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ANNUAL COMPREHENSIVE
FINANCIAL REPORT

YEAR ENDED JUNE 30, 2022

LANCASTER COUNTY SCHOOL DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2022



Issued By: Jonathan Phipps, PhD
Superintendent
Lancaster County School District

Prepared By: Finance Department
Lancaster County School District

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

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**LANCASTER COUNTY SCHOOL DISTRICT
SOUTH CAROLINA**

YEAR ENDED JUNE 30, 2022

PRINCIPAL OFFICIALS

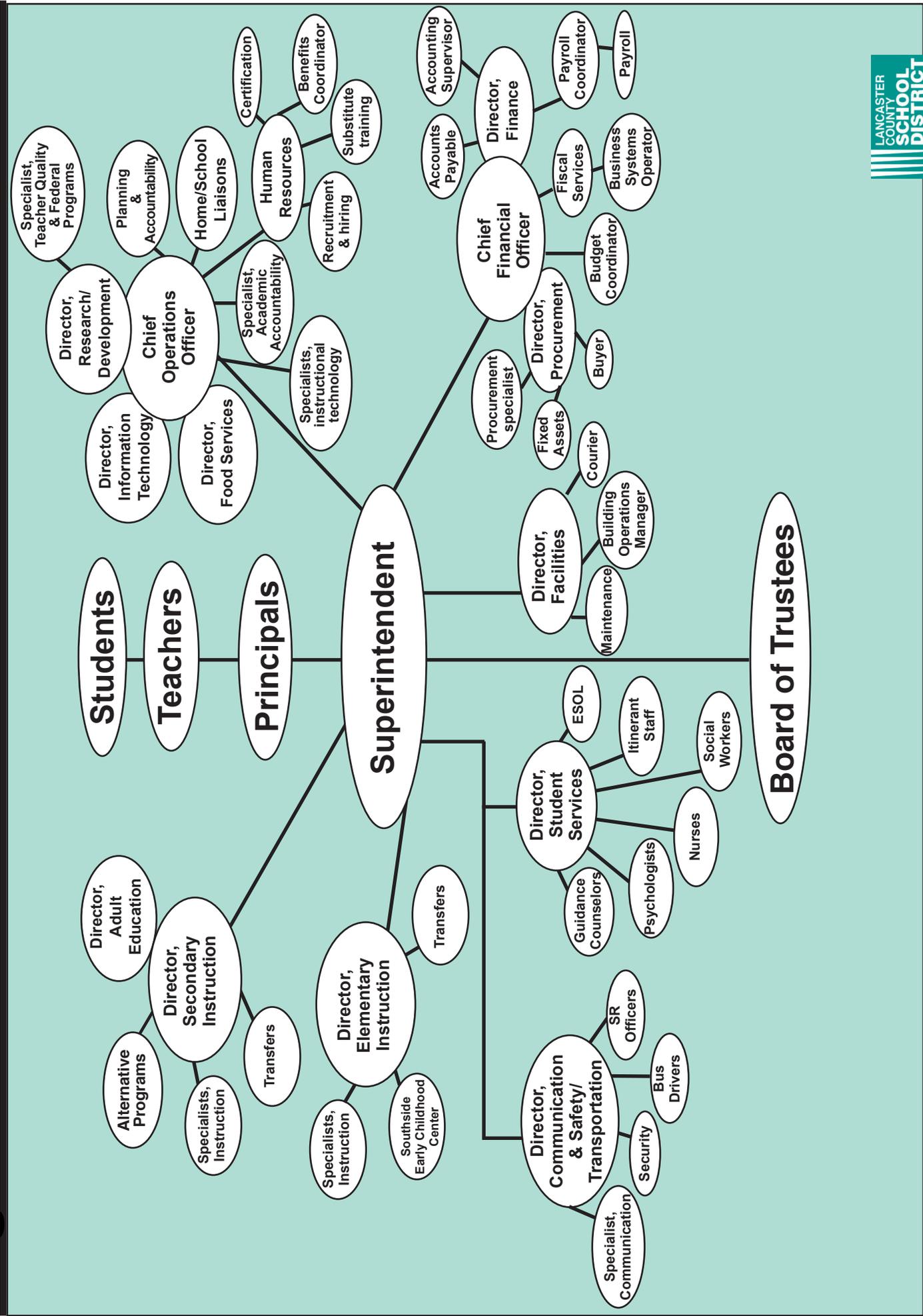
Board of Trustees

Brad Small, Chair
Melvin M. Stroble Sr., Vice Chair
Tyrom Faulkner, Secretary
Eddie Boykin
Casey Cato
Margaret E. Gamble
Courtney Green

Administrative Staff

Johnathan Phipps, Ph.D, Superintendent
Mary Faile, Finance Director

Organizational Chart





January 4, 2023

To the Citizens of Lancaster County
Lancaster, South Carolina

We are pleased to present the Annual Comprehensive Financial Report (“ACFR”) of Lancaster County School District (“District”) for the year ended June 30, 2022. We believe the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. In addition, we believe we have included all disclosures necessary for the reader to understand the District’s financial activity.

The Report

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District’s management. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Section 59-17-100 of the South Carolina Code of Laws requires an annual single audit report due by December 1 following the close of the fiscal year. The firm of Greene Finney Cauley, LLP, was selected by the Board of Trustees to perform the audit. The auditor’s report on the basic financial statements is included in the Financial Section of the report. The auditor’s reports related specifically to the single audit are included in the Compliance Section.

Management’s discussion and analysis (“MD&A”) immediately follows the independent auditor’s report and provides a narrative introduction, an overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The financial reporting entity includes all the funds of the primary government (the District) which include a blended component unit, Lancaster Educational Assistance Program, Inc. (“LEAP”). LEAP is a not-for-profit 501 (c) (3) corporation. Additionally, the Discovery School of Lancaster County (“Charter School”) is considered a public school and is a part of the District for purpose of state law and state constitution and is included in the basic financial statements of the District as a discretely presented component unit. Component units are legally separate entities for which the primary government is financially accountable. Our District is not included in any other reporting entity as defined by the Governmental Accounting Standards Board Statement 14, “*The Financial Reporting Entity*.”

Profile of the District

The District is under the management and control of the Board of Trustees. The Board of Trustees consists of seven members, elected from single member districts for a four-year term. The Board of Trustees has decision-making authority, including the power to hire management, the ability to significantly influence operations and the accountability for fiscal matters. The Board of Trustees appoints the superintendent who is responsible for implementing board policies. The District provides educational services which include child development, kindergarten, primary, secondary and adult education to those students residing within the District's jurisdiction. The District operates twelve elementary schools, one intermediate school, five middle schools, four high schools, a vocational career center, a child development center and an alternative school. Average daily membership for the 2021-2022 year totaled 14,381 students.

Our District is located along the north central Piedmont section of South Carolina, approximately 21 miles south of Charlotte, North Carolina, and benefits from its close proximity to Charlotte. The county is 549 square miles and includes the cities/communities of Lancaster (county seat), Indian Land, Heath Springs, Kershaw, Van Wyck and Elgin. The county's tax base is considered stable and is currently experiencing rapid growth of both residential and commercial property along its northern border.

Lancaster is also home to USC-Lancaster, one of the four regional campuses of the University of South Carolina. Since its inception in 1959, USC Lancaster has become a comprehensive learning center, offering high-quality university programs and services to approximately 1,800 full and part-time students from a service area of six counties (Lancaster, Chester, Chesterfield, Kershaw, Fairfield and York).

Local Economy

Lancaster County's close proximity to Charlotte, NC, provides access to transportation such as Charlotte-Douglas International Airport and highway corridors including I-485, I-77 and U.S. 521. Lancaster County has a diverse tax base with the top ten taxpayer's only accounting for 11% of the county's assessed value. The county's assessed value has grown over the last ten years and is expected to continue. Residential property, exempt from school operating millage, makes up about 68% of the counties assessed real property value. Growth in residential property has grown by at least 45% over the last ten years and that growth is expected to continue as well.

Lancaster County's manufacturing and retail tax base continues to expand and diversify. The County is home to a variety of industries such as Red Ventures, LLC (the county's largest employer), Nutramax Laboratories, Lennar Carolinas, LLC, Hutton Indian Land, LLC, Duke Energy Corporation, and Sharonview Federal Credit Union. International companies in Lancaster County include Keer America and Oceana Gold of New Zealand (Haile Gold Mine), which has invested over \$380 million with an estimated economic impact of \$87 million per year.

The 88 acre Lancaster County Air-Rail Business Park is located on Highway 9 near the Lancaster County Airport. The park has dual-rail access through the L&C Railway and is less than an hour drive to the Charlotte-Douglas International Airport and downtown Charlotte, NC.

Lancaster County's not seasonally adjusted unemployment rate for September 2022 was 3.4%, down from 3.9% one year ago. The state seasonally adjusted unemployment rate for September 2022 was 3.2%, down from 4.1% one year ago.

Long-Term Financing

The District's major financial challenges include keeping up with technology and construction of facilities to meet enrollment growth, particularly in the northern panhandle area. The District prepares an updated five-year capital improvement plan and a technology needs schedule annually during the budget process. These schedules are the basis for budgeting to meet capital needs and for addressing future debt issuance as needed.

The District issues general obligation bonds annually to meet the needs identified in the capital improvement plan above and to cover the annual payments due on the District's installment debt. Debt Service millage remained unchanged in fiscal year 2022.

In March 2016, the voters of Lancaster County approved a \$199 million bond referendum to fund two new schools and upgrade existing schools in the District, along with other major capital projects across the District including safety, athletics, playgrounds, cafeterias, paving and technology. Presently the District has completed construction on a new elementary school, a new high school building and three new multi-purpose buildings.

Awards for 2021-22 School Year

- 2021-22 S.C. Junior Scholars

46 Students at Buford Middle School, AR Rucker Middle, Andrew Jackson Middle, Indian Land Middle, South Middle

- 2022 2-A State Champions in Baseball
Andrew Jackson High Varsity Baseball Team:
- 2022 SCBCA Player of the Year
Kyle Percival, AJHS
- 2022 SCBCA Coach of the Year
Mike Lucas, AJHS
- 2022 Class 4-A State Wrestling Champion
(in the 145lb weight division)
Dylan Layton, ILHS
- 2022 Class 4-A State Wrestling Champion
(in the 220lb weight division)
David Floyd, ILHS
- 2022 Class 4-A Individual State Golf Championship:
Mason Kucia
- 2022 Teacher of the Year by the SC Chapter of American Legion
Janet Vecchio
- 2022 Teacher of the Year by the South Carolina Culinary Arts Teachers Association
Dominic Hawkes
- 2022 Teacher of the Year by the South Carolina Association of Career and Technical Educators
Anna Snipes
- 12 Years of Perfect Attendance
Olivia Vincent

District Focus

The District's focus over past years has been towards addressing the rapid enrollment growth in the northern area of the county. A \$199 million bond referendum was approved by the voters in FY 15-16 to help fund major capital needs across the District. The District issued \$125 million of these bonds during FY 16-17 and issued the remaining \$74 million in FY 18-19. Most of projects have been completed.

In order to continue to serve our students, a \$8.80M use of fund balance in the General Fund was budgeted in FY 21-22. The District recognizes the need to continue to have a healthy fund balance to help support the growth in enrollment and continue to meet the needs of schools and was able to add nearly \$3.53M to the fund balance for the General Fund as of June 30, 2022. Growth, technology and expanding new and innovative instructional programs for students will be the District's continuing priorities over the next few years.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its ACFR for the fiscal year ended June 30, 2021. This was the seventeenth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both accounting principles generally accepted in the United States and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The successful completion of this ACFR is the result of the commitment and hard work of staff members from several departments. We would like to thank the entire Finance staff for their hard work along with the Superintendent and the Department of Public Information for their assistance. We are especially grateful to our Board of Trustees for its continued support.

Respectfully submitted,

A handwritten signature in blue ink that reads "Jonathan Phipps". The signature is written in a cursive, flowing style.

Jonathan Phipps, Ph.D.
Superintendent

A handwritten signature in black ink that reads "Mary Faile". The signature is written in a cursive, flowing style.

Mary Faile
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Lancaster County School District
South Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

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INDEPENDENT AUDITOR’S REPORT

The Board of Trustees
 Lancaster County School District
 Lancaster, South Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the discretely presented component unit, and each major fund of the Lancaster County School District, South Carolina (the “District”), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Prior Period Adjustments

As discussed in Note IV.F in the notes to the financial statements, in the year ended June 30, 2022 the District discovered errors relating to the reporting of revenues related to special revenues that impacted its governmental and government-wide financial statements as of June 30, 2021. As a result, the beginning fund balance/net position has been restated in the current year financial statements to correct these errors. Our opinion is not modified with respect to these matters.

Change in Accounting Principle

As discussed in Note I.B in the notes to the financial statements, for the year ended June 30, 2022 the District has elected to change its policy for accounting and reporting its food service operations from an enterprise fund to a governmental fund. Our opinion is not modified with respect to this matter.

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 GAAS and *Government 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 GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Required Supplementary Information

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section, as listed in the table of contents, but does not include the basic financial statements and our independent auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 4, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
January 4, 2023

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2022

This discussion and analysis of the Lancaster County School District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2022 ("FY 22" or "2022") compared to fiscal year ended June 30, 2021 ("FY 21" or "2021"). The intent of this discussion and analysis is to look at the District's financial performance as a whole, with an emphasis on the Primary Government (which excludes the District's discretely presented charter school); readers should also review the financial statements and the notes to the financial statements to enhance their understanding of the District's financial performance.

The Lancaster Education Assistance Program, Inc. ("LEAP") was established in 2004. Although the LEAP is a legally separate entity, it is reflected as a blended component unit of the District and the financial activity of the LEAP is reflected in an individual debt service fund in the financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2022 are as follows:

- In the Statement of Net Position, the liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by approximately \$120.4 million. Unrestricted net position was a deficit of approximately \$255.8 million. The deficit in unrestricted net position is a result of (a) pension accounting standards that were implemented in 2015, which resulted in the District recording a net pension liability and related deferred pension balances for its participation in the State retirement plan, and (b) other postemployment benefit ("OPEB") plan accounting standards that were implemented in 2018, which resulted in the District recording a net OPEB liability and related deferred OPEB balances for its participation in the State OPEB plan. Without the net pension and net OPEB liabilities and related deferred balances, which were approximately \$291.3 million at June 30, 2022, the District would have total unrestricted net position of approximately \$35.5 million.
- The District's total net position increased by approximately \$10.7 million.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of approximately \$75.3 million, an increase of approximately \$8.6 million from the restated prior year fund balance. The General Fund increased approximately \$3.5 million. Approximately 30% of the total amount, or approximately \$23.0 million, is unassigned and available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was approximately \$23.0 million, which was approximately 18% of total General Fund expenditures.
- During 2022, the District converted its food service activities from an enterprise fund to a governmental fund (see following for additional details). The District's governmental fund revenues were approximately \$214.8 million, compared to approximately \$181.6 million in the prior year (including the Food Service Fund as a governmental fund for both years). This increase is primarily due to higher federal revenues, state revenues, and property tax revenues. The District's governmental fund expenditures were approximately \$206.2 million, compared to approximately \$196.7 million in the prior year (including the Food Service Fund as a governmental fund for both years). This increase is primarily due to higher instruction and support service expenditures, partially offset by lower capital outlay expenditures.
- The District's total capital assets increased by approximately \$2.5 million (less than 1%) during the current fiscal year to approximately \$333.2 million, as capital asset additions of approximately \$14.0 million exceeded depreciation expense and net disposals of approximately \$11.5 million.
- The District's total outstanding long-term debt decreased from approximately \$229.7 million at June 30, 2021 to approximately \$220.0 million at June 30, 2022. This is due to making regularly scheduled principal payments on long-term debt of approximately \$9.7 million.

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2022

FINANCIAL HIGHLIGHTS (CONTINUED)

- Effective July 1, 2021, the District converted its food service activities from an enterprise fund to a special revenue fund. This change in accounting principle resulted in an increase to beginning fund balance of approximately \$4,471,000 for this special revenue fund, representing (a) the net book value of capital assets for food service equipment (\$1,619,000), as capital assets are not reported in governmental funds, (b) the net pension balances related to the State retirement plans (\$3,249,000), as pension balances are not reported in the governmental funds, and (c) the net other postemployment benefit balances related to the State other postemployment benefit plan (\$2,841,000), as other postemployment benefit balances are not reported in the governmental funds. On its government-wide financial statements, the District recognized a decrease to beginning net position for governmental activities of approximately \$4,226,000, as it no longer reports any business-type activities. There was no change in total beginning net position for the District as a result of this change in accounting principle. Accordingly, the District is not reporting any proprietary/enterprise fund activities or balances as of and for the year ended June 30, 2022.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *Introductory Section*, *Financial Section*, (which includes management's discussion and analysis, the financial statements, and the combining and individual fund financial schedules), *Statistical Section*, and the *Compliance Section*.

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

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

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

Government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include instruction, support services, and community services. The District does not have any business-type activities.

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

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of the District are included as governmental funds.

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

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

MANAGEMENT’S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The District maintains six individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Special Revenue Fund, Special Revenue – Education Improvement Act (“EIA”) Fund, Debt Service – District Fund, Capital Projects – District Fund, and Special Revenue – Food Service Fund, all of which are considered to be major funds. In addition, LEAP’s Debt Service Fund is also a major fund and therefore shown in a separate column.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information. The District adopts an annual appropriated budget only for its General Fund. A budgetary comparison schedule has been provided as required supplementary for this fund to demonstrate compliance with the budgets. Required pension plan schedules have been included which provide relevant information regarding the District’s participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. Required OPEB plan schedules have been included which provide relevant information regarding the District’s participation in the South Carolina Retiree Health Insurance Trust Fund. Required supplementary information can be found as listed in the table of contents.

Supplementary Information. In addition to the financial statements, notes, and required supplementary information, this report includes certain supplementary information. The combining and individual fund financial schedules and the location reconciliation schedule can be found as listed in the table of contents of this report.

Major Features of the District’s Government-Wide and Fund Financial Statements		
	Fund Financial Statements	
	Government-Wide Financial Statements	Governmental Funds
Scope	Entire District	Entire District
Required Financial Statements	<ul style="list-style-type: none"> ▪ Statement of Net Position ▪ Statement of Activities 	<ul style="list-style-type: none"> ▪ Balance Sheet ▪ Statement of Revenues, Expenditures, and Changes in Fund Balances
Accounting and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of Balance Sheet Information	All balance sheet elements, both financial and capital, and long- term obligations	All balance sheet elements that come due during the year or soon thereafter; no capital assets – or long-term obligations are included
Type of Inflow/Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by approximately \$120.4 million at the close of the current fiscal year. The following table provides a summary of the District's net position as of June 30, 2022 compared to June 30, 2021:

	Net Position	
	<u>June 30, 2022 ^</u>	<u>June 30, 2021 ^</u>
Assets		
Current and Other Assets	\$ 100,095,246	\$ 90,078,691
Capital Assets, Net	333,247,328	330,727,088
Total Assets	<u>433,342,574</u>	<u>420,805,779</u>
Deferred Outflows of Resources	<u>82,668,129</u>	<u>77,696,601</u>
Liabilities		
Other Liabilities	25,569,434	24,250,848
Net Pension Liability	154,856,503	182,033,014
Net Other Postemployment Benefit Liability	184,760,545	160,729,720
Long-Term Obligations	238,781,785	249,975,860
Total Liabilities	<u>603,968,267</u>	<u>616,989,442</u>
Deferred Inflows of Resources	<u>32,404,398</u>	<u>13,335,474</u>
Net Position		
Net Investment in Capital Assets	111,926,952	108,086,097
Restricted	23,531,567	37,130,752
Unrestricted	(255,820,481)	(277,039,385)
Total Net Position	<u>\$ (120,361,962)</u>	<u>\$ (131,822,536)</u>

^ In FY 2022, the District converted its Food Service Fund from a business-type activity to a governmental activity. The above table reflects the Food Service Fund as part of governmental activities for both years.

Current and other assets increased approximately \$10.0 million primarily due to an increase in cash and investments of approximately \$1.6 million (primarily due to the change in fund balance), an increase in due from other governments of approximately \$7.6 million (primarily due to outstanding ESSER grants from the State), and an increase in inventory, prepaids, and other assets of \$1.2 million (primarily due to prepaying IT protection plans). Capital assets increased approximately \$2.5 million as capital asset additions of approximately \$14.0 million exceeded depreciation expense and net disposals of approximately \$11.5 million. Liabilities decreased approximately \$13.0 million from the prior year primarily due to a net decrease in the net pension liability and net OPEB liability by approximately \$3.1 million and principal payments on outstanding indebtedness and amortization of a premiums of approximately \$11.3 million, partially offset by increases in other current liabilities. The changes in the net pension and OPEB liabilities and deferred outflows/inflows of resources were primarily due to differences between expected and actual liability/investment experience, changes in assumptions, and changes in the percentage of the District's share of these balances.

The District's government-wide net position increased approximately \$10.7 million during 2022 as revenues exceeded expenses. See the discussion following the next table regarding this increase.

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The largest positive portion of the District's net position (approximately \$111.9 million) reflects its investment in capital assets (i.e., land, buildings, furniture and equipment, etc.) less any related outstanding debt obligations used to acquire those assets. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt generally must be provided from other sources, since generally the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position (approximately \$23.5 million) represents resources that are subject to external restrictions on how they may be used. These amounts are restricted primarily for debt service or by revenue source. The remaining portion of the District's net position (unrestricted net position) is negative and is approximately (\$255.8) million primarily due to recording the District's proportionate share of the net pension and OPEB liabilities and the related deferred balances related to the State retirement and OPEB plans.

The following table shows the changes in the District's governmental activities net position for 2022 compared to 2021:

Changes in Net Position

	2022 [^]	2021 [^]
Revenues		
Program Revenues:		
Charges for Services	\$ 326,700	\$ 1,185,417
Operating Grants	118,988,062	96,075,197
Capital Grants	-	60,107
General Revenues:		
Taxes	73,084,588	65,688,516
State Revenue in Lieu of Taxes	19,268,780	17,923,967
Other	1,660,312	744,724
Total Revenues	<u>213,328,442</u>	<u>181,677,928</u>
Program Activities		
Instruction	109,350,187	101,974,473
Support Services	83,204,617	75,478,264
Community Services	1,642,157	1,632,071
Interest and Other Charges	8,442,180	8,667,767
Total Expenses	<u>202,639,141</u>	<u>187,752,575</u>
Change in Net Position	10,689,301	(6,074,647)
Net Position, Beginning of Year, As Previously Reported	(131,822,536)	(125,747,889)
Prior Period Adjustments *	771,273	-
Net Position, Beginning of Year, As Restated	<u>(131,051,263)</u>	<u>(125,747,889)</u>
Net Position, End of Year	<u>\$ (120,361,962)</u>	<u>\$ (131,822,536)</u>

[^] In FY 2022, the District converted its Food Service Fund from a business-type activity to a governmental activity. The above table reflects the Food Service Fund as part of governmental activities for both years.

* The District restated the beginning balance of net position for unrecorded revenues due to prior period adjustments. See Note IV.F in the notes to the financial statements for more details.

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

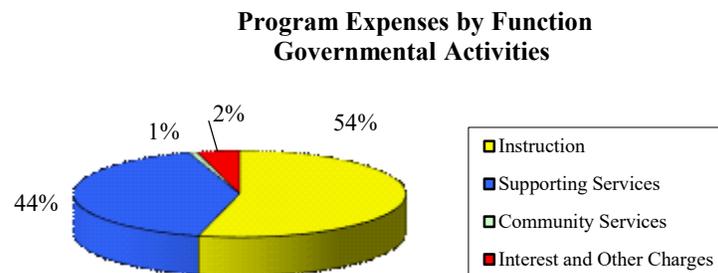
MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities: Net position increased approximately \$10.7 million from the previous year, compared to a decrease of approximately \$6.1 million in 2021. Key elements are as follows:

- Total revenues increased approximately \$31.7 million (17%), which is primarily attributed to higher property tax revenues of approximately \$7.4 million (millage increased 3% and assessed values increased 15%), higher operating grants of approximately \$22.9 million (higher state funding and stimulus grants), and state revenue in lieu of taxes of approximately \$1.3 million.
- Total expenses increased approximately \$14.9 million (8%), which is primarily attributed to an increase in instruction expenses of approximately \$7.4 million and support service expenses of approximately \$7.7 million. This increase was primarily due to higher salaries (i.e. STEP increase, 3% COL increase, new positions, etc.), benefits, and new stimulus funded programs/costs.



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

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

For the year ended June 30, 2022, the District's governmental funds reported a *combined* fund balance of approximately \$75.3 million, compared to approximately \$66.7 million for the restated prior year. The increase of approximately \$8.6 million is primarily attributable to the increase in the General Fund of approximately \$3.5 million, the increase in the Debt Service - District Fund of approximately \$3.8 million, and the increase in the Food Service Fund of approximately \$1.8 million, which was partially offset by a decrease in the Capital Projects Fund of approximately \$0.7 million. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At June 30, 2022, the District's unassigned fund balance was approximately \$23.0 million. The General Fund has a total fund balance of approximately \$31.4 million. The Special Revenue Funds, which includes Food Services, had fund balances of approximately \$5.4 million. The remainder of fund balance for governmental funds is nonspendable or restricted primarily for capital projects of approximately \$18.6 million and debt service of approximately \$19.9 million.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the unassigned fund balance of the General Fund was approximately \$23.0 million. The fund balance increased by approximately \$3.5 million, or approximately 13%, during the current fiscal year. The current year increase is primarily due to higher than budgeted revenues (higher property tax revenues due to higher assessed values and higher state funding) and lower than budgeted expenditures.

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

MANAGEMENT’S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2022

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (CONTINUED)

Governmental Funds (Continued)

The District’s Special Revenue Fund and Special Revenue – EIA Fund are used to account for revenues derived from federal, state, and local sources for student/pupil activity funds and special education programs. The District’s student/pupil activities had restricted fund balance of approximately \$2.8 million. Special Revenue funds generally do not have fund balances as it relates to special education programs – as revenues should be expended, deferred, or returned to the grantor. The Special Revenue funds transferred approximately \$2.8 million to the General Fund for indirect costs related to federal programs and \$3.8 million to the General Fund for EIA teacher salaries.

