method; they are treated as expenditures when used.

Prepaid Items

Payments made for expenditures that will benefit periods beyond June 30, 2022 are recorded as prepaid items.

Capital Assets

General capital assets are those not specifically related to activities reported in the proprietary funds. These assets generally 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 shown in the governmental fund balance sheet. Capital assets used by the proprietary funds are shown in the business-type activities column of the government-wide statement of net position and in the proprietary fund financial statements.

All capital assets are capitalized at historical cost or estimated historical cost. Donated fixed assets are recorded at their fair market value on the date received. The District capitalizes items with a cost greater than \$5,000. Repairs are treated as an expenditure or expense in the year incurred. The District has not recorded any infrastructure assets as of June 30, 2022. Interest incurred during the construction of capital assets is capitalized over the assets useful life.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	20 years
Buildings and improvements	15 – 40 years
Equipment	5 – 12 years
Vehicles	10 years

BARNWELL SCHOOL DISTRICT #45

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Compensation Agreement

The District offers its employees a voluntary deferred compensation plan structured and operated in accordance with provisions of Internal Revenue Code Section 401(k). The plan is administered by an agency of the State of South Carolina and the District makes no contributions on behalf of the participants. The District's liability is limited to remitting amounts withheld from employees' wages to the plan administrator.

Scholarship Funds – fair market value

The District is custodian for two scholarship funds. The investments are shown at fair market value based on the last price on the exchange where the security is traded (Level 1). Investments consist of equities and fixed income securities that are traded on a public exchanges. The District itself does not invest for the funds and relies on the donor's investment advisors. The District reports the value in the pupil activity funds and disperses the scholarship monies to the recipients each year.

Deferred Outflows

Deferred outflows – grant income in the General Fund, Special Revenue Fund, and Education Improvement Act fund, represent money received in advance for a project in which the expenditures are anticipated to be made in a subsequent year.

Pension Liability, Deferred Inflows & Deferred Outflows

The District implemented GASB 68 to account for Pension Liabilities through the SCRS and PORS. The standards require the recording of a pension liability for future estimated retirement costs, deferred inflows for investment experience and deferred outflows for liability experience.

Compensated Absences

Annual (vacation) leave is earned by employees up to a maximum of forty-five days.

Fund Balance

Restricted, Committed and Assigned fund balances represent tentative plans for future use of financial resources. Restricted fund balance is when constraints are externally imposed by creditors, grantors, laws or enabling legislation and placed on resources. Committed fund balance are amounts that can only be used for specific purposes imposed by formal action of the government's highest level of decision-making authority (School Board). Assigned fund balance are amounts constrained by the government's intent to be used for a specific purpose. Non-spendable fund balance includes prepaid items related to dues and subscriptions for future periods.

When both restricted, committed, assigned and unassigned resources are available for use, it is the government's policy to use restricted, committed or assigned resources first, then unassigned resources as needed. The District has a requirement of the maintenance of one month's operating expenses in the general fund balance from one fiscal year to the next



BARNWELL SCHOOL DISTRICT #45

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Total Columns on Combined Statements

Total columns on the combined statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. The data contained therein is not complete, and does not represent financial statements presented in conformity with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data. The balance sheet amounts for the prior year have been restated for comparability with the current year.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue

Program revenues are funds that directly affect the specific expense categories on the statement of activities. Program revenues are categorized into charges for services, operating grants and capital grants. Charges for services are revenues users pay for services in the District. Operating grants are grants that are used to operate specific programs within the District. Capital grants are funds used to purchase equipment and other capital assets.

The District distinguishes between operating and non-operating revenues in the business-type activities. Operating revenues are categorized as funds derived from the sale of goods and services. Non-operating revenue includes transfers from other funds and operating grants that have no real economic transaction value.

BARNWELL SCHOOL DISTRICT #45

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE B – CASH AND INVESTMENTS

The School District is authorized by South Carolina state law to invest only in the following cash equivalents:

- a) Obligations of the United States and its agencies;
- b) General obligations of the State of South Carolina and its political units;
- c) Savings and loans associations to the extent that the same are insured by an agency of the Federal Government; or
- d) 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 amounts of the certificates of deposit plus interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the Federal Government.

At year end, the carrying amount of the District's deposits and investments, which are stated at fair value, held by the various funds are as follows:

<u>Fund Types</u>	<u>Deposits</u>	<u>Total</u>
Govt Fund Types	<u>\$ 8,104,360</u>	<u>\$ 8,104,360</u>
Total on Statement of Net Position	<u>\$ 8,104,360</u>	<u>\$ 8,104,360</u>

Custodial Credit Risk is the risk that the District's will not be returned to it. All cash deposits are collateralized by the custodian using U. S. Treasury notes at 110% of the banks carrying value. Credit risk and interest rate risk is limited by the investment policy of the State of South Carolina listed above.

Cash accounts in all funds and account groups, other than the general fund, are restricted for designated purposes within the respective funds and account groups.

BARNWELL SCHOOL DISTRICT #45

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE C - PROPERTY TAXES

A summary of property taxes available as of June 30, 2022 follows:

General Fund	\$	583,945
Debt Service Fund		<u>130,993</u>
Total Governmental Activities	\$	<u>714,938</u>
General Fund	\$	583,945
Debt Service Fund		130,993
Deferred tax revenue – Collections after 60 days		<u>(686,293)</u>
Net taxes receivable – Governmental Funds	\$	<u>28,645</u>

County property taxes are collected for the District by the Barnwell County Treasurer.

Taxes are levied on real and personal properties owned on the preceding December 31 of each fiscal year ended June 30. Liens are attached to the property at the time taxes are levied, which usually occurs in October of each year. These taxes are due without penalty through January 15. 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 through March 31	-	15% of tax plus collection cost

Current year real and personal property taxes become delinquent on April 1. The levy date for motor vehicle taxes is the first day of the month in which the motor vehicle license expires. These taxes are due the last day of the same month.

NOTE D – INTERFUND TRANSACTIONS

Interfund receivable/payable - At June 30, 2022, the following interfund receivables:

<u>Receivable</u>	<u>Payable</u>	
Education improvement	General fund	\$ 147,665
General fund	Food service	1,548,583
General fund	Student activities	1,556,888
General fund	Capital projects	67,127

The general fund advances/holds each fund’s money until receivables are received or deferred revenue is recognized by the respective funding source.

Transfers - Transfers between funds occur due to *indirect* – indirect costs are charged, *grant* requirements, *capital* outlay and *funding* of expenditure items.

Special Revenue to General Fund – <i>indirect</i>	\$	180,328
EIA to General Fund – <i>grant</i>		611,616

BARNWELL SCHOOL DISTRICT #45

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE E - INVENTORIES

The District had \$24,015 in food inventory at year-end. It consists of purchased food and supplies.

NOTE F - CAPITAL ASSETS

The following is a summary of changes in capital assets – governmental activities for the year ended June 30, 2022:

	Balance, July 1, <u>2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance, June 30, <u>2022</u>
Land**	\$ 353,235	\$ --	\$ --	\$ 353,235
Buildings and improvements	10,841,598	--	--	10,841,598
Furniture and equipment	1,061,024	170,975	--	1,231,999
Vehicles	549,298	77,958	--	627,256
Improvements	6,295,075	102,820	--	6,397,895
Food service	235,145	29,785	--	264,930
Accumulated depreciation				
Buildings and improvements	(4,418,291)	(398,316)	--	(4,816,607)
Furniture and equipment	(1,061,024)	(24,425)	--	(1,085,449)
Vehicles	(485,434)	(28,335)	--	(513,769)
Improvements	(3,365,340)	(216,791)	--	(3,582,131)
Food service	<u>(225,590)</u>	<u>(6,917)</u>	--	<u>(232,507)</u>
Net Property	<u>\$ 9,779,696</u>	<u>\$ (293,246)</u>	<u>\$ --</u>	<u>\$ 9,486,450</u>

\*\* Land is a non-depreciable asset.

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

Governmental Activities

Instruction	\$ 344,140
Support	<u>330,644</u>
Total	<u>\$ 674,784</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE G – RETIREMENT PLAN

**General Information about the Pension Plans**

The District participates in the South Carolina Retirement System (SCRS), and the South Carolina Police Officers Retirement System (PORS). The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs of the state of South Carolina, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, 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 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 South Carolina Retirement Systems (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 generally accepted accounting principles (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. PEBA issues an Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR is publicly available through the Retirement Benefits' link on PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the annual comprehensive financial report of the state.

**Plan Descriptions**

- 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 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 SCRS to certain newly hired employees of state, 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. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes.
- The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for police officers and firefighters. PORS also covers peace officers, coroners, probate judges, and magistrates.

BARNWELL SCHOOL DISTRICT #45

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE G – RETIREMENT PLAN - continued

**Plan Descriptions - continued**

In addition to the plans described above, PEBA also administers three single employer defined benefit pension plans, which are not covered in this report. They are the Retirement System for Members of the General Assembly of the State of South Carolina (GARS), the Retirement System for Judges and Solicitors of the State of South Carolina (JSRS), and the South Carolina National Guard Supplemental Retirement Plan (SCNG).

**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 SCRS, certain newly hired state, public school, and higher education employees and individuals first elected to the S.C. General Assembly beginning with the November 2012 general election have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member's account with the ORP service provider for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.
- PORS – To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner in a full-time permanent position; or to be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. 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.

**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 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

BARNWELL SCHOOL DISTRICT #45

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE G – RETIREMENT PLAN - continued

**Benefits (continued)**

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.

- PORS – 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 55 or with 25 years of service regardless of age. 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 at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The 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. 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 and PORS 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 and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the 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 and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the Board is prohibited from decreasing the SCRS and PORS 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 board, effective on the following July first, may decrease the then

BARNWELL SCHOOL DISTRICT #45

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE G – RETIREMENT PLAN - continued

**Benefits (continued)**

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 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.

**Contributions**

The District's covered payroll for the fiscal years ended June 30, 2022, 2021, and 2020 were \$14,026,746, \$13,465,681 and \$13,196,096, respectively. Employees are required to contribute 9.00% of their annual earnings. Under Title 9 of the South Carolina Code of Laws, the District's liability under the plan is limited to the amount of contributions (stated as a percentage of covered payroll) established by the State Budget and Control Board. The employer contribution rates were 16.41%, 15.41% and 15.41%. The contribution requirements for the years ended June 30, 2022, 2021, and 2020 were \$2,164,198, \$1,953,659 and \$1,930,344, and \$1,765,374 from the employer contribution rates, and \$1,186,946, \$1,141,008, and \$1,126,902 from the employee contribution rates, respectively, of covered payroll. The District's 2022, 2021, and 2020 contributions represented less than 1% of total contributions required of all participating entities. The District also paid group life contributions of \$21,040, \$20,212 and \$19,831 for the years ended June 30, 2022, 2021, and 2020. Employer contributions are reported as fringe benefit expenditures. In addition to the amounts listed above, \$876,672, \$839,866 and \$820,185 was paid to SCRS for the years ended June 30, 2022, 2021 and 2020, respectively. These amounts were then transferred by the State Retirement System to be used for insurance benefits of state retirees.

