

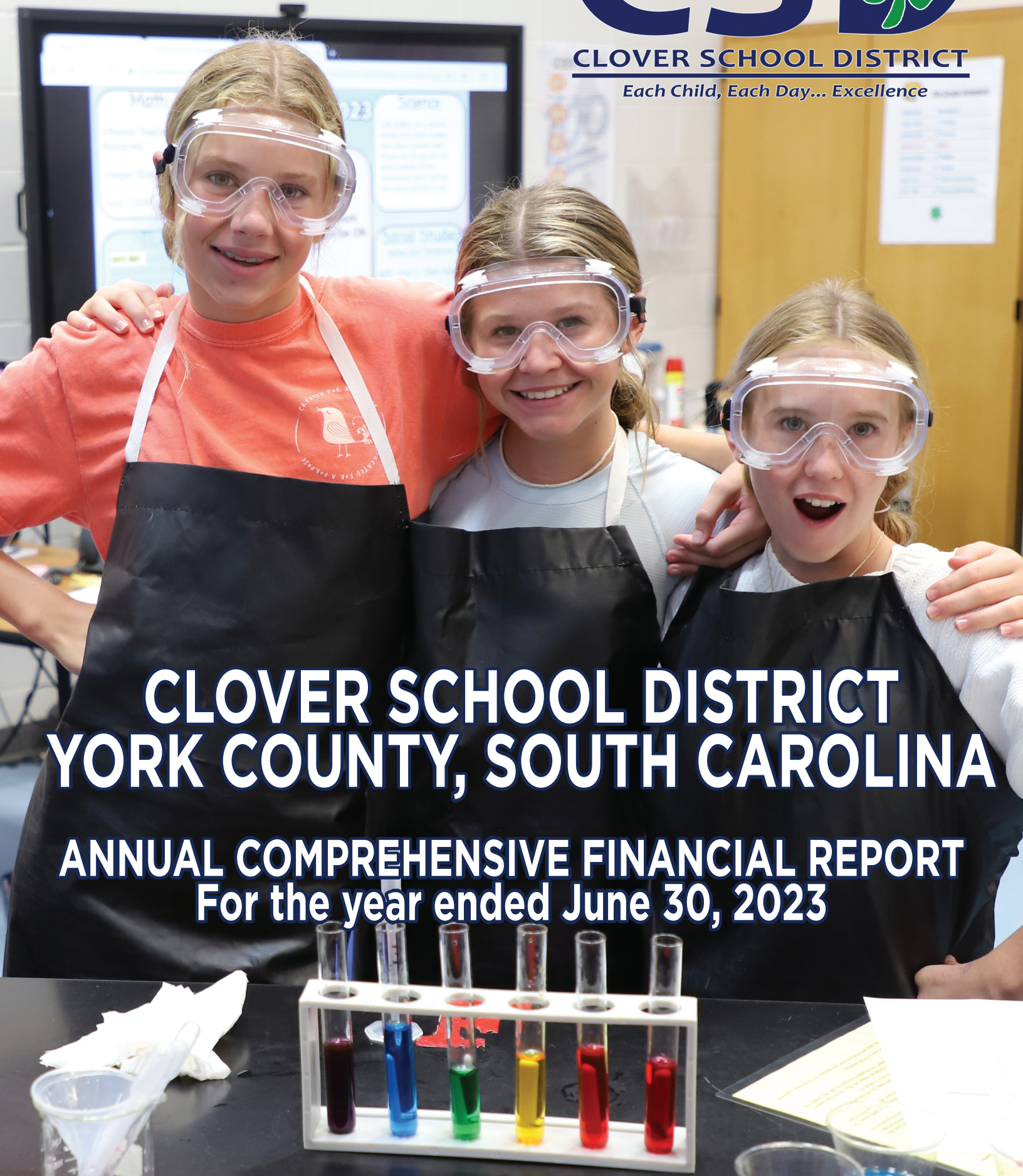


CLOVER SCHOOL DISTRICT

Each Child, Each Day... Excellence

CLOVER SCHOOL DISTRICT YORK COUNTY, SOUTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT For the year ended June 30, 2023



CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

Prepared By:

Clover School District No. 2
Office of Finance
Kenneth E. Love, CPA, RSBA

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**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

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CLOVER, SOUTH CAROLINA

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CLOVER, SOUTH CAROLINA

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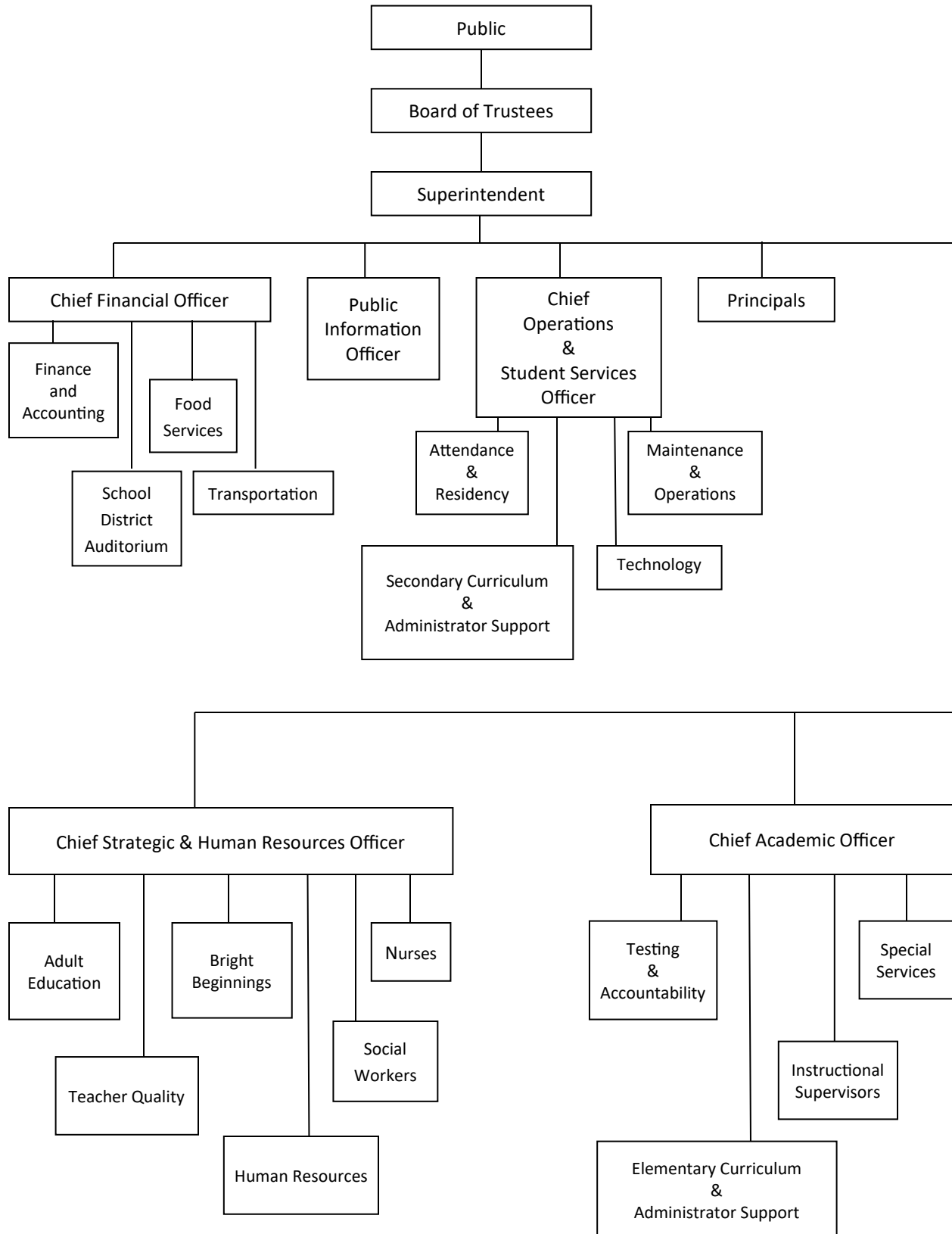
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CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

ORGANIZATION CHART



**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

PRINCIPAL OFFICIALS

YEAR ENDED JUNE 30, 2023

Board Meetings are held on the second and fourth Monday of each month at 6:00 PM. Five Board of Trustee members are elected for four-year terms from single member districts, and two are elected at-large, for a four-year term. The Superintendent is appointed by the Board of Trustees.