The Special Revenue – Food Service Fund is utilized to account for food service operations. At the end of the current fiscal year, total fund balance of the Food Service Fund was approximately \$2.1 million, an increase of approximately \$1.8 million, as federal, state, local, revenue, and other financing sources exceeded expenditures. Federal revenues continue to be at elevated levels due to additional funding from the federal government as a response to the health pandemic.

The debt service funds are used to account for the accumulation of funds for debt retirement. The fund balance for the Debt Service – District Fund was approximately \$19.9 million at June 30, 2022, an increase of approximately \$3.8 million due to higher local and state revenues (higher assessed values), partially offset by higher transfers to other funds. In addition, the District issued a short-term general obligation bond for approximately \$0.7 million in May 2022. As this debt is scheduled to be repaid in October 2022, which is less than one year after its issuance, it is reflected on the Debt Service – District Fund’s balance sheet at June 30, 2022 as a short-term obligation, as required by generally accepted accounting principles.

The fund balance for the District’s Capital Projects Fund was approximately \$18.6 million at June 30, 2022, a decrease of approximately \$0.7 million from the prior year. The decrease was primarily due to capital outlay expenditures exceeding revenues and transfers in from the Debt Service – District Fund (related to short term debt issuances that were primarily to pay debt service and to provide additional funds for capital outlay).

General Fund Budgetary Highlights

The District’s budget is prepared according to South Carolina law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. During the course of 2022, there was one amendment to the District’s General Fund expenditure or revenue budgets. Actual revenues came in higher than budget by approximately \$5.1 million. Actual expenditures were lower than budget by approximately \$6.1 million primarily due to lower instruction and support services expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2022 and 2021, the District had approximately \$333.2 million and \$330.7 million in capital assets, respectively. The following table shows the capital asset balances as of June 30, 2022 compared to June 30, 2021:

	June 30, 2022 [^]	June 30, 2021 [^]
Land	\$ 10,311,853	\$ 10,311,853
Construction in Progress	2,899,470	118,854,505
Buildings, Improvements, and Equipment	435,342,253	305,961,026
Less Accumulated Depreciation	(115,306,248)	(104,400,296)
Total	<u>\$ 333,247,328</u>	<u>\$ 330,727,088</u>

[^] In FY 2022, the District converted its Food Service Fund from a business-type activity to a governmental activity. The above table reflects the Food Service Fund as part of governmental activities for both years.

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2022

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Capital Assets (Continued)

The increase in the District's capital assets was approximately \$2.5 million (less than 1%), as capital asset additions of approximately \$14.0 million exceeded depreciation expense and net disposals of approximately \$11.5 million. Major capital asset additions during the current fiscal year included:

- Construction in progress of \$5.8 million primarily related to the completion of the Indian Land High School project.
- Furniture and equipment of approximately \$2.4 million.
- Buildings and improvements of approximately \$5.8 million.

More detailed information about the District's capital assets can be found in Note III.D in the notes to the financial statements.

Debt Administration

The following table shows the outstanding governmental activities long-term debt balances as of June 30, 2022 compared to June 30, 2021:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
LEAP Series 2013B IPRRB	\$ 30,965,000	\$ 36,545,000
Series 2017 GOB	115,310,000	119,375,000
Series 2019A GOB	73,700,000	73,800,000
Total	<u>\$ 219,975,000</u>	<u>\$ 229,720,000</u>

The District's total long-term debt decreased approximately \$9.7 million (4%) during the current fiscal year due to regularly scheduled principal payments.

The State limits the amount of general obligation debt that Districts can issue to 8% of the assessed value of all taxable property within the District's corporate limits. The District is authorized by state statute to exceed the legal debt margin of 8%, if citizens of the District approve such additional debt through a District-wide referendum. The District's outstanding general obligation debt is below this state-imposed limit – see table 12 in the statistical section for more details.

Other long-term obligations include bond premiums and accrued compensated absences. More detailed information about the District's debt and other long-term obligations is presented in Note III.F and Note III.G in the notes to the financial statements.

ECONOMIC FACTORS

The District's tax base has grown approximately 73% since 2013 to approximately \$499 million in 2022. Total property tax collections remain strong and was approximately 97% for FY 2022 (2021 tax year). Although Lancaster County's employment is largely manufacturing, the District is the third largest employer within the County.

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2022

FY 23 BUDGET

The year ended June 30, 2023 ("FY 23") General Fund budget of approximately \$146.6 million represents an 8% increase over the FY 22 budget. Many factors were considered by the District's administration during the process of developing the FY 23 budget. The District's objectives continue to be equity and maintenance of pupil to teacher ratios in elementary grades. Staffing at all schools was closely analyzed and changes made as needed. The District expects to use appropriated fund balance of approximately \$7.5 million to balance the FY 2023 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide those interested with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, at The District of Lancaster County, 300 S. Catawba Street, Lancaster, South Carolina, 29720.

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Basic Financial Statements

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2022

	PRIMARY GOVERNMENT	COMPONENT UNIT
	Governmental Activities	Charter School
ASSETS		
Cash and Cash Equivalents	\$ 1,367,825	\$ -
Cash and Cash Equivalents, Restricted	3,070,458	-
Investments	34,660,090	-
Investments, Restricted	1,089,201	-
Cash and Investments Held by County Treasurer	40,866,257	-
Property Taxes Receivable, Net	2,164,783	-
Other Receivables	1,122,494	-
Due from Other Governments	13,787,324	-
Due from Primary Government	-	75,957
Inventory, Prepaids, and Other Assets	1,966,814	-
Capital Assets:		
Non-Depreciable	13,211,323	-
Depreciable, Net	320,036,005	-
TOTAL ASSETS	433,342,574	75,957
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Refunding Charges	1,906,882	-
Deferred Pension Charges	28,326,203	-
Deferred Other Postemployment Benefit Charges	52,435,044	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	82,668,129	-
LIABILITIES		
Accounts Payable	4,196,728	-
Accrued Expenses	14,373,042	-
Accrued Interest Payable	2,725,178	-
Due to Other Governments	1,256,557	-
Due to Component Unit	75,957	-
Unearned Revenue	2,204,972	62,821
Short-Term General Obligation Bond Payable	737,000	-
Non-Current Liabilities:		
Long-Term Obligations - Due Within One Year	10,094,561	-
Long-Term Obligations - Due in More than One Year	228,687,224	-
Net Pension Liability - Due in More than One Year	154,856,503	-
Net Other Postemployment Benefit Liability - Due in More than One Year	184,760,545	-
TOTAL LIABILITIES	603,968,267	62,821
DEFERRED INFLOWS OF RESOURCES		
Deferred Pension Credits	22,724,234	-
Deferred Other Postemployment Benefit Credits	9,680,164	-
TOTAL DEFERRED INFLOWS OF RESOURCES	32,404,398	-
NET POSITION		
Net Investment in Capital Assets	111,926,952	-
Restricted For:		
Debt Service	18,409,619	-
Special Education Programs	273,517	-
Student/Pupil Activities	2,796,132	13,136
Food Service	2,052,299	-
Unrestricted	(255,820,481)	-
TOTAL NET POSITION	\$ (120,361,962)	\$ 13,136

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

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2022

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Primary Governmental Activities	Component Unit School
PRIMARY GOVERNMENT:						
Governmental Activities:						
Instruction	\$ 109,350,187	18,471	73,938,020	-	(35,393,696)	\$ -
Support Services	83,204,617	308,229	44,225,817	-	(38,670,571)	-
Community Services	1,642,157	-	824,225	-	(817,932)	-
Interest and Other Charges	8,442,180	-	-	-	(8,442,180)	-
TOTAL PRIMARY GOVERNMENT	\$ 202,639,141	326,700	118,988,062	-	(83,324,379)	-
COMPONENT UNIT:						
Instruction	\$ 764,074	-	764,074	-	-	-
Support Services	647,054	20,834	628,539	-	-	2,319
Intergovernmental	18	-	18	-	-	-
TOTAL COMPONENT UNIT	\$ 1,411,146	20,834	1,392,631	-	-	2,319
General Revenues:						
Property Taxes Levied for General Purposes					40,814,392	-
Property Taxes Levied for Debt Service					32,270,196	-
State Revenue in Lieu of Taxes					19,268,780	-
Unrestricted Grants and Contributions					809,807	-
Unrestricted Investment Earnings					185,038	-
Unrestricted Intergovernmental General Revenue					33,926	-
Miscellaneous					631,541	-
Total General Revenues					94,013,680	-
CHANGE IN NET POSITION					10,689,301	2,319
NET POSITION, Beginning of Year, As Previously Reported					(127,596,577)	-
Change in Accounting Principle - Food Service Fund					(4,225,959)	-
Prior Period Adjustments					771,273	10,817
NET POSITION, Beginning of Year, As Restated					(131,051,263)	10,817
NET POSITION, End of Year					\$ (120,361,962)	\$ 13,136

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

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2022

	GENERAL	SPECIAL REVENUE	SPECIAL REVENUE - EIA
ASSETS			
Cash and Cash Equivalents	\$ 1,367,825	-	-
Cash and Cash Equivalents, Restricted	-	2,132,757	-
Investments	34,660,090	-	-
Investments, Restricted	-	1,089,201	-
Cash and Investments Held by County Treasurer	-	-	-
Receivables, Net:			
Taxes	1,529,411	-	-
Other	937,746	139,166	45,582
Due From:			
County	3,606,000	-	-
State Agencies	-	371,859	220,928
Federal Agencies	-	9,562,381	-
Other Funds	4,809,516	-	1,619,274
Prepays and Other Assets	1,012,639	273,517	-
Inventories	-	-	-
TOTAL ASSETS	\$ 47,923,227	13,568,881	1,885,784
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
			-
LIABILITIES:			
Accounts Payable	\$ 3,616,985	-	-
Retainage Payable	-	-	-
Accrued Salaries/Payroll	5,954,316	-	-
Accrued Payroll Related Liabilities	4,603,780	-	-
Due To:			
Due to County Treasurer	842,828	-	-
Due to State Department of Education	-	-	35,630
Federal Agencies	-	100,805	-
Charter School	62,821	13,136	-
Other Funds	-	9,917,891	-
Unearned Revenue	-	173,270	1,850,154
Short-Term General Obligation Bond Payable	-	-	-
TOTAL LIABILITIES	15,080,730	10,205,102	1,885,784
DEFERRED INFLOWS OF RESOURCES:			
Unavailable Revenue - Property Taxes	1,410,903	-	-
FUND BALANCES:			
Nonspendable:			
Prepays and Deposits	1,012,639	273,517	-
Inventories	-	-	-
Restricted for:			
Debt Service	-	-	-
Capital Projects	-	-	-
Food Service	-	-	-
Student/Pupil Activities	-	2,796,132	-
Assigned for:			
Special Education Programs	-	294,130	-
Appropriated for Use in FY 2023 Budget	7,457,071	-	-
Unassigned	22,961,884	-	-
TOTAL FUND BALANCES	31,431,594	3,363,779	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 47,923,227	13,568,881	1,885,784

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

DEBT SERVICE - DISTRICT	DEBT SERVICE - LEAP	CAPITAL PROJECTS - DISTRICT	SPECIAL REVENUE - FOOD SERVICE	TOTAL GOVERNMENTAL FUNDS
-	-	-	-	\$ 1,367,825
-	-	-	937,701	3,070,458
-	-	-	-	34,660,090
-	-	-	-	1,089,201
20,776,719	-	20,089,538	-	40,866,257
635,372	-	-	-	2,164,783
-	-	-	-	1,122,494
-	-	-	-	3,606,000
-	-	-	-	592,787
-	-	-	26,156	9,588,537
-	-	2,371,543	1,117,558	9,917,891
-	-	528,226	-	1,814,382
-	-	-	152,432	152,432
21,412,091	-	22,989,307	2,233,847	\$ 110,013,137
-	-	579,743	-	\$ 4,196,728
-	-	3,814,946	-	3,814,946
-	-	-	-	5,954,316
-	-	-	-	4,603,780
277,294	-	-	-	1,120,122
-	-	-	-	35,630
-	-	-	-	100,805
-	-	-	-	75,957
-	-	-	-	9,917,891
-	-	-	181,548	2,204,972
737,000	-	-	-	737,000
1,014,294	-	4,394,689	181,548	32,762,147
545,919	-	-	-	1,956,822
-	-	528,226	-	1,814,382
-	-	-	152,432	152,432
19,851,878	-	-	-	19,851,878
-	-	18,066,392	-	18,066,392
-	-	-	1,899,867	1,899,867
-	-	-	-	2,796,132
-	-	-	-	294,130
-	-	-	-	7,457,071
-	-	-	-	22,961,884
19,851,878	-	18,594,618	2,052,299	75,294,168
21,412,091	-	22,989,307	2,233,847	\$ 110,013,137

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

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

JUNE 30, 2022

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 75,294,168
Amounts reported for the governmental activities in the Statement of Net Position are different because:	
Property taxes receivable will be collected in the future, but are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the governmental funds.	1,956,822
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$448,553,576, and the accumulated depreciation is \$115,306,248.	333,247,328
Deferred refunding losses are amortized over the lives of the bonds; however, in governmental accounting, deferred refunding losses are expenditures the year they are incurred.	1,906,882
The District's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State retirement plans are not recorded in the governmental funds but are recorded in the Statement of Net Position.	(149,254,534)
The District's proportionate shares of the net other postemployment benefit ("OPEB") liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State OPEB plan are not recorded in the governmental funds but are recorded in the Statement of Net Position.	(142,005,665)
Accrued interest on the bonds in governmental accounting is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.	(2,725,178)
Long-term liabilities, including bond premiums, are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consisted of the following:	
Bonds	(219,975,000)
Premium on Bonds	(17,294,930)
Compensated Absences	(1,511,855)
	<u>(238,781,785)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	<u><u>\$ (120,361,962)</u></u>

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

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LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2022

	GENERAL	SPECIAL REVENUE	SPECIAL REVENUE - EIA
REVENUES			
Local Sources:			
Taxes	\$ 41,566,165	-	-
Investment Earnings	107,489	3,603	-
Other Local Sources	419,214	4,602,540	-
State Sources	84,292,498	2,187,386	8,355,569
Federal Sources	-	29,840,366	-
Intergovernmental Revenue	-	33,926	-
TOTAL REVENUES	126,385,366	36,667,821	8,355,569
EXPENDITURES			
Current:			
Instruction	77,111,798	14,722,752	3,420,988
Support Services	50,677,558	12,450,974	1,009,520
Community Services	18,591	1,519,218	-
Intergovernmental	935,874	21,093	-
Capital Outlay	98,850	5,917,556	124,680
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Bond Issuance Costs	-	-	-
TOTAL EXPENDITURES	128,842,671	34,631,593	4,555,188
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,457,305)	2,036,228	3,800,381
OTHER FINANCING SOURCES (USES)			
Sale of Capital Assets	-	-	-
Transfers In	6,221,285	949,784	-
Transfers Out	(229,550)	(2,809,353)	(3,800,381)
TOTAL OTHER FINANCING SOURCES (USES)	5,991,735	(1,859,569)	(3,800,381)
NET CHANGES IN FUND BALANCES	3,534,430	176,659	-
FUND BALANCES, Beginning of Year, As Previously Reported	27,897,164	2,415,847	-
Change in Accounting Principle - Food Service Fund	-	-	-
Prior Period Adjustments	-	771,273	-
FUND BALANCES, Beginning of Year, As Restated	27,897,164	3,187,120	-
FUND BALANCES, End of Year	\$ 31,431,594	3,363,779	-

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

DEBT SERVICE - DISTRICT	DEBT SERVICE - LEAP	CAPITAL PROJECTS - DISTRICT	SPECIAL REVENUE - FOOD SERVICE	TOTAL GOVERNMENTAL FUNDS
32,270,195	-	-	-	\$ 73,836,360
21,027	-	51,736	1,183	185,038
-	-	375,195	310,719	5,707,668
1,683,524	-	-	-	96,518,977
-	-	-	8,648,182	38,488,548
-	-	-	-	33,926
33,974,746	-	426,931	8,960,084	214,770,517
-	-	-	-	95,255,538
-	-	3,779,008	6,778,909	74,695,969
-	-	-	-	1,537,809
-	-	-	-	956,967
-	-	8,071,138	55,552	14,267,776
4,165,000	5,580,000	-	-	9,745,000
8,051,669	1,580,644	3,747	-	9,636,060
-	-	97,505	-	97,505
12,216,669	7,160,644	11,951,398	6,834,461	206,192,624
21,758,077	(7,160,644)	(11,524,467)	2,125,623	8,577,893
-	-	36,578	-	36,578
-	7,160,644	10,781,356	5,951	25,119,020
(17,942,000)	-	(13,686)	(324,050)	(25,119,020)
(17,942,000)	7,160,644	10,804,248	(318,099)	36,578
3,816,077	-	(720,219)	1,807,524	8,614,471
16,035,801	-	19,314,837	(4,225,959)	61,437,690
-	-	-	4,470,734	4,470,734
-	-	-	-	771,273
16,035,801	-	19,314,837	244,775	66,679,697
19,851,878	-	18,594,618	2,052,299	\$ 75,294,168

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

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

YEAR ENDED JUNE 30, 2022

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ 8,614,471
Amounts reported for governmental activities in the Statement of Activities are different because:	
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This amount represents the change in unavailable revenues for the year.	(751,774)
Repayment of bond principal is an expenditure in the governmental funds, but the payment reduces long-term obligations in the Statement of Net Position.	9,745,000
Deferred refunding losses are expenditures the year they are incurred in governmental funds, but are amortized over the lives of the bonds in the Statement of Activities. This is the net change in the current period.	(324,331)
Bond premiums are reflected as other financing sources in the governmental funds when they are received but are amortized over the lives of the bonds in the Statement of Activities. This amount is the difference between the premiums received and the amortization for the current period.	1,551,717
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This amount is the net change in accrued interest.	63,999
In the Statement of Activities the loss on the disposal of capital assets is reported; whereas, in the governmental funds, the proceeds from the sale (if any) increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets disposed.	(48,518)
Changes in the District's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to the State Retirement Plans for the current year are not reported in the governmental funds but are reported in the Statement of Activities.	483,561
Changes in the District's proportionate share of the net OPEB liability, deferred outflows of resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the Statement of Activities.	(11,110,940)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	(102,642)
Governmental funds report capital asset additions as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount by which capital asset additions of \$14,006,024 exceeded depreciation expense of \$11,437,266 in the current year.	<u>2,568,758</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 10,689,301</u>

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

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

The *Lancaster County School District, South Carolina* (the “District”), established in 1952, is controlled by a Board of Trustees (the “Board”) which has oversight responsibility over public education in Lancaster County with a superintendent serving as the chief administrative officer. The District receives funding from local, state, and federal government sources, and must comply with the related requirements of these funding source entities. The District is governed by a seven-member Board.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

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

All activities for which the Board exercises oversight responsibility have been incorporated into the financial statements to form the reporting entity. The District’s financial statements include the accounts of all District operations, including, general operations and supporting services, food service operations, capital projects, and debt service activities.

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

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

Blended component units, although legally separate entities, are in substance part of the government's operations and data from these units are combined with data of the primary government in the financial statements. Discretely presented component units, on the other hand, are reported in a separate column in the financial statements to emphasize that they are legally separate from the District. The District has one blended component unit and one discretely presented component unit.

Blended Component Unit

Lancaster Education Assistance Program, Inc. (“LEAP”) is a not-for-profit 501(c)(3) organization incorporated for the specific charitable purpose of serving as a “support organization” for capital projects of the District. LEAP board members are appointed by the Board of the District. Because LEAP exclusively benefits the District, the LEAP financial information is blended with that of the District in these basic financial statements. Separate LEAP financial information is included in individual columns throughout the financial statements. LEAP does not issue separate audited financial statements.

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Reporting Entity (Continued)

Discretely Presented Component Unit

The component unit column in the District's government-wide financial statements includes the financial data of the District's component unit, The Discovery Charter School (the "Charter School"). A charter school is considered a public school and is part of the District for the purposes of state law and state constitution. Because the charter school is fiscally dependent on the District and exclusion of the charter school would cause the District's financial statements to be incomplete, the financial statements of the charter school are included in those of the District. The charter school is presented as a governmental fund type. It is administered and governed by its governing body as agreed to by the charter applicant and the District. All accounting policies and reporting requirements applicable to the District were equally adopted at the Charter School reporting level. The separately issued financial statements of The Discovery School may be obtained from its administrative office at 302 W. Dunlap St., Lancaster, SC 29720.

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of activities of the District (the "Primary Government") and its component units. Interfund activity (except for interfund services provided and used between functions) has been removed from these statements.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District does not report any business-type activities.

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

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, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Governmental Fund Financial Statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, federal and state grant programs, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash has been received by the government.

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. There are a minimum number of funds maintained to keep the accounts consistent with legal and managerial requirements. The following fund type and major funds are used by the District:

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

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

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

- i) The **Special Revenue Fund, a major fund** and an unbudgeted fund, is used to account for financial resources provided by federal, state and local projects and grants (including pupil/student activity funds) that are restricted, committed or assigned for special educational programs or other special programs.
- ii) The **Special Revenue - Education Improvement Act ("EIA") Fund, a major fund** and an unbudgeted fund, is used to account for and report the restricted revenue from the South Carolina Education Improvement Act of 1984 (which is legally required by the state to be accounted for as a specific revenue source) which are restricted for specific programs authorized or mandated by EIA.
- iii) The **Special Revenue - Food Service Fund, a major fund** and an unbudgeted fund, is used to account for and report the financial resources received that are restricted for the cafeteria operations at school locations. These resources primarily consist of revenues received (a) from breakfast, lunch, and other food sales and (b) from the United States Department of Agriculture's ("USDA") approved school breakfast and lunch programs. This fund was converted from an enterprise fund to a special revenue fund in the current year (see following section on "Change in Accounting Principles" for more details).

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The *Debt Service – District Fund, a major fund* and an unbudgeted fund, is used to account for and report the accumulation of financial resources that are restricted, committed, or assigned for the payment of all long-term debt principal, interest, and related costs for the District.

The *Debt Service – LEAP Fund, a major fund* and an unbudgeted fund, is used to account for and report the accumulation of financial resources that are restricted, committed, or assigned for the payment of all long-term debt principal, interest, and related costs for LEAP.

The *Capital Projects – District Fund, a major fund* and an unbudgeted fund, is used to account for and report financial resources that are restricted, committed, or assigned for expenditures of capital outlay related to equipment, site acquisitions, construction, renovation of capital facilities, and other capital assets for the District.

Change in Accounting Principle

Effective July 1, 2021, the District converted its food service activities from an enterprise fund to a special revenue fund. This change in accounting principle resulted in an increase to beginning fund balance of approximately \$4,471,000 for this special revenue fund, representing (a) the net book value of capital assets for food service equipment (\$1,619,000), as capital assets are not reported in governmental funds, (b) the net pension balances related to the State retirement plans (\$3,249,000), as pension balances are not reported in the governmental funds, and (c) the net other postemployment benefit balances related to the State other postemployment benefit plan (\$2,841,000), as other postemployment benefit balances are not reported in the governmental funds. On its government-wide financial statements, the District recognized a decrease to beginning net position for governmental activities of approximately \$4,226,000, as it no longer reports any business-type activities. There was no change in total beginning net position for the District as a result of this change in accounting principle. Accordingly, the District is not reporting any proprietary/enterprise fund activities or balances as of and for the year ended June 30, 2022. Management believes that this new treatment for reporting its food service activities is preferable because they plan, internally budget, and report food service operations in the same manner as they do for all other governmental funds, using the modified accrual basis of accounting. In addition, since a significant amount of food service revenues are received from grants, this new treatment would be comparable and more consistent with the District's treatment of its other federal and state grant programs.

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

1. *Cash, Cash Equivalents, and Investments*

Cash and Cash Equivalents

The District considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased and investments in the South Carolina Local Government Investment Pool to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchased) that are not purchased from the South Carolina Local Government Investment Pool are reported as investments.

The District's investment policy is designed to operate within existing statutes (which are identical for all funds and fund types within the State of South Carolina) that authorize the District to invest in the following:

- (a) Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Cash, Cash Equivalents, and Investments (Continued)

Cash and Cash Equivalents (Continued)

- (b) Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (c) (i) General obligations of the State of South Carolina or any of its political units; or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (d) Savings and Loan Associations to the extent that the same are insured by an agency of the federal government.
- (e) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (a) and (b) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
- (f) Repurchase agreements when collateralized by securities as set forth in this section.
- (g) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (a), (b), (c), and (f) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

Investments

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

- Cash and Investments held by the County Treasurer which are property taxes and other funds collected by the District's fiscal agent that have not been remitted to the District. Currently, the County Treasurer invests governmental funds it receives in the South Carolina Local Government Investment Pool. These investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Local Government Investment Pool pursuant to Section 6-6-10 of the South Carolina Code.

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Cash, Cash Equivalents, and Investments (Continued)

Investments (Continued)

- The South Carolina Local Government Investment Pool (“SCLGIP” or “Pool”) is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. In accordance with GASB Statement No. 31 “Accounting and Financial Reporting for Certain Investments and for External Investment Pools” and GASB Statement No. 72 “Fair Value Measurement and Application”, investments are carried at fair value determined annually based upon (a) quoted market prices for identical or similar investments or (b) observable inputs other than quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours’ notice. Financial statements for the Pool may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, P.O. Box 11778, Columbia, SC 29211-1960.

2. Restricted Assets

The District established certain accounts for assets restricted for specific purposes, typically by outside parties or legal agreement. Certain bond indentures require the establishment of (i) maximum annual principal and interest payments, unless a surety bond was provided; (ii) the next succeeding principal and accrued interest payment; and (iii) bond proceeds to be used for construction purposes as required in the bond agreement.

3. Receivables and Payables

Transactions between funds that are representative of reimbursement arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds”. These amounts are eliminated in the Statement of Net Position. All trade and property taxes receivables are shown net of an allowance for uncollectibles.