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

At June 30, 2022 the District reported the following for its proportionate share of the net pension asset (liability) for each of the Retirement Systems – A/C 80601. The net pension asset (liability) was measured as of June 30, 2021 for SCRS and PORS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by PEBA in reports provided to the District and other participating agencies.

Actuarial valuation date	SCRS	PORS
June 30, 2021	\$ (25,447,506)	\$ (47,603)
District's portion of the Plan's Total net pension (liability)	0.117588 %	0.001850 %

For the year ended June 30, 2022, the District recognized pension expense (credit) of (\$984,698).



BARNWELL SCHOOL DISTRICT #45

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE G – RETIREMENT PLAN – continued

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

At June 30, 2022 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Experience and Assumption changes - SCRS	4,034,896	
Experience and Assumption changes- SCRS		6,293,578
Payments made in 2022 – SCRS	2,164,198	
Experience and Assumption changes – PORS	18,808	
Experience and Assumption changes- PORS		81,361
Payments made in 2022 – PORS	--	

Other amounts reported as deferred outflows and deferred inflows related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	SCRS	PORS
2023	\$ (187,419)	\$ (18,742)
2024	(215,492)	(21,367)
2025	(1,383,214)	(6,488)

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, 2021 for first use in the July 1, 2021 actuarial valuation.

BARNWELL SCHOOL DISTRICT #45

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE G – RETIREMENT PLAN – continued

Pension Plan Fiduciary Net Position

	SCRS	PORS
Actuarial valuation date	June 30, 2021	June 30, 2021
Total pension asset/(liability)	\$ (55,131,579,363)	\$ (8,684,586,488)
Plan fiduciary net position	\$ 33,490,305,970	\$ 6,111,672,064
Employers Net Pension Liab	\$ (21,641,273,393)	\$ (2,572,914,424)
Ratio of plan net position to total pension (liability)	60.7 %	70.4 %

**Long Term Expected Rate of Return**

The long term expected rate of return on pension plan investments for actuarial purposes is based on the 30 year capital market outlook. For actuarial purposes, the 7.25% assumed annual investment rate of return used in the calculation of total pension liability includes a 5.00% real rate of return and 2.25% inflation component

Asset Class	Target Asset Allocation	Expected Real Rate of Return	Long Term Expected Rate of Return
Global Equity	51.0%	8.0%	3.8%
Real Assets	12.0%	5.7%	0.7%
Opportunistic	8.0%	3.6%	0.3%
Diversified			
Credit	15.0%	4.2%	0.7%
Conservative			
Fixed Income	<u>14.0%</u>	<u>1.5%</u>	<u>0.3%</u>
Total Expected Return			5.80%
Inflation for Actuarial Purposes			<u>2.25%</u>
Total Expected Nominal Return			<u>8.05%</u>

BARNWELL SCHOOL DISTRICT #45

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE G – RETIREMENT PLAN – continued

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The following table presents the sensitivity of the net pension liability to changes in the discount rate.

	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
SCRS/PORS \$	33,402,130	\$ 25,495,109	\$ 18,922,997

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued CAFR containing financial statements and required supplementary information for SCRS and PORS. The CAFR of the Pension Trust Funds is publicly available on PEBA's Retirement Benefits' website at [www.retirement.sc.gov](http://www.retirement.sc.gov), or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960.

BARNWELL SCHOOL DISTRICT #45

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE H - GENERAL LONG-TERM DEBT

Long-term debt of The District at June 30, 2022, is as follows:

	General Obligation Bonds	Compensated Absences	Total
Balances, July 1, 2021	\$ 2,618,000	\$ 506,111	\$ 3,124,111
Additions	1,500,000	--	1,500,000
Deletions	<u>(1,197,000)</u>	<u>(6,543)</u>	<u>(1,203,543)</u>
Balances, June 30, 2022	<u>\$ 2,921,000</u>	<u>\$ 499,568</u>	<u>\$ 3,420,568</u>

General Obligation Bonds at June 30, 2022 is comprised of the following:

\$1,020,000 Series 2019 GO Bonds due in annual principal installments \$212,000 – 367,000 through March 1, 2023, interest rate 2.41%. Current amount \$218,000	<u>\$ 223,000</u>
\$1,020,000 Series 2020 GO Bonds due in annual principal installments \$227,000 – \$407,000 through March 1, 2024, interest rate 1.61%. Current amount \$227,000	<u>\$ 466,000</u>
\$1,232,000 Series 2021 GO Bonds due in annual principal installments \$242,000 – \$500,000 through March 1, 2025, interest rate 1.28%. Current amount \$500,000	<u>\$ 732,000</u>
\$1,500,000 Series 2022 GO Bonds due in annual principal installments \$761,000 – \$237,000 through March 1, 2026, interest rate 1.28%. Current amount \$	<u>\$ 1,500,000</u>

Presented below is a summarization as of June 30, 2022, of the debt service requirements for General Obligation Bonds outstanding:

Year End June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,459,000	\$ 54,385	\$ 1,513,385
2024	737,000	30,213	767,213
2025	488,000	16,008	504,008
2026	<u>237,000</u>	<u>6,399</u>	<u>243,399</u>
	<u>\$ 2,921,000</u>	<u>\$ 107,005</u>	<u>\$ 3,028,005</u>

BARNWELL SCHOOL DISTRICT #45

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE H – GENERAL LONG-TERM DEBT (Continued)

For the period ending June 30, 2022, the District incurred interest cost in the amount of \$64,934. The debt service fund is used for the accumulation of resources and payment of principal and interest.

The amount of general obligation bonds that can be incurred by the District is limited by State statute (Section 15 of Article X of the Constitution of the State of South Carolina). This statute provides that general obligation bond indebtedness issued after November 30, 1992 may not exceed 8% of the assessed value of taxable property in the District without having a public election referendum. The District's debt limit at June 30, 2022 was \$3,647,505 based on the assessed value of all the taxable property of \$35,253,500 plus the amount in the debt service fund balance. The District had debt of \$2,921,000 applied to the debt limit.

Various other local governmental entities located within the County have issued bonds for other purposes. The full faith and taxing power of each local government is pledged to secure this outstanding, overlapping debt. The County collects taxes levied for the District on the property to repay indebtedness as it matures, generally on a serial basis. This overlapping indebtedness owed by other local governments is not reflected in the District's financial statements.

Compensated Absences

Due to the nature of the obligation for compensated absences, annual requirements to amortize such obligations are not determinable and have not been presented.

BARNWELL SCHOOL DISTRICT #45

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE I - COMMITMENTS AND CONTINGENCIES

Grants Liability

The District participates in various federal and state programs that are fully or partially funded by grants. Expenditures financed by these grants are subject to various financial and compliance audits. Additionally, the District receives funding from the State under the South Carolina Education Finance Act of 1977 which is based on a computation of the estimated cost to provide minimum education programs and student classification coupled with certain required local support. If restricted expenditures are disallowed due to noncompliance with respective grant program regulations, the District may be required to reimburse the grantor. The District believes that disallowed expenditures, if any, will not have a material effect on any of the individual funds.

Unemployment Insurance Claims Liability

The District has elected to pay unemployment claims as filed rather than establish a reserve with the South Carolina Employment Security Commission. No liability, other than that known at end of year has been accrued in the financial statement for future claims to be filed by previous employees, since there is not a practicable method to estimate that liability. The District believes that future claims, if any, will not have a material effect on any of the individual funds or the overall financial position of the District.

Cash - Credit and Concentration Risk Liability

The District invests funds per state law. The District has demand and time deposits in various financial institutions that exceed the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation insured amounts of \$250,000 per financial institution. For all of the financial institutions, the risk has been reduced by requiring, through agreement, each institution to pledge collateral from their investment portfolio as security for the excess deposits. See Note B.

Workers Compensation Insurance

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Because of the high cost of worker's compensation insurance purchased from commercial insurers, the District has chosen to participate with other school districts in the state in the South Carolina School Boards Insurance Trust/Worker's Compensation Trust Fund (SCBIT/WCTF), a public entity risk pool currently operating as a common risk management and insurance program for member school districts. The District pays premiums to SCBIT/WCTF for its worker's compensation insurance coverage based upon the total payroll of the District. The Agreement for Formation of the SCBIT/WCTF provides that SCBIT/WCTF will be self-sustaining through member premiums and any deficiencies can be charged back to the member districts in the event that a fund deficit arises.

Subsequent Events

Management has evaluated the effects of subsequent events through the date of the auditor's report.

BARNWELL SCHOOL DISTRICT #45

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE J - DEFERRED OUTFLOW – GRANT INCOME

Deferred grant income, recognized when used for current operations, consists of the following:

	Special Revenue <u>Fund</u>	EIA <u>Fund</u>	<u>Total</u>
Grants received in advance of expenditures	\$ 249,266	\$ 238,157	\$ 487,423

NOTE K - LEGAL COMPLIANCE

All statements and exhibits are presented in the level of detail as required by the South Carolina State Department of Education. Account numbers are presented on the combining fund statements and supporting schedules as required.

NOTE L –FUND BALANCE & NET DEFICIT

Fund Balance

The following amounts were shown as assigned:

Assigned for debt service	\$ 895,141
Assigned for capital projects	6,146,295
Assigned for special revenue	2,614,444

Assigned for debt service is the amount available in the Debt Service fund to pay future maturities of long term debt. Assigned for capital projects is the amount available to purchase equipment and provide school capital improvements. Assigned for special revenue is for projects and grants where the funding must be spent on a particular program.

Net Assets

The District recorded a liability of \$30,068,790 to recognize pension liabilities under GASB 68, see Note G. and \$25,495,109 for OPEB liability. This caused the governmental activities to have a deficit of \$27,330,612 at year end. The District plans to contribute the required contributions under SCRS and PORS to reduce this deficit.

BARNWELL SCHOOL DISTRICT #45

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE M - RISK MANAGEMENT

The District is exposed to various risks of loss and maintains State or commercial insurance coverage for each of those risks. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. Settled claims have not exceeded this coverage in the past three years. The District pays insurance premiums to certain State agencies and commercial insurers to cover risks that may occur in normal operations. The insurers promise to pay to or on behalf of the insured for covered economic losses sustained during the policy period in accordance with insurance policy and benefit program limits. For property losses, the District's deductible is \$2,500. The District pays premiums to the South Carolina Budget and Control Board which issues policies, accumulates assets to cover the risks of loss, and pay claims incurred for covered losses related to the following assets, activities, and/or events:

1. Theft of, damage to, or destruction of assets;
2. Real property, its contents, and other equipment;
3. Motor vehicles;
4. Torts; and
5. Natural disasters.