Board of Trustees

Rob Wallace, Chairman
Ginger Marr, Vice-Chairman
Mike Ballard
Matt Burris
Jessica Cody
Keron Meeks
Tracy Stiff

Administrative

<u>Title</u>	<u>Name</u>
Superintendent	Dr. Sheila Quinn
Chief Financial Officer	Kenneth Love, CPA, RSBA
Chief Academic Officer	Dr. Millicent Dickey
Chief Operations & Student Services Officer	Dr. Mark Hopkins
Chief Strategic & Human Resources Officer	Dr. Tony Hemingway
Director of Facilities	Donnie Grice
Director of Finance	Amy Cooper
Director of Food Services	Susan Roberts
Director of Personalized Learning	Casey Lefler
Director of Procurement	George Pendleton
Director of Special Services	Kathleen Gerber
Director of Technology	Matt Hoffman
Director of Teacher Effectiveness	Cheryl Sniker
Director of Transportation	Ross Hunter
Public Information Officer	Bryan Dillon



October 20, 2023

To the Citizens of Clover School District No. 2:

We are pleased to submit the *Annual Comprehensive Financial Report* of Clover School District No. 2 ("School District") for the fiscal year ended June 30, 2023. State law requires that all school districts publish within five months of the close of each fiscal year a complete set of financial statements. This report has been prepared in conformity with generally accepted accounting principles ("GAAP") as set forth by the Governmental Accounting Standards Board ("GASB") and other recognized authoritative sources.

This report consists of management's representations concerning the finances of the School District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented. To provide a reasonable basis for making these representations, management of the School District has established a comprehensive internal control framework that is designed both to protect the School District's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the School District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the School District's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance, that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. We also believe that all disclosures necessary to enable the reader to gain an understanding of the School District's financial activities have been included.

The School District's financial statements have been audited by Greene Finney Cauley, LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the School District for the fiscal year ended June 30, 2023 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the School District's financial statements for the year ended June 30, 2023 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the School District was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the compliance section of this annual comprehensive financial report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the financial statements in the form of Management’s Discussion & Analysis (“MD&A”). This letter of transmittal is designed to complement MD&A and should be read in conjunction with the MD&A, which can be found immediately following the report of the independent auditors.

REPORTING ENTITY

The School District defines its reporting entity by applying the criteria set forth in GASB #14 and GASB #39 to potential component units. Briefly, a component unit is an organization for which the School District is financially accountable or other organizations that, because of the nature or significance of their relationship with the School District, would cause the School District’s financial statements to be misleading or incomplete if they were omitted from the reporting entity. These criteria are discussed in more detail in Note I to the financial statements.

Using these criteria, management has determined that the School District has no component units, nor is it a component unit of any other organization.

GENERAL INFORMATION, LOCAL ECONOMIC CONDITION AND OUTLOOK

The School District is one of four K-12 school districts within York County and is located in the northern section of the County bordering North Carolina. It encompasses the entire Town of Clover and includes approximately 25% of the County’s total assessed value.

The School District has been providing educational programs since 1915 when one school with an enrollment of 202 was established. It was established in its present form in 1953 when five rural districts were consolidated. Presently the School District serves 9,005 students in grades pre-K through 12th and projects enrollment to increase to 9,100 students for 2023-2024 fiscal year. The School District currently operates ten schools: Bethany Elementary (preK-5), Bethel Elementary (preK-5), Kinard Elementary (preK-5), Griggs Road Elementary (preK-5), Larne Elementary (preK-5), Crowders Creek Elementary (preK-5), Oarkidge Elementary (preK-5), Clover Middle (6-8), Oakridge Middle (6-8), and Clover High (9-12). The active school buildings in the School District were constructed at various dates ranging from 1951 to 2018.