4. Inventories and Prepaid Items

Inventories

Inventories in the Special Revenue - Food Service Fund consist of purchased goods, supplies, and USDA commodities, which are stated at values assigned by the USDA. Under the system of accounting for inventories, materials and supplies are carried in an inventory account at cost, using the first-in, first-out method of accounting and are subsequently charged to expenditures/expenses when consumed rather than when purchased (consumption method).

Prepaid Items

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

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. *Capital Assets*

Capital 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 reported in the fund financial statements.

All capital assets are recorded at cost (or estimated historical cost). The capital asset system is updated for additions and retirements during the year. Donated capital assets are recorded at estimated acquisition value (as estimated by the District) at the date of donation. The District maintains a capitalization threshold of \$5,000 for furniture and equipment, vehicles, land improvements and buildings and improvements. The District's infrastructure assets are immaterial and have been reported with the buildings and improvements. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

Description	Estimated Useful Lives
Buildings and Improvements	25-40 years
Improvements Other Than Building	20 years
Vehicles	10 years
Machinery and Equipment	5-20 years
Furniture and Office Equipment	5-20 years

6. *Compensated Absences*

District employees are granted vacation and sick leave in varying amounts. Upon termination of employment, an employee is reimbursed for accumulated vacation days. Unused sick leave is paid out to employees with over 90 days of accrued sick leave at the rate of \$15 per day over 90 days. The entire compensated absence liability and expense is reported on the government-wide financial statements. In addition, compensated absences are reported in governmental funds only if they have unused reimbursable leave still outstanding following an employee's resignation or retirement.

7. *Accrued Liabilities and Long-Term Obligations*

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

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

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position. If material, bond premiums are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Amortization of premiums are included in interest expense. Long-term bond premiums are included with bonds payable and other long-term obligations. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

8. *Deferred Outflows/Inflows of Resources*

In addition to assets, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District currently has three types of deferred outflows of resources: (1) The District reports *deferred refunding charges* in its Statements of Net Position. If material, deferred refunding charges, which is the difference between the reacquisition price and the net carrying amount of the defeased debt, are deferred and amortized over the life of the refunding bonds, which has the same maturity as the bonds that were refunded. Amortization of deferred refunding charges is included in interest expense. (2) The District reports *deferred pension charges* in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. (3) The District reports *deferred other postemployment benefit ("OPEB") charges* in its Statement of Net Position in connection with its participation in the South Carolina Retiree Health Insurance Trust Fund. The *deferred pension and OPEB charges* are either (a) recognized in the subsequent period as a reduction of the net pension/OPEB liability (which includes contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension/OPEB expense in future periods in accordance with GAAP.

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

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

9. *Fund Balance*

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

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

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

Committed – includes amounts that are constrained for specific purposes that are internally imposed by the government through a resolution made by the Board, which is the highest level of decision making authority, before the end of the reporting period. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned – includes amounts that are intended to be used for specific purposes that are neither considered restricted nor committed and that such assignments are made before the report issuance date. At this time, the Board of Trustees has not formally granted the right to make assignments of fund balance for the District to anyone other than itself.

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

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

10. *Net Position*

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

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

11. Pensions and Other Postemployment Benefits

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

12. Fair Value

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

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District can access at the measurement date.

Level 2 – Inputs to the valuation methodology, other than quoted prices included in Level 1, that are observable for an asset or liability either directly or indirectly and include:

- Quoted prices for similar assets and liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted market prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

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

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Fair Value (Continued)

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

13. Accounting Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the District's management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent amounts at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

14. Comparative Data

Comparative data (i.e., presentation of prior year totals by fund type) have not been presented in each of the statements since their inclusion would make the statement unduly complex and difficult to read.

II. STEWARDSHIP AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets and formal budgetary integration are employed as management control devices during the year for the General Fund, Special Revenue Fund, and Debt Service Fund. The General Fund is the only fund with a legally adopted budget. Capital projects are budgeted on a long-term project basis, rather than annual appropriations. The District follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. The District presents a formal General Fund budget to the Board of Trustees prior to year-end and the final budget is approved prior to July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Budgets are adopted for Special Revenue Fund projects through the submission of a project application and the subsequent approval of the application by the appropriate authorizing agency.
3. Budgets are adopted on the modified accrual basis of accounting for the General and Special Revenue Fund and are consistent with U.S. generally accepted accounting principles.

The budget is prepared by function and object as dictated by the State of South Carolina adopted Program Oriented Budgeting and Accounting System and for management control purposes. The District's policies allow funds to be transferred between functions and objects. However, the total budget cannot be increased beyond that level without approval of the Board in a supplementary action. The legal level of control is at the fund level.

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

II. STEWARDSHIP AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

The Board of Trustees of the District delegates to management the authority, within the General Fund, to transfer funds within individual functions and objects. Budget transfers are approved as follows:

1. Initial approval by the respective department head or principal.
2. Final approval by the Chief Financial Officer.

The final budget amounts in the required supplementary information section of the financial statements (if different from the original budget) are as amended by the administration or Board. All annual appropriations lapse at fiscal year-end. The budgets are prepared on a basis consistent with actual financial statement presentation to provide meaningful comparisons. Appropriations lapse at the end of the fiscal year.

The District maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbrance accounting is used for the General Fund, Special Revenue Fund and Capital Projects Fund. Encumbrances are recorded when purchase orders are issued but are not considered expenditures until liabilities for payments are incurred. Encumbrances lapse at year end.

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A. Deposits and Investments

Deposits

Custodial Credit Risk for Deposits: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a deposit policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2022, none of the District's bank balances of approximately \$9,945,000 (which had a carrying value of approximately \$4,438,000 due to outstanding checks) were exposed to custodial credit risk.

Investments

As of June 30, 2022, the District had the following investments:

Investment Type	Fair Value Level (1)	Credit Rating (2)	Fair Value	WAM
Cash and Investments Held by Lancaster County Treasurer ^	N/A	Unrated	\$ 40,866,257	< 1 year
South Carolina Local Government Investment Pool	N/A	Unrated	35,749,291	< 1 year
Total			\$ 76,615,548	

^ The Lancaster County Treasurer invests the monies it holds in trust for governmental entities in a separate account with the Pool.

WAM = Weighted average maturity.

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

(2) If available, credit ratings are for Standard and Poor's and Moody's Investors Service.

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

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

A. Deposits and Investments (Continued)

Investments (Continued)

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

Custodial Credit Risk for Investments: Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina.

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

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

B. Property Taxes Receivable and Unavailable/Unearned Revenue

Lancaster County, South Carolina (the “County”) is responsible for levying and collecting sufficient property taxes to meet funding obligations for the District. This obligation is established each year by the School Board and does not necessarily represent actual taxes levied or collected. The property taxes are considered both measurable and available for purposes of recognizing revenue and a receivable from the County at the time they are collected by the County.

Property taxes are levied and billed by the County on real and personal properties on October 1 based on an assessed value of approximately \$499.1 million (\$432.9 million in the prior year) at rates of 168.5 mills (163.5 mills in the prior year) and 65.0 mills (same as prior year) for the General Fund and Debt Service Fund, respectively. These taxes are due without penalty through January 31. Penalties are added to taxes depending on the date paid as follows:

January 16 through February 1	-	3% of tax
February 2 through March 15	-	10% of tax
After March 15	-	15% of tax plus collection costs

Current year real and personal taxes become delinquent on March 16. Unpaid property taxes become a lien against the property as of August 1 of the calendar year following the levy date. The levy date for motor vehicles is the first day of the month in which the motor vehicle license expires. These taxes are due by the last day of the same month.

Taxes receivable of approximately \$2,165,000 includes an allowance for uncollectible amounts of approximately \$1,188,000 at June 30, 2022. Allowances for uncollectible amounts were not necessary for the other receivable accounts.

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

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

B. Property Taxes Receivable and Unavailable/Unearned Revenue (Continued)

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period (unavailable revenue). Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned (unearned revenue). At June 30, 2022, the various components of unavailable/unearned revenue reported in the governmental funds were as follows:

Unavailable Revenue - Property Taxes - General Fund	\$	1,410,903
Unavailable Revenue - Property Taxes - Debt Service Fund		545,919
Unearned Revenue from Special Revenue Funds		2,204,972
Total Unavailable/Unearned Revenue for Governmental Funds	<u>\$</u>	<u>4,161,794</u>

C. Interfund Receivables and Payables

Interfund balances at June 30, 2022 (all of which are expected to be received or paid within one year), consisted of the following individual fund receivables and payables:

Fund	Receivables	Payables
General Fund	\$ 4,809,516	\$ -
Special Revenue Funds:		
Special Revenue	-	9,917,891
Education Improvement Act	1,619,274	-
Food Service	1,117,558	-
Capital Projects Fund	2,371,543	-
	<u>\$ 9,917,891</u>	<u>\$ 9,917,891</u>

Most normal cash activities are pooled and recorded in the General Fund, and as a result, receivable and payables exist at year end that are either due to or due from the General Fund in the other funds.

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

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

D. Capital Assets

Capital asset activity for the District for the year ended June 30, 2022 was as follows:

	Restated Beginning Balance *	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, Non-Depreciable:					
Land	\$ 10,311,853	-	-	-	\$ 10,311,853
Construction in Progress	118,854,505	5,799,445	-	(121,754,480)	2,899,470
Total Capital Assets, Non-Depreciable	129,166,358	5,799,445	-	(121,754,480)	13,211,323
Capital Assets, Depreciable:					
Buildings and Improvements	285,857,420	5,813,614	-	121,556,203	413,227,237
Furniture and Equipment	20,103,606	2,392,965	579,832	198,277	22,115,016
Total Capital Assets Depreciable	305,961,026	8,206,579	579,832	121,754,480	435,342,253
Less: Accumulated Depreciation for:					
Buildings and Improvements	92,590,549	9,860,497	-	-	102,451,046
Furniture and Equipment	11,809,747	1,576,769	531,314	-	12,855,202
Total Accumulated Depreciation	104,400,296	11,437,266	531,314	-	115,306,248
Total Capital Assets, Depreciable, Net	201,560,730	(3,230,687)	48,518	121,754,480	320,036,005
Governmental Activities Capital Assets, Net	\$ 330,727,088	2,568,758	48,518	-	\$ 333,247,328

* The District converted its Food Service Fund from an enterprise fund to a governmental fund. See Note I.B for more details.

Capital asset additions and depreciation expense were charged to functions/programs as follows:

	Capital Asset Additions	Depreciation Expense
Governmental Activities:		
Instruction	\$ -	\$ 6,501,542
Support Services	14,006,024	4,831,376
Community Services	-	104,348
Total	\$ 14,006,024	\$ 11,437,266

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

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

E. Accounts Payable and Accrued Expenses

The significant components of governmental activities accrued expenses at June 30, 2022, consisted of the following:

Governmental Activities:	
Retainage Payable	\$ 3,814,946
Accrued Salaries	5,954,316
Accrued Payroll Related Liabilities	4,603,780
Total Accrued Expenses	<u>\$ 14,373,042</u>

F. Short-Term Obligations

Following is a summary of the changes in the District’s short-term obligations for the year ended June 30, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities:				
Series 2021 Bond Anticipation Note	\$ 876,000	-	876,000	\$ -
Series 2021 General Obligation Bond	-	17,205,000	17,205,000	-
Series 2022 Bond Anticipation Note	-	737,000	-	737,000
Total Governmental Activities	<u>\$ 876,000</u>	<u>17,942,000</u>	<u>18,081,000</u>	<u>\$ 737,000</u>

In April 2021, the District issued its Series 2021 Bond Anticipation Note in the amount of \$876,000 for the purpose of making payments to LEAP for a portion of the installments of purchase price due in fiscal year 2021 under the Facilities Agreement. These bonds, including interest (0.89%) of approximately \$4,000, were repaid in October 2021.

In October 2021, the District issued its Series 2021 General Obligation Bond in the amount of \$17,205,000 for the purpose of making payments to LEAP for a portion of the installments of purchase price due in fiscal year 2022 under the Facilities Agreement and for additional capital outlay. These bonds, including interest (0.47%) of approximately \$31,000, were repaid at maturity in March 2022.

In May 2022, the District issued its Series 2022 Bond Anticipation Note in the amount of \$737,000 for the purpose of making payments to LEAP for a portion of the installments of purchase price due in fiscal year 2022 under the Facilities Agreement. These bonds, including interest (1.79%) of approximately \$5,000 were repaid in October 2022. Due to the timing of the issuance and the scheduled maturity being less than one year from the date the bond was issued, the outstanding balance of \$737,000 is reflected as a fund liability in the District’s balance sheet for its governmental funds at June 30, 2022.

G. Long-Term Obligations

The District issues bonds to provide funds for the acquisition and construction of major capital facilities. General Obligation Bonds (“GOB”) are direct obligations and pledge the full faith and credit of the District and are subject to the 8% debt limit if not issued under a bond referendum. Principal and interest payments on the District’s GOB are secured solely by ad valorem property taxes.

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

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

G. Long-Term Obligations (Continued)

Installment Purchase Revenue Bonds (“IPRB”) and Installment Purchase Refunding Revenue Bonds (“IPRRB”) were issued by LEAP, the District’s blended component unit, and were used for the acquisition and construction of major capital facilities that are being leased back to the District. These bonds are not subject to the 8% debt limit since they are not directly issued by the District. The full faith, credit, and taxing powers of the District are not pledged for the payment of principal nor the interest thereon.

The District had the following publicly traded outstanding long-term indebtedness at June 30, 2022:

- \$125,000,000 GOB (“Series 2017 GOB”) issued in March 2017 due in annual principal installments ranging from approximately \$695,000 to \$12,555,000 beginning March 1, 2018 through March 1, 2036 plus interest ranging from at 3.25% to 5.00% due semi-annually on March 1st and September 1st. A premium of approximately \$10,379,000 was received and will be amortized over the life of the bonds. The Series 2017 GOB was part of the March 22, 2016 bond referendum (“Referendum”) approved by Lancaster County voters authorizing the Board to issue GOB in a principal amount not to exceed \$199,000,000. The bond proceeds were used to fund renovations and/or additions at schools and support facilities
- \$74,000,000 GOB (“Series 2019A GOB”) issued in April 2019 due in annual principal installments ranging from approximately \$100,000 to \$7,485,000 beginning March 1, 2020 through March 1, 2036 plus interest ranging from at 3.00% to 5.00% due semi-annually on March 1st and September 1st. A premium of approximately \$8,968,000 was received and will be amortized over the life of the bonds. The Series 2019A GOB was part of the Referendum noted above and was used to fund renovations and/or additions at schools and support facilities
- \$36,545,000 IPRRB (“Series 2013B IPRRB”) issued in May 2013 due in annual principal installments ranging from approximately \$1,850,000 to \$6,780,000 beginning December 1, 2021 through December 1, 2028 plus interest ranging from at 3.00% to 5.00% due semi-annually on June 1st and December 1st. A premium of approximately \$6,480,000 was received and will be amortized over the life of the bonds. The Series 2013B IPRRB was used to refund the 2004 Series IPRB.

The original LEAP Series 2004 IPRB that were refunded in 2013 were originally issued to finance the cost of acquiring, constructing, renovating and installing educational facilities (the “Capital Projects”) sold by LEAP to the District pursuant to a school Facilities Purchase and Occupancy Agreement, dated November 1, 2004. This agreement between the District and LEAP is still in effect at June 30, 2022. The LEAP IPRB and IPRRB are not a debt of the District; however, as LEAP is blended with the operations of the District, the debt of LEAP is included with the District’s other obligations as required by GAAP.

The IPRB and IPRRB were issued pursuant to a Facilities Agreement and Base Lease Agreement between the District and LEAP. These agreements were authorized and approved by the Board of Trustees of the District in 2004. The Facilities Agreement permits the District to design, construct, renovate equip, furnish occupy and operate the facilities in exchange for the payment by the District on a semi-annual basis of installments of the purchase price of the facilities sufficient to pay the principal and interest on the IPRB and IPRRB as such amounts become due. By making each such payment of purchase price, the District acquires an undivided interest in the facilities. Upon the making of the final scheduled payment of purchase price under the Facilities Agreement, the District will have purchased all interest of LEAP in the facilities and will own the facilities outright. The District’s obligations under the Facilities Agreement are from year to year only and do not constitute a mandatory payment obligation of the District in any fiscal year in which funds are not appropriated by the District to pay the installment payments of purchase price due in such fiscal year. However, the District would forfeit possession of the Facilities for the remainder of the term of the lease if it did not make the payment to LEAP.

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

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

G. Long-Term Obligations (Continued)

The following is a summary of changes in long-term obligations for the year ended June 30, 2022:

Long-Term Obligations	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Debt - Publicly Traded					
Series 2017 GOB	\$ 119,375,000	-	4,065,000	115,310,000	\$ 1,845,000
Series 2019A GOB	73,800,000	-	100,000	73,700,000	2,335,000
LEAP Series 2013B IPRRB	36,545,000	-	5,580,000	30,965,000	5,855,000
Total Debt - Publicly Traded	229,720,000	-	9,745,000	219,975,000	10,035,000
Premiums:					
Premium on GO Bonds	15,874,655	-	1,119,707	14,754,948	-
Premium LEAP Series 2013B IPRRB	2,971,992	-	432,010	2,539,982	-
Total Premiums	18,846,647	-	1,551,717	17,294,930	-
Total Net Debt	248,566,647	-	11,296,717	237,269,930	10,035,000
Compensated Absences	1,409,213	158,159	55,517	1,511,855	59,561
Total Governmental Activities	\$ 249,975,860	158,159	11,352,234	238,781,785	\$ 10,094,561

Resources from the General Fund typically have been used in prior years to liquidate the compensated absence obligation. The Debt Service Funds have primarily been used to service all other long-term obligations. Payments for the District's other long-term liabilities associated with its participation in the State retirement and OPEB plans (see Note IV.A and Note IV.B) are paid from the various funds for which the employees' salaries are charged (i.e. General Fund, Special Revenue Fund, Special Revenue – EIA Fund, and Special Revenue – Food Service Fund).

The annual debt service requirements to maturity for long-term indebtedness are as follows:

Years Ended June 30	Publicly Traded		Totals
	Principal	Interest	
2023	\$ 10,035,000	9,105,169	\$ 19,140,169
2024	12,255,000	8,596,044	20,851,044
2025	13,105,000	7,975,544	21,080,544
2026	13,770,000	7,312,294	21,082,294
2027	14,765,000	6,765,544	21,530,544
2028-2032	84,165,000	23,746,709	107,911,709
2033-2036	71,880,000	6,880,300	78,760,300
Totals	\$ 219,975,000	70,381,604	\$ 290,356,604

Section 15 of Article X of the South Carolina State Constitution allows Districts to incur a legal debt limit not to exceed eight percent of the assessed value of all taxable property in the District, unless approved by a majority vote in a referendum authorized by law. At June 30, 2022, the District's assessed property valuation was approximately \$499,145,000, and the legal debt limit was approximately \$39,932,000, of which the District had \$737,000 outstanding debt subject to this limit at June 30, 2022.

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

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

G. Long-Term Obligations (Continued)

Interest paid on most of the debt issued by the District is exempt from federal income tax. The District sometimes temporarily reinvests the proceeds of such tax-exempt debt in materially higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this practice as arbitrage. Excess earnings (the difference between the interest on the debt and the investment earnings received) resulting from arbitrage must be rebated to the federal government on the fifth anniversary of the issuance of the tax-exempt debt and every five years, thereafter, until the debt has been repaid, in accordance with the arbitrage regulations. As of June 30, 2022, the District does not have any significant positive arbitrage on any of its outstanding indebtedness.

H. Transfers In and Out

Transfers between funds for the year ended June 30, 2022, consisted of the following:

Fund	Transfers In	Transfers Out
General Fund	\$ 6,221,285	\$ 229,550
Special Revenue Funds:		
Special Revenue	949,784	2,809,353
Education Improvement Act	-	3,800,381
Food Service	5,951	324,050
Debt Service - District Fund	-	17,942,000
Debt Service - LEAP Fund	7,160,644	-
Capital Projects - District Fund	10,781,356	13,686
	\$ 25,119,020	\$ 25,119,020

Interfund transfers include funding allowed for indirect costs, required matches, supplemental funding, state cuts, and accounting practice. The transfers for the year ended June 30, 2022 consisted of the following:

General Fund

Transfers To: Funds were transferred into the General Fund from other funds to cover EIA teacher salaries and indirect costs for federal programs and the Food Service Fund.

Transfer From: Funds are transferred from General Fund to Special Revenue Fund were for pupil activity to support activities in the schools.

Special Revenue Funds

Transfer from: Funds were transferred from special revenue funds to the General Fund to cover indirect costs on federal programs and food services, EIA teacher salaries, and school employer contributions.

Debt Service and Capital Projects Funds

Transfers: Funds were transferred into the Debt Service - LEAP and the Capital Projects Fund from the Debt Service - District Fund to fund the 2022 debt service payments for the LEAP bonds and to fund additional capital projects.

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION

A. Retirement Plans

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

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

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

Plan Description

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

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

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Description (Continued)

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 to police officers and firefighters. PORS also covers peace officers, coroners, probate judges, and magistrates.

Plan Membership

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

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

Plan Benefits

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

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Benefits (Continued)

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

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

- 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.

Plan Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS (“Plans”) 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.

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Contributions (Continued)

If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA Board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS 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 PEBA 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 PEBA Board, effective on the following July 1, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July 1, and annually thereafter as necessary, the PEBA Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent.

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

	SCRS and State	
	ORP Rates	PORS Rates
	2022	2022
Employer Contribution Rate: ^		
Retirement*	16.41%	18.84%
Incidental Death Benefit	0.15%	0.20%
Accidental Death Contributions	0.00%	0.20%
	<u>16.56%</u>	<u>19.24%</u>
Employee Contribution Rate ^	<u>9.00%</u>	<u>9.75%</u>

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

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

The actual and required contributions to the SCRS, ORP, and PORS were approximately \$14,011,000, \$1,142,000, and \$30,000, respectively, for the year ended June 30, 2022 and include the nonemployer contributions noted on the following page.

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Nonemployer Contributions

In an effort to help offset a portion of the burden of the increased contribution requirement for employers, the State General Assembly (“State”) funded 1 percent of the SCRS and PORS contribution increases for the year ended June 30, 2022. The State’s budget appropriated these funds directly to the PEBA for the South Carolina Retirement System Trust Fund and the Police Officers Retirement System Trust Fund. The amount of funds appropriated by the State (nonemployer contributing entity) for the year ended June 30, 2022 were approximately \$669,000 and \$1,000 for the SCRS and PORS, respectively. These contributions (on-behalf benefits) from the State intergovernmental revenues and pension expenditures in the District’s governmental fund financial statements.

Actuarial Assumptions and Methods

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

The June 30, 2021 total pension liability (“TPL”), net pension liability (“NPL”), and sensitivity information shown in this report were determined by the consulting actuary, Gabriel, Roeder, Smith and Company, and are based on an actuarial valuation performed as of July 1, 2020. The TPL was rolled-forward from the valuation date to the Plans’ fiscal year end, June 30, 2021, using generally accepted actuarial principles. There was no legislation enacted during the 2021 legislative session that had a material change in the benefit provisions for any of the systems. In FY 2021, the PEBA Board adopted updated demographic assumptions. Also, the General Assembly permitted the investment return assumption at July 1, 2021 to decrease from 7.25% to 7.00%, as provided by Section 9-16-335 in South Carolina State Code.

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

	SCRS	PORS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Investment Rate of Return*	7.00%	7.00%
Projected Salary Increases*	3.0% to 11.0% (varies by service)	3.5% to 10.5% (varies by service)
Benefit Adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

* Includes inflation at 2.25%.

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

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Actuarial Assumptions and Methods (Continued)

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

Long-Term Expected Rate of Return

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

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

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

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

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

The NPL is calculated separately for each System and represents that particular System's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of the June 30, 2021 measurement date, for the SCRS and PORS, are presented in the following table:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 55,131,579,363	33,490,305,970	\$ 21,641,273,393	60.7%
PORS	\$ 8,684,586,488	6,111,672,064	\$ 2,572,914,424	70.4%

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

At June 30, 2022, the District reported liabilities of approximately \$154,615,000 and \$241,000 for its proportionate share of the NPL for the SCRS and PORS, respectively. The NPL were measured as of June 30, 2021, and the TPL for the Plans used to calculate the NPL were determined based on the most recent actuarial valuation report of July 1, 2020 that was projected forward to the measurement date. The District's proportion of the NPL were based on a projection of the District's long-term share of contributions to the Plans relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2021 measurement date, the District's SCRS proportion was 0.714446 percent, which was an increase of 0.002896 from its proportion measured as of June 30, 2020. At the June 30, 2021 measurement date, the District's PORS proportion was 0.009375 percent, which was an increase of 0.002760 from its proportion measured as of June 30, 2020.

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

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

For the year ended June 30, 2022, the District recognized pension expense of approximately \$13,973,000 and \$56,000 for the SCRS and PORS, respectively. At June 30, 2022, the District reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences Between Expected and Actual Experience	\$ 2,633,693	\$ 208,674
Change in Assumptions	8,463,134	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	22,459,910
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	2,603,251	-
Employer Contributions Subsequent to the Measurement Date	14,484,188	-
Total SCRS	28,184,266	22,668,584
PORS		
Differences Between Expected and Actual Experience	8,206	751
Change in Assumptions	17,204	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	54,077
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	86,757	822
Employer Contributions Subsequent to the Measurement Date	29,770	-
Total PORS	141,937	55,650
Total SCRS and PORS	\$ 28,326,203	\$ 22,724,234

Approximately \$14,484,000 and \$30,000 that was reported as deferred outflows of resources related to the District's contributions subsequent to the measurement date to the SCRS, will be recognized as a reduction of the NPL in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS will be recognized in pension expense as follows:

Year Ended June 30,	SCRS	PORS	Total
2023	\$ 1,262,039	30,710	\$ 1,292,749
2024	(35,237)	26,456	(8,781)
2025	(1,791,099)	15,982	(1,775,117)
2026	(8,404,209)	(16,631)	(8,420,840)
Total	\$ (8,968,506)	56,517	\$ (8,911,989)

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Discount Rate

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

Sensitivity Analysis

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

System	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability of the SCRS	\$ 202,526,791	154,615,299	\$ 114,790,939
District's proportionate share of the net pension liability of the PORS	349,956	241,204	152,119
Total	\$ 202,876,747	154,856,503	\$ 114,943,058

Plans Fiduciary Net Position

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

Payable to Plans

The District reported a payable of approximately \$2,250,000 to the PEBA as of June 30, 2022, representing required employer and employee contributions for the month of June 2022 for the SCRS and PORS. This amount is included in Accrued Payroll Related Liabilities on the financial statements and was paid in July 2022.