State agencies and other municipal entities are the primary participants in the State's Health and Disability Insurance Fund and with the SC Budget and Control Board. The District obtains coverage through the Insurer for employee fidelity bond insurance for all employees for losses arising from theft or misappropriation, up to a maximum of \$100,000. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. The District has not reported an estimated claims loss expenditure, and related liability at June 30, 2022, based on the requirements of GASB Statement No. 10, which states that a liability for claims must be reported if information prior to the issuance of the financial statements indicates that it is probable that an asset has been impaired or a liability has been incurred on or before June 30, 2022, and the loss is reasonably estimable. As of the financial statement date, there was no evidence of asset impairment or other information to indicate that a claims loss expenditure and liability should be recorded.

NOTE N – SCHOLARSHIP FUNDS

The District is custodian for two scholarship funds. The investments are shown at fair market value based on the last price on the exchange where the security is traded (Level 1). Investments consist of equities and fixed income securities that are traded on a public exchanges. The District itself does not invest for the funds and relies on the donor's investment advisors. The District reports the value in the pupil activity funds and disperses the scholarship monies to the recipients each year. The fair market value at June 30, 2022 was \$116,029.



BARNWELL SCHOOL DISTRICT #45

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE O – BUDGET VARIANCE

The District had unfavorable budget variance in – 1.) Federal Revenue – actual revenue came in lower than the projected budget amount and 2.) Instruction Expenditures in the general fund due to higher salary expenditures for a one time incentive approved by the school board.

NOTE P – TAX ABATEMENTS

Barnwell County can enter into agreements (fee in lieu - FILOT and special source revenue credits - SSRC) for economic development purposes. The County also uses multicounty industrial or business parks (MCIP). The FILOT, SSRC and MCIP programs may abate a portion of the District’s taxes. For the tax year 2021, the gross dollar amount by which the District’s property tax revenues were abated under each of tax agreements entered into by the County are as follows:

FILOT/SSRC Program	\$ 9,830,774
MCIP	\$ 1,376,683

NOTE Q – POST RETIREMENT BENEFITS

**Retiree Health Insurance**

The District participates in the cost sharing SC Retiree Health Insurance Trust Fund, a healthcare plan that covers retired employees of the State of South Carolina. Generally retirees are eligible for benefits if they established at least 10 years of retirement service credit. For new hires (after May 2, 2008), 25 years of service for 100% employer funding and 15 – 24 years for 50% funding. The covered payroll surcharge for the year ended June 30, 2021 was 6.25%

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

At June 30, 2022 the District reported the following for its proportionate share of the net OPEB asset (liability). The net OPEB asset (liability) was measured as of June 30, 2021. The total OPEB asset/(liability) used to calculate the net OPEB asset/(liability) was determined by an actuarial valuation. The District’s proportion of the net OPEB asset/(liability) was based on a projection of the District’s long term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by PEBA in reports provided to the District and other participating agencies.

Actuarial valuation date	June 30, 2021
Net OPEB asset/(liability)	\$ (30,067,008)
District’s portion of the Plan’s Total net OPEB (liability)	0.144392%

BARNWELL SCHOOL DISTRICT #45

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE Q – POST RETIREMENT BENEFITS - continued

For the year ended June 30, 2022, the District recognized OPEB expense (credit) of \$1,395,021. At June 30, 2022 the District reported deferred outflows of resources and deferred inflows of resources:

	Deferred Outflows	Deferred Inflows
Experience and Assumption changes	6,948,942	
Experience and Assumption changes		2,773,707
Payments made in 2022	876,672	

District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability. Other amounts reported as deferred outflows and deferred inflows related to pensions will be recognized in OPEB expense as follows:

2023	\$ 544,281
2024	775,300
2025	921,105
2026	884,751

**Discount Rate**

	<u>0.92%</u>	<u>1.92%</u>	<u>2.92%</u>
Retiree Health Insurance	\$ 36,238,181	\$ 30,067,008	\$ 25,201,797

**SC Long-term Disability Insurance Trust**

The District (A/C 5064500) participates in the cost sharing SC Long-term Disability Insurance Trust Fund. The SCLTDITF was created to fund and account for the employer costs of the State’s Basic Long-Term Disability Income Benefit Plan.

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

At June 30, 2022 the District reported the following for its proportionate share of the net OPEB asset (liability). The net OPEB asset (liability) was measured as of June 30, 2021. The total OPEB asset/(liability) used to calculate the net OPEB asset/(liability) was determined by an actuarial valuation. The District’s proportion of the net OPEB asset/(liability) was based on a projection of the District’s long term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by PEBA in reports provided to the District and other participating agencies.

BARNWELL SCHOOL DISTRICT #45

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE Q – POST RETIREMENT BENEFITS – continued

**SC Long-term Disability Insurance Trust - continued**

Actuarial valuation date	June 30, 2021
Net OPEB asset/(liability)	\$ (1,782)
District’s portion of the Plan’s Total net OPEB (liability)	0.141275 %

For the year ended June 30, 2022, the District recognized OPEB expense (credit) of \$11,549. At June 30, 2022 the District reported deferred outflows of resources and deferred inflows of resources:

	Deferred Outflows	Deferred Inflows
Experience/Assumption Changes	5,752	
Experience/Assumption Changes		7,402
Payments made in 2022	10,732	

District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability. Other amounts reported as deferred outflows and deferred inflows related to pensions will be recognized in OPEB expense as follows:

2023	\$ (509)
2024	337
2025	(69)
2026	(80)

**Discount Rate**

	<u>1.48%</u>	<u>2.48%</u>	<u>3.48%</u>
Long Term Disability	\$ 2,592	\$ 1,782	\$ 965

NOTE R – PRIOR PERIOD ADJUSTMENT

The District reclassified its food service activities to a governmental activity and a special revenue fund. The business type activity net position was consolidated with governmental activities and the food service fund was presented on the modified accrual basis instead of accrual basis of accounting.

REQUIRED SUPPLEMENTAL INFORMATION

BARNWELL SCHOOL DISTRICT #45

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL

GENERAL FUND

Year Ended June 30, 2022

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenue				
Local	\$ 4,088,449	\$ 4,088,449	\$ 4,904,431	\$ 815,982
State	12,837,326	12,837,326	13,049,319	211,993
Federal	1,436,554	1,436,554	1,274,147	(162,407)
	<u>18,362,329</u>	<u>18,362,329</u>	<u>19,227,897</u>	<u>865,568</u>
Expenditures				
Instruction	10,529,725	10,529,725	10,589,926	(60,201)
Support services	8,875,125	8,875,125	8,394,197	480,928
Community services	-	-	-	-
Intergovernmental	5,000	5,000	5,000	-
Facilities construction	-	-	-	-
	<u>19,409,850</u>	<u>19,409,850</u>	<u>18,989,123</u>	<u>420,727</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(1,047,521)	(1,047,521)	238,774	1,286,295
Other financing sources (uses)				
Operating transfers in	1,047,521	1,047,521	791,944	(255,577)
Operating transfers out	-	-	-	-
	<u>1,047,521</u>	<u>1,047,521</u>	<u>791,944</u>	<u>(255,577)</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ -</u>	1,030,718	<u>\$ 1,030,718</u>
Fund balance, July 1, 2021			<u>5,878,895</u>	
FUND BALANCE, JUNE 30, 2022			<u>\$ 6,909,613</u>	

SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
BARNWELL SCHOOL DISTRICT #45  
FOR THE YEARS ENDED JUNE 30, 2015 - 2022 \*\*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
District's proportion of the net pension liability								
<b>SCRS</b>	0.145794%	0.138141%	0.134618%	0.129090%	0.123505%	0.119859%	0.115666%	0.117588%
<b>PORS</b>	0.000080%	0.000060%	0.000100%	0.003210%	0.004295%	0.004460%	0.004841%	0.001850%
District's proportionate share of the net pension liability								
<b>SCRS</b>	25,100,893	26,199,107	28,754,206	29,060,235	27,673,432	27,368,773	29,554,707	25,447,506
<b>PORS</b>	1,436	1,329	2,587	118,736	121,690	127,829	160,539	47,603
District's covered payroll during the measurement period	13,059,468	13,156,778	13,221,418	13,105,485	12,973,517	13,196,096	13,465,681	14,026,746
District's contribution ***	1,378,989	1,404,694	1,462,985	1,661,314	1,765,374	1,930,344	1,953,659	2,164,198
Contribution percentage	10.75%	10.91%	11.41%	13.41%	14.41%	15.41%	15.41%	16.41%
District's share of the net pension liability as a percentage of its covered payroll	192.22%	199.14%	217.50%	222.65%	214.25%	208.37%	220.67%	181.76%
Plan fiduciary net position as a percentage of total pension liability	59.9%	57.0%	52.9%	53.3%	54.1%	54.4%	50.7%	60.7%

\*\* - The District began presenting the Pension Liability schedule beginning June 30, 2015. As the information is accumulated, the schedule will present the last 10 years of information.

\*\*\* - The District's contribution is equal to the required contractual contribution

SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
 SHARE OF THE NET PENSION LIABILITY  
 BARNWELL SCHOOL DISTRICT #45  
 FOR THE YEARS ENDED JUNE 30, 2015 - 2022 \*\*

SCRS	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Contractually Required Contribution	1,378,989	1,404,694	1,462,985	1,661,314	1,765,374	1,930,344	1,953,659	2,164,198
Contributions in Relation to the Contractually Required Contribution	<u>1,378,989</u>	<u>1,404,694</u>	<u>1,462,985</u>	<u>1,661,314</u>	<u>1,765,374</u>	<u>1,930,344</u>	<u>1,953,659</u>	<u>2,164,198</u>
Contribution Deficiency/(Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered payroll during the measurement period	13,059,468	13,156,778	13,221,418	13,105,485	12,973,517	13,196,096	13,196,096	13,196,096
Contribution percentage	10.75%	10.91%	11.41%	13.41%	14.41%	15.41%	15.41%	16.41%

\*\* - The District began presenting the Pension Liability schedule beginning June 30, 2015. As the information is accumulated, the schedule will present the last 10 years of information.

SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
 SHARE OF THE NET OPEB LIABILITY  
 BARNWELL SCHOOL DISTRICT #45  
 FOR THE YEARS ENDED JUNE 30, 2018 - 2022 \*\*

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
District's proportion of the net OPEB liability	0.156785%	0.151970%	0.148339%	0.143158%	0.143158%
District's proportionate share of the net OPEB liability	21,236,271	21,535,038	22,434,007	25,842,518	30,067,008
District's covered payroll during the measurement period	13,105,485	12,973,517	13,196,096	13,465,681	14,026,746
District's contribution ***	681,374	736,613	820,185	824,756	876,672
Contribution percentage	5.33%	6.05%	6.25%	6.25%	6.25%
District's share of the net pension liability as a percentage of its covered payroll	162.04%	165.99%	170.00%	191.91%	214.35%

\*\* - The District began presenting the OPEB Liability schedule beginning June 30, 2018. As the information is accumulated, the schedule will present the last 10 years of information.