During the 2022-2023 school year, the School District was evaluated and accredited by Cognia. School District accreditation is a national protocol for school districts committed to systemic, systematic, and sustainable improvement. When a district earns accreditation, all schools in the district must meet the Cognia Accreditation standards for quality school systems, engage in continuous improvement, and demonstrate quality assurance through internal and external review. Accreditation standards a district must demonstrate are:

- Vision and Purpose
- Governance and Leadership
- Teaching and Learning
- Documenting and Using Results
- Resources and Support Systems
- Stakeholder Communications and Relationships
- Commitment to Continuous Improvement

The School Board of Trustees is made up of seven members, five of whom must live in certain geographic areas and two of whom are elected at large. All qualified electors are eligible to vote for each member of the Board. The Board meets the second and fourth Monday of each month except for July and December. The Superintendent is appointed by the Board of Trustees and is responsible to the Board for the operation of all phases of the School District's activities.

York County is located in the Piedmont section of South Carolina and is bordered on the north by North Carolina. The county has a land area of 685 square miles and had a population of 288,595 in 2021. This figure represents an approximate 28% increase in population over the 2010 census of 226,073. The School District encompasses approximately 142 square miles of the County. The County's per capita income was \$56,566 in 2021. The County's unemployment rate was 3.1% at June 30, 2023. The County is served by two major interstates, Interstate 85 and Interstate 77, which provide access to the larger metropolitan area of Charlotte, North Carolina.

While industrial and manufacturing plants are still a major source of employment for York County residents, a broader, more diversified base of employment also exists in the County, with Duke Energy Corporation, the County of York, Winthrop University, Cedar Fair Entertainment Company-Carowinds, and all four of the County's school districts being in the list of top 25 employers in the County.

MAJOR INITIATIVES

The School District focused the 2022-2023 fiscal year on closing the achievement gap and improving test scores. The following are initiatives implemented within the 2022-2023 fiscal year:

Academic Resources:

- Through continued collaborative efforts with York County Early Learning Partnership and York County First Steps, the free medical clinic offered within Clover Family Resource Center/Bright Beginnings offers services of a family nurse practitioner in addition to a pediatrician and nurse.

- The School District continues to partner with York Technical College and USC-Union to expand our ability to bring dual credit opportunities to our students.
- The School District continued with the Middle College program with a joint partnership with York Technical College. The program is a non-traditional high school program designed for juniors and seniors with a high aptitude and potential for college success. The long-term goal of the Middle College is to promote a college going culture by engaging students in relevant learning while providing them an opportunity to graduate.

Literacy:

- The School District hosted a summer reading program.
- The School District continues to partner with the Early Learning Partnership of York County and York County First Steps in support of the Dolly Parton Imagination Library, which encourages reading by mailing a developmentally appropriate book each month to over 400 children ages birth to five years, and the Countdown to Kindergarten Program.
- Schools in the School District continued to implement reading programs in order to promote literacy and prevent regressions of reading and comprehension skills.

Construction:

- The School District planned renovations and repairs of Clover High School.
- Plans were in process for the construction of a new high school.

District-Wide Accomplishments for FY 2022-2023 were as follows:

- Clover School District students continue to excel academically and are prepared for their next stage in school, college, and career. For high school students, 72.0% of students demonstrated college and/or career readiness. The School District's current graduation rate is 96.6% compared to the overall state percentage of 83.8%.
- The School District's students and teachers are also recognized for excellence in academics, athletics, and the fine arts.
- Extracurricular activities across the School District continued to excel.
- The School District has over 100 teachers who have achieved the National Board Certification.
- The School District continues to work in collaboration with the Second Harvest Food Bank of Metrolina in the "backpack" program for students in our district who are in need of food in their homes over the weekends.
- The School District continued the lunch buddy program. This program allows community members into the schools to work with students.
- The School District continued to invest in a one-to-one technology initiative for first through twelfth grade students.