LANCASTER COUNTY SCHOOL DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plans

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

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

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

Plan Descriptions

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

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

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

Plan Benefits

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

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plans (Continued)

Plan Benefits (Continued)

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

Plan Contributions and Funding Policies

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

The SCRHITF is funded through participating employers that are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The covered payroll surcharge for the year ended June 30, 2021 was 6.25 percent. The South Carolina Retirement System collects the monthly covered payroll surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF also include implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer’s active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer’s contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Nonemployer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits reserves. However, due to the COVID-19 pandemic and the impact it has had on the PEBA – Insurance Benefits reserves, the General Assembly has indefinitely suspended the statutorily required transfer until further notice. It is also funded through investment income.

The covered payroll surcharge rate for the year ended June 30, 2022 was 6.25% and was calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws. The actual and required contributions to the SCRHITF were approximately \$5,915,000 for the year ended June 30, 2022.

The State (via state appropriations) and the PEBA – Insurance Benefits (via state statute to transfer amounts above 140% of incurred but not reported claims) contributed to the SCRHITF on behalf of the District approximately \$21,000 for the year ended June 30, 2021 (measurement period). The contributions from these nonemployer contributing entities were approximately \$21,000 for the year ended June 30, 2022 and are recognized as state revenues and intergovernmental expenditures in the District’s governmental fund financial statements.

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

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plans (Continued)

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

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

The total OPEB liability ("TOL"), NOL, and sensitivity information were determined by the consulting actuary and are based on the June 30, 2020 actuarial valuation. The TOL was rolled-forward from the valuation date to the OPEB plan's fiscal year ended June 30, 2021 using generally accepted actuarial principles.

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

Valuation Date:	June 30, 2020
Actuarial Cost Method:	Entry Age Normal
Actuarial Assumptions:	
Inflation:	2.25%
Investment Rate of Return:	2.75%, net of plan investment expense (including inflation)
Single Discount Rate:	1.92% as of June 30, 2021
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the five-year period ending June 30, 2019
Mortality:	For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with fully generational mortality projections based on a fully generational basis by the 80% of Scale UMP to account for future mortality improvements and adjusted with multipliers based on plan experience.
Health Care Trend Rate:	Initial trend starting at 6.00% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 15 years
Participation Assumption:	79% for retirees who are eligible for funded premiums 59% for retirees who are eligible for partial funded premiums 20% for retirees who are eligible for non-funded premiums
Notes:	The single discount rate changed from 2.45% as of June 30, 2020 to 1.92% as of June 30, 2021. Also, the demographic and salary increase assumptions were updated to reflect the 2020 SCRS experience study and the health care trend rates were reset to better reflect the plan's anticipated experience.

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plans (Continued)

Long-Term Expected Rate of Return

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

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

Single Discount Rate

The Single Discount Rate of 1.92% was used to measure the TOL for the SCRHITF. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the SCRHITF's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

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

The NOL is calculated separately for each system and represents that particular system's TOL determined in accordance with GASB No. 74 less its fiduciary net position. NOL totals, as of the June 30, 2021 measurement date for the SCRHITF, are presented in the following table:

System	Total OPEB Liability	OPEB Plan Fiduciary Net Position	Net OPEB Liability (Asset)	OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
SCRHITF	\$ 22,506,597,989	1,683,416,992	\$ 20,823,180,997	7.48%

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

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plans (Continued)

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

At June 30, 2022, the District reported a liability of approximately \$184,761,000 for its proportionate share of the NOL for the SCRHITF. The NOL was measured as of June 30, 2021, and the TOL for the SCRHITF used to calculate the NOL was determined based on the most recent actuarial valuation report of June 30, 2020 that was projected forward to the measurement date. The District's proportion of the NOL was based on a projection of the District's long-term share of contributions to the SCRHITF relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2021 measurement date, the District's proportion was 0.887283 percent, which was a decrease of 0.003102 from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized OPEB expense of approximately \$16,932,000 for the SCRHITF. At June 30, 2022, the District reported deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to OPEBs from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 3,738,973	\$ 4,735,704
Change in Assumptions	37,562,697	4,448,790
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	49,960
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	5,189,128	445,710
Employer Contributions Subsequent to the Measurement Date	5,944,246	-
Total	\$ 52,435,044	\$ 9,680,164

Approximately \$5,944,000 that was reported as deferred outflows of resources related to the District's contributions subsequent to the measurement date (which includes an adjustment for an implicit subsidy) to the SCRHITF, will be recognized as a reduction of the NOL in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to the SCRHITF will increase (decrease) OPEB expense as follows:

Year Ended June 30,	Increase (Decrease) OPEB Expense
2023	\$ 6,230,776
2024	6,148,968
2025	7,568,526
2026	7,792,020
2027	6,165,877
Thereafter	2,904,467
Total	\$ 36,810,634

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plans (Continued)

Sensitivity Analysis

The following table presents the sensitivity of the District’s NOL for the SCRHITF to changes in the discount rate, calculated using the discount rate of 1.92%, as well as what it would be if it were calculated using a discount rate that is 1% point lower (0.92%) or 1% point higher (2.92%) than the current rate:

	1% Decrease (0.92%)	Current Discount Rate (1.92%)	1% Increase (2.92%)
Net OPEB Liability	\$ 222,682,155	184,760,545	\$ 154,864,026

The following table presents the sensitivity of the District’s NOL to changes in the healthcare cost trend rate, calculated using the healthcare cost trend rate of 6.00% decreasing to 4.00%, as well as what it would be if it were calculated using a healthcare cost trend rate that is 1% point lower (5.00% decreasing to 3.00%) or 1% point higher (7.00% decreasing to 5.00%) than the current rate:

	1% Decrease (5.00% decreasing to 3.00%)	Current Healthcare Cost Trend Rate (6.00% decreasing to 4.00%)	1% Increase (7.00% decreasing to 5.00%)
Net OPEB Liability	\$ 148,227,683	184,760,545	\$ 233,439,371

OPEB Plans’ Fiduciary Net Position

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

Payable to SCRHITF

The District reported a payable of approximately \$583,000 to the PEBA as of June 30, 2022, representing required employer contributions for the month of June 2022 for the SCRHITF. This amount is included in Accrued Payroll Related Liabilities on the financial statements and was paid in July 2022.

C. Grants

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

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

D. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees' and natural disasters. The District carries commercial insurance for workers' compensation, property and casualty insurance. There has been no reduction in insurance coverage as compared to the previous year. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

E. Commitments and Contingencies

Litigation

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

F. Prior Period Adjustments

In connection with the District's review of its account balances, the District discovered it had understated its fund balance/net position related to its governmental funds (Special Revenue Fund) and government-wide financial statements by approximately \$771,000. This related to revenue that had been received in prior years – but had been reflected as unearned revenue (liability). These inflows should have been reflected as revenues in prior years since all eligibility requirements had been met. The District has corrected these errors by reflecting prior period adjustments of approximately \$771,000. These adjustments decreased unearned revenue (liability) and increased fund balance and net position in the governmental funds and government-wide financial statements, respectively.

G. Tax Abatements

District's Tax Abatements

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

Lancaster County's Tax Abatements

The District's property tax revenues were reduced by approximately \$15,660,000 under agreements entered into by Lancaster County, South Carolina.

H. Subsequent Event

In October 2022, the District issued its Series 2022 General Obligation Bond in the amount of \$28,000,000 for the purpose of paying a portion of the LEAP purchase price installments, capital needs of the District, and issuance costs. The bond, including interest at 3.45%, is due at maturity on March 1, 2023.

Required Supplementary Information

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REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE

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

YEAR ENDED JUNE 30, 2022

	BUDGETED AMOUNTS		ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Local Sources:				
Taxes	\$ 38,168,122	38,168,122	41,566,165	\$ 3,398,043
Investment Earnings	70,000	20,000	107,489	87,489
Other Local Sources	485,000	275,000	419,214	144,214
State Sources	81,921,699	82,809,062	84,292,498	1,483,436
TOTAL REVENUES	120,644,821	121,272,184	126,385,366	5,113,182
EXPENDITURES				
Current:				
Instruction	78,077,730	79,887,183	77,111,798	2,775,385
Support Services	54,004,803	54,004,803	50,677,558	3,327,245
Community Services	18,591	18,591	18,591	-
Intergovernmental	952,450	952,450	935,874	16,576
Capital Outlay	105,940	105,940	98,850	7,090
TOTAL EXPENDITURES	133,159,514	134,968,967	128,842,671	6,126,296
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(12,514,693)	(13,696,783)	(2,457,305)	11,239,478
OTHER FINANCING SOURCES (USES)				
Transfers In	5,191,551	5,128,973	6,221,285	1,092,312
Transfers Out	(231,300)	(231,300)	(229,550)	1,750
TOTAL OTHER FINANCING SOURCES (USES)	4,960,251	4,897,673	5,991,735	1,094,062
NET CHANGES IN FUND BALANCES	(7,554,442)	(8,799,110)	3,534,430	12,333,540
FUND BALANCES, Beginning of Year	27,897,164	27,897,164	27,897,164	-
FUND BALANCES, End of Year	\$ 20,342,722	19,098,054	31,431,594	\$ 12,333,540

Note: The budget is presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

Note: The School District's original and final budget reflected an expected use of fund balance of approximately \$7,554,000 and \$8,799,000, respectively.

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

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

LAST NINE FISCAL YEARS

	Year Ended June 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability (Asset)	0.714446%	0.711550%	0.708824%	0.676165%	0.664404%	0.649295%	0.645749%	0.648222%	0.648222%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 154,615,299	181,813,630	161,853,942	151,507,004	149,568,026	138,688,454	122,469,411	111,602,338	\$ 116,267,903
District's Covered Payroll	\$ 83,462,039	81,973,167	77,381,504	72,438,808	69,862,303	65,608,945	63,057,436	61,204,112	\$ 59,685,313
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	185.25%	221.80%	209.16%	209.15%	214.09%	211.39%	194.22%	182.34%	194.80%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.75%	50.71%	54.40%	54.10%	53.34%	52.91%	56.99%	59.92%	56.39%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year. The District implemented GASB #68/71 for the year ended June 30, 2015. Information before 2014 is not available. The discount rate was lowered from (a) 7.25% to 7.00% beginning with the year ended June 30, 2021 measurement date and (b) 7.50% to 7.25% beginning with the year ended June 30, 2017 measurement date.

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

SCHEDULE OF CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM

LAST NINE FISCAL YEARS

	Year Ended June 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 15,153,416	12,567,443	12,353,817	10,899,053	9,501,771	7,749,316	6,954,203	6,600,468	\$ 6,238,113
Contributions in Relation to the Contractually Required Contribution:									
Contributions from the District	14,484,188	11,898,215	11,684,589	10,229,825	8,832,543	7,749,316	6,954,203	6,600,468	6,238,113
Contributions from the State	669,228	669,228	669,228	669,228	669,228	-	-	-	-
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	-	\$ -
District's Covered Payroll	\$ 94,489,356	83,462,039	81,973,167	77,381,504	72,438,808	69,862,303	65,608,945	63,057,436	\$ 61,204,112
Contributions as a Percentage of Covered Payroll	16.04%	15.06%	15.07%	14.08%	13.12%	11.09%	10.60%	10.47%	10.19%

Notes to Schedule:

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

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
POLICE OFFICERS RETIREMENT SYSTEM

LAST NINE FISCAL YEARS

	Year Ended June 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability (Asset)	0.009375%	0.006616%	0.005292%	0.004169%	0.004604%	0.005500%	0.006023%	0.002820%	0.002820%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 241,204	219,384	151,660	118,115	126,129	139,531	131,271	54,006	\$ 58,479
District's Covered Payroll	\$ 141,567	101,084	72,660	57,698	62,000	70,132	74,638	33,927	\$ 48,974
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	170.38%	217.03%	208.73%	204.71%	203.43%	198.95%	175.88%	159.18%	119.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.37%	58.79%	62.69%	61.73%	60.94%	60.44%	64.57%	67.55%	62.98%

Notes to Schedule:

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

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

The discount rate was lowered from (a) 7.25% to 7.00% beginning with the year ended June 30, 2021 measurement date and (b) 7.50% to 7.25% beginning with the year ended June 30, 2017 measurement date.

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

SCHEDULE OF CONTRIBUTIONS
POLICE OFFICERS RETIREMENT SYSTEM

LAST NINE FISCAL YEARS

	Year Ended June 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 30,491	25,822	18,438	12,527	9,370	8,705	9,636	10,009	\$ 4,356
Contributions in Relation to the Contractually Required Contribution:									
Contributions from the District	29,770	25,101	17,717	11,806	8,649	8,705	9,636	10,009	4,356
Contributions from the State	721	721	721	721	721	-	-	-	-
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	-	\$ -
District's Covered Payroll	\$ 158,476	141,567	101,084	72,660	57,698	62,000	70,132	74,638	\$ 33,927
Contributions as a Percentage of Covered Payroll	19.24%	18.24%	18.24%	17.24%	16.24%	14.04%	13.74%	13.41%	12.84%

Notes to Schedule:

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

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES

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

LAST SIX FISCAL YEARS

	Year Ended June 30,					
	2022	2021	2020	2019	2018	2017
District's Proportion of the Net OPEB Liability	0.887283%	0.890385%	0.885612%	0.840664%	0.829190%	0.829190%
District's Proportionate Share of the Net OPEB Liability	\$ 184,760,545	160,729,720	133,918,036	119,127,006	112,312,427	\$ 119,972,441
District's Covered Payroll	\$ 83,603,606	82,074,251	77,454,164	72,496,506	69,924,303	\$ 65,608,945
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	221.0%	195.8%	172.9%	164.3%	160.6%	182.9%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	7.48%	8.39%	8.44%	7.91%	7.60%	6.62%

Notes to Schedule:

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

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

The discount rates used by year were as follows:

1.92% 2.45%

3.13%

3.62%

3.56%

2.92%

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES

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

LAST SIX FISCAL YEARS

	Year Ended June 30,					
	2022	2021	2020	2019	2018	2017
Contractually Required Contribution	\$ 5,915,489	5,225,225	5,129,641	4,685,977	3,987,308	\$ 3,726,965
Contributions in Relation to the Contractually Required Contribution	5,915,489	5,225,225	5,129,641	4,685,977	3,987,308	3,726,965
Contribution Deficiency (Excess)	\$ -	-	-	-	-	\$ -
District's Covered Payroll	\$ 94,647,832	83,603,606	82,074,251	77,454,164	72,496,506	\$ 69,924,303
Contributions as a Percentage of Covered Payroll	6.25%	6.25%	6.25%	6.05%	5.50%	5.33%

Notes to Schedule:

The District adopted GASB #75 during the year ended June 30, 2018. Information before 2017 is not available. The above amounts exclude any adjustments for implicit subsidies made by the District. Prior year covered payroll amounts have been restated to include payroll from all applicable retirement plans.

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Supplementary Information

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GENERAL FUND

The General Fund accounts for all financial resources except those required to be accounted for in another fund. All property tax, intergovernmental revenues, and miscellaneous revenues are recorded in this fund, except amounts which are specifically collected to service debt or for which the District collects other funds in a fiduciary capacity. Operational expenditures for general education, support services and other departments of the District are paid through the General Fund.

The following Schedule of Revenues, Expenditures, and Changes in Fund Balance -Actual and Revised Budget for the General Fund has been prepared in the format mandated by the South Carolina Department of Education. The account numbers shown on the schedule are also mandated by the South Carolina Department of Education.

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2022

	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES			
1000 Revenue from Local Sources:			
1100 Taxes Levied/Assessed by the LEA:			
1110 Ad Valorem Taxes-Including Delinquent (Independent)	\$ 34,061,846	36,375,577	\$ 2,313,731
1140 Penalties & Interest on Taxes (Independent)	200,000	260,030	60,030
1200 Revenue from Local Governmental Units Other than LEAs:			
1280 Revenue in Lieu of Taxes (Independent and Dependent)	3,906,276	4,930,558	1,024,282
1300 Tuition:			
1310 From Patrons for Regular Day School	15,000	11,700	(3,300)
1320 Tuition from Other LEAs for Regular Day School	-	6,771	6,771
1500 Earnings on Investments:			
1510 Interest on Investments	20,000	107,489	87,489
1900 Other Revenue from Local Sources:			
1910 Rentals	10,000	10,500	500
1930 Medicaid	200,000	299,324	99,324
1990 Miscellaneous Local Revenue:			
1999 Revenue from Other Local Sources	50,000	90,919	40,919
Total Revenue from Local Sources	<u>38,463,122</u>	<u>42,092,868</u>	<u>3,629,746</u>
3000 Revenue from State Sources:			
3100 Restricted State Funding:			
3130 Special Programs:			
3131 Handicapped Transportation	-	3,602	3,602
3160 School Bus Driver Salary (Includes Hazardous Condition Transportation)	986,625	954,934	(31,691)
3162 Transportation Workers' Compensation	45,028	45,028	-
3180 Fringe Benefits Employer Contributions (No Carryover Provision)	18,542,243	18,542,243	-
3181 Retiree Insurance (No Carryover Provision)	3,595,541	3,595,541	-
3186 State Aid to Classrooms - Teacher Salary Increase	3,822,661	3,911,071	88,410
3199 Other Restricted State Grants	-	1,741	1,741
3300 State Aid to Classrooms - Education Finance Act (EFA):			
3310 Full-Time Programs:			
3311 Kindergarten	2,206,687	2,197,139	(9,548)
3312 Primary	6,104,248	6,106,278	2,030
3313 Elementary	9,561,203	9,601,920	40,717
3314 High School	3,182,667	3,162,170	(20,497)
3315 Trainable Mentally Handicapped	135,141	132,627	(2,514)
3316 Speech Handicapped (Part-Time)	984,232	1,009,307	25,075
3317 Homebound	2,999	24,042	21,043
3320 Part-Time Programs:			
3321 Emotionally Handicapped	166,058	144,901	(21,157)
3322 Educable Mentally Handicapped	260,601	255,411	(5,190)
3323 Learning Disabilities	4,935,751	5,087,755	152,004
3324 Hearing Handicapped	141,944	139,250	(2,694)
3325 Visually Handicapped	61,713	62,465	752
3326 Orthopedically Handicapped	34,902	46,646	11,744
3327 Pre-Career and Career Technology	\$ 4,787,849	4,939,329	\$ 151,480

(Continued)

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2022

	FINAL BUDGET	ACTUAL	VARIANCE
3330 Miscellaneous EFA Programs:			
3331 Autism	\$ 824,514	948,645	\$ 124,131
3332 High Achieving Students	504,897	510,214	5,317
3334 Limited English Proficiency	265,150	285,874	20,724
3350 Residential Treatment Facilities (RTF)			
3351 Academic Assistance	1,305,217	1,233,526	(71,691)
3352 Pupils in Poverty	2,932,084	2,885,228	(46,856)
3353 Dual Credit Enrollment	43,940	59,893	15,953
3392 NBC Excess EFA Formula	-	108,503	108,503
3800 State Revenue in Lieu of Taxes:			
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	3,724,743	3,724,743	-
3820 Homestead Exemption (Tier 2)	1,189,965	1,189,965	-
3825 Reimbursement for Property Tax Relief (Tier 3)	11,041,573	11,536,850	495,277
3830 Merchant's Inventory Tax	185,886	185,886	-
3840 Manufacturers Depreciation Reimbursement	178,000	363,257	185,257
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	325,000	584,555	259,555
3900 Other State Revenue:			
3993 PEBA on-Behalf	700,000	669,228	(30,772)
3999 Revenue from Other State Sources	30,000	42,731	12,731
Total Revenue from State Sources	<u>82,809,062</u>	<u>84,292,498</u>	<u>1,483,436</u>
TOTAL REVENUE ALL SOURCES	<u>121,272,184</u>	<u>126,385,366</u>	<u>5,113,182</u>

EXPENDITURES

100 Instruction:			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	3,804,730	3,804,730	-
200 Employee Benefits	1,814,119	1,814,119	-
300 Purchased Services	4,663	4,663	-
400 Supplies and Materials	50,242	50,242	-
112 Primary Programs:			
100 Salaries	9,175,010	9,175,010	-
200 Employee Benefits	3,988,598	3,988,598	-
300 Purchased Services	14,374	14,374	-
400 Supplies and Materials	102,975	99,755	3,220
113 Elementary Programs:			
100 Salaries	16,953,450	16,732,114	221,336
200 Employee Benefits	7,103,637	7,103,637	-
300 Purchased Services	262,576	170,726	91,850
400 Supplies and Materials	276,302	263,084	13,218
600 Other Objects	\$ 3,158	3,158	\$ -

(Continued)

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2022

	FINAL BUDGET	ACTUAL	VARIANCE
114 High School Programs:			
100 Salaries	\$ 12,149,109	10,330,475	\$ 1,818,634
200 Employee Benefits	4,307,426	4,307,426	-
300 Purchased Services	112,669	42,515	70,154
400 Supplies and Materials	184,904	172,309	12,595
500 Capital Outlay	13,834	13,834	-
115 Career and Technology Education Program:			
100 Salaries	2,716,690	2,693,407	23,283
200 Employee Benefits	1,213,716	1,213,716	-
300 Purchased Services - Other Than Tuition	2,638	2,638	-
400 Supplies and Materials	168,868	153,318	15,550
120 Exceptional Programs:			
121 Educable Mentally-Handicapped:			
100 Salaries	864,060	823,516	40,544
200 Employee Benefits	408,828	408,828	-
400 Supplies and Materials	2,075	1,955	120
122 Trainable Mentally Handicapped:			
100 Salaries	752,585	752,585	-
200 Employee Benefits	393,449	393,449	-
300 Purchased Services	5,000	-	5,000
400 Supplies and Materials	250	189	61
123 Orthopedically Handicapped:			
100 Salaries	62,152	32,939	29,213
200 Employee Benefits	17,949	17,949	-
300 Purchased Services	1,000	-	1,000
124 Visually Handicapped:			
100 Salaries	73,913	73,913	-
200 Employee Benefits	33,845	33,845	-
300 Purchased Services	81,627	65,447	16,180
125 Hearing Handicapped:			
100 Salaries	59,497	30,748	28,749
200 Employee Benefits	13,963	13,963	-
300 Purchased Services	12,000	-	12,000
126 Speech Handicapped:			
100 Salaries	864,281	807,360	56,921
200 Employee Benefits	344,868	344,868	-
300 Purchased Services	18,525	-	18,525
400 Supplies and Materials	425	424	1
127 Learning Disabilities:			
100 Salaries	4,413,321	4,413,321	-
200 Employee Benefits	1,939,031	1,939,031	-
300 Purchased Services	21,920	21,920	-
400 Supplies and Materials	\$ 5,404	4,856	\$ 548

(Continued)

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2022

	FINAL BUDGET	ACTUAL	VARIANCE
128 Emotionally Handicapped:			
100 Salaries	\$ 488,513	488,513	\$ -
200 Employee Benefits	228,554	228,554	-
300 Purchased Services	6,100	3,278	2,822
400 Supplies and Materials	1,146	1,079	67
130 Pre-School Programs:			
137 Pre-School Handicapped Self-Contained (3 & 4-Yr. Olds):			
100 Salaries	180,529	180,529	-
200 Employee Benefits	85,093	85,093	-
400 Supplies and Materials	939	939	-
139 Early Childhood Programs:			
100 Salaries	168,089	164,489	3,600
200 Employee Benefits	47,548	47,548	-
300 Purchased Services	3,500	3,500	-
400 Supplies and Materials	5,500	5,337	163
140 Special Programs:			
141 Gifted and Talented Academic:			
100 Salaries	537,690	537,690	-
200 Employee Benefits	248,464	248,464	-
300 Purchased Services	6,501	6,500	1
400 Supplies and Materials	14,742	14,181	561
600 Other Objects	175	150	25
143 Advanced Placement:			
400 Supplies and Materials	1,450	1,198	252
145 Homebound:			
100 Salaries	465,320	465,320	-
200 Employee Benefits	129,988	129,988	-
300 Purchased Services	41,300	34,952	6,348
147 CERDEP:			
100 Salaries	202,981	202,981	-
200 Employee Benefits	76,697	76,697	-
148 Gifted and Talented - Artistic:			
100 Salaries	27,283	27,283	-
200 Employee Benefits	7,392	7,392	-
300 Purchased Services	30,925	3,260	27,665
400 Supplies and Materials	2,605	2,605	-
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	420,929	420,929	-
200 Employee Benefits	192,204	192,204	-
300 Purchased Services	861,696	624,722	236,974
162 Limited English Proficiency:			
100 Salaries	347,368	347,368	-
200 Employee Benefits	\$ 132,029	132,029	\$ -

(Continued)

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2022

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
180 Adult/Continuing Educational Programs:			
181 Adult Basic Education Programs:			
100 Salaries	\$ 1,500	1,500	\$ -
200 Employee Benefits	457	457	-
182 Adult Secondary Education Programs:			
100 Salaries	500	500	-
200 Employee Benefits	152	152	-
188 Parenting/Family Literacy:			
100 Salaries	80,110	62,015	18,095
200 Employee Benefits	36,173	36,173	-
190 Instructional Pupil Activity:			
100 Salaries	3,926	3,926	-
200 Employee Benefits	1,293	1,183	110
Total Instruction	<u>79,901,017</u>	<u>77,125,632</u>	<u>2,775,385</u>
200 Support Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	115,515	113,780	1,735
200 Employee Benefits	49,372	49,372	-
300 Purchased Services	4,660	4,246	414
400 Supplies and Materials	965	193	772
212 Guidance Services:			
100 Salaries	2,794,897	2,794,897	-
200 Employee Benefits	1,160,658	1,160,658	-
300 Purchased Services	3,922	2,108	1,814
400 Supplies and Materials	21,517	19,192	2,325
600 Other Objects	5,478	3,914	1,564
213 Health Services:			
100 Salaries	1,039,466	1,039,466	-
200 Employee Benefits	470,804	470,804	-
300 Purchased Services	16,651	2,518	14,133
400 Supplies and Materials	15,849	15,849	-
214 Psychological Services:			
100 Salaries	302,102	302,102	-
200 Employee Benefits	192,557	165,557	27,000
300 Purchased Services	447,962	281,627	166,335
215 Exceptional Program Services:			
100 Salaries	130,966	130,966	-
200 Employee Benefits	63,211	63,211	-
217 Career Specialist Services:			
100 Salaries	22,481	22,481	-
200 Employee Benefits	\$ 21,248	21,248	\$ -