\*\*\* - The District's contribution is equal to the required contractual contribution



SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
 SHARE OF THE NET OPEB LIABILITY  
 BARNWELL SCHOOL DISTRICT #45  
 FOR THE YEARS ENDED JUNE 30, 2018 - 2022 \*\*

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Contractually Required Contribution	681,374	736,613	820,185	824,756	876,672
Contributions in Relation to the Contractually Required Contribution	<u>681,374</u>	<u>736,613</u>	<u>820,185</u>	<u>824,756</u>	<u>876,672</u>
Contribution Deficiency/(Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered payroll during the measurement period	13,105,485	12,973,517	13,196,096	13,465,681	14,026,746
Contribution percentage	5.33%	6.05%	6.25%	6.25%	6.25%

\*\* - The District began presenting the Pension Liability schedule beginning June 30, 2018. As the information is accumulated, the schedule will present the last 10 years of information.

SUPPLEMENTAL INFORMATION

BARNWELL SCHOOL DISTRICT #45  
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
GENERAL FUND  
Year Ended June 30, 2022

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
1000 Revenue from Local Sources:			
1100 Taxes Levied/Assessed by the LEA:			
1110 Ad Valorem Taxes-Including Delinquent	3,950,000	\$ 4,180,879	230,879
1200 Revenue From Local Governmental Units Other Than LEAs:			
1280 Revenue in Lieu of Taxes	110,689	517,688	406,999
1300 Tuition:			
1310 Tuition from Patrons for Regular Day School	16,460	17,616	1,156
1500 Earnings on Investments:			
1510 Interest on Investments	6,000	2,678	(3,322)
1900 Other Revenue from Local Sources:			
1910 Rentals	600	-	(600)
1930 Special Needs Transportation - Medicaid	-	5,724	5,724
1990 Miscellaneous Local Revenue:			
1999 Revenue from Other Local Sources	4,700	179,846	175,146
	<u>4,088,449</u>	<u>4,904,431</u>	<u>815,982</u>
Total Local Sources			
3000 Revenue from State Sources:			
3100 Restricted State Funding:			
3130 Special Programs:			
3131 Handicapped Transportation		706	706
3160 School Bus Driver Salary (Includes Hazardous Condition Transportation)	183,353	273,695	90,342
3162 Transportation Workers' Compensation	14,524	14,604	80
3180 Fringe Benefits Employer Contributions	2,898,861	2,750,698	(148,163)
3181 Retiree Insurance (No Carryover Provision)	603,671	613,599	9,928
3186 Teacher Salary Aid	604,920	603,652	(1,268)
3300 Education Finance Act:			
3310 Full-Time Programs:			
3311 Kindergarten	262,265	296,232	33,967
3312 Primary	844,134	712,312	(131,822)
3313 Elementary	1,378,344	1,375,265	(3,079)
3314 High School	337,136	360,874	23,739
3315 Trainable Mentally Handicapped	52,146	51,680	(466)
3316 Speech Handicapped (Part-Time Program)	639,295	614,778	(24,517)
3320 Part-Time Programs:			
3321 Emotionally Handicapped	17,382	11,463	(5,919)
3322 Educable Mentally Handicapped	46,117	53,749	7,632
3323 Learning Disabilities	405,555	292,031	(113,524)
3324 Hearing Handicapped	16,424	18,831	2,407
3325 Visually Handicapped	-	5,426	5,426
3326 Orthopedically Handicapped	26,073	30,147	4,074
3327 Vocational	897,893	801,506	(96,387)

BARNWELL SCHOOL DISTRICT #45  
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
GENERAL FUND  
Year Ended June 30, 2022

	Final Budget	Actual	Variance Favorable (Unfavorable)
3330 Miscellaneous EFA Programs:			
3331 Autism	111,896	144,696	32,800
3332 HIAC	40,494	37,662	(2,832)
3334 LEP	19,960	17,396	(2,564)
3351 ACAS	237,488	248,711	11,223
3352 PIP	657,678	633,694	(23,984)
3353 Dual Credit Enrollment	19,597	15,221	(4,376)
3392 Excess EFA	-	15,987	15,987
3800 State Revenue in Lieu of Taxes:			
3810 Reimbursement for Local Residential Property Tax Relief	597,820	597,820	-
3820 Homestead Exemption (Tier 2)	282,005	282,006	1
3825 Reimbursement for Property Tax Relief (Tier 3)	1,271,621	1,649,645	378,024
3827 \$2.5 Million Tax Bonus	187,700	-	(187,700)
3830 Merchant's Inventory Tax	47,697	47,698	1
3840 Manufacturer's Depreciation Reimbursement	65,979	150,102	84,123
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	69,301	193,009	123,708
3993 PEBA on-Behalf	<u>-</u>	<u>134,424</u>	<u>134,424</u>
Total State Sources	<u>12,837,326</u>	<u>13,049,319</u>	<u>211,993</u>
4000 Revenue from Federal Sources:			
4900 Other Federal Sources:			
4999 Revenue from Other Federal Sources	<u>1,436,554</u>	<u>1,274,147</u>	<u>(162,407)</u>
Total Federal Sources	<u>1,436,554</u>	<u>1,274,147</u>	<u>(162,407)</u>
TOTAL REVENUE ALL SOURCES	<u>18,362,329</u>	<u>19,227,897</u>	<u>865,568</u>
EXPENDITURES			
100 INSTRUCTION:			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	404,988	310,556	94,432
200 Employee Benefits	182,280	153,941	28,339
400 Supplies and Materials	4,452	4,897	(445)
112 Primary Programs:			
100 Salaries	1,132,276	1,150,337	(18,061)
200 Employee Benefits	506,699	468,629	38,070
300 Purchased Services	21,788	21,763	25
400 Supplies and Materials	10,610	10,529	81

BARNWELL SCHOOL DISTRICT #45  
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
GENERAL FUND  
Year Ended June 30, 2022

	Final Budget	Actual	Variance Favorable (Unfavorable)
113 Elementary Programs:			
100 Salaries	2,378,475	2,474,848	(96,373)
200 Employee Benefits	1,034,195	1,022,372	11,823
300 Purchased Services	2,017	-	2,017
400 Supplies and Materials	12,692	12,692	-
114 High School Programs:			
100 Salaries	1,584,580	1,658,530	(73,950)
200 Employee Benefits	598,915	725,573	(126,658)
300 Purchased Services	11,735	9,147	2,588
400 Supplies and Materials	6,858	6,800	58
115 Career and Technology Education Programs:			
100 Salaries	84,841	84,319	522
200 Employee Benefits	45,652	41,355	4,297
370 Tuition (Purchased Services)	121,931	118,342	3,589
400 Supplies and Materials	3,140	3,140	-
117 Driver Education Program:			
300 Purchased Services	3,155	3,150	5
120 Exceptional Programs:			
121 Educable Mentally Handicapped:			
100 Salaries	505,376	496,692	8,684
200 Employee Benefits	293,015	289,246	3,769
122 Trainable Mentally Handicapped:			
100 Salaries	158,525	158,524	1
200 Employee Benefits	104,922	100,591	4,331
126 Speech Handicapped:			
100 Salaries	214,273	204,925	9,348
200 Employee Benefits	93,212	90,345	2,867
127 Learning Disabilities:			
100 Salaries	530,452	524,273	6,179
200 Employee Benefits	263,116	249,647	13,469
130 Preschool Programs:			
133 Preschool Handicapped Self Contained:			
100 Salaries	16,578	16,577	1
200 Employee Benefits	5,158	5,003	155
135 Pre-School Handicapped Speech:			
100 Salaries	31,934	16,584	15,350
200 Employee Benefits	27,041	27,041	-
140 Special Programs:			
145 Homebound:			
100 Salaries	41,270	39,570	1,700
200 Employee Benefits	12,331	11,941	390

BARNWELL SCHOOL DISTRICT #45  
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
GENERAL FUND  
Year Ended June 30, 2022

	Final Budget	Actual	Variance Favorable (Unfavorable)
148 Gifted and Talented Artistic:			
100 Salaries	49,694	48,779	915
200 Employee Benefits	25,923	24,796	1,127
149 Other Special Programs:			
300 Purchased Services	5,000	3,846	1,154
170 Summer School Programs:			
173 High School Summer School:			
100 Salaries	480	480	-
200 Employee Benefits	146	146	-
	<u>10,529,725</u>	<u>10,589,926</u>	<u>(60,201)</u>
TOTAL INSTRUCTION			
200 SUPPORT SERVICES:			
210 Pupil Services:			
212 Guidance Services:			
100 Salaries	328,479	328,479	-
200 Employee Benefits	141,776	134,084	7,692
400 Supplies and Materials	2,100	2,096	4
213 Health Services:			
100 Salaries	158,610	158,498	112
200 Employee Benefits	75,429	73,032	2,397
300 Purchased Services	20,185	15,770	4,415
400 Supplies and Materials	5,313	2,900	2,413
214 Psychological Services:			
100 Salaries	109,199	109,199	-
200 Employee Benefits	25,554	25,394	160
215 Exceptional Program Services:			
100 Salaries	53,008	53,008	-
200 Employee Benefits	21,300	21,300	-
220 Instructional Staff Services:			
221 Improvement of Instruction Curriculum Development Development:			
100 Salaries	105,874	97,582	8,292
200 Employee Benefits	56,700	55,305	1,395
300 Purchased Services	45,748	44,223	1,525
400 Supplies and Materials	16,184	16,174	10
600 Other Objects	50	-	50
222 Library and Media Services:			
100 Salaries	288,062	288,062	-
200 Employee Benefits	133,271	132,278	993
300 Purchased Services	689	689	-
400 Supplies and Materials	4,317	3,966	351

BARNWELL SCHOOL DISTRICT #45  
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
GENERAL FUND  
Year Ended June 30, 2022