FINANCIAL INFORMATION

Budgetary Control

The School District's budget process is developed using, as a foundation, the School District's Motto, Mission Statement, Values, and Beliefs.

School District's Motto

Each child, Each day...Excellence

School District's Mission Statement

Clover Schools will prepare each child for a successful, productive and responsible future.

School District's Values

Our value statements define how we, as quality educators, work with each other and those we serve. These statements reflect our shared beliefs and fundamental assumptions and guide us in our actions.

We Value:

- Meaningful experiences that shape students' vision for the future
- Continuous improvement through collaboration
- Individualized and personally relevant education
- Safe and nurturing environment

School District's Beliefs

- The purpose of school is to design meaningful experiences where students acquire knowledge and skills to successfully explore the challenges of today and tomorrow.
- The responsibility of leaders is to provide the vision, time, resources, and collaborative environment that promote continuous improvement.
- The focus of educators is to design engaging, meaningful work for all students and ensure that they learn to their highest potential.
- The role of the school, parents, and community is to create a safe and supportive environment for all students to learn and thrive.

The School District exercises budgetary controls in order to ensure compliance with the provisions set forth in the annual budget adopted by the Board of Trustees. Beginning in February, the principals provide the Chief Financial Officer with their lists of personnel and facility needs for the upcoming school year. These are prioritized and discussed with the Superintendent. A proposed budget is then prepared and presented to the Board of Trustees which adopts the General Fund budget by June 30th. The School District utilizes the modified accrual basis of accounting for all governmental funds and uses encumbrance accounting to accomplish budgetary control at the function level. School District policies allow the Superintendent or Chief Financial Officer to authorize transfers between function and object accounts as long as the total spending does not exceed the approved budget. Board approval is required for additional personnel positions and supplemental appropriations that are additional to the budget. Encumbrance accounting is utilized to assist in budgetary control and encumbrances lapse at year end. The Board is provided a budget status report for both General Fund revenues and expenditures on a monthly basis for review.

Special revenue fund budgets are controlled in conformance with the specific requirements of that fund, and budgets are not legally adopted. Budgets are not adopted for the Capital Projects Fund or the Debt Service Fund. Debt Service expenditures are set in accordance to the bond issue requirements, with revenues needed to pay the debt service requirements levied by the County Auditor.

Subsequent to the adoption of the budget by the Board, the Chief Financial Officer certifies to the County Auditor the amount of millage required to raise sufficient funds to defray the cost of operating the School District and to pay the bonded indebtedness incurred by the School District. Pursuant to Act No. 449 enacted during the 1975 Session of the General Assembly of the State of South Carolina, the General Assembly provided for the levying of school taxes for the School District. Part III, Section 6 of Act No. 449 empowers the Board of the School District to levy taxes to provide funds for school operating expenses provided such levy may not be increased more than four mills in any year over that levied for a preceding year without the approval of the qualified electors of the School District voting in a referendum. Act No. 744 enacted at the 1990 Session of the General Assembly of South Carolina increased this limitation from four to six mills. Current legislation limits increases to the total of the consumer price index and population growth.

Since 1969, a county-wide millage has been levied for the operation of the four school districts of York County pursuant to Act No. 1663 of the Acts and Joint Resolutions of the General Assembly for the year 1968. Beginning with the 1981-82 school year and continuing through the 1986-87 school year, the proceeds of the county levy were distributed on a per pupil (average daily membership) basis to the four districts within the County. However, pursuant to the provisions of Act No. 292 passed by the General Assembly in 1987, authorization was provided to distribute the receipts from one mill levied under the countywide school levy to the school district with the lowest assessed value per pupil. Pursuant to the provisions of Act No. 744 enacted during the 1990 Session of the General Assembly of the State of South Carolina, the countywide levy was raised to thirty-three mills and the authorization to distribute the receipts from one mill to the district with the lowest assessed value per pupil was continued. After reappraisal of all property in calendar year in 2005, the total of countywide mills was reduced to thirty. Currently, York School District One has the lowest assessed value in the County.