(Continued)

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2022

	FINAL BUDGET	ACTUAL	VARIANCE
220 Instructional Staff Services:			
221 Improvement of Instruction Curriculum Development:			
100 Salaries	\$ 804,234	748,017	\$ 56,217
200 Employee Benefits	347,037	332,443	14,594
300 Purchased Services	22,854	8,832	14,022
400 Supplies and Materials	16,975	14,217	2,758
600 Other Objects	2,150	1,512	638
222 Library and Media Services:			
100 Salaries	1,846,297	1,846,297	-
200 Employee Benefits	815,985	815,985	-
300 Purchased Services	2,356	2,066	290
400 Supplies and Materials	281,639	250,753	30,886
500 Capital Outlay	137	-	137
223 Supervision of Special Programs:			
100 Salaries	1,510,177	1,510,177	-
200 Employee Benefits	618,038	618,038	-
300 Purchased Services	33,407	33,407	-
400 Supplies and Materials	230,654	5,102	225,552
224 Improvement of Instruction Inservice and Staff Training:			
100 Salaries	260,703	260,703	-
200 Employee Benefits	85,355	85,355	-
300 Purchased Services	31,903	15,017	16,886
400 Supplies and Materials	39,000	3,254	35,746
600 Other Objects	20,000	20,000	-
230 General Administrative Services:			
231 Board of Education:			
100 Salaries	43,930	43,930	-
200 Employee Benefits	748,676	564,004	184,672
300 Purchased Services	255,787	234,360	21,427
318 Audit Services	57,773	57,773	-
400 Supplies and Materials	8,300	5,926	2,374
600 Other Objects	38,000	33,452	4,548
232 Office of Superintendent:			
100 Salaries	387,127	360,379	26,748
200 Employee Benefits	134,588	134,588	-
300 Purchased Services	159,300	70,081	89,219
400 Supplies and Materials	42,150	33,731	8,419
600 Other Objects	10,000	4,605	5,395
233 School Administration:			
100 Salaries	8,903,132	8,860,465	42,667
200 Employee Benefits	3,741,724	3,741,724	-
300 Purchased Services	56,870	43,692	13,178
400 Supplies and Materials	109,194	92,507	16,687
600 Other Objects	\$ 21,486	15,289	\$ 6,197

(Continued)

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2022

	FINAL BUDGET	ACTUAL	VARIANCE
250 Finance and Operations Services:			
251 Student Transportation Federal/District Mandated):			
100 Salaries	\$ 1,509	1,509	\$ -
200 Employee Benefits	345	345	-
300 Purchased Services	2,005	2,005	-
252 Fiscal Services:			
100 Salaries	929,311	929,311	-
200 Employee Benefits	464,974	464,974	-
300 Purchased Services	34,967	23,022	11,945
400 Supplies and Materials	12,292	3,546	8,746
600 Other Objects	5,741	4,996	745
253 Facilities Acquisition and Construction:			
500 Capital Outlay:			
540 Equipment	-	21,860	(21,860)
254 Operation and Maintenance of Plant:			
100 Salaries	2,241,058	2,241,058	-
200 Employee Benefits	1,017,823	1,017,823	-
300 Purchased Services	3,881,002	3,719,569	161,433
400 Supplies and Materials (Includes Energy Costs)	4,498,497	3,842,640	655,857
500 Capital Outlay	42,400	13,587	28,813
255 Student Transportation (State Mandated):			
100 Salaries	2,731,466	2,731,466	-
200 Employee Benefits	947,492	944,117	3,375
300 Purchased Services	13,290	11,350	1,940
400 Supplies and Materials	13,465	9,093	4,372
500 Capital Outlay	3,600	3,095	505
600 Other Objects	2,700	2,655	45
256 Food Services:			
100 Salaries	108,764	108,764	-
200 Employee Benefits	1,253,752	446,016	807,736
257 Internal Services:			
100 Salaries	345,843	345,843	-
200 Employee Benefits	155,540	155,540	-
300 Purchased Services	18,376	8,758	9,618
400 Supplies and Materials	2,690	1,772	918
600 Other Objects	1,000	755	245
258 Security:			
100 Salaries	177,382	177,382	-
200 Employee Benefits	60,601	60,601	-
300 Purchased Services	986,511	768,624	217,887
400 Supplies and Materials	12,015	4,536	7,479
600 Other Objects	\$ 27,000	5,753	\$ 21,247

(Continued)

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2022

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
260 Central Support Services:			
262 Planning, Research, Development and Evaluation:			
100 Salaries	\$ 208,689	208,689	\$ -
200 Employee Benefits	78,680	78,680	-
300 Purchased Services	74,500	21,153	53,347
400 Supplies and Materials	67,811	40,626	27,185
600 Other Objects	37,783	29,532	8,251
263 Information Services:			
100 Salaries	69,081	69,081	-
200 Employee Benefits	26,796	26,796	-
300 Purchased Services	48,136	30,313	17,823
400 Supplies and Materials	9,048	9,048	-
600 Other Objects	2,800	1,733	1,067
264 Staff Services:			
100 Salaries	426,652	426,652	-
200 Employee Benefits	206,466	206,466	-
300 Purchased Services	104,932	64,426	40,506
400 Supplies and Materials	10,540	10,231	309
600 Other Objects	27,369	19,683	7,686
266 Technology and Data Processing Services:			
100 Salaries	939,256	924,478	14,778
200 Employee Benefits	394,825	391,275	3,550
300 Purchased Services	1,099,833	945,654	154,179
400 Supplies and Materials	253,821	221,990	31,831
500 Capital Outlay	49,569	49,569	-
600 Other Objects	200	176	24
270 Support Services - Pupil Activity:			
271 Pupil Services Activities:			
100 Salaries (Optional)	1,046,560	1,046,560	-
200 Employee Benefits (Optional)	261,490	261,490	-
600 Other Objects (Optional)	91,442	74,038	17,404
Total Support Services	<u>54,096,909</u>	<u>50,762,574</u>	<u>3,334,335</u>
300 Community Services:			
350 Custody and Care of Children Services:			
100 Salaries	14,250	14,250	-
200 Employee Benefits	4,341	4,341	-
Total Community Services	<u>\$ 18,591</u>	<u>18,591</u>	<u>\$ -</u>

(Continued)

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2022

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
400 Other Charges:			
410 Intergovernmental Expenditures:			
411 Payments to the State Department of Education			
720 Transits	\$ 54,800	38,854	\$ 15,946
412 Payments to Other Governmental Units			
720 Transits	20,000	19,370	630
416 Payments to Public Charter Schools			
720 Transits	877,650	877,650	-
Total Intergovernmental Expenditures	<u>952,450</u>	<u>935,874</u>	<u>16,576</u>
TOTAL EXPENDITURES	<u>134,968,967</u>	<u>128,842,671</u>	<u>6,126,296</u>
OTHER FINANCING SOURCES (USES)			
Interfund Transfers, From (To) Other Funds:			
5230 Transfer from Special Revenue EIA Fund	3,714,473	3,800,381	85,908
5280 Transfer from Other Funds Indirect Costs	1,414,500	2,420,904	1,006,404
426-710 Transfer to Pupil Activity Fund	(231,300)	(229,550)	1,750
TOTAL OTHER FINANCING SOURCES (USES)	<u>4,897,673</u>	<u>5,991,735</u>	<u>1,094,062</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	(8,799,110)	3,534,430	12,333,540
FUND BALANCES, Beginning of Year	<u>27,897,164</u>	<u>27,897,164</u>	<u>-</u>
FUND BALANCES, End of Year	<u>\$ 19,098,054</u>	<u>31,431,594</u>	<u>\$ 12,333,540</u>

**SPECIAL REVENUE FUND AND SPECIAL REVENUE -
EDUCATION IMPROVEMENT ACT FUND**

The Special Revenue Fund and the Special Revenue - Education Improvement Act Fund account for the operations of Federal, State, and local programs which are required to be accounted for in separate funds.

The following combining and individual fund schedules have been prepared in the format mandated by the South Carolina Department of Education. The account numbers shown on the various schedules are also mandated by the South Carolina Department of Education.

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2022

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)
REVENUES			
1000 Revenue from Local Sources:			
1500 Earnings on Investments:			
1510 Interest on Investments	\$ -	-	-
1700 Pupil Activities:			
1710 Admissions	-	-	-
1720 Bookstore Sales	-	-	-
1730 Pupil Organization Membership Dues and Fees	-	-	-
1740 Student Fees	-	-	-
1900 Other Revenue from Local Sources:			
1910 Rentals	-	-	-
1920 Contributions and Donations From Private Sources	-	-	-
1990 Miscellaneous Local Revenue:			
1999 Revenue from Other Local Sources	-	-	-
Total Revenue from Local Sources	-	-	-
2000 Intergovernmental Revenue:			
2300 Payments from Non-Profit Entities (for First Steps)	-	-	-
Total Intergovernmental Revenue	-	-	-
3000 Revenue from State Sources:			
3100 Restricted State Funding:			
3110 Occupational Education:			
3118 EEDA Career Specialists	-	-	-
3120 General Education:			
3127 Student Health and Fitness - PE Teachers	-	-	-
3130 Special Programs:			
3134 Child Early Reading Development and Education Program (CERDEP - Full Day 4k)	-	-	-
3135 Reading Coaches	-	-	-
3136 Student Health and Fitness - Nurses	-	-	-
3155 DSS SNAP & E&T Program	-	-	-
3156 Adult Aducation	-	-	-
3190 Miscellaneous Restricted State Grants:			
3193 Education License Plates	-	-	-
3900 Other State Revenue:			
3994 PEBA Nonemployer Contributions	-	-	-
3999 Revenue from Other State Sources	-	-	-
Total Revenue from State Sources	\$ -	-	-

CATE (VA Projects) (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s/900s)	Pupil Activity (700s)	Totals
-	-	-	-	3,603	\$ 3,603
-	-	-	-	423,756	423,756
-	-	-	-	1,328,919	1,328,919
-	-	-	-	1,046,080	1,046,080
-	-	-	-	30,976	30,976
-	-	-	17,504	-	17,504
-	-	-	831,328	278,586	1,109,914
-	-	-	645,391	-	645,391
-	-	-	1,494,223	3,111,920	4,606,143
-	-	-	33,926	-	33,926
-	-	-	33,926	-	33,926
-	-	519,417	-	-	519,417
-	-	107,881	-	-	107,881
-	-	13,984	-	-	13,984
-	-	768,433	-	-	768,433
-	-	375,063	-	-	375,063
-	-	598	-	-	598
-	-	5,917	-	-	5,917
-	-	1,737	-	-	1,737
-	-	21,073	-	-	21,073
-	-	-	373,143	140	373,283
-	-	1,814,103	373,143	140	\$ 2,187,386

(Continued)

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2022

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)
4000 Revenue from Federal Sources:			
4200 Occupational Education:			
4210 Perkins Aid, Title I - Career and Technology Education - Basic Grants to States	\$ -	-	-
4300 Elementary and Secondary Education Act of 1965 (ESEA):			
4310 Title I, Basic State Grant Programs (Carryover Provision)	3,390,931	-	-
4314 School Improvement Grant	-	-	-
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III	-	-	-
4351 Supporting Effective Instruction	-	-	-
4400 Adult Education:			
4410 Basic Adult Education	-	-	-
4500 Programs for Children with Disabilities:			
4510 Individuals with Disabilities Education Act (IDEA)	-	2,915,772	-
4520 Preschool Grants for Children With Disabilities (IDEA)	-	-	108,312
4900 Other Federal Sources:			
4924 21st Century Community Learning Center Program (Title IV, 21st Century Schools)	-	-	-
4931 ARP IDEA	-	-	-
4933 ARP IDEA Preschool	-	-	-
4974 ESSER III	-	-	-
4975 Coronavirus Aid Relief and Economic Security Act (CARES Act)	-	-	-
4977 ESSER II	-	-	-
4997 Title IV - SSAE	-	-	-
4999 Revenue from Other Federal Sources	-	-	-
Total Revenue from Federal Sources	<u>3,390,931</u>	<u>2,915,772</u>	<u>108,312</u>
TOTAL REVENUE ALL SOURCES	<u>3,390,931</u>	<u>2,915,772</u>	<u>108,312</u>

EXPENDITURES

100 Instruction:			
110 General Instruction:			
111 Kindergarten Program:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
112 Primary Programs:			
100 Salaries	897,739	-	-
200 Employee Benefits	403,922	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	\$ 22,202	-	-

CATE (VA Projects) (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s/900s)	Pupil Activity (700s)	Totals
160,067	-	-	-	-	\$ 160,067
-	-	-	179,805	-	3,570,736
-	-	-	34,067	-	34,067
-	-	-	106,416	-	106,416
-	-	-	511,571	-	511,571
-	148,777	-	-	-	148,777
-	-	-	16,290	-	2,932,062
-	-	-	-	-	108,312
-	-	-	307,733	-	307,733
-	-	-	460,316	-	460,316
-	-	-	49,337	-	49,337
-	-	-	12,714,508	-	12,714,508
-	-	-	270,650	-	270,650
-	-	-	5,759,560	-	5,759,560
-	-	-	350,291	-	350,291
-	-	-	2,355,963	-	2,355,963
160,067	148,777	-	23,116,507	-	29,840,366
160,067	148,777	1,814,103	25,017,799	3,112,060	36,667,821
-	-	-	9,300	-	9,300
-	-	-	2,833	-	2,833
-	-	-	10,527	-	10,527
-	-	-	45,282	-	45,282
-	-	33,818	1,076,038	-	2,007,595
-	-	13,925	342,783	-	760,630
-	-	-	191,835	-	191,835
-	-	-	455,560	-	\$ 477,762

(Continued)

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2022

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)
113 Elementary Programs:			
100 Salaries	\$ 539,555	-	-
200 Employee Benefits	238,237	-	-
300 Purchased Services	12,184	-	-
400 Supplies and Materials	17,105	-	-
500 Capital Outlay	1,858	-	-
114 High School Programs:			
100 Salaries	408,213	-	-
200 Employee Benefits	175,469	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
115 Career and Technology Education Program:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services - Other Than Tuition	-	-	-
400 Supplies and Materials	-	-	-
500 Capital Outlay	-	-	-
120 Exceptional Programs:			
121 Educable Mentally Handicapped:			
100 Salaries	-	250,705	-
200 Employee Benefits	-	116,310	-
300 Purchased Services	-	342	-
400 Supplies and Materials	-	10,024	-
122 Trainable Mentally Handicapped:			
100 Salaries	-	82,685	-
200 Employee Benefits	-	42,786	-
300 Purchased Services	-	80	-
400 Supplies and Materials	-	1,301	-
124 Visually Handicapped:			
300 Purchased Services	-	15,220	-
125 Hearing Handicapped:			
300 Purchased Services	-	2,930	-
400 Supplies and Materials	-	987	-
126 Speech Handicapped:			
300 Purchased Services	-	318,906	-
400 Supplies and Materials	-	21,221	-
600 Other Objects	-	2,277	-
127 Learning Disabilities:			
100 Salaries	-	369,707	-
200 Employee Benefits	-	166,876	-
300 Purchased Services	-	56,953	-
400 Supplies and Materials	\$ -	17,734	-

CATE (VA Projects) (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s/900s)	Pupil Activity (700s)	Totals
-	-	43,310	529,906	1,149	\$ 1,113,920
-	-	16,828	164,311	350	419,726
-	-	-	292,511	-	304,695
-	-	1,737	180,012	-	198,854
-	-	-	1,891	-	3,749
-	-	-	788,229	-	1,196,442
-	-	-	145,037	-	320,506
-	-	-	208,932	-	208,932
-	-	-	31,219	-	31,219
-	-	-	98,501	-	98,501
-	-	-	12,184	-	12,184
5,875	-	-	-	-	5,875
4,243	-	-	4,499	-	8,742
6,530	-	-	-	-	6,530
-	-	-	-	-	250,705
-	-	-	-	-	116,310
-	-	-	-	-	342
-	-	-	-	-	10,024
-	-	-	-	-	82,685
-	-	-	-	-	42,786
-	-	-	-	-	80
-	-	-	-	-	1,301
-	-	-	-	-	15,220
-	-	-	-	-	2,930
-	-	-	-	-	987
-	-	-	87,592	-	406,498
-	-	-	-	-	21,221
-	-	-	-	-	2,277
-	-	-	-	-	369,707
-	-	-	-	-	166,876
-	-	-	2,900	-	59,853
-	-	-	75,420	-	\$ 93,154

(Continued)

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2022

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)
128 Emotionally Handicapped:			
100 Salaries	\$ -	65,150	-
200 Employee Benefits	-	30,337	-
300 Purchased Services	-	7,407	-
400 Supplies and Materials	-	97	-
130 Pre-School Programs:			
135 Pre-School Handicapped Speech (3 & 4-Yr. Olds):			
100 Salaries	-	-	-
400 Supplies and Materials	-	-	-
137 Pre-School Handicapped Self-Contained (3 & 4-Yr. Olds):			
100 Salaries	-	-	72,856
200 Employee Benefits	-	-	32,159
400 Supplies and Materials	-	6,079	-
139 Early Childhood Programs:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	39	-
400 Supplies and Materials	-	-	-
140 Special Programs:			
145 Homebound:			
300 Purchased Services	-	1,647	-
147 CERDEP:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
149 Other Special Programs			
300 Purchased Services	-	13,279	-
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	-	5,388	-
200 Employee Benefits	-	1,634	-
300 Purchased Services	-	322,397	-
400 Supplies and Materials	-	8,065	-
162 Limited English Proficiency:			
300 Purchased Services	-	-	-
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	-	-	-
400 Supplies and Materials	\$ -	-	-

CATE (VA Projects) (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s/900s)	Pupil Activity (700s)	Totals
-	-	-	-	-	\$ 65,150
-	-	-	-	-	30,337
-	-	-	-	-	7,407
-	-	-	-	-	97
-	-	-	3,059	-	3,059
-	-	-	1,000	-	1,000
-	-	-	-	-	72,856
-	-	-	-	-	32,159
-	-	-	4,352	-	10,431
-	-	-	635,285	-	635,285
-	-	-	298,963	-	298,963
-	-	-	119,866	-	119,905
-	-	-	83,837	-	83,837
-	-	-	-	-	1,647
-	-	-	9,942	-	9,942
-	-	-	5,052	-	5,052
-	-	13,984	16,657	-	30,641
-	-	-	7,769	-	21,048
-	-	-	-	-	5,388
-	-	-	-	-	1,634
-	-	-	9,172	-	331,569
-	-	-	-	-	8,065
-	-	-	14,080	-	14,080
-	-	-	22,194	-	22,194
-	-	-	24,298	-	24,298
-	-	-	7,401	-	7,401
-	-	-	32,175	18,447	50,622
-	-	-	8,351	5,619	13,970
-	-	-	1,743	-	\$ 1,743

(Continued)

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2022

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)
173 High School Summer School:			
100 Salaries	\$ -	-	-
200 Employee Benefits	-	-	-
175 Instructional Programs Beyond Regular School Day:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
180 Adult/Continuing Educational Programs:			
181 Adult Basic Education Programs:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
182 Adult Secondary Education Programs:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
500 Capital Outlay	-	-	-
183 Adult English Literacy (ESL):			
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
500 Capital Outlay	-	-	-
188 Parenting/Family Literacy:			
100 Salaries	182,442	-	-
200 Employee Benefits	107,755	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
190 Instructional Pupil Activity:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
400 Supplies and Materials	-	-	-
500 Capital Outlay	-	-	-
600 Other Objects (Optional)	-	-	-
Total Instruction	3,006,681	1,938,563	105,015
200 Support Services:			
210 Pupil Services:			
212 Guidance Services:			
100 Salaries	-	-	-
200 Employee Benefits	\$ -	-	-

CATE (VA Projects) (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s/900s)	Pupil Activity (700s)	Totals
-	-	-	44,331	-	\$ 44,331
-	-	-	13,503	-	13,503
-	-	-	1,972,433	540	1,972,973
-	-	-	599,154	165	599,319
-	-	-	8,659	-	8,659
-	-	-	16,924	-	16,924
-	48,164	-	-	-	48,164
-	14,634	-	-	-	14,634
-	-	1,200	-	-	1,200
-	-	185	-	-	185
-	56,635	-	2,826	-	59,461
-	17,251	-	516	-	17,767
-	-	1,500	-	-	1,500
-	1,000	-	11,415	-	12,415
-	-	-	6,001	-	6,001
-	-	-	1,110	-	1,110
-	-	-	22,494	-	22,494
-	-	-	750	-	750
-	-	-	79,265	-	261,707
-	-	-	33,067	-	140,822
-	-	-	39,108	-	39,108
-	-	-	9,988	-	9,988
-	-	-	-	112,090	112,090
-	-	-	-	33,018	33,018
-	-	-	-	910	910
-	-	-	-	18,836	18,836
-	-	-	-	312,375	312,375
16,648	137,684	126,487	8,924,042	503,499	14,758,619
54,973	-	-	3,745	-	\$ 58,718
24,204	-	-	286	-	\$ 24,490

(Continued)

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2022

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)
213 Health Services:			
100 Salaries	\$ -	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	169,905	-
400 Supplies and Materials	-	16,734	-
214 Psychological Services:			
100 Salaries	-	205,119	-
200 Employee Benefits	-	78,568	-
300 Purchased Services	-	274,711	-
400 Supplies and Materials	-	15,766	-
600 Other Objects	-	800	-
216 Vocational Placement Services:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
217 Career Specialists Services:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
220 Instructional Staff Services:			
221 Improvement of Instruction Curriculum Development:			
100 Salaries	63,794	-	-
200 Employee Benefits	26,337	-	-
300 Purchased Services	-	-	-
222 Library and Media Services:			
400 Supplies and Materials	-	-	-
223 Supervision of Special Programs:			
100 Salaries	132,380	3,036	-
200 Employee Benefits	49,649	925	-
300 Purchased Services	3,191	30,723	-
400 Supplies and Materials	1,198	17,794	-
600 Other Objects	46	176	-
224 Improvement of Instruction Inservice and Staff Training:			
100 Salaries	205	-	-
200 Employee Benefits	45	-	-
300 Purchased Services	3,541	-	-
400 Supplies and Materials	-	-	-
230 General and Administrative Services:			
233 School Administration:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
600 Other Objects	\$ -	-	-

CATE (VA Projects) (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s/900s)	Pupil Activity (700s)	Totals
-	-	244,975	121,567	-	\$ 366,542
-	-	130,087	53,973	-	184,060
-	-	-	392,895	-	562,800
-	-	-	50,861	-	67,595
-	-	-	-	-	205,119
-	-	-	-	-	78,568
-	-	-	-	-	274,711
-	-	-	-	-	15,766
-	-	-	-	-	800
33,202	-	-	-	-	33,202
16,080	-	-	-	-	16,080
-	-	374,541	-	-	374,541
-	-	144,876	-	-	144,876
-	-	553,739	11,152	-	628,685
-	-	214,694	3,397	-	244,428
-	-	-	2,831	-	2,831
-	-	-	179,362	-	179,362
6,261	5,032	2,554	338,754	-	488,017
1,898	1,532	778	166,014	-	220,796
-	-	299	29,846	-	64,059
-	-	-	5,318	-	24,310
-	-	-	-	-	222
-	-	-	82,095	-	82,300
-	-	-	31,105	-	31,150
6,801	-	-	283,370	-	293,712
-	-	-	16,045	-	16,045
-	-	-	433,481	-	433,481
-	-	-	224,941	-	224,941
-	-	-	1,075	-	1,075
-	-	-	1,645	-	\$ 1,645

(Continued)

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2022

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)
250 Finance and Operations Services:			
251 Student Transportation (Federal/District Mandated):			
100 Salaries	\$ -	61,424	-
200 Employee Benefits	-	19,051	-
300 Purchased Services	-	-	-
252 Fiscal Services:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
253 Facilities Acquisition and Construction:			
500 Capital Outlay:			
520 Construction Services	-	-	-
530 Improvements Other Than Buildings	-	-	-
545 Technology, Equipment and Software	-	863	-
254 Operation and Maintenance of Plant:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
500 Capital Outlay	-	-	-
255 Student Transportation (State Mandated):			
100 Salaries	-	117	-
200 Employee Benefits	-	35	-
300 Purchased Services	-	-	-
260 Central Support Services:			
263 Information Services:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
264 Staff Services:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
266 Technology and Data Processing Services:			
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
270 Support Services - Pupil Activity:			
271 Pupil Services Activities:			
100 Salaries (Optional)	-	-	-
200 Employee Benefits (Optional)	-	-	-
300 Purchased Services (Optional)	-	-	-
500 Capital Outlay (Optional)	-	-	-
660 Pupil Activity	-	-	-
272 Enterprise Activities:			
660 Pupil Activity	\$ -	-	-