	Final Budget	Actual	Variance Favorable (Unfavorable)
223 Supervision of Special Programs:			
100 Salaries	283,536	199,862	83,674
200 Employee Benefits	115,996	85,829	30,167
300 Purchased Services	5,150	3,405	1,745
400 Supplies and Materials	3,000	772	2,228
224 Improvement of Instruction Inservice and Staff Training:			
300 Purchased Services	3,932	3,932	-
400 Supplies	1,000	1,000	-
230 General Administration Services:			
231 Board of Education:			
100 Salaries	16,200	16,200	-
200 Employee Benefits	4,935	4,934	1
300 Purchased Services	87,222	48,924	38,298
318 Audit Services	23,182	23,181	1
400 Supplies and Materials	3,000	2,149	851
232 Office of Superintendent:			
100 Salaries	158,982	160,402	(1,420)
200 Employee Benefits	66,795	65,225	1,570
300 Purchased Services	42,752	42,740	12
400 Supplies and Materials	46,742	35,831	10,911
600 Other Objects	25,974	25,365	609
233 School Administration:			
100 Salaries	856,131	837,048	19,083
200 Employee Benefits	380,844	355,997	24,847
300 Purchased Services	5,338	5,272	66
400 Supplies and Materials	49,368	47,463	1,905
600 Other Objects	609	330	279
250 Finance and Operations Services:			
252 Fiscal Services:			
100 Salaries	169,927	166,584	3,343
200 Employee Benefits	83,003	83,003	-
300 Purchased Services	6,011	4,674	1,337
400 Supplies and Materials	9,179	9,179	-
600 Other Objects	9,242	9,242	-
254 Operation and Maintenance of Plant:			
100 Salaries	456,408	456,382	26
200 Employee Benefits	255,360	254,970	390
300 Purchased Services	561,641	560,745	896
321 Public Utility Services (Excludes gas, oil, elec. & other heating fuels)	40,000	39,337	663
400 Supplies and Materials	191,658	191,603	55
470 Energy (Include gas, oil, elec. & other heating fuels)	445,249	366,242	79,007
500 Capital Outlay	7,197	7,197	-

BARNWELL SCHOOL DISTRICT #45  
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
GENERAL FUND  
Year Ended June 30, 2022

	Final Budget	Actual	Variance Favorable (Unfavorable)
255 Student Transportation (State Mandated):			
100 Salaries	574,296	574,297	(1)
200 Employee Benefits	256,866	256,866	-
300 Purchased Services	92,200	25,611	66,589
400 Supplies and Materials	14,151	13,949	202
256 Food Services:			
100 Salaries	-	1,000	
200 Employee Benefits	221,667	221,666	1
258 Security:			
300 Purchased Services	110,000	106,999	3,001
260 Central Support Services:			
263 Information Services:			
100 Salaries	47,218	34,117	13,101
200 Employee Benefits	19,298	13,851	5,447
300 Purchased Services	1,076	1,076	-
400 Supplies and Materials	424	-	424
264 Staff Services:			
100 Salaries	120,055	122,055	(2,000)
200 Employee Benefits	150,081	150,081	-
300 Purchased Services	14,701	7,926	6,775
400 Supplies and Materials	8,448	6,936	1,512
266 Technology and Data Processing Services:			
100 Salaries	155,585	159,585	(4,000)
200 Employee Benefits	57,511	57,511	-
300 Purchased Services	255,016	249,124	5,892
400 Supplies and Materials	159,827	156,576	3,251
270 Support Services - Pupil Activity:			
271 Pupil Service Activities:			
100 Salaries (optional)	376,764	358,390	18,374
200 Employee Benefits (optional)	125,283	118,549	6,734
300 Purchased Services (optional)	34,166	26,535	7,631
400 Supplies and Materials (optional)	33,530	31,345	2,185
600 Other Objects (optional)	39,551	23,094	16,457
	<hr/>	<hr/>	<hr/>
TOTAL SUPPORT SERVICES	8,875,125	8,394,197	481,928
410 Intergovernmental Expenditures:			
412 Payments to Other Governmental Units			
720 Transits	5,000	5,000	-
	<hr/>	<hr/>	<hr/>
TOTAL INTERGOVERNMENTAL EXPENDITURES	5,000	5,000	-
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	19,409,850	18,989,123	421,727



BARNWELL SCHOOL DISTRICT #45  
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
GENERAL FUND  
Year Ended June 30, 2022

	Final Budget	Actual	Variance Favorable (Unfavorable)
OTHER FINANCING SOURCES (USES)			
Interfund Transfers, From (To) Other Funds:			
5280 Transfer from Special Revenue Fund	427,327	180,328	(246,999)
5230 Transfer from Special Revenue EIA Fund	620,194	611,616	(8,578)
424-710 Transfer to Capital Projects Fund	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,047,521</u>	<u>791,944</u>	<u>(255,577)</u>
Excess/Deficiency of Revenues over Expenditures	<u>\$ -</u>	1,030,718	<u>\$ 1,030,718</u>
FUND BALANCE JULY 1, 2021		<u>5,878,895</u>	
FUND BALANCE JUNE 30, 2022		<u>\$ 6,909,613</u>	

BARNWELL SCHOOL DISTRICT #45  
BARNWELL, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

SPECIAL REVENUE FUNDS

Year Ended June 30, 2022

	<b>TITLE I</b>	<b>IDEA</b>
	<b>(BA Projects)</b>	<b>(CA Projects)</b>
	<b>(201/202)</b>	<b>(203/204)</b>
	<hr/>	
<b>REVENUES</b>		
<b>1000 Revenue from Local Sources:</b>		
1000 Local Revenue:		
1900 Other Revenue From Local Sources:		
1920 Contributions and Donations From Private Srces	\$ -	\$ -
1930 Medicaid	-	-
1990 Miscellaneous Local Revenue:		
1999 Revenue from Other Local Sources	-	-
<b>Total Local Sources</b>	<hr/>	<hr/>
	-	-
<b>2000 Intergovernmental Revenue:</b>		
2100 Payments from Other Governmental Units	-	-
<b>Total Intergovernmental Revenue</b>	<hr/>	<hr/>
	-	-
<b>3000 Revenue from State Sources:</b>		
3110 Occupational Education:		
3118 EEDA Career Specialists	-	-
3120 General Education:		
3127 Student Health and Fitness - PE Teachers	-	-
3130 Special Programs:		
3134 CDEP Expansion	-	-
3135 Reading Coaches	-	-
3136 Student Health and Fitness - Nurses	-	-
3900 Education Lottery Act Revenue:		
3995 CRF Per Pupil Funding	-	-
<b>Total State Sources</b>	<hr/>	<hr/>
	-	-

<b>PRESCHOOL HANDICAPPED (CG Projects) (205/206)</b>	<b>CATE (VA Projects) (207/208)</b>	<b>OTHER DESIGNATED RESTRICTED STATE GRANTS* (900s)</b>	<b>OTHER SPECIAL REVENUE PROGRAMS* (200s/800s)</b>	<b>TOTAL</b>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	233,686	233,686
-	-	-	289,842	289,842
-	-	-	523,528	523,528
-	-	70,660	-	70,660
-	-	70,660	-	70,660
-	-	188,879	-	188,879
-	-	15,185	-	15,185
-	-	163,187	-	163,187
-	-	118,221	-	118,221
-	-	75,013	-	75,013
-	-	-	181,889	181,889
-	-	560,485	181,889	742,374

BARNWELL SCHOOL DISTRICT #45  
BARNWELL, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

SPECIAL REVENUE FUNDS

Year Ended June 30, 2022

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)
<b>4000 Revenue from Federal Sources:</b>		
4200 Occupational Education:		
4210 Perkins Aid, Title I	-	-
4300 Elementary and Secondary Education Act of 1965 (ESEA):		
4310 Title I, Basic State Grant Programs (Carryover)	1,212,342	-
4312 Rural and Low-Income School Program, Title VI	-	-
4351 Improving Teacher Quality (Carryover Provision)	-	-
4500 Programs for Children with Disabilities:		
4510 Individuals With Disabilities Education Act (IDEA) (Carryover Provision)	-	739,519
4520 Preschool Grants (Carryover Provision)	-	-
4900 Other Federal Sources:		
4931 ARP IDEA	-	-
4933 ARP IDEA Preschool	-	-
4974 ESSER III	-	-
4975 Coronavirus Aid Relief	-	-
4977 ESSER II	-	-
4990 Other Federal Revenue:		
4999 Revenue from Other Federal Sources	-	-
<b>Total Federal Sources</b>	1,212,342	739,519
 <b>TOTAL REVENUE ALL SOURCES</b>	 1,212,342	 739,519

<b>PRESCHOOL HANDICAPPED (CG Projects) (205/206)</b>	<b>CATE (VA Projects) (207/208)</b>	<b>OTHER DESIGNATED RESTRICTED STATE GRANTS* (900s)</b>	<b>OTHER SPECIAL REVENUE PROGRAMS* (200s/800s)</b>	<b>TOTAL</b>
-	60,045	-	-	60,045
-	-	-	335,398	1,547,740
-	-	-	59,665	59,665
-	-	-	133,794	133,794
-	-	-	-	739,519
34,707	-	-	-	34,707
-	-	-	173,807	173,807
-	-	-	15,349	15,349
-	-	-	1,048,652	1,048,652
-	-	-	118,358	118,358
-	-	-	1,114,493	1,114,493
-	-	-	71,160	71,160
34,707	60,045	-	3,070,676	5,117,289
34,707	60,045	631,145	3,776,093	6,453,851

BARNWELL SCHOOL DISTRICT #45  
BARNWELL, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

SPECIAL REVENUE FUNDS

Year Ended June 30, 2022

	<b>TITLE I</b>	<b>IDEA</b>
	<b>(BA Projects)</b>	<b>(CA Projects)</b>
	<b>(201/202)</b>	<b>(203/204)</b>
<b>EXPENDITURES</b>		
<b>100 INSTRUCTION:</b>		
110 General Instruction:		
111 Kindergarten Programs:		
100 Salaries	72,981	
200 Employee Benefits	27,259	
400 Supplies and Materials		
112 Primary Programs:		
100 Salaries	295,211	
200 Employee Benefits	125,302	
300 Purchased Services ( Other Than Tuition)		
400 Supplies and Materials	33,393	553
113 Elementary Programs:		
100 Salaries	119,581	
200 Employee Benefits	54,478	
300 Purchased Services ( Other Than Tuition)	1,680	
400 Supplies and Materials	3,298	
114 High School Programs:		
100 Salaries		
200 Employee Benefits		
400 Supplies and Materials		
115 Career and Technology Education Programs:		
300 Purchased Services ( Other Than Tuition)		
400 Supplies and Materials		
600 Other Objects		
116 Career and Technology Education Programs Middle School:		
300 Purchased Services ( Other Than Tuition)		
400 Supplies and Materials		
118 Montessori Programs:		
100 Salaries	183,515	
200 Employee Benefits	94,125	