CATE (VA Projects) (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s/900s)	Pupil Activity (700s)	Totals
-	-	-	36,683	-	\$ 98,107
-	-	-	7,056	-	26,107
-	-	-	25,890	-	25,890
-	-	-	11,080	-	11,080
-	-	-	4,930	-	4,930
-	-	-	28,791	-	28,791
-	-	-	345,311	-	345,311
-	-	-	4,370	-	5,233
-	-	-	1,280	-	1,280
-	-	-	390	-	390
-	-	-	4,117,149	-	4,117,149
-	-	-	47,739	-	47,739
-	-	-	5,454,291	-	5,454,291
-	-	-	71,253	6,615	77,985
-	-	-	16,333	1,612	17,980
-	-	-	2,532	-	2,532
-	-	-	34,489	-	34,489
-	-	-	17,556	-	17,556
-	-	-	22,500	-	22,500
-	-	-	6,854	-	6,854
-	-	-	167,300	-	167,300
-	-	-	9,275	-	9,275
-	-	-	113	-	113
-	-	-	-	612,671	612,671
-	-	-	-	172,769	172,769
-	-	-	7,520	50	7,570
-	-	-	-	48,064	48,064
-	-	-	-	1,497,874	1,497,874
-	-	-	-	123,371	\$ 123,371

(Continued)

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2022

	Title I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	Preschool Handicapped (CG Projects) (205/206)
273 Trust and Agency Activities:			
660 Pupil Activity	\$ -	-	-
Total Support Services	<u>280,386</u>	<u>895,747</u>	<u>-</u>
300 Community Services:			
350 Custody and Care of Children:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
300 Purchased Services	-	-	-
400 Supplies and Materials	-	-	-
600 Other Objects	-	-	-
390 Other Community Services:			
100 Salaries	-	-	-
200 Employee Benefits	-	-	-
Total Community Services	<u>-</u>	<u>-</u>	<u>-</u>
410 Intergovernmental Expenditures:			
416 Payments to Public Charter Schools			
720 Transits	-	20	-
419 Payments to PEBA Nonemployer Contributions:			
720 Transits	-	-	-
Total Intergovernmental Expenditures	<u>-</u>	<u>20</u>	<u>-</u>
TOTAL EXPENDITURES	<u>3,287,067</u>	<u>2,834,330</u>	<u>105,015</u>
OTHER FINANCING SOURCES (USES)			
Interfund Transfers, From (To) Other Funds:			
5210 Transfer from General Fund (Exclude Indirect Costs)	-	-	-
5220 Transfer from Special Revenue Fund (Exclude Indirect Costs)	-	-	-
5250 Transfer from Capital Projects Fund	-	-	-
5270 Transfer from Pupil Activity Fund	-	-	-
421-710 Transfer to Special Revenue Fund	-	-	-
431-791 Special Revenue Fund Indirect Costs (Use Only for Transfer of Indirect Costs to General Fund)	(103,864)	(81,442)	(3,297)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(103,864)</u>	<u>(81,442)</u>	<u>(3,297)</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCES, Beginning of Year, As Previously Reported	-	-	-
Prior Period Adjustments	-	-	-
FUND BALANCES, Beginning of Year, As Restated	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>

CATE (VA Projects) (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s/900s)	Pupil Activity (700s)	Totals
-	-	-	-	2,535	\$ 2,535
143,419	6,564	1,666,543	12,874,443	2,465,561	18,332,663
-	-	-	447,378	-	447,378
-	-	-	222,488	-	222,488
-	-	-	60,403	-	60,403
-	-	-	49,397	-	49,397
-	-	-	250	-	250
-	-	-	521,541	-	521,541
-	-	-	217,761	-	217,761
-	-	-	1,519,218	-	1,519,218
-	-	-	-	-	20
-	-	21,073	-	-	21,073
-	-	21,073	-	-	21,093
160,067	144,248	1,814,103	23,317,703	2,969,060	34,631,593
-	-	-	-	229,550	229,550
-	-	-	256,400	-	256,400
-	-	-	-	7,735	7,735
-	-	-	-	456,099	456,099
-	-	-	(256,400)	(456,099)	(712,499)
-	(4,529)	-	(1,903,722)	-	(2,096,854)
-	(4,529)	-	(1,903,722)	237,285	(1,859,569)
-	-	-	(203,626)	380,285	176,659
-	-	-	-	2,415,847	2,415,847
-	-	-	771,273	-	771,273
-	-	-	771,273	2,415,847	3,187,120
-	-	-	567,647	2,796,132	\$ 3,363,779

SPECIAL REVENUE FUND

SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES

YEAR ENDED JUNE 30, 2022

OTHER DESIGNATED RESTRICTED STATE GRANTS

919	License Plates
924	CERDEP Supplies
928	Career Specialists
935	Reading Coaches
936	Student Health and Fitness Elementary Nurses
937	Student Health and Fitness
955	Adult Ed - Supplemental Nutrition Assistance Program
956	Adult Education
969	Adult Ed High School Education
994	PEBA Nonemployer Contributions

OTHER SPECIAL REVENUE PROGRAMS

210	Title IV
218	SC CARES ESSER III
220	SC ESSER I
221	Title I N&D
224	21st Century
225	SC ESSER II
230	FY 21 IDEA/ARP
233	FY 21 IDEA/ARP Preschool
234	21 School Improvement Grant
237	School Improvement Carryover
264	Title III
267	Title II
270	JROTC
275	Adult Ed - Local Contributions
296	Facility Rental Fund
299	Misc. State Revenue
803	Communities in School
804	First Steps
805	Workforce Investment Act
807	First Steps EHS Partnership
809	Promise Neighborhood - Partners for Youth
810	Leader in Me
811	Learn TV Advertising
812	Head Start Emergency Supplement
813	Head Start
817	Teen After School Centers
822	Worker's Comp Risk Control Grant
827	Early Head Start
828	Children's Council Learn TV
830	Americorp
831	Children's Council Strategic Frame Work
833	Barr Street Auditorium
834	Bus Masks

SPECIAL REVENUE FUND

SUMMARY SCHEDULE FOR OTHER DESIGNATED RESTRICTED STATE GRANTS

YEAR ENDED JUNE 30, 2022

Subfund	Revenue	Programs	Revenues	Expenditures	Special Revenue		Special Revenue Fund Unearned
					Interfund Transfers In (Out)	Other Fund Transfers Sources (Uses)	
919	3193	Education License Plates	\$ 1,737	1,737	-	-	\$ 846
924	3134	Child Early Reading Development and Education Program (CERDEP) - Full Day 4K	13,984	13,984	-	-	-
928	3118	EEDA Career Specialists	519,417	519,417	-	-	-
935	3135	Reading Coaches	768,433	768,433	-	-	-
936	3136	Student Health and Fitness - Nurses	375,063	375,063	-	-	-
937	3127	Student Health and Fitness - PE Teachers	107,881	107,881	-	-	-
955	3155	DSS SNAP & E&T Program	598	598	-	-	18,749
956	3156	Adult Education	5,917	5,917	-	-	6,814
969	3699	Other State Lottery Programs	-	-	-	-	10,000
994	3994	PEBA Nonemployer Contributions	21,073	21,073	-	-	-
Totals			\$ 1,814,103	1,814,103	-	-	\$ 36,409

EDUCATION IMPROVEMENT ACT FUND

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

YEAR ENDED JUNE 30, 2022

	<u>ACTUAL</u>
REVENUES	
3000 Revenue from State Sources:	
3500 Education Improvement Act:	
3502 ADEPT	\$ 11,764
3509 Arts in Education	60,746
3518 Adoption List of Formative Assessment	61,663
3519 Grade 10 Assessments	66,771
3526 Refurbishment of Science Kits	57,385
3528 Industry Certificates/Credentials	81,256
3529 Career and Technology Education	233,539
3532 National Board Salary Supplement	797,734
3533 Teacher of the Year Awards (No Carryover Provision)	1,077
3536 Student Health & Fitness	91,665
3538 Students at Risk of School Failure	876,303
3540 Early Childhood Program (4K Programs Serving Four-Year-Old Children)	397,421
3541 Child Early Reading Development and Education Program (CERDEP) - Full Day 4K	191,431
3550 Teacher Salary Increase (No Carryover Provision)	3,064,298
3555 Teacher Salary Fringe	736,083
3556 Adult Education	170,122
3557 Summer Reading Program	416,213
3577 Teacher Supplies (No Carryover Provision)	271,975
3594 EEDA Supplemental Programs	191,603
3595 EEDA Supplies and Materials	18,321
3597 Aid to Districts	454,355
3599 Other EIA	103,844
Total Revenue from State Sources	<u>8,355,569</u>
TOTAL REVENUE ALL SOURCES	<u>8,355,569</u>

EXPENDITURES

100 Instruction:	
110 General Instruction:	
111 Kindergarten Programs:	
100 Salaries	15,000
200 Employee Benefits	4,530
300 Purchased Services	314
400 Supplies and Materials	1,691
112 Primary Programs:	
100 Salaries	98,026
200 Employee Benefits	29,894
300 Purchased Services	19,918
400 Supplies and Materials	86,503
500 Capital Outlay	\$ 2,928

(Continued)

EDUCATION IMPROVEMENT ACT FUND

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

YEAR ENDED JUNE 30, 2022

	<u>ACTUAL</u>
113 Elementary Programs:	
100 Salaries	\$ 222,110
200 Employee Benefits	86,458
300 Purchased Services	7,939
400 Supplies and Materials	374,336
114 High School Programs:	
100 Salaries	298,752
200 Employee Benefits	120,716
300 Purchased Services	9,800
400 Supplies and Materials	137,866
115 Career and Technology Education Program:	
100 Salaries	35,730
200 Employee Benefits	10,843
300 Purchased Services - Other Than Tuition	66,149
400 Supplies and Materials	103,800
500 Capital Outlay	121,752
120 Exceptional Programs:	
122 Trainable Mentally Handicapped:	
100 Salaries	15,405
200 Employee Benefits	4,677
123 Orthopedically Handicapped:	
100 Salaries	1,283
200 Employee Benefits	391
124 Visually Handicapped:	
300 Purchased Services	1,151
125 Hearing Handicapped:	
100 Salaries	140
200 Employee Benefits	43
400 Supplies and Materials	143
126 Speech Handicapped:	
100 Salaries	210
200 Employee Benefits	64
300 Purchased Services	5,578
400 Supplies and Materials	29
127 Learning Disabilities:	
100 Salaries	57,672
200 Employee Benefits	17,186
300 Purchased Services	1,173
128 Emotionally Handicapped:	
100 Salaries	2,214
200 Employee Benefits	674
300 Purchased Services	\$ 5,056

(Continued)

EDUCATION IMPROVEMENT ACT FUND

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

YEAR ENDED JUNE 30, 2022

	<u>ACTUAL</u>
130 Pre-School Programs:	
137 Preschool Handicapped Self-Contained (3- and 4- Yr. Olds):	
100 Salaries	\$ 15,000
200 Employee Benefits	4,551
139 Early Childhood Programs:	
100 Salaries	253,141
200 Employee Benefits	145,789
300 Purchased Services	845
400 Supplies and Materials	8,732
140 Special Programs:	
141 Gifted and Talented - Academic:	
100 Salaries	10,500
200 Employee Benefits	3,173
147 CERDEP:	
100 Salaries	123,347
200 Employee Benefits	77,837
160 Other Exceptional Programs:	
161 Autism:	
100 Salaries	6,851
200 Employee Benefits	2,087
300 Purchased Services	32,148
162 Limited English Proficiency:	
100 Salaries	219,525
200 Employee Benefits	94,473
172 Elementary Summer School:	
100 Salaries	153,374
200 Employee Benefits	46,092
300 Purchased Services	4,618
400 Supplies and Materials	192,990
173 High School Summer School:	
100 Salaries	34,327
200 Employee Benefits	10,357
175 Instructional Programs Beyond Regular School Day:	
100 Salaries	60,798
200 Employee Benefits	16,847
300 Purchased Services	958
400 Supplies and Materials	6,572
180 Adult/Continuing Educational Programs:	
181 Adult Basic Education Programs:	
100 Salaries	3,024
200 Employee Benefits	\$ 1,163

(Continued)

EDUCATION IMPROVEMENT ACT FUND

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

YEAR ENDED JUNE 30, 2022

	<u>ACTUAL</u>
182 Adult Secondary Education Programs:	
100 Salaries	\$ 1,067
200 Employee Benefits	222
300 Purchased Services	2,350
400 Supplies and Materials	5,226
188 Parenting/Family Literacy:	
100 Salaries	30,262
200 Employee Benefits	9,278
Total Instruction	<u>3,545,668</u>
200 Support Services:	
210 Pupil Services:	
212 Guidance Services:	
100 Salaries	45,000
200 Employee Benefits	13,536
300 Purchased Services	5,610
400 Supplies and Materials	12,711
213 Health Services:	
100 Salaries	85,649
200 Employee Benefits	11,808
220 Instructional Staff Services:	
221 Improvement of Instruction Curriculum Development:	
100 Salaries	105,217
200 Employee Benefits	32,577
222 Library and Media Services:	
100 Salaries	22,500
200 Employee Benefits	6,778
223 Supervision of Special Programs:	
100 Salaries	308,238
200 Employee Benefits	133,456
300 Purchased Services	6,470
400 Supplies and Materials	4,699
224 Improvement of Instruction Inservice and Staff Training:	
100 Salaries	20,583
200 Employee Benefits	5,798
300 Purchased Services	36,930
400 Supplies and Materials	4,310
230 General Administration Services:	
233 School Administration:	
400 Supplies and Materials	\$ 925

(Continued)

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

Schedule B-4

EDUCATION IMPROVEMENT ACT FUND

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

YEAR ENDED JUNE 30, 2022

	<u>ACTUAL</u>
250 Finance and Operations Services:	
251 Student Transportation (Federal/District Mandated):	
100 Salaries	\$ 15,995
200 Employee Benefits	4,166
300 Purchased Services	10,157
255 Student Transportation (State Mandated):	
100 Salaries	28,306
200 Employee Benefits	5,650
260 Central Support Services:	
262 Planning:	
400 Supplies and Materials	1,068
264 Staff Services:	
300 Purchased Services	2,543
266 Technology and Data Processing Services:	
300 Purchased Services	61,664
270 Support Services - Pupil Activity:	
271 Pupil Services Activities:	
100 Salaries (Optional)	3,166
200 Employee Benefits (Optional)	737
300 Purchased Services (Optional)	13,273
Total Support Services	<u>1,009,520</u>
TOTAL EXPENDITURES	<u>4,555,188</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
420-710 Transfer to General Fund (Exclude Indirect Costs)	(3,800,381)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,800,381)</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-
FUND BALANCE, Beginning of Year	<u>-</u>
FUND BALANCE, End of Year	<u>\$ -</u>

EDUCATION IMPROVEMENT ACT FUND

SUMMARY SCHEDULE BY PROGRAM

YEAR ENDED JUNE 30, 2022

Program	Revenues	Expenditures	EIA Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	EIA Fund Unearned Revenue
3500 Education Improvement Act:					
3502 ADEPT	\$ 11,764	11,764	-	-	\$ 14,098
3509 Arts in Education	60,746	60,746	-	-	-
3518 Adoption List of Formative Assessment	61,663	61,663	-	-	-
3519 Grade 10 Assessments	66,771	66,771	-	-	-
3526 Refurbishment of Science Kits	57,385	57,385	-	-	3,758
3528 Industry Certificates/Credentials	81,256	81,256	-	-	21,518
3529 Career and Technology Education	233,539	233,539	-	-	139,811
3532 National Board Salary Supplement (No Carryover Provision)	797,734	797,734	-	-	-
3533 Teacher of the Year Awards (No Carryover Provision)	1,077	1,077	-	-	-
3536 Student Health & Fitness	91,665	91,665	-	-	-
3538 Students at Risk of School Failure	876,303	876,303	-	-	1,177,120
3540 Early Childhood Program (4K Programs Serving Four-Year-Old Children)	397,421	397,421	-	-	4,884
3541 Child Early Reading Development and Education Program (CERDEP) - Full Day 4k	191,431	191,431	-	-	-
3550 Teacher Salary Increase (No Carryover Provision)	3,064,298	-	-	(3,064,298)	-
3555 Teacher Salary Fringe (No Carryover Provision)	736,083	-	-	(736,083)	-
3556 Adult Education	170,122	170,122	-	-	114,353
3557 Summer Reading Program	416,213	416,213	-	-	-
3577 Teacher Supplies (No Carryover Provision)	271,975	271,975	-	-	-
3594 EEDA Supplemental Programs	191,603	191,603	-	-	-
3595 EEDA-Supplies and Materials	18,321	18,321	-	-	12,717
3597 Aid to Districts	454,355	454,355	-	-	153,808
3599 Other EIA	103,844	103,844	-	-	208,087
Totals	\$ 8,355,569	4,555,188	-	(3,800,381)	\$ 1,850,154

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

YEAR ENDED JUNE 30, 2022

Program	Project/Grant Number	Revenue & Subfund Code	Description	Amount Due to State Department of Education or Federal Government	Status of Amount Due to Grantors
National Board - Salary Supplement	N/A	3532 / 332	Unexpended Funds	\$ 35,630.36	Paid after year-end
SC CARES ESSER III	H63010497523	4974 / 218	Unexpended Funds	67,877.19	Paid after year-end
Title I (Neglected and Delinquent)	H63010100122	4310 / 221	Unexpended Funds	966.67	Paid after year-end
Head Start Emergency Supplement	04HE000303-01-01	4999 / 812	Unexpended Funds	31,960.92	Paid after year-end
			Total Due	<u>\$ 136,435.14</u>	

DEBT SERVICE FUNDS

The Debt Service Funds account for resources that will be used to service the bonded debt of the District and its blended component unit.

The following individual fund schedules have been prepared in the format mandated by the South Carolina Department of Education. The account numbers shown on the schedules are also mandated by the South Carolina Department of Education.

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LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

Schedule C-1

DEBT SERVICE - DISTRICT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2022

	<u>ACTUAL</u>
REVENUES	
1000 Revenue from Local Sources:	
1100 Taxes Levied/Assessments by the LEA:	
1110 Ad Valorem Taxes-Including Delinquent (Independent)	\$ 30,214,375
1140 Penalties & Interest on Taxes (Independent)	152,722
1200 Revenue from Local Governmental Units Other than LEAs:	
1280 Revenue in Lieu of Taxes (Independent and Dependent)	1,903,098
1500 Earnings on Investments:	
1510 Interest on Investments	21,027
Total Revenue from Local Sources	<u>32,291,222</u>
3000 Revenue from State Sources:	
3800 State Revenue in Lieu of Taxes:	
3820 Homestead Exemption (Tier 2)	1,427,433
3830 Merchant's Inventory Tax	12,497
3840 Manufacturers Depreciation Reimbursement	140,129
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	103,465
Total Revenue from State Sources	<u>1,683,524</u>
TOTAL REVENUE ALL SOURCES	<u>33,974,746</u>
EXPENDITURES	
500 Debt Service:	
610 Redemption of Principal	4,165,000
620 Interest	8,051,669
Total Debt Service	<u>12,216,669</u>
TOTAL EXPENDITURES	<u>12,216,669</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
423-710 Transfer to Debt Service - LEAP Fund	(7,160,644)
424-710 Transfer to Capital Projects Fund - District	(10,781,356)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(17,942,000)</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	3,816,077
FUND BALANCE, Beginning of Year	<u>16,035,801</u>
FUND BALANCE, End of Year	<u>\$ 19,851,878</u>

DEBT SERVICE - LEAP FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2022

	<u>ACTUAL</u>
REVENUES	
1000 Revenue from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ -
Total Revenue from Local Sources	<u>-</u>
TOTAL REVENUE ALL SOURCES	<u>-</u>
EXPENDITURES	
500 Debt Service:	
610 Redemption of Principal	5,580,000
620 Interest	1,580,644
Total Debt Service	<u>7,160,644</u>
TOTAL EXPENDITURES	<u>7,160,644</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
5240 Transfer from Debt Service - District	7,160,644
TOTAL OTHER FINANCING SOURCES (USES)	<u>7,160,644</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-
FUND BALANCE, Beginning of Year	<u>-</u>
FUND BALANCE, End of Year	<u>\$ -</u>

CAPITAL PROJECTS FUND

The Capital Projects Fund accounts for financial resources to be used for the acquisition and construction of major capital facilities.

The following individual fund schedules have been prepared in the format mandated by the South Carolina Department of Education. The account numbers shown on the schedules are also mandated by the South Carolina Department of Education.

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CAPITAL PROJECTS - DISTRICT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2022

	<u>ACTUAL</u>
REVENUES	
1000 Revenue from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 51,736
1900 Other Revenue from Local Sources:	
1993 Receipt of Insurance Proceeds	186,567
1999 Revenue from Other Local Sources	188,628
Total Revenue from Local Sources	<u>426,931</u>
TOTAL REVENUE ALL SOURCES	<u>426,931</u>
EXPENDITURES	
250 Finance and Operations Services:	
253 Facilities Acquisition & Construction:	
300 Purchased Services	772,142
400 Supplies and Materials	3,006,866
500 Capital Outlay:	
520 Construction Services	3,063,179
530 Improvements Other Than Buildings	1,975,048
540 Equipment	513,845
545 Technology Equipment and Software	1,796,950
550 Vehicles	59,480
580 Mobile Classrooms	290,465
590 Other Capital Outlay	372,171
Total Support Services	<u>11,850,146</u>
500 Debt Service:	
395 Other Professional and Technical Services	97,505
620 Interest	3,747
Total Debt Service	<u>101,252</u>
TOTAL EXPENDITURES	<u>11,951,398</u>
OTHER FINANCING SOURCES (USES)	
5300 Proceeds from Sale of Capital Assets	36,578
Interfund Transfers, From (To) Other Funds:	
5240 Transfer from Debt Service Fund - District	10,781,356
425-710 Transfer to Food Service Fund	(5,951)
426-710 Transfer to Pupil Activity Fund	(7,735)
TOTAL OTHER FINANCING SOURCES (USES)	<u>10,804,248</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	(720,219)
FUND BALANCE, Beginning of Year	<u>19,314,837</u>
FUND BALANCE, End of Year	<u>\$ 18,594,618</u>

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SPECIAL REVENUE - FOOD SERVICE FUND

The Special Revenue - Food Service Fund accounts for the provision of food services to students of the District. All activities necessary to provide such services are accounted for in this fund.

The following fund statement has been prepared in the format mandated by the South Carolina Department of Education. The account numbers shown on the various schedules are also mandated by the South Carolina Department of Education.

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LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

Schedule E-1

SPECIAL REVENUE FUND - FOOD SERVICE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2022

	<u>ACTUAL</u>
REVENUES	
1000 Revenue from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 1,183
1600 Food Service:	
1610 Lunch Sales to Pupils	70,784
1620 Breakfast Sales to Pupils	46,688
1630 Special Sales to Pupils	102,467
1640 Lunch Sales to Adults	45,861
1650 Breakfast Sales to Adults	11,872
1660 Special Sales to Adults	19,923
1900 Other Revenue from Local Sources:	
1999 Revenue from Other Local Sources	13,124
Total Revenue from Local Sources	<u>311,902</u>
4000 Revenue from Federal Sources:	
4800 USDA Reimbursement:	
4810 School Lunch and After School Snacks Program, and Special Milk Program	5,952,261
4820 Supply Chain Assistance Funding	143,237
4830 School Breakfast Program (Carryover Provision)	1,626,167
4870 School Food Service (Equipment)	48,416
4890 Healthy Meals-USDA	335,253
4900 Other Federal Sources:	
4991 USDA Commodities (Food Distribution Program) (Carryover Provision)	542,848
Total Revenue from Federal Sources	<u>8,648,182</u>
TOTAL REVENUE ALL SOURCES	<u>8,960,084</u>
EXPENDITURES	
256 Food Service:	
100 Salaries	2,266,953
200 Employee Benefits	821,548
300 Purchased Services (Exclude Energy Costs)	114,169
400 Supplies and Materials (Include Energy Costs)	3,567,287
500 Capital Outlay	55,552
600 Other Objects	8,952
Total Food Service Expenditures	<u>6,834,461</u>
TOTAL EXPENDITURES	<u>6,834,461</u>
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
5250 Transfer from Capital Projects Fund	5,951
432-791 Food Service Fund Indirect Costs	(324,050)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(318,099)</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	1,807,524
FUND BALANCE, Beginning of Year, As Previously Reported	(4,225,959)
Change in Accounting Principle - Food Service Fund	4,470,734
FUND BALANCE, Beginning of Year, As Restated	<u>244,775</u>
FUND BALANCE, End of Year	<u>\$ 2,052,299</u>

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LOCATION RECONCILIATION SCHEDULE

The following schedule has been prepared in the format mandated by the South Carolina Department of Education.