<b>PRESCHOOL HANDICAPPED (CG Projects) (205/206)</b>	<b>CATE (VA Projects) (207/208)</b>	<b>OTHER DESIGNATED RESTRICTED STATE GRANTS* (900s)</b>	<b>OTHER SPECIAL REVENUE PROGRAMS* (200s/800s)</b>	<b>TOTAL</b>
			110,384	183,365
			46,319	73,578
			59,319	59,319
		11,640	317,404	624,255
		3,545	81,897	210,744
			5,379	5,379
			47,127	81,073
			61,331	180,912
			18,385	72,863
			17,304	18,984
			215,112	218,410
			65,632	65,632
			5,529	5,529
			1,971	1,971
	4,985			4,985
	38,184		38,464	76,648
	3,200			3,200
			96,000	96,000
			404,000	404,000
				183,515
				94,125

BARNWELL SCHOOL DISTRICT #45  
BARNWELL, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

SPECIAL REVENUE FUNDS

Year Ended June 30, 2022

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)
120 Exceptional Programs:		
121 Educable Mentally Handicapped:		
100 Salaries		65,129
300 Purchased Services ( Other Than Tuition)		10,441
400 Supplies and Materials		48,000
122 Trainable Mentally Handicapped:		
100 Salaries		57,865
200 Employee Benefits		12,010
400 Supplies and Materials		
124 Visually Handicapped:		
300 Purchased Services ( Other Than Tuition)		
125 Hearing Handicapped:		
300 Purchased Services ( Other Than Tuition)		
126 Speech Handicapped:		
100 Salaries		140,512
200 Employee Benefits		67,013
300 Purchased Services		
400 Supplies		1,688
600 Other Objects		
127 Learning Disabilities:		
100 Salaries		65,127
200 Employee Benefits		31,897
300 Purchased Services		
400 Supplies and Materials		11,429
130 Preschool Programs:		
133 Preschool Handicapped Self-Contained (5-Yr. Olds):		
400 Supplies		
135 Preschool Handicapped (3&4-Yr Olds):		
100 Salaries		
400 Supplies		



<b>PRESCHOOL HANDICAPPED (CG Projects) (205/206)</b>	<b>CATE (VA Projects) (207/208)</b>	<b>OTHER DESIGNATED RESTRICTED STATE GRANTS* (900s)</b>	<b>OTHER SPECIAL REVENUE PROGRAMS* (200s/800s)</b>	<b>TOTAL</b>
				65,129
			930	11,371
			1,541	49,541
			9,331	67,196
			14,693	26,703
			4,270	4,270
			9,378	9,378
			16,460	16,460
			14,158	154,670
			4,480	71,493
			1,481	1,481
			1,793	3,481
			70	70
				65,127
				31,897
			2,438	2,438
			1,969	13,398
			1,046	1,046
31,933			15,349	47,282
			986	986

BARNWELL SCHOOL DISTRICT #45  
BARNWELL, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

SPECIAL REVENUE FUNDS

Year Ended June 30, 2022

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)
137 Preschool Handicapped Self-Contained (3&4 Yr. Olds)		
400 Supplies		
140 Special Programs		
147 CDEP:		
100 Salaries		
200 Employee Benefits		
400 Supplies and Materials		
170 Summer School Programs:		
171 Primary Summer School:		
100 Salaries		
200 Employee Benefits		
172 Elementary Summer School:		
100 Salaries		
200 Employee Benefits		
175 Instructional Programs Beyond Regular School Day:		
100 Salaries		
200 Employee Benefits		
180 Adult/Continuing Education Programs:		
188 Parenting/Family Literacy:		
300 Purchased Services	3,700	
400 Supplies and Materials	9,991	
<b>TOTAL INSTRUCTION</b>	1,024,514	511,664
<b>200 SUPPORT SERVICES:</b>		
211 Attendance and Social Work Services:		
100 Salaries		
200 Employee Benefits		
300 Purchased Services		
400 Supplies and Materials	1,888	

<b>PRESCHOOL HANDICAPPED (CG Projects) (205/206)</b>	<b>CATE (VA Projects) (207/208)</b>	<b>OTHER DESIGNATED RESTRICTED STATE GRANTS* (900s)</b>	<b>OTHER SPECIAL REVENUE PROGRAMS* (200s/800s)</b>	<b>TOTAL</b>
			809	809
		104,943		104,943
		50,970		50,970
		7,274		7,274
			37,908	37,908
			11,585	11,585
			18,053	18,053
			5,558	5,558
			1,200	1,200
			361	361
				3,700
				9,991
31,933	46,369	178,372	1,767,404	3,560,256

50,731	21,569	72,300
19,929	10,021	29,950
	598	598
	8,249	10,137

BARNWELL SCHOOL DISTRICT #45  
BARNWELL, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

SPECIAL REVENUE FUNDS

Year Ended June 30, 2022

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)
213 Health Services:		
100 Salaries		
200 Employee Benefits		
300 Purchased Services		
400 Supplies and Materials		1,688
214 Psychological Services:		
100 Salaries		4,121
200 Employee Benefits		29,967
300 Purchased Services		
400 Supplies and Materials		2,834
600 Other Objects		
215 Exceptional Program:		
100 Salaries		75,240
200 Employee Benefits		34,692
400 Supplies		1,417
217 Career Specialist Services:		
100 Salaries		
200 Employee Benefits		
220 Instructional Staff Services:		
221 Improvement of Instruction Curriculum Development Development:		
100 Salaries	35,872	
200 Employee Benefits	13,410	
300 Purchased Services		17,500
400 Supplies and Materials	7,856	
222 Library and Media Services:		
400 Supplies and Materials		
223 Supervision of Special Programs:		
100 Salaries	22,743	
200 Employee Benefits	9,921	
300 Purchased Services	728	
400 Supplies and Materials	6,591	832
600 Other Objects		

<b>PRESCHOOL HANDICAPPED (CG Projects) (205/206)</b>	<b>CATE (VA Projects) (207/208)</b>	<b>OTHER DESIGNATED RESTRICTED STATE GRANTS* (900s)</b>	<b>OTHER SPECIAL REVENUE PROGRAMS* (200s/800s)</b>	<b>TOTAL</b>
		69,185		69,185
		5,828		5,828
			530	530
			406	2,094
			35,842	39,963
				29,967
			788	788
			8,505	11,339
			615	615
			2,675	77,915
			712	35,404
			2,472	3,889
		127,985	18,192	146,177
		60,894	5,705	66,599
		91,466	10,800	138,138
		26,755	3,281	43,446
			5,572	23,072
			60,927	68,783
			16,112	16,112
	8,400		90,972	122,115
	2,383		35,157	47,461
			31,794	32,522
			12,423	19,846
			270	270

BARNWELL SCHOOL DISTRICT #45  
BARNWELL, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

SPECIAL REVENUE FUNDS

Year Ended June 30, 2022

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)
224 Improvement of Instruction Inservice and Staff Training:		
100 Salaries		
200 Employee Benefits		
300 Purchased Services		
400 Supplies and Materials		
600 Other Objects		
250 Finance and Operations Services:		
251 Student Transportation:		
300 Purchased Services		
254 Operation and Maintenance of Plant:		
100 Salaries		
200 Employee Benefits		
300 Purchased Services		
400 Supplies and Materials		
255 Student Transportation:		
100 Salaries		
200 Employee Benefits		
300 Purchased Services		
400 Supplies and Materials		
256 Food Service		
100 Salaries		
200 Employee Benefits		
258 Security:		
300 Purchased Services		
400 Supplies and Materials		
260 Central Support Services		
264 Staff Services:		
100 Salaries		
200 Employee Benefits		
300 Purchased Services		
400 Supplies and Materials		
600 Other Objects		

<b>PRESCHOOL HANDICAPPED (CG Projects) (205/206)</b>	<b>CATE (VA Projects) (207/208)</b>	<b>OTHER DESIGNATED RESTRICTED STATE GRANTS* (900s)</b>	<b>OTHER SPECIAL REVENUE PROGRAMS* (200s/800s)</b>	<b>TOTAL</b>
			3,500	3,500
			700	700
			20,665	20,665
			20,135	20,135
			4,798	4,798
			7,929	7,929
			9,600	9,600
			2,904	2,904
			251,721	251,721
			547,401	547,401
			16,000	16,000
			4,844	4,844
			7,185	7,185
			174,238	174,238
			12,583	12,583
			3,851	3,851
			12,886	12,886
			54,475	54,475
			149,578	149,578
			14,068	14,068
			38,495	38,495
			40,466	40,466
			1,850	1,850

BARNWELL SCHOOL DISTRICT #45  
BARNWELL, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

SPECIAL REVENUE FUNDS

Year Ended June 30, 2022

	<b>TITLE I (BA Projects) (201/202)</b>	<b>IDEA (CA Projects) (203/204)</b>
266 Technology and Data Processing Services:		
100 Salaries		
200 Employee Benefits		
400 Supplies and Materials		
271 Pupil Service Activities:		
100 Salaries		
200 Employee Benefits		
300 Purchased Services		
400 Supplies and Materials		
600 Other Objects		
<b>TOTAL SUPPORT SERVICES</b>	99,009	168,291
<b>TOTAL EXPENDITURES</b>	1,123,523	679,955
<b>OTHER FINANCING SOURCES (USES)</b>		
<b>Interfund Transfers, From (To) Other Funds:</b>		
5210 Transfer from General Fund		
431-791 Special Revenue Fund Indirect Costs (Use only for transfer of indirect costs to General Fund)	(88,819)	(59,564)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	(88,819)	(59,564)
<b>Excess/Deficiency of Revenues over Expenditures</b>	-	-
<b>Fund Balance July 1, 2021</b>	-	-
<b>Fund Balance June 30, 2022</b>	\$ -	\$ -



<b>PRESCHOOL HANDICAPPED (CG Projects) (205/206)</b>	<b>CATE (VA Projects) (207/208)</b>	<b>OTHER DESIGNATED RESTRICTED STATE GRANTS* (900s)</b>	<b>OTHER SPECIAL REVENUE PROGRAMS* (200s/800s)</b>	<b>TOTAL</b>
			30,429	30,429
			12,557	12,557
			50,009	50,009
			2,000	2,000
			153	153
			3,286	3,286
			125	125
	2,893		3,806	6,699
-	13,676	452,773	1,886,424	2,620,173
31,933	60,045	631,145	3,653,828	6,180,429
				-
(2,774)	-	-	(29,171)	(180,328)
(2,774)	-	-	(29,171)	(180,328)
-	-	-	93,094	93,094
-	-	-	416,022	466,521
\$ -	\$ -	\$ -	\$ 509,116	\$ 559,615