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LOCATION RECONCILIATION SCHEDULE

YEAR ENDED JUNE 30, 2022

LOCATION ID	LOCATION DESCRIPTION	EDUCATION LEVEL	COST TYPE	TOTAL EXPENDITURES
2901000	District Wide	Non-School	Central	\$ 59,912,682
2901002	Buford High	High	School	7,245,621
2901003	AR Rucker Middle	Middle	School	5,237,948
2901006	Indian Land High	High	School	12,770,180
2901007	Andrew Jackson High	High	School	7,058,969
2901008	Lancaster High	High	School	12,511,809
2901010	South Middle	Middle	School	5,594,973
2901011	Brooklyn Springs Elementary	Elementary	School	4,490,558
2901012	Buford Elementary	Elementary	School	6,053,756
2901014	North Elementary	Elementary	School	6,580,898
2901015	Clinton Elementary	Elementary	School	5,100,718
2901017	Erwin Elementary	Elementary	School	4,902,876
2901019	Heath Springs Elementary	Elementary	School	4,783,445
2901021	Indian Land Elementary	Elementary	School	9,699,760
2901023	Kershaw Elementary	Elementary	School	5,398,437
2901024	McDonald Green Elementary	Elementary	School	4,011,876
2901027	Andrew Jackson Middle	Middle	School	4,516,699
2901028	Buford Middle	Middle	School	5,102,777
2901029	Indian Land Middle	Middle	School	9,761,396
2901030	Harrisburg Elementary	Elementary	School	7,519,303
2901031	Van Wyck Elementary	Elementary	School	6,490,096
2901032	Indian Land Intermediate	Middle	School	7,182,048
2901611	Discovery School Charter	Other School - Charter	School	1,411,494
2901996	LCSD Career Center	Other - Career Center	School	2,854,305
TOTAL EXPENDITURES FOR ALL FUNDS				\$ 206,192,624

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

General Fund	\$ 128,842,671
Special Revenue Fund	34,631,593
Special Revenue Fund - EIA Fund	4,555,188
Special Revenue Fund - Food Service	6,834,461
Debt Service - District Fund	12,216,669
Debt Service - LEAP	7,160,644
Capital Projects - District Fund	11,951,398
TOTAL EXPENDITURES FOR ALL FUNDS	\$ 206,192,624

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STATISTICAL SECTION

This part of Lancaster County School District's ("District") annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents	Page
Financial Trends Information <i>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</i>	135
Revenue Capacity Information <i>These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.</i>	140
Debt Capacity Information <i>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.</i>	144
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment in which the District's financial activities take place.</i>	148
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report related to the services the District provides and the activities it performs.</i>	150

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

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LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

Table 1

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities						(2)				(3)
Net Investment in Capital Assets	\$ 22,739,357	38,615,430	47,270,919	51,196,331	69,831,369	80,352,310	89,251,079	99,458,366	106,467,100	\$ 111,926,952
Restricted	23,821,437	13,619,093	8,706,914	13,218,539	134,134,045	81,041,454	107,191,697	53,686,988	37,130,752	23,531,567
Unrestricted	18,968,579	(89,625,785)	(88,073,156)	(86,453,482)	(216,898,104)	(282,419,779)	(316,586,766)	(276,846,756)	(271,194,429)	(255,820,481)
	<u>65,529,373</u>	<u>(37,391,262)</u>	<u>(32,095,323)</u>	<u>(22,038,612)</u>	<u>(12,932,690)</u>	<u>(121,026,015)</u>	<u>(120,143,990)</u>	<u>(123,701,402)</u>	<u>(127,596,577)</u>	<u>(120,361,962)</u>
Business-Type Activities			(1)			(2)				(3)
Net Investment in Capital Assets	455,985	531,604	1,109,933	1,092,312	1,400,893	1,431,336	1,934,423	1,769,771	1,618,997	-
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	1,085,707	(910,488)	(1,077,253)	(1,877,390)	(1,971,806)	(4,938,763)	(5,256,146)	(5,924,567)	(5,844,956)	-
	<u>1,541,692</u>	<u>(378,884)</u>	<u>32,680</u>	<u>(785,078)</u>	<u>(570,913)</u>	<u>(3,507,427)</u>	<u>(3,321,723)</u>	<u>(4,154,796)</u>	<u>(4,225,959)</u>	<u>-</u>
Total Primary Government			(1)			(2)				(3)
Net Investment in Capital Assets	23,195,342	39,147,034	48,380,852	52,288,643	71,232,262	81,783,646	91,185,502	101,228,137	108,086,097	111,926,952
Restricted	23,821,437	13,619,093	8,706,914	13,218,539	134,134,045	81,041,454	107,191,697	53,686,988	37,130,752	23,531,567
Unrestricted	20,054,286	(90,536,273)	(89,150,409)	(88,330,872)	(218,869,910)	(287,358,542)	(321,842,912)	(282,771,323)	(277,039,385)	(255,820,481)
Primary Government Net Position	<u>\$ 67,071,065</u>	<u>(37,770,146)</u>	<u>(32,062,643)</u>	<u>(22,823,690)</u>	<u>(13,503,603)</u>	<u>(124,533,442)</u>	<u>(123,465,713)</u>	<u>(127,856,198)</u>	<u>(131,822,536)</u>	<u>\$(120,361,962)</u>

Notes:

- (1) In Fiscal Year 2015, the District implemented GASB #68 "Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27" and GASB #71 "Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement #68". These Statements require the District to recognize a net pension liability, deferred outflows of resources, and deferred inflows of resources for its participation in the South Carolina Retirement System and South Carolina Police Officers Retirement System, cost-sharing multiple-employer defined benefit pension plans, on the Statement of Net Position. The adoption has resulted in the restatement of the District's net position as of July 1, 2015 (for the applicable financial statements) which significantly reduced the District's unrestricted net position. See any related deferred outflows/inflows of resources for any material amounts related to its participation in the South Carolina Retiree Health Insurance Trust Fund, a cost-sharing multiple-employer defined benefit OPEB plan. The adoption has resulted in the restatement of the District's net position as of July 1, 2017 (for the applicable financial statements) which significantly reduced the District's unrestricted net position. See Note (3) During fiscal year 2022, the District's Food Service operation was converted from a Business-Type Activity to a Governmental Activity. All years presented in this table, prior to this conversion, reflect its Food Service operation as business-type activities.
- (2) In Fiscal Year 2018, the District adopted GASB #75 "Accounting and Financial Reporting for Postemployment Benefits other than Pensions". This Statement requires the District to recognize a net OPEB liability and any related deferred outflows/inflows of resources for any material amounts related to its participation in the South Carolina Retiree Health Insurance Trust Fund, a cost-sharing multiple-employer defined benefit OPEB plan. The adoption has resulted in the restatement of the District's net position as of July 1, 2017 (for the applicable financial statements) which significantly reduced the District's unrestricted net position. See Note (3) During fiscal year 2022, the District's Food Service operation was converted from a Business-Type Activity to a Governmental Activity. All years presented in this table, prior to this conversion, reflect its Food Service operation as business-type activities.
- (3) During fiscal year 2022, the District's Food Service operation was converted from a Business-Type Activity to a Governmental Activity. All years presented in this table, prior to this conversion, reflect its Food Service operation as business-type activities.

Table 2

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities:										(1)
Instruction	\$ 58,954,051	60,978,687	64,637,304	67,435,882	73,935,990	78,696,180	83,715,504	90,204,042	101,974,473	\$ 109,350,187
Support Services	39,781,575	39,484,162	42,449,478	45,338,801	53,924,679	60,238,631	64,083,925	67,013,523	70,281,254	83,204,617
Community Services	1,305,910	1,147,511	987,968	1,274,727	1,346,041	1,590,894	1,562,678	1,626,385	1,632,071	1,642,157
Interest on Long-Term Obligations	3,908,150	3,804,650	2,694,139	2,740,524	3,818,539	6,657,766	7,070,424	8,960,658	8,667,767	8,442,180
Pupil Activities	168,300	195,706	226,209	247,537	194,481	244,546	239,777	166,458	-	-
Loss on Sale of Capital Assets	-	-	-	112,569	-	-	-	-	-	-
Total Governmental Activities Expenses	104,117,986	105,610,716	110,995,098	117,150,040	133,219,730	147,428,017	156,672,308	167,971,066	182,555,565	202,639,141
Business-Type Activities:										
Food Services	5,152,584	4,913,072	5,457,733	6,449,582	5,794,527	5,647,730	5,968,558	5,616,708	5,197,010	-
Total Business-Type Activities Expenses	5,152,584	4,913,072	5,457,733	6,449,582	5,794,527	5,647,730	5,968,558	5,616,708	5,197,010	-
Total Primary Government Expenses	109,270,570	110,523,788	116,452,831	123,599,622	139,014,257	153,075,747	162,640,866	173,587,774	187,752,575	202,639,141
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction	30,054	16,572	21,617	-	-	-	-	-	991,320	18,471
Support	19,822	10,494	13,812	46,455	33,506	30,645	26,367	21,201	-	308,229
Community Services	696	327	351	-	-	-	-	-	-	-
Operating Grants and Contributions	58,591,726	59,014,988	62,730,886	65,247,998	71,452,498	75,724,387	78,430,902	83,849,272	90,771,955	118,988,062
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	58,642,298	59,042,381	62,766,666	65,294,453	71,486,004	75,755,032	78,457,269	83,870,473	91,763,275	119,314,762
Business-Type Activities:										
Charges for Services - Food Services	1,550,131	1,453,478	1,429,613	1,599,461	1,512,016	1,650,510	1,649,607	1,284,586	1,94,097	-
Operating Grants and Contributions	3,939,279	3,919,468	4,105,555	4,238,696	4,382,605	4,274,170	4,225,243	3,732,407	5,303,242	-
Capital Grants and Contributions	-	-	-	113,677	446,524	190,290	659,667	51,370	60,107	-
Total Business-Type Activities	5,489,410	5,372,946	5,535,168	5,951,834	6,341,145	6,114,970	6,534,517	5,068,363	5,557,446	-
Total Primary Government Revenues	64,131,708	64,415,327	68,301,834	71,246,287	77,827,149	81,870,002	84,991,786	88,938,836	97,320,721	119,314,762
Net (Expense)/Revenue										
Governmental Activities	(45,475,688)	(46,568,335)	(48,228,432)	(51,855,587)	(61,733,726)	(71,672,985)	(78,215,039)	(84,100,593)	(90,792,290)	(83,324,379)
Business-Type Activities	336,826	459,874	77,435	(497,748)	546,618	467,240	565,959	(548,345)	360,436	-
Total Primary Government Net (Expense)/Revenue	\$ (45,138,862)	(46,108,461)	(48,150,997)	(52,353,335)	(61,187,108)	(71,205,745)	(77,649,080)	(84,648,938)	(90,431,854)	\$ (83,324,379)

(Continued)

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes by Source:										
Property Tax - General Operations	\$ 24,169,532	25,105,438	26,823,264	28,417,807	29,633,307	29,935,497	32,700,151	34,189,744	37,151,275	\$ 40,814,392
Property Tax - Debt Service	13,292,168	12,592,622	13,178,410	17,280,918	23,795,565	25,063,701	25,560,372	27,024,181	28,537,241	32,270,196
Unrestricted Grants and Contributions	13,229,236	13,564,970	13,779,684	15,296,090	15,637,287	16,223,057	16,732,516	17,013,860	17,923,967	20,078,587
Unrestricted Investment Earnings	73,410	57,831	54,965	166,405	617,302	1,757,972	1,986,023	1,685,274	138,195	185,038
Miscellaneous	64,569	27,311	22,177	431,068	823,734	3,393,755	1,744,591	345,394	606,529	665,467
Transfers	287,592	259,326	(334,129)	320,010	332,453	347,745	373,411	284,728	431,599	-
Total Governmental Activities	51,116,507	51,607,498	53,524,371	61,912,298	70,839,648	76,721,727	79,097,064	80,543,181	84,788,806	94,013,680
Business-Type Activities:										
Miscellaneous	-	-	-	-	-	-	(6,844)	-	-	-
Transfers	(287,592)	(259,326)	334,129	(320,010)	(332,453)	(347,745)	(373,411)	(284,728)	(431,599)	-
Total Business-Type Activities	(287,592)	(259,326)	334,129	(320,010)	(332,453)	(347,745)	(380,255)	(284,728)	(431,599)	-
Total Primary Government	50,828,915	51,348,172	53,858,500	61,592,288	70,507,195	76,373,982	78,716,809	80,258,453	84,357,207	94,013,680
Change in Net Position:										
Governmental Activities	5,640,819	5,039,163	5,295,939	10,056,711	9,105,922	5,048,742	882,025	(3,557,412)	(6,003,484)	10,689,301
Business-Type Activities	49,234	200,548	411,564	(817,758)	214,165	119,495	185,704	(833,073)	(71,163)	-
Total Primary Government - Change in Net Position	\$ 5,690,053	5,239,711	5,707,503	9,238,953	9,320,087	5,168,237	1,067,729	(4,390,485)	(6,074,647)	\$ 10,689,301

Notes:

(1) The District converted its Food Service operations from a business-type activity to a governmental activity effective July 1, 2021. All years presented in this table, prior to this conversion, reflect Food Service as a business-type activity.

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2013 (1)	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ -	-	-	-	1,854,362	2,982	8,704	19,916	3,836	\$ 1,012,639
Assigned - Subsequent Year Expenditures	2,423,778	2,772,134	3,058,770	3,686,139	2,719,152	3,370,647	5,460,939	7,624,836	7,554,442	7,457,071
Assigned - Other	53,515	32,952	39,411	26,567	10,042	29,174	89,108	133,428	121,168	-
Unassigned	15,269,599	15,848,013	17,664,234	16,686,693	20,673,180	24,223,142	19,737,582	16,722,485	20,217,718	22,961,884
Total General Fund	\$ 17,746,892	18,653,099	20,762,415	20,399,399	25,256,736	27,625,945	25,296,333	24,500,665	27,897,164	\$ 31,431,594
All Other Governmental Funds										
Nonspendable	\$ -	-	-	-	-	-	-	-	635,733	\$ 954,175
Restricted - Food Service	-	-	-	-	-	-	-	-	-	1,899,867
Restricted - Special Revenue	-	-	-	-	-	-	-	-	2,002,662	2,796,132
Restricted - Debt Service	4,985,399	3,876,497	2,429,626	4,183,421	7,982,561	10,185,302	12,774,776	14,193,782	16,035,801	19,851,878
Restricted - Capital Projects	18,836,038	9,164,307	5,649,217	9,035,118	126,151,484	70,856,152	94,416,921	39,493,206	19,092,289	18,066,392
Assigned	-	-	-	-	-	-	-	-	-	294,130
Total All Other Governmental Funds	\$ 23,821,437	13,040,804	8,078,843	13,218,539	134,134,045	81,041,454	107,191,697	53,686,988	37,766,485	\$ 43,862,574

Notes:

(1) The District converted its Food Service operations from a proprietary/enterprise fund to a governmental/special revenue fund effective July 1, 2021.

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Local Sources	\$ 38,658,902	38,707,044	41,077,473	47,944,141	56,461,368	61,589,029	63,170,188	65,343,932	68,806,109	\$ 79,729,066
State Sources	60,801,115	61,014,242	64,873,342	68,379,359	74,995,286	79,717,645	82,882,831	89,128,390	94,405,722	96,518,977
Federal Sources	9,759,753	10,453,133	10,354,226	9,701,406	10,372,647	10,661,944	10,759,024	10,368,260	12,843,996	38,488,548
Intergovernmental Revenue	-	-	-	660,859	-	-	-	81,782	88,714	33,926
Total Revenues	109,219,770	110,174,419	116,305,041	126,685,765	141,829,301	151,968,618	156,812,043	164,922,364	176,144,541	214,770,517
Expenditures										
Current:										
Instruction	56,699,790	58,591,844	61,275,287	63,426,278	68,328,640	72,446,063	77,706,366	81,532,288	87,601,628	95,255,538
Support Services	37,395,242	37,146,008	39,150,676	42,094,131	53,885,951	49,579,315	53,305,560	53,998,871	55,229,695	74,695,969
Community Services	1,305,910	1,147,511	987,968	1,199,282	1,243,243	1,465,341	1,451,713	1,472,115	1,404,352	1,537,809
Pupil Activities	168,300	195,706	226,209	-	-	-	-	-	-	-
Intergovernmental	809,899	830,697	925,366	904,002	814,304	856,425	874,075	819,749	796,669	956,967
Capital Outlay	2,806,411	13,786,645	6,686,801	7,510,699	17,506,734	60,127,814	68,022,754	63,768,192	28,182,020	14,267,776
Debt Service:										
Bond Issuance Costs	-	1,290	-	55,657	-	-	-	93,962	95,021	97,505
Principal	12,490,000	5,310,000	7,200,000	17,750,000	8,825,000	10,700,000	7,395,000	7,810,000	8,205,000	9,745,000
Interest and Fiscal Charges	5,001,203	3,300,470	3,039,166	3,102,686	3,104,107	7,620,241	7,397,922	9,845,833	9,951,635	9,636,060
Total Expenditures	116,676,755	120,310,171	119,491,473	136,042,735	153,707,979	202,795,199	216,153,390	219,341,010	191,466,020	206,192,624
Excess of Revenues Over (Under) Expenditures	(7,456,985)	(10,135,752)	(3,186,432)	(9,356,970)	(11,878,678)	(50,826,581)	(59,341,347)	(54,418,646)	(15,321,479)	8,577,893
Other Financing Sources (Uses)										
Transfers In	7,121,305	11,914,802	12,189,683	8,898,582	43,908,163	15,237,495	19,600,753	21,998,533	25,420,283	25,119,020
Transfers Out	(6,833,713)	(11,655,476)	(11,855,896)	(8,826,108)	(43,770,191)	(15,134,296)	(19,467,119)	(21,880,264)	(24,988,684)	(25,119,020)
Premium on Bonds Sold	7,747,382	-	-	516,176	10,513,549	-	8,968,344	-	-	-
Issuance of General Obligation Bonds	21,720,000	-	-	15,545,000	125,000,000	-	74,000,000	-	-	-
Issuance of Refunding Bonds	60,355,000	-	-	-	-	-	-	-	-	-
Payment to Refunded Debt Escrow Agent	(72,779,959)	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	2,000	-	-	-	-	60,000	-	238,642	36,578
Other	-	-	-	-	-	-	-	-	18,925	-
Total Other Financing Sources (Uses)	17,330,015	261,326	333,787	16,133,650	135,651,521	103,199	83,161,978	118,269	689,166	36,578
Net Change in Fund Balances	\$ 9,873,030	(9,874,426)	(2,852,645)	6,776,680	123,772,843	(50,723,382)	23,820,631	(54,300,377)	(14,632,313)	\$ 8,614,471
Capital Asset Expenditures	\$ 3,339,123	14,419,395	6,167,015	7,262,148	22,586,890	58,843,302	66,531,676	63,164,539	26,619,297	\$ 14,006,024
Debt Service as a Percentage of Noncapital Expenditures	15.4%	8.1%	9.0%	16.2%	9.1%	12.7%	9.9%	11.4%	11.1%	10.1%

Note: The District converted its Food Service operations from a proprietary/enterprise fund to a governmental/special revenue fund effective July 1, 2021.

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30	Real Property		Personal Property		Total		Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
	Taxable Assessed Value	Estimated Actual Value	Taxable Assessed Value	Estimated Actual Value	Taxable Assessed Value	Estimated Actual Tax Value		
2013	\$ 223,980,320	4,831,654,250	63,738,973	814,133,088	287,719,293	\$ 5,645,787,338	187.0	5.10%
2014	231,213,120	4,997,842,833	67,047,533	886,988,462	298,260,653	5,884,831,295	188.0	5.07%
2015	241,517,630	5,255,368,533	70,595,396	929,769,467	312,113,026	6,185,138,000	192.5	5.05%
2016	255,663,400	5,590,108,917	76,422,037	1,003,959,601	332,085,437	6,594,068,518	202.5	5.04%
2017	272,287,050	6,011,497,833	80,657,786	1,084,262,920	352,944,836	7,095,760,753	217.5	4.97%
2018	288,360,810	6,383,566,917	82,480,297	1,096,330,273	370,841,107	7,479,897,190	217.5	4.96%
2019	302,285,440	6,714,974,417	86,398,881	1,150,671,543	388,684,321	7,865,645,960	219.5	4.94%
2020	325,248,500	7,219,924,333	92,418,957	1,216,530,737	417,667,457	8,436,455,070	224.5	4.95%
2021	341,045,420	7,613,849,167	91,839,214	1,201,514,022	432,884,634	8,815,363,189	228.5	4.91%
2022	\$ 395,081,510	8,828,862,333	104,063,683	1,396,598,915	499,145,193	\$ 10,225,461,248	233.5	4.88%

Source: Lancaster County Auditor

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30	Lancaster County School District			Overlapping Rates			Total Direct and Overlapping Rates		
	Operating Millage	Debt Service Millage	Total Direct Millage	Lancaster County	University of South Carolina	City of Lancaster		City of Kershaw	
2013	140.00	47.00	187.00	85.10	3.80	149.70	72.10	310.70	497.70
2014	145.00	43.00	188.00	90.41	3.95	154.70	75.00	324.06	512.06
2015	149.50	43.00	192.50	92.80	4.10	156.90	75.00	328.80	521.30
2016	149.50	53.00	202.50	94.30	4.30	164.40	75.00	338.00	540.50
2017	149.50	68.00	217.50	91.20	4.30	176.40	77.00	348.90	566.40
2018	149.50	68.00	217.50	95.60	4.50	178.50	82.00	360.60	578.10
2019	154.50	65.00	219.50	101.20	4.70	172.90	85.00	363.80	583.30
2020	159.50	65.00	224.50	108.75	4.90	172.90	85.00	371.55	596.05
2021	163.50	65.00	228.50	105.10	4.90	174.70	95.00	379.70	608.20
2022	168.50	65.00	233.50	101.20	4.60	175.90	95.90	377.60	611.10

Source: Lancaster County Auditor

Note: Overlapping rates are those of local and county governments that apply to property owners within the District. Not all overlapping rates apply to all of the District's property owners (i.e., the rates for special districts apply only to the proportion of the District's property owners whose property is located within the geographic boundaries of the special district).

The District may increase millage annually by the lesser of five mills as authorized by Act 179 or Act 388 limitations.

(1) Local levy for University of South Carolina at Lancaster.

LANCASTER COUNTY SCHOOL DISTRICT
LANCSTER, SOUTH CAROLINA

Table 7

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

UNAUDITED

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value (1)	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value (1)
Duke Energy Corporation	\$ 12,471,830	1	2.50%	\$ 7,572,510	1	2.63%
Haile Gold Mine	7,289,422	2	1.46%	1,892,756	5	0.66%
Red Ventures, LLC	6,834,294	3	1.37%			0.0%
Lennar Carolina LLC	3,005,580	4	0.60%			0.0%
Keer American Corporation	2,995,719	5	0.60%			0.0%
Morgan Corporation	2,547,180	6	0.51%			0.0%
Capital Club SC Apartments LLC	2,448,930	7	0.49%			0.0%
Hutton Indian Land LLC	2,221,210	8	0.45%			0.0%
The Flats at Edgewater LLC	2,032,600	9	0.41%			0.0%
PSREG Six Mile Creek Owner, LP	1,922,240	10	0.39%			0.0%
MUSC Health Lancaster Medical Center				4,398,090	2	1.53%
The Gillette Company				4,014,234	3	1.40%
Pulte Home Corporation				2,299,350	4	0.80%
Springs Global (A)				1,588,890	6	0.55%
Lancaster Telephone Co./Comporium				1,415,180	7	0.49%
Springland Associates, LLC				1,395,020	8	0.48%
Wells Real Estate				1,293,393	9	0.45%
Springmaid FCU				806,648	10	0.28%
Totals	<u>\$43,769,005</u>		<u>8.77%</u>	<u>\$26,676,071</u>		<u>9.27%</u>

Source: Lancaster County Auditor

Note: Taxpayers are assessed on January 1st of the preceding year for each fiscal year.

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30	Tax Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2013	2012	\$ 36,375,440	\$ 34,630,857	95.2%	\$ 1,462,142	\$ 36,092,999	99.2%
2014	2013	37,371,998	35,548,973	95.1%	1,732,326	37,281,299	99.8%
2015	2014	39,621,616	37,589,271	94.9%	1,443,419	39,032,690	98.5%
2016	2015	44,283,583	42,101,938	95.1%	1,614,850	43,716,788	98.7%
2017	2016	52,910,940	50,730,576	95.9%	1,543,733	52,274,309	98.8%
2018	2017	53,256,816	51,168,651	96.1%	1,534,834	52,703,485	99.0%
2019	2018	58,453,961	55,746,876	95.4%	1,506,877	57,253,753	97.9%
2020	2019	60,693,858	58,218,366	95.9%	1,291,586	59,509,952	98.0%
2021	2020	64,823,850	62,457,999	96.4%	1,440,977	62,457,999	96.4%
2022	2021	73,673,809	\$ 71,486,175	97.0%	-	\$ 71,486,175	97.0%

Source: Lancaster County Finance Department

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30	Governmental Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	LEAP Bonds	Other			
2013	\$ 29,287,120	61,957,211	36,813	\$ 91,281,144	8.4%	\$ 1,154
2014	25,149,199	65,026,062	18,406	90,193,667	7.6%	1,121
2015	20,041,278	62,349,052	-	82,390,330	5.2%	991
2016	20,254,340	59,702,042	-	79,956,382	4.8%	931
2017	148,479,790	57,050,032	-	205,529,822	11.8%	2,294
2018	139,183,210	54,373,022	-	193,556,232	10.3%	2,091
2019	216,233,573	51,676,012	-	267,909,585	14.2%	2,809
2020	212,406,614	46,029,002	-	258,435,616	12.8%	2,637
2021	209,049,655	39,516,992	-	248,566,647	10.9%	2,589
2022	\$ 203,764,948	33,504,982	-	\$ 237,269,930	5.1%	\$ 2,365

Note:

Details regarding District's outstanding long-term debt and bond premiums can be found in the notes to the financial statements. See the Schedule of Demographic and Economic Statistics for personal income and population data. Lancaster Education Assistance Program ("LEAP") is a blended component unit of the District.

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30	General Obligation Bonds		LEAP Bonds		Total Bonds		Less: Amounts Available in Debt Service Funds		Net General Bonded Debt		Percentage of Estimated Actual Taxable Value of Property		Per Capita
	\$											\$	
2013	\$ 29,287,120		61,957,211		91,244,331		4,985,399	\$	86,258,932		1.53%	\$	1,091
2014	25,149,199		65,026,062		90,175,261		3,876,497		86,298,764		1.47%		1,073
2015	20,041,278		62,349,052		82,390,330		2,429,626		79,960,704		1.29%		962
2016	20,254,340		59,702,042		79,956,382		4,183,421		75,772,961		1.15%		883
2017	148,479,790		57,050,032		205,529,822		7,982,561		197,547,261		2.78%		2,205
2018	139,183,210		54,373,022		193,556,232		10,185,302		183,370,930		2.45%		1,981
2019	216,233,573		51,676,012		267,909,585		12,774,776		255,134,809		3.24%		2,757
2020	212,406,614		46,029,002		258,435,616		14,193,782		244,241,834		2.90%		2,492
2021	209,049,655		39,516,992		248,566,647		16,035,801		232,530,846		2.64%		2,422
2021	\$ 203,764,948		33,504,982		237,269,930		19,851,878	\$	217,418,052		2.13%	\$	2,167

Note: Details regarding the District's outstanding long-term debt can be found in the notes to the financial statements. See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data. See the Schedule of Demographic and Economic Statistics for population data.

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2022

UNAUDITED

Governmental Unit	Governmental Activities Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Overlapping Debt			
Lancaster County	\$ 41,963,332	100.0%	\$ 41,963,332
City of Lancaster	\$ -	100.0%	-
			41,963,332
Direct Debt			
District			203,764,948
LEAP			33,504,982
			237,269,930
Total Direct and Overlapping Debt			\$ 279,233,262

Sources: Assessed value data used to estimate applicable percentages and amount of debt outstanding provided by Lancaster County.