BARNWELL SCHOOL DISTRICT #45

SUMMARY SCHEDULE FOR ADULT EDUCATION, OTHER RESTRICTED  
STATE GRANTS AND OTHER SPECIAL REVENUE PROGRAMS

SPECIAL REVENUE FUNDS

For the Year Ended June 30, 2022

<u>SUBFUND</u>	<u>REVENUE CODE</u>	<u>PROGRAM</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>TRANSFERS IN/(OUT)</u>	<u>DEFERRED REVENUE</u>
<b>Other Restricted</b>						
<b>State Grants</b>						
990	2100	Payments from other gov'ts	\$ 70,660	\$ 70,660	\$ -	\$ -
928	3118	EEDA Career Specialist	188,879	188,879	-	-
937	3127	Student Health and Fitness - PE Teachers	15,185	15,185	-	-
924	3134	CDEP Expansion	163,187	163,187	-	-
935	3135	Reading Coaches	118,221	118,221	-	-
936	3136	Student Health and Fitness - Nurses	75,013	75,013	-	-
919	3193	Education License Plates	-	-	-	-
		<b>Total</b>	<u>\$ 631,145</u>	<u>\$ 631,145</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Other Special</b>						
<b>Revenue Programs</b>						
800's	1999	Other Fund Sources	\$ 289,842	\$ 289,842	\$ -	\$ 190,682
218	4974	ESSER III	1,048,652	1,048,652	-	-
220	4975	Coronavirus Aid Relief	118,358	118,358	-	-
225	4977	ESSER II	1,114,493	1,114,493	-	-
230	4931	ARP IDEA	173,807	173,807	-	-
239	4310	School Improvement	221,488	221,488	-	-
210	4310	Title IV	121,687	109,420	(12,267)	-
251	4312	Rural and Low-Income School Program, Title VI	59,665	52,628	(7,037)	-
267	4351	Improving Teacher Quality	133,794	123,927	(9,867)	-
813	4999	ROTC	71,160	71,160	-	-
828	4310	Title III	7,572	7,572	-	-
217	3995	CRF Per Pupil Funding	181,889	181,889	-	181,889
285	1930	Medicaid Reimbursements	233,686	140,592	-	-
		<b>Total</b>	<u>\$ 3,776,093</u>	<u>\$ 3,653,828</u>	<u>\$ (29,171)</u>	<u>\$ 372,571</u>

BARNWELL SCHOOL DISTRICT #45  
 SCHEDULE OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE  
 EDUCATION IMPROVEMENT ACT  
 Year Ended June 30, 2022

	<u>TOTAL</u>
<b>REVENUE</b>	
3000 Revenue from State Sources:	
3100 Restricted State Funding:	
3500 Education Improvement Act:	
3502 ADEPT	\$ 2,102
3518 Adoption List of Formative Assessment	16,295
3519 Grade 10 Assessments	7,014
3526 Refurbishment of K-8 Science Kits	10,078
3528 Industry Certifications/Credentials	10,000
3529 Career and Technology Education	45,902
3532 National Board Certification (NBC) Salary Supplement (No Carryover Provision)	26,092
3533 Teacher of the Year Awards	1,077
3536 Student Health & Fitness	18,333
3538 Student At Risk of School Failure	260,915
3550 Teacher Salary Increase (No Carryover Provision)	472,957
3555 School Employer Contributions (No Carryover Provision)	113,610
3557 Summer Reading Camp	24,887
3571 CSI	157,089
3577 Teacher Supplies (No Carryover Provision)	44,275
3594 EEDA At Risk	115,355
3595 EEDA - Supplies and Materials	5,664
3597 Aid to Districts	92,336
3599 Other EIA	401,000
Total State Sources	<u>1,824,981</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<u>1,824,981</u>
 <b>EXPENDITURES</b>	
100 INSTRUCTION:	
110 General Instruction:	
111 Kindergarten Programs:	
100 Salaries	53,813
200 Employee Benefits	13,474
400 Supplies and Materials	44,542
112 Primary Programs:	
100 Salaries	1,000
200 Employee Benefits	77
300 Purchased Services	16,295
400 Supplies and Materials	4,739
113 Elementary Programs:	
100 Salaries	82,063
200 Employee Benefits	41,892
300 Purchased Services	126
400 Supplies and Materials	67,045

BARNWELL SCHOOL DISTRICT #45

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE

EDUCATION IMPROVEMENT ACT

Year Ended June 30, 2022

	<u>TOTAL</u>
114 High School Programs:	
100 Salaries	65,890
200 Employee Benefits	12,642
300 Purchased Services	6,050
115 Career and Technology Education Programs:	
100 Salaries	7,500
200 Employee Benefits	2,285
300 Purchased Services	10,000
400 Supplies and Materials	23,949
116 Career and Technology Education Programs - Middle School:	
300 Purchased Services	400,000
120 Exceptional Programs:	
127 Learning Disabilities	
100 Salaries	5,000
200 Employee Benefits	1,523
170 Summer School Program:	
171 Student Activities:	
100 Salaries	11,940
200 Employee Benefits	3,676
300 Purchased Services	1,030
400 Supplies and Materials	<u>8,241</u>
TOTAL INSTRUCTION	<u>884,792</u>
200 SUPPORT SERVICES:	
210 Pupil Services:	
212 Guidance Services:	
100 Salaries	7,500
200 Employee Benefits	2,285
300 Purchased Services	3,907
400 Supplies and Materials	1,503
213 Health Services:	
200 Employee Benefits	18,333
220 Instructional Staff Services:	
221 Improvement of Instruction Curriculum Development	
100 Salaries	56,912
200 Employee Benefits	26,256
300 Purchased Services	25,963
400 Supplies and Materials	55,402
223 Supervision of Special Programs:	
100 Salaries	2,102
224 Improvement of Instruction Inservice and Staff Training:	
300 Purchased Services	5,905

BARNWELL SCHOOL DISTRICT #45  
 SCHEDULE OF REVENUE, EXPENDITURES AND CHANGE IN FUND BALANCE  
 EDUCATION IMPROVEMENT ACT  
 Year Ended June 30, 2022

	<u>TOTAL</u>
233 Supervision of Special Programs:	
100 Salaries	73,421
200 Employee Benefits	34,445
300 Purchased Services	5,920
260 Central Support Services:	
266 Technology and Data Processing Services:	
300 Purchased Services	976
400 Supplies and Materials	24
270 Support Services - Pupil Activity:	
271 Pupil Service Activities:	
600 Other Objects	7,719
TOTAL SUPPORT SERVICES	328,573
TOTAL EXPENDITURES	1,213,365
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
420-710 Transfer to General Fund (Exclude Indirect Costs)	(611,616)
TOTAL OTHER FINANCING SOURCES (USES)	(611,616)
Excess/Deficiency of Revenues over Expenditures	-
Fund Balance July 1, 2021	-
Fund Balance June 30, 2022	\$ -

BARNWELL SCHOOL DISTRICT #45

SUMMARY SCHEDULE BY PROGRAM

EDUCATION IMPROVEMENT ACT

Year Ended June 30, 2022

	Revenue	Expenditures	EIA Interfund Transfers In/(Out)	Deferred Revenue
3500 Education Improvement Act:				
3502 ADEPT	\$ 2,102	\$ 2,102	\$ -	\$ -
3518 Adoption List of Formative Assessment	16,295	16,295	-	-
3519 Grade 10 Assessments	7,014	7,014	-	4,418
3526 Science Kits	10,078	10,078	-	11,641
3528 Industry Certifications/Credentials	10,000	10,000	-	-
3529 Career and Technology Education	45,902	45,902	-	44,035
3532 National Board Certification Salary Supplement	26,092	26,092	-	-
3533 Teacher of the Year	1,077	1,077	-	-
3536 Student Health & Fitness	18,333	18,333	-	-
3538 Students At Risk of School Failure	260,915	260,915	-	-
3550 Teacher Salary Increase	472,957	-	(472,957)	-
3555 School Employer Contributions	113,610	-	(113,610)	-
3557 Summer Reading Camp	24,887	24,887	-	9,623
3571 CSI	157,089	157,089	-	156,160
3577 Teacher Supplies	44,275	44,275	-	1,100
3594 EEDA At Risk	115,355	115,355	-	-
3595 EEDA - Supplies and Materials - Career Awareness	5,664	5,664	-	4,365
3597 Aid to Districts	92,336	67,287	(25,049)	-
3599 Other EIA	401,000	401,000	-	6,815
	<u>\$ 1,824,981</u>	<u>\$ 1,213,365</u>	<u>\$ (611,616)</u>	<u>\$ 238,157</u>

BARNWELL SCHOOL DISTRICT #45

COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCE

Year Ended June 30, 2022

	<u>Total</u>
<b>RECEIPTS</b>	
1000 Revenue from Local Sources	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 455
1530 Gain or Loss on Sale of Investments	(4,067)
1700 Pupil Activities:	
1710 Admissions	86,228
1730 Pupil Organization Membership	360
1740 Student Fees	30
1790 Other	201,104
1900 Other Revenue From Local Sources:	
1999 Miscellaneous Local Revenue	<u>55,157</u>
<b>Total Receipts From Local Sources</b>	<u>339,267</u>
<b>TOTAL RECEIPTS ALL SOURCES</b>	339,267
<b>DISBURSEMENTS</b>	
270 Supporting Services Pupil Activity	
271 Pupil Service Activities	
100 Salaries	3,800
200 Employee Benefits	1,142
400 Supplies	22,168
660 Pupil Activity	349,756
273 Trust and Agency Activities	
660 Pupil Activity	<u>4,290</u>
<b>TOTAL DISBURSEMENTS</b>	<u>381,156</u>
5210 Transfer from General Fund	<u>-</u>
Excess/Deficiency of Revenues over Expenditures	(41,889)
<b>FUND BALANCE, JULY 1, 2021</b>	<u>367,882</u>
<b>FUND BALANCE, JUNE 30, 2022</b>	<u>\$ 325,993</u>

BARNWELL SCHOOL DISTRICT #45  
SCHEDULE OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION  
SPECIAL REVENUE - FOOD SERVICE FUND  
Year Ended June 30, 2022

	Actual
<b>REVENUE</b>	
1000 Revenue from Local Sources	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 183
1600 Food Service:	
1640 Lunch Sales to Adults	514
1900 Other Revenue From Local Sources:	
1999 Miscellaneous	<u>63,712</u>
<b>Total Local Sources</b>	<u>64,409</u>
4000 Revenue From Federal Sources	
4800 USDA Reimbursement:	
4810 School Lunch Program	1,280,402
4820 Supply Chain Assistance Funding	43,647
4830 School Breakfast Program	623,904
4890 Healthy Meals - USDA	104,199
4900 Other Federal Sources:	
4991 USDA Commodities	<u>103,804</u>
<b>Total Federal Sources</b>	<u>2,155,956</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<u>2,220,365</u>
<b>EXPENDITURES</b>	
256 Food Service:	
100 Salaries	376,212
300 Purchased Services	35,811
400 Supplies and Materials	1,137,241
500 Capital Outlay	40,286
600 Other Objects	<u>273</u>
<b>TOTAL EXPENDITURES</b>	<u>1,589,823</u>
Excess/Deficiency of Revenues over Expenditures	630,542
<b>FUND BALANCE, JULY 1, 2021</b>	<u>1,148,793</u>
<b>FUND BALANCE, JUNE 30, 2022</b>	<u>\$ 1,779,335</u>



BARNWELL SCHOOL DISTRICT #45

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE

DEBT SERVICE FUND

Year Ended June 30, 2022

	<u>Actual</u>
<b>REVENUE</b>	
1000 Revenue from Local Sources	
1100 Taxes:	
1110 Ad Valorem Taxes	\$ 1,166,951
1280 Revenue In Lieu of Taxes	59
1500 Earnings on Investments:	
1510 Interest on Investments	<u>490</u>
<b>Total Local Sources</b>	<u>1,167,500</u>
3000 Revenue from State Sources	
3800 State Revenue in Lieu of Taxes	
3820 Homestead Exemption	76,379
3840 Manufacturers Depreciation Reimbursement	<u>(10,335)</u>
<b>Total State Sources</b>	<u>66,044</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<u>1,233,544</u>
<b>EXPENDITURES</b>	
500 DEBT SERVICE	
610 Redemption of Principal	1,197,000
620 Interest	<u>41,075</u>
<b>TOTAL EXPENDITURES</b>	<u>1,238,075</u>
<b>OTHER FINANCING SOURCES</b>	
- N/A -	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>-</u>
Excess/Deficiency of Revenues over Expenditures	(4,531)
<b>FUND BALANCE JULY 1, 2021</b>	<u>899,672</u>
<b>FUND BALANCE JUNE 30, 2022</b>	<u>\$ 895,141</u>

BARNWELL SCHOOL DISTRICT #45

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE

SCHOOL BUILDING FUND

Year Ended June 30, 2022

	<u>Actual</u>
<b>REVENUE</b>	
1000 Revenue from Local Sources	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 12,515
	<u>12,515</u>
<b>Total Local Sources</b>	<u>12,515</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<u>12,515</u>
 <b>EXPENDITURES</b>	
250 Finance and Operations	
253 Facilities Acquisition & Construction	
300 Purchased Services	292,907
520 Construction Services	50,020
540 Technology Equipment and Software	<u>237,621</u>
	<u>580,548</u>
<b>TOTAL EXPENDITURES</b>	<u>580,548</u>
Excess/Deficiency of Revenues over Expenditures	
Before Other Financing Sources	(568,033)
5120 Proceeds of General Obligation Bonds	1,476,500
5999 Miscellaneous Sources - Insurance (FEMA)	<u>248,371</u>
	1,156,838
<b>FUND BALANCE JULY 1, 2021</b>	<u>4,242,584</u>
<b>FUND BALANCE JUNE 30, 2022</b>	<u>\$ 5,399,422</u>

BARNWELL SCHOOL DISTRICT #45

FAM LOCATION RECONCILIATION SCHEDULE

Year Ended June 30, 2022

<u>Location</u>	<u>Description</u>	<u>Education Level</u>	<u>Cost Type</u>	<u>General Fund</u>	<u>Spcl Rev</u>	<u>EIA</u>	<u>Activity Fund</u>	<u>Debt Svc</u>	<u>Cap Projects</u>	<u>Food Svc</u>	<u>Total</u>
				<u>Expenditure Amount</u>	<u>Expenditure Amount</u>	<u>Expenditure Amount</u>	<u>Expenditure Amount</u>	<u>Expenditure Amount</u>	<u>Expenditure Amount</u>	<u>Expenditure Amount</u>	<u>Expenditure Amount</u>
00 - 08	Administration			\$ 5,634,188	\$ 2,088,774	\$ 460,376	\$ 73,808	\$ 1,238,075	\$ 580,548	\$ -	\$ 10,075,769
09	Barnwell High School	High School	School	4,157,141	401,796	260,014	228,374	-	-	403,146	5,450,471
10	Guinyard-Butler Middle School	Middle School	School	2,555,944	270,117	110,831	17,082	-	-	234,190	3,188,164
11	Primary School	Elementary School	School	3,567,540	1,946,217	104,780	8,796	-	-	402,273	6,029,606
12	Elementary School	Elementary School	School	2,715,463	777,613	180,929	53,096	-	-	393,708	4,120,809
14	School Food Service			37,984	16,434	-	-	-	-	156,506	210,924
16	Barnwell Alternative School	Alternative	School	<u>320,863</u>	<u>679,478</u>	<u>96,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,096,776</u>
				<u>\$ 18,989,123</u>	<u>\$ 6,180,429</u>	<u>\$ 1,213,365</u>	<u>\$ 381,156</u>	<u>\$ 1,238,075</u>	<u>\$ 580,548</u>	<u>\$ 1,589,823</u>	<u>\$ 30,172,519</u>

BARNWELL SCHOOL DISTRICT #45

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

June 30, 2022

<u>Program</u>	<u>Project/Grant Number</u>	<u>Revenue Code</u>	<u>Description</u>	<u>Amount</u>
- None				

BARNWELL SCHOOL DISTRICT #45

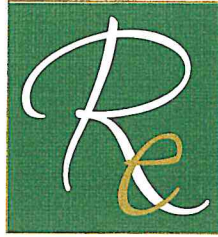
DETAILED SCHEDULE OF DEFERRED REVENUE

EDUCATION IMPROVEMENT ACT FUND

June 30, 2022

<u>Program</u>	<u>Fund Number</u>	<u>Revenue Code</u>	<u>Amount</u>
Grade 10 Assessments	319	3519	\$ 4,418
Refurbishment of K-8 Science Kits	326	3526	11,641
Career and Technology Education	329	3529	44,035
Summer Reading Camp	357	3557	9,623
CSI	371	3571	156,160
Teacher Supplies	377	3577	1,100
EEDA Supplies and Materials - Career Awareness	395	3595	4,365
Other EIA	399	3599	<u>6,815</u>
		Total	<u>\$ 238,157</u>

FEDERAL REPORTING AND SINGLE AUDIT SECTION



# RISH & ENZASTIGA

Certified Public Accountants

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

To the Board of Trustees  
Barnwell School District #45  
Barnwell, South Carolina

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

We have audited Barnwell School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions,

misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

#### ***Other Matters***

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance. Our opinion on each major federal program is not modified with respect to these matters.

#### **Report on 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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.

Lexington, South Carolina  
September 28, 2022



BARNWELL SCHOOL DISTRICT #45

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2022

LEA Subfund Code	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U. S. Department of Education</u>				
Passed-through South Carolina Dept of Education				
201/240	Title I Grants to LEA	84.010	H63010100115	\$ 1,212,342
<i>Special Education Cluster</i>				
203	IDEA	84.027	H63010100915	739,519
205	Handicapped Pre-School Grant	84.173	H63010100916	34,707
230/233	ARP 611 IDEA & Preschool	84.173		189,156
<i>Total Special Education Cluster</i>				<u>963,382</u>
207	Vocational Education, Title II	84.048	H63010107116	60,045
210	Title IV	84.424		121,687
239	School Improvement	84.377	H63010100116	206,139
251	Title VI	84.358	H63010007015	59,665
218	ESSER III	84.425U		1,048,652
220	Coronavirus Aid Relief	84.425D		118,358
225	ESSER II	84.425D		1,114,493
828	Title III	84.031A		7,572
267	Improving Teacher Quality	84.367	H63010006815	<u>133,794</u>
<i>Total U. S. Department of Education</i>				<u>5,046,129</u>
<u>U. S. Department of Defense</u>				
813	ROTC	12.357		<u>71,160</u>
<i>Total U. S. Department of Defense</i>				<u>71,160</u>
<u>U. S. Department of Agriculture</u>				
Passed through South Carolina Department of Education				
600	USDA Commodities (non-cash)	10.565	H063010103215	103,804
600	Supply Chain Assistance Funding	10.582	H063010103215	43,647
600	Healthy Meals	10.558		104,199
600	School Breakfast Program	10.553	H063010103215	623,904
600	School Lunch Program	10.555	H063010103215	<u>1,280,402</u>
<i>Total U. S. Department of Agriculture</i>				<u>2,155,956</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 7,273,245</u>

BARNWELL SCHOOL DISTRICT #45

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2022

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Barnwell #45 School District Barnwell, South Carolina and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 2 – MAJOR PROGRAMS

The following programs meet the criteria for major programs under Uniform Guidance:

<u>Name</u>	<u>CFDA No.</u>	<u>Amount</u>
USDA commodities	10.565	\$ 103,804
Supply Chain	10.582	43,647
Healthy Meals	10.558	104,199
School Breakfast Program	10.553	623,904
School Lunch Program	10.555	<u>1,280,402</u>
	Total Program	<u>\$ 2,155,956</u>
Title I	84.010	\$ 1,212,342
IDEA - cluster	84.027 & 84.173	\$ 963,382
ESSERS II	84.425D	\$ 1,232,851
ESSERS III	84.425U	\$ 1,048,652

NOTE 3 – NON-CASH ASSISTANCE

The value of U.S. Department of Agriculture commodities (CFDA # 10.565) expended during the year was \$103,804

NOTE 4- INDIRECT COST

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

BARNWELL SCHOOL DISTRICT #45

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2022

**Section I – Summary of Auditor’s Results**

*Financial Statements*

Type of auditor’s report issued – unmodified

Internal control over financial reporting:

- Material weaknesses identified?  yes  no
- Significant deficiency identified that are not considered to be material weaknesses  yes  none reported

Noncompliance material to financial statements noted?  yes  no

*Federal Awards*

Internal control over major programs:

- Material weaknesses identified?  yes  no
- Significant deficiency identified that are not considered to be material weaknesses?  yes  none reported

Type of auditor’s report issued on compliance for major programs – unqualified.

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance  yes  no

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA #</u>
Food Service Program	Multiple
Title I	84.010
IDEA - Cluster	84.027 & 84.173
ESSERS II	84.425D
ESSERS III	84.425U

Dollar threshold used to distinguish between type A and type B programs? \$ 750,000

Auditee qualified as low-risk auditee?  yes  no

BARNWELL SCHOOL DISTRICT #45

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2022

**Section II – Financial Statement Findings**

No items noted.

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

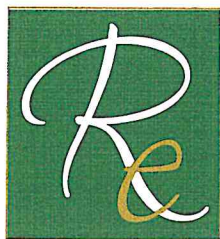
No items noted.

**Section IV – Schedule of Corrective Action**

Not needed.

**Section V – Prior Audit Findings**

No items noted



# RISH & ENZASTIGA

Certified Public Accountants

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

To the Board of Trustees  
Barnwell School District #45  
Barnwell, 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 Barnwell School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and have issued our report thereon dated September 28, 2022.

### **Report on Internal Control Over Financial Reporting**

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

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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*.

**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.

A handwritten signature in blue ink, appearing to read "Rick W. Engstler".

Lexington, South Carolina  
September 28, 2022