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

UNAUDITED

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 23,017,543	23,860,852	24,969,042	26,566,835	28,235,587	29,667,289	31,094,746	33,413,397	34,630,771	\$ 39,931,615
Total Net Debt Applicable to Debt Limit	12,660,000	11,105,000	8,560,000	11,040,000	7,005,000	3,975,000	2,340,000	800,000	-	737,000
Legal Debt Margin	\$ 10,357,543	12,755,852	16,409,042	15,526,835	21,230,587	25,692,289	28,754,746	32,613,397	34,630,771	\$ 39,194,615
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	55.0%	46.5%	34.3%	41.6%	24.8%	13.4%	7.5%	2.4%	0.0%	1.8%

Legal Debt Margin Calculation for Current Fiscal Year

Total Assessed Value	\$499,145,193
Debt Limit (8% of Total Assessed Value)	39,931,615
Amount of Debt Applicable to Debt Limit: Total Bonded Debt	737,000
Total Amount of Debt Applicable to Debt Limit	737,000
Legal Debt Margin	\$ 39,194,615

Source: Finance Department of the District

Note: Article Eight (8), Section Seven (7) of the South Carolina Constitution of 1895, as amended, provides that no government shall incur any bonded debt which shall exceed eight percent (8%) of the assessed value of the property therein without voter approval.

Debt reflected is for the District and does not include debt incurred by Lancaster Education Assistance Program.

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

Table 13

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30	Tax Year December 31	(1) Population	(1) Personal Income	(1) Per Capita Personal Income	(1) Unemployment Rate	(2) School Enrollment
2013	2012	79,089	\$ 1,588,503,000	\$ 33,439	11.6%	11,581
2014	2013	80,458	1,681,492,000	34,829	7.7%	11,760
2015	2014	83,160	1,746,609,000	36,332	6.5%	12,094
2016	2015	85,842	1,883,631,000	40,067	5.6%	12,420
2017	2016	89,594	2,020,076,000	40,941	4.5%	12,758
2018	2017	92,550	2,270,066,000	47,505	4.7%	13,017
2019	2018	95,380	4,685,740,000	49,127	3.6%	13,258
2020	2019	98,012	5,135,446,000	52,396	3.3%	13,936
2021	2020	96,016	\$ 5,348,952,000	\$ 52,999	4.6%	13,766
2022	2021	100,336	NA	NA	3.7%	14,381

Data Sources:

- (1) This information includes totals for Lancaster County and was obtained from South Carolina Division of Research and Statistical Services, South Carolina Employment Security Commission, and the U.S. Bureau of the Census.
- (2) Based on the District's 135-day report.
- NA Not Available.

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

Table 14

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

UNAUDITED

Employer	2022			2013		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Lancaster County School District	1,876	1	7.01%	1,569	2	4.88%
Red Ventures	1,758	2	6.57%	1,600	1	4.98%
Movement Mortgage	825	3	3.08%			
Continental Tire	657	4	2.46%	430	7	1.34%
MUSC Health Lancaster Med	642	5	2.40%	700	6	2.18%
Nutramax Laboratories	620	6	2.32%			
Lancaster County	575	7	2.15%	840	3	2.61%
Oceana Gold	501	8	1.87%			
Founders Federal Credit Union	348	9	1.30%	311	10	0.97%
Keer America	308	10	1.15%			
Cardinal Health				800	4	2.49%
Duracell, USA				405	8	1.26%
Walmart - Indian Land						
Walmart - Lancaster				723	5	2.25%
Inspiration Ministries						
URS Nuclear				400	9	1.24%
Totals	8,110		30.31%	7,778		24.20%

Source: District Compiled Information.

LANCASTER COUNTY SCHOOL DISTRICT
 LANCASTER, SOUTH CAROLINA
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

UNAUDITED

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Instruction										
Teachers	761	763	777	806	846	886	926	942	930	948
Aides	163	165	175	180	189	199	232	215	218	239
Total Instruction	924	928	952	986	1,035	1,085	1,158	1,157	1,148	1,187
Support Services										
Guidance Counselors	33	33	35	36	37	41	42	46	46	47
Psychologist and Social Workers	11	11	12	12	12	13	14	12	10	9
Media Specialist	20	20	21	22	22	21	23	23	23	20
Nurses	23	24	25	25	25	25	27	26	24	36
Instructional Staff Services	59	58	61	63	63	65	66	63	57	58
Principals	18	18	19	19	19	19	20	21	22	22
Assistant Principals	32	32	35	36	36	37	41	41	44	45
Instructional Specialist	3	3	3	4	5	8	9	9	11	9
Noninstructional Administrators	25	26	27	28	30	30	30	38	41	42
General & Finance Adm. Assistants	88	88	94	96	101	104	108	108	108	149
Bus Drives/Aids and Maint.	101	102	108	116	126	126	133	116	115	110
Total Support Services	413	415	440	457	476	489	513	503	501	547
Community Services										
Managers and Clerical	42	20	19	22	21	22	27	23	22	22
Cafeteria Staff	23	23	23	24	24	24	25	20	24	20
Total Food Service	103	102	101	104	107	107	110	99	87	100
Total	1,505	1,488	1,535	1,593	1,663	1,727	1,833	1,802	1,782	1,876

Source: District's Accounting Department

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30	Pupil Enrollment	Modified Accrual Basis of Accounting		Accrual Basis of Accounting		Teaching Staff	Pupil/Teacher Ratio	Percentage of Students Receiving Free or Reduced Meals		
		Operating Expenditures	Cost per Pupil	Percentage Change	Expenses				Cost per Pupil	Percentage Change
2013	11,581	\$ 92,786,835	\$ 8,012	4.98%	\$ 109,270,570	\$ 9,435	5.91%	761	15.22	56%
2014	11,760	95,870,618	8,152	1.75%	110,523,788	9,398	-0.39%	763	15.41	56%
2015	12,094	99,477,073	8,225	0.90%	116,452,831	9,629	2.45%	777	15.56	56%
2016	12,419	105,414,809	8,488	3.20%	123,599,622	9,952	3.36%	806	15.41	55%
2017	12,758	112,312,915	8,803	3.71%	139,014,257	10,896	9.48%	846	15.08	52%
2018	13,017	118,366,421	9,093	3.30%	153,075,747	11,760	7.92%	886	14.69	50%
2019	13,258	129,176,160	9,743	7.15%	162,640,866	12,267	4.32%	926	14.32	47%
2020	13,936	135,597,322	9,730	-0.14%	173,587,774	12,456	1.54%	942	14.79	47%
2021	13,766	141,673,293	10,292	5.77%	179,084,808	13,009	4.44%	930	14.80	38%
2022	14,381	\$ 168,029,452	\$ 11,684	13.53%	\$ 194,196,961	\$ 13,504	3.80%	948	15.17	32%

Sources: District compiled information

Note: Operating expenditures are total expenditures in the governmental funds excluding debt service, capital projects, and food service funds (as applicable).

Note: Operating expenses are total expenses in the statement of activities less interest and other charges.

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

Table 17

TEACHER BASE SALARIES

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30	Minimum Salary	Maximum Salary	County Average Salary (A)	Statewide Average Salary (B)
2013	\$ 33,361	71,002	48,481	\$ 47,050
2014	33,361	71,002	49,252	48,375
2015	33,361	71,002	49,451	48,930
2016	33,361	71,002	48,763	48,769
2017	34,028	73,146	49,733	49,363
2018	34,028	73,146	49,653	50,182
2019	36,160	73,877	49,887	50,882
2020	39,550	76,832	52,916	53,329
2021	39,550	76,832	52,338	53,185
2022	\$ 40,680	77,962	54,108	\$ 54,814

Source: (A) District records
(B) SC Department of Education.

LANCASTER COUNTY SCHOOL DISTRICT
 LANCASTER, SOUTH CAROLINA
 CAPITAL ASSET STATISTICS BY FUNCTION
 LAST TEN FISCAL YEARS
 UNAUDITED

School	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Elementary										
Brooklyn Springs(1962)										
Square feet	72,682	72,682	72,682	72,682	72,682	72,682	72,682	72,682	72,682	72,682
Capacity	908	908	908	908	908	908	908	908	908	908
Enrollment	446	470	486	496	505	471	443	434	397	379
Buford (2002)										
Square feet	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Capacity	965	965	965	965	965	965	965	965	965	965
Enrollment	745	764	741	719	715	710	704	726	696	688
Discovery (1957)										
Square feet	24,004	24,004	24,004	24,004	24,004	24,004	24,004	24,004	24,004	24,004
Capacity	238	238	238	238	238	238	238	238	238	238
Enrollment	107	106	107	107	108	108	106	109	106	109
Clinton(1948)										
Square feet	63,460	63,460	63,460	63,460	63,460	63,460	63,460	63,460	63,460	63,460
Capacity	671	671	671	671	671	671	671	671	671	671
Enrollment	324	347	375	397	403	418	433	455	445	416
Erwin(1975)										
Square feet	74,450	74,450	74,450	74,450	74,450	74,450	74,450	74,450	74,450	74,450
Capacity	629	629	629	629	629	629	629	629	629	629
Enrollment	458	446	465	472	453	418	398	398	397	390
Harrisburg (2014)										
Square Feet			92,995	92,995	92,995	92,995	92,995	92,995	92,995	92,995
Capacity			980	980	980	980	980	980	980	980
Enrollment			863	1,010	1,128	1,269	886	979	977	930
Heath Springs(1954)										
Square feet	69,456	69,456	69,456	69,456	69,456	69,456	69,456	74,243	74,243	74,243
Capacity	378	378	378	378	378	378	378	378	378	378
Enrollment	404	401	388	375	395	380	400	378	342	341
Indian Land Elem/Mid(1998)										
Square feet	116,000	116,000	116,000	116,000	116,000	116,000	116,000	116,000	116,000	116,000
Capacity	1,006	1,006	1,006	1,006	1,006	1,006	1,006	1,006	1,006	1,006
Enrollment	1,383	1,521	856	906	968	1,103	1,036	1,097	1,014	1,019
Kershaw(1952)										
Square feet	59,909	59,909	59,909	59,909	59,909	59,909	59,909	63,098	63,098	63,098
Capacity	646	646	646	646	646	646	646	646	646	646
Enrollment	450	450	438	420	400	427	436	489	482	473
McDonald Green(1949)										
Square feet	56,914	56,914	56,914	56,914	56,914	56,914	56,914	56,914	56,914	56,914
Capacity	524	524	524	524	524	524	524	524	524	524
Enrollment	471	480	513	519	484	459	420	398	347	347

(Continued)

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
UNAUDITED

School	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Elementary (Continued)										
North(1966)										
Square feet	90,763	90,763	90,763	90,763	90,763	90,763	90,763	90,763	90,763	90,763
Capacity	855	855	855	855	855	855	855	855	855	855
Enrollment	706	696	666	698	720	701	678	656	590	545
Southside(1954)										
Square feet	23,466	23,466	23,466	23,466	23,466	23,466	23,466	23,466	23,466	23,466
Capacity	315	315	315	315	315	315	315	315	315	315
Enrollment	3	0	0	0	0	0	0	0	0	0
Van Wyck (2018)										
Square feet							96,685	96,685	96,685	96,685
Capacity							1,170	1,170	1,170	1,170
Enrollment							640	711	700	707
Middle School										
A.R. Rucker(2002)										
Square feet	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Capacity	916	916	916	916	916	916	916	916	916	916
Enrollment	523	553	538	532	516	547	562	557	564	560
Andrew Jackson(1984)										
Square feet	82,939	82,939	82,939	82,939	82,939	82,939	82,939	82,939	82,939	82,939
Capacity	653	653	653	653	653	653	653	653	653	653
Enrollment	513	466	476	461	488	477	498	492	484	467
Buford(1956)										
Square feet	72,041	72,041	72,041	72,041	72,041	72,041	72,041	72,041	72,041	72,041
Capacity	859	859	859	859	859	859	859	859	859	859
Enrollment	478	455	431	417	398	412	431	439	435	412
Indian Land(1981)										
Square feet	100,948	100,948	100,948	100,948	121,108	121,108	121,108	121,108	121,108	121,108
Capacity	750	750	750	750	1,050	1,050	1,050	1,050	1,050	1,050
Enrollment	608	662	726	844	947	994	1,042	1,194	1,290	962
South(1962)										
Square feet	108,509	108,509	108,509	108,509	108,509	108,509	108,509	108,509	108,509	108,509
Capacity	1,151	1,151	1,151	1,151	1,151	1,151	1,151	1,151	1,151	1,151
Enrollment	605	576	529	491	529	557	592	651	622	601

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

School	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
High School										
Andrew Jackson(1969)										
Square feet	123,515	123,515	123,515	123,515	123,515	123,515	123,515	123,515	123,515	123,515
Capacity	788	788	788	788	788	788	788	788	788	788
Enrollment	597	605	654	654	633	631	610	625	627	621
Buford(1993)										
Square feet	133,503	133,503	133,503	133,503	133,503	133,503	133,503	133,503	133,503	133,503
Capacity	599	599	599	599	599	599	599	599	599	599
Enrollment	609	617	643	636	624	600	572	563	541	557
Indian Land(2008)										
Square feet	142,657	142,657	142,657	142,657	142,657	142,657	142,657	142,657	142,657	142,657
Capacity	800	800	800	800	800	800	800	800	2,000	2,000
Enrollment	759	789	843	881	975	1,049	1,166	1,292	1,364	1,520
Lancaster (1993)										
Square feet	319,755	319,755	319,755	319,755	319,755	319,755	335,069	335,069	335,069	335,069
Capacity	1,749	1,749	1,749	1,749	1,749	1,749	1,899	1,899	1,899	1,899
Enrollment	1,392	1,356	1,356	1,385	1,369	1,286	1,205	1,292	1,346	1,367
Other										
Lancaster Vocational (1964)										
Square feet	79,233	79,233	79,233	79,233	79,233	79,233	79,233	79,233	79,233	79,233
Capacity	16,556	16,556	16,556	16,556	16,556	16,556	16,556	16,556	16,556	16,556
Enrollment	48,849	48,849	48,849	48,849	48,849	48,849	48,849	48,849	48,849	48,849
Rice Building (1956)										
Square feet	4,448	4,448	4,448	4,448	4,448	4,448	4,448	4,448	4,448	4,448
Capacity	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment	5,863	5,863	5,863	5,863	5,863	5,863	5,863	5,863	5,863	5,863
Barr Street (1956)										
Square feet	40,949	40,949	40,949	40,949	40,949	40,949	40,949	40,949	40,949	40,949
Capacity										
Enrollment										
Learn TV (1993)										
Square feet										
Capacity										
Enrollment										
Bus Office Buford (2001)										
Square feet										
Capacity										
Enrollment										
Catawba St. Admin. (1988)										
Square feet										
Capacity										
Enrollment										
Springdale Rd. Maintenance										
Square feet										
Capacity										
Enrollment										
Buford High Multipurpose Bldg.										
Square feet										
Capacity										
Enrollment										
Lancaster High Multipurpose Bldg.										
Square feet										
Capacity										
Enrollment										
Andrew Jackson High Multipurpose Bldg.										
Square feet										
Capacity										
Enrollment										

Source: District Records.

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LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2022

LEA Subfund Code	Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass Through Grantor's Number	Federal Expenditures
US DEPARTMENT OF AGRICULTURE				
Pass-through State Department of Education:				
600	Food Distribution - Non-Cash Assistance	10.555	N/A	\$ 542,848
600	National School Breakfast Program	10.553	N/A	1,626,167
600	National School Lunch Program	10.555	N/A	5,952,261
600	Supply Chain Assistance Funding	10.555	N/A	143,237
600	Child Nutrition Emergency Costs Reimbursement Program	10.555	N/A	335,253
Total 10.553 and 10.555 - Child Nutrition Cluster				<u>8,599,766</u>
603	National School Lunch Program Equipment Assistance Grant	10.579	CNP School Meals Equipment - North & Clinton	48,416
TOTAL US DEPARTMENT OF AGRICULTURE				<u>8,648,182</u>
US DEPARTMENT OF EDUCATION				
Pass-through State Department of Education:				
201	Title I	84.010A	22 Title I	3,390,931
221	Title I - Neglected & Delinquent	84.010A	22 Title I N & D	64,061
237	Title I - School Improvement	84.010A	22 Title I ATSI	115,744
Total 84.010A				<u>3,570,736</u>
Individuals with Disabilities Education Act				
203	Special Education - Grants to States	84.027A	22 IDEA	2,915,772
205	Special Education - Preschool Grants	84.173A	22 IDEA Preschool	108,312
230	COVID-19 - IDEA/ARP Act of 2021	84.027X	22 IDEA/ARP	460,316
233	COVID-19 - Preschool Handicapped - ARP Act of 2021	84.173X	21 IDEA/ARP Preschool	49,337
839	Extended School Year	84.027	22 IDEA ESY	16,290
Total 84.027, 84.027A, 84.027X, 84.173A, and 84.173X - Special Education Cluster (IDEA)				<u>3,550,027</u>
207	Career & Technical Education-Basic Grant to States	84.048A	22 CTE	160,067
210	Title IV - Student Support and Academic Enrichment	84.424A	22 Title IV SSAE	350,291
Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund (ESSER)				
220	COVID-19 - ESSER	84.425D	20 SC CARES ESSER	270,650
225	COVID-19 - ESSER	84.425D	ESSER II	5,759,560
218	COVID-19 - American Rescue Plan - ESSER	84.425U	ARP ESSER III	12,714,508
Total 84.425D and 84.425U				<u>18,744,718</u>
224	21st Century Learning Center	84.287C	21st CCLC	307,733
234	School Improvement Grant	84.377A	21 School Improvement Grant	34,067
243	Adult Education & Family Literacy Act State Grant Program	84.002A	21 Adult Education	148,777
264	English Language Acquisition State Formula Grant Program	84.365A	22 Title III, Part A-ML	106,416
267	Title II - Supporting Effective Instruction	84.367A	22 Title II Supporting Effective Instruction	511,571
TOTAL US DEPARTMENT OF EDUCATION				<u>27,484,403</u>
US DEPARTMENT OF DEFENSE				
Direct Programs:				
270	JROTC	12.000	N/A	290,948
TOTAL US DEPARTMENT OF DEFENSE				<u>\$ 290,948</u>

(Continued)

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2022

LEA Subfund Code	Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass Through Grantor's Number	Federal Expenditures
US DEPARTMENT OF HEALTH AND HUMAN SERVICES				
	Pass-through South Carolina Developmental Disabilities Council:			
812	COVID-19 - Head Start	93.600	American Rescue Plan	\$ 66,646
813	Head Start	93.600	Head Start	1,032,476
827	Early Head Start	93.600	Early Head Start	859,514
	Total 93.600 - Head Start Cluster			<u>1,958,636</u>
TOTAL US DEPARTMENT OF HEALTH AND HUMAN SERVICES				<u>1,958,636</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
	Pass-through United Way Association of South Carolina			
830	AmeriCorps	94.006	21AFHSC0010005	4,478
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				<u>4,478</u>
US DEPARTMENT OF JUSTICE				
	Direct Programs:			
868	Stop School Violence	16.839	N/A	101,901
TOTAL US DEPARTMENT OF JUSTICE				<u>101,901</u>
TOTAL FEDERAL ASSISTANCE EXPENDED				<u>\$ 38,488,548</u>

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

See accompanying notes to the schedule of expenditures of federal awards.

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2022

A – General

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) presents the activity of all federal award programs of Lancaster County School District, South Carolina (the “District”) for the year ended June 30, 2022. All federal awards received directly from the federal agencies, as well as those passed through other government agencies, are included on the Schedule.

B – Basis of Accounting

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

C – Relationship to Financial Statements

Federal award expenditures are reported in the District’s financial statements as expenditures in the Special Revenue Funds.

D – Relationship to Federal Financial Reports

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

E – Indirect Cost Rate

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

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Greene Finney Cauley, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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

INDEPENDENT AUDITOR’S REPORT

The Board of Trustees
Lancaster County School District
Lancaster, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, and each major fund of the Lancaster County School District, South Carolina (the “District”), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated January 4, 2023.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as 2022-001 and 2022-002, that we consider to be material weaknesses.

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

GREENEFINNEYCAULEY.CPA · INFO@GREENEFINNEY.COM

GREENVILLE, SC
864.232.0653

MAULDIN, SC
864.232.5204

CHARLESTON, SC
843.735.5805

ANDERSON, SC
864.225.8713

ASHEVILLE, NC
828.771.0847

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District's Responses to the Findings

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

Purpose of This Report

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

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
January 4, 2023



Greene Finney Cauley, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Lancaster County School District
Lancaster, South Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Lancaster County School District, South Carolina's (the "District") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the 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, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.

GREENEFINNEYCAULEY.CPA · INFO@GREENEFINNEY.COM

GREENVILLE, SC
864.232.0653

MAULDIN, SC
864.232.5204

CHARLESTON, SC
843.735.5805

ANDERSON, SC
864.225.8713

ASHEVILLE, NC
828.771.0847

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the 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.

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.

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
January 4, 2023

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2022

2021-001: FOOD SERVICE CAPITAL ASSETS

Condition: The District did not properly reconcile, capitalize, depreciate, or dispose of certain Food Service capital assets as required by generally accepted accounting principles (“GAAP”) and the District’s capitalization policy which resulted in material audit adjustments.

Criteria: GAAP requires that capital assets should be reported when the asset is used in operations and has an initial useful life in excess of one year. The cost to acquire, construct, or improve a capital asset is not recognized immediately as an expense when incurred but instead is deferred (capitalized) and allocated over the estimated useful life of the capital asset in the form of depreciation expense. Upon the disposition, the assets and their accumulated depreciation are to be removed from the financial statements with any underlying gain or loss recorded.

Context, Cause and Effect: The District failed to monitor the process of reconciling Food Service Fund capital assets activity to ensure assets that meet the capitalization threshold were recorded as additions, disposals reconciled, and depreciation properly recorded.

Status: The District has addressed this finding during the year ended June 30, 2022.

LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None Reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (Uniform Guidance)?	<u> </u> Yes	<u> X </u> No
--	-------------------	-----------------

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010A	Title I
84.425D and 84.425U	COVID-19 - Elementary and Secondary School Emergency Relief Fund

Dollar threshold used to distinguish between type A and type B programs:	<u> </u> \$ <u> 1,154,656 </u>
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Auditee qualified as low-risk auditee?	<u> </u> Yes	<u> X </u> No
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LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2022

Section II – Current Year Financial Statement Findings

2022-001: PRIOR PERIOD ADJUSTMENTS – REVENUE RECOGNITION AND STUDENT/PUPIL ACTIVITY FUNDS

Condition: The District discovered it had understated its fund balance/net position related to its governmental funds (Special Revenue Fund) and government-wide financial statements by approximately \$771,000 as of June 30, 2021. During the fiscal year 2022 audit of the Discovery School of Lancaster County (“Charter School”), it was noted that the Charter School had inadvertently excluded the student/pupil activity funds from its prior year financial statements.

Criteria: The District and Charter School should have appropriate internal controls in place to ensure that the District’s revenues and account balances are recorded in accordance with generally accepted accounting principles (“GAAP”).

Context, Cause and Effect: In connection with the District’s review of its account balances, the District discovered it had understated its fund balance/net position related to its governmental funds (Special Revenue Fund) and government-wide financial statements by approximately \$771,000 as of June 30, 2021. This related to revenue that had been received in prior years – but had been reflected as unearned revenue (liability). These inflows should have been reflected as revenues in prior years since all eligibility requirements had been met. The District has corrected these errors by reflecting prior period adjustments of approximately \$771,000. These adjustments decreased unearned revenue (liability) and increased fund balance and net position in the governmental funds and government-wide financial statements, respectively.

During the fiscal year 2022 audit, it was noted that the Charter School had inadvertently excluded the student/pupil activity funds from its prior year financial statements. The Charter School has corrected this error by reflecting a prior period adjustment which increased restricted fund balance and restricted net position by approximately \$11,000 for its governmental funds and government-wide financial statements.

Recommendation: We recommend that the District develop appropriate internal controls and accounting procedures to ensure that the District’s revenues and account balances are recorded in accordance with GAAP.

Response: The District agrees with this finding and will adhere to the corrective action plan on page 169 in this audit report.

2022-002: RECONCILING BALANCES TO THE COUNTY REPORTS

Condition: Due to turnover at the District, it was noted that the District had not reconciled various accounts with the County on a timely basis. This resulted in the District having to record numerous adjustments.

Criteria: The District should have appropriate internal controls in place to ensure that all necessary balances have been reconciled to the County on a timely basis.

Context, Cause and Effect: Due to turnover at the District, certain balances at the District had not been reconciled to the County reports on a timely basis. Once this issue was identified during the audit, the District reconciled and recorded the appropriate adjustments.

**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2022

Section II – Current Year Financial Statement Findings (Continued)

2022-002: RECONCILING BALANCES TO THE COUNTY REPORT (CONTINUED)

Recommendation: We recommend that the District develop and implement appropriate internal controls and accounting procedures to ensure that all balances are reconciled to the County reports on a timely basis.

Response: The District agrees with this finding and will adhere to the corrective action plan on page 169 in this audit report.

Section III – Current Year Federal Award Findings and Questioned Costs

None Noted



**LANCASTER COUNTY SCHOOL DISTRICT
LANCASTER, SOUTH CAROLINA**

CORRECTIVE ACTION PLAN

YEAR ENDED JUNE 30, 2022

Section II – Financial Statement Findings

- Finding:** 2022-001
- Contact Person:** Mary Faile, Finance Director, mary.faile@lcsd.k12.sc.us
- Corrective Action:** The District will ensure that revenue and student/pupil activity funds are recognized in accordance with generally accepted accounting principles.
- Proposed Completion Date:** Prior to June 30, 2023
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- Finding:** 2022-002
- Contact Person:** Mary Faile, Finance Director, mary.faile@lcsd.k12.sc.us
- Corrective Action:** The District will ensure that it reconciles its general ledger to the County reports on a periodic basis.
- Proposed Completion Date:** Prior to June 30, 2023

Section III – Federal Award Findings and Questioned Costs

No matters to report.