Long Term Financial Planning

Providing adequate, safe facilities is a primary objective of the School District. The School District evaluates facilities on an ongoing basis in order to provide additional instructional space prior to the existing space becoming overcrowded. The School District projects needs three to five years in the future and uses a combination of in-house resources and consultants in order to provide information for the Board to use in making decisions.

The unassigned fund balance in the General Fund at year-end was approximately \$31,129,000. The School District has a goal of an unassigned fund balance in the General Fund of approximately 25% of the subsequent year's budget. Any resources in excess of that amount are restricted for future capital needs. The School District believes that a positive fund balance in this range is sound financial management. Such a fund balance serves several purposes. The first is to ensure that the instructional program is not interrupted by unexpected budgetary constraints such as state budget

cuts which have been enacted in recent years. Secondly, the School District does not have to utilize short term tax anticipation notes to provide adequate cash flow in the later months of the year. The third purpose is to maintain a positive bond rating when bonds are issued.

During the year, the School District completed a demographics study which identified student population growth trends. That study, along with a comprehensive facilities review, provided the basis for future building plans.

In addition, the Board completed an evaluation of possible financing alternatives and concluded that an impact fee on new construction should be explored. York County Council approved an impact fee of \$4000 per single family residence in September 2020, effective in January 2021.

OTHER INFORMATION

Independent Audit

State statutes require an annual audit by independent certified public accountants. The accounting firm of Greene Finney Cauley, LLP, was selected by the School District's Board of Trustees to perform the School District's annual audit for the fiscal year ending June 30, 2023. In addition, the audit was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the provisions of OMB Uniform Guidance. The auditor's report on the financial statements is included in the Financial Section of this report, and the auditor's report related specifically to the single audit is included in the Compliance Section of this report.

Awards

Our Annual Comprehensive Financial Report for fiscal year ended June 30, 2022 was a recipient of the prestigious awards of excellence, from both the Government Finance Officers Association ("GFOA") with their Certificate of Achievement for Excellence in Financial Reporting, and from the Association of School Business Officials ("ASBO") with their Certificate of Excellence in Financial Reporting. These two awards are made only to governmental units that publish an annual comprehensive financial report that is easily readable, efficiently organized, and conform to program standards, as well as satisfy generally accepted accounting principles and applicable legal requirements.

These awards are valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet each program's requirements, and we are submitting it to the GFOA and to ASBO to determine its eligibility for another certificate.

Acknowledgements

The completion of this annual comprehensive financial report is attributed to the hard work and professional dedication of the entire Finance Department. Their dedication and efficient services have made the timely preparation of this report possible. I would like to acknowledge the cooperation and assistance of the School District's school and departmental administration throughout the year in the efficient management of the School District's financial operations. I would also like to thank our audit firm Greene Finney Cauley, LLP for their professional services in auditing the information contained within this document and their invaluable assistance with the compiling and printing of this financial report.

The administration would also like to thank the entire School Board of Trustees for their continued support of excellence in financial reporting and fiscal integrity. Without their help, we would not be able to maintain the exceptional staff needed to assure such a high level of competency.

This report reflects the School District's commitment to the citizens of Clover School District No. 2 and the financial community to provide information in conformance with the highest standards of financial accountability.

Respectfully Submitted,



Kenneth E. Love, CPA, RSBA
Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Clover School District No. 2
South Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



**The Certificate of Excellence in Financial Reporting
is presented to**

Clover School District 2

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, appearing to read 'John W. Hutchison'.

**John W. Hutchison
President**

A handwritten signature in black ink, appearing to read 'Siobhán McMahon'.

**Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director**



Greene Finney Cauley, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Clover School District No. 2
Clover, South Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of Clover School District No. 2, South Carolina (the "School District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School District, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our 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 October 20, 2023 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
October 20, 2023

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CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2023

This discussion and analysis of the Clover School District No. 2's (the "School District") financial performance provides an overview of the School District's financial activities for the fiscal year ended June 30, 2023 ("fiscal year 2023") compared to the fiscal year ended June 30, 2022 ("fiscal year 2022"). The intent of this discussion and analysis is to present the School District's financial performance as a whole; readers should also review the transmittal letter, the financial statements and the notes to the financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2023 are as follows:

- In the Statement of Net Position, the liabilities and deferred inflows of resources of the School District exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by approximately \$18.8 million. Unrestricted net position was a deficit of approximately \$125.8 million. The deficit in unrestricted net position is a result of (a) pension accounting standards that were implemented in 2015, which resulted in the School 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 School 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 \$205.2 million at June 30, 2023, the School District would have total unrestricted net position of \$79.4 million.
- The School District's total net position for fiscal year 2023 increased by approximately \$2.0 million compared to a decrease of approximately \$0.1 million in the prior year, with total revenues of approximately \$143.7 million and total expenses of approximately \$141.7 million.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of approximately \$84.7 million, an increase of approximately \$1.3 million from the prior year. Approximately \$31.1 million (37% of the total fund balance amount) is unassigned and is available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was approximately \$31.1 million, which was approximately 29% of total current year General Fund expenditures.
- The School District's total capital assets decreased by approximately \$0.9 million (<1%) during fiscal year 2023. Key factors in this decrease was depreciation expense of approximately \$5.9 million, partially offset by capital asset additions of approximately \$5.0 million.
- The School District's total debt (including premiums) decreased by approximately \$6.2 million (7%) during fiscal year 2023 due to regularly scheduled principal payments of approximately \$5.2 million and amortization of the premium balance of approximately \$1.0 million.
- During fiscal year 2023, the School District's governmental funds' revenues were approximately \$144.2 million, compared to approximately \$135.2 million in the prior year. This increase of approximately \$9.0 million (7%) was primarily due to higher revenues from all sources (local, state, and federal).
- The School District had approximately \$142.9 million in governmental funds' expenditures, compared to approximately \$130.6 million in the prior year. This increase of approximately \$12.3 million (9%) was primarily due to an increase in instruction and support services expenditures due to the operations of the School District plus an increase in capital outlay.

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, the required supplementary information, and supplementary information), *Statistical Section*, and the *Compliance Section*.

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

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

The *Statement of Net Position* presents information on all of the School 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 School District is improving or deteriorating.

The *Statement of Activities* presents information showing how the School District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, for some items, revenues and expenses are reported in this statement that will only result in cash flows in future fiscal periods (e.g., uncollected taxes 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 School District include instruction and support services. The School District does not report any business-type activities.

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

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

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.

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 funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The School 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, Special Revenue – Food Service Fund, Debt Service Fund, and Capital Projects Fund, all of which are considered to be major funds.

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 and can be found as listed in the table of contents of this report.

Required Supplementary Information. The School 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 and other postemployment benefit plan schedules have been included which provide relevant information regarding the School District's participation in the State retirement plan and the State OPEB plan. Required supplementary information can be found as listed in the table of contents.

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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 School District's Government-Wide and Fund Financial Statements		
	Government-Wide Financial Statements	Fund Financial Statements
Scope	Entire School District	Governmental Funds Entire School 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 basis 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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the School District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by approximately \$18.8 million and \$20.8 million at the close of the current and prior fiscal year, respectively.

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The following table provides a summary of the School District's net position as of June 30, 2023 compared to June 30, 2022:

Net Position - Governmental Activities

	June 30, 2023	June 30, 2022
Assets		
Current and Other Assets	\$ 100,647,954	\$ 99,340,919
Capital Assets, Net	184,977,143	185,880,523
Total Assets	<u>285,625,097</u>	<u>285,221,442</u>
Deferred Outflows of Resources	<u>53,453,285</u>	<u>58,939,769</u>
Liabilities		
Other Liabilities	14,135,254	13,708,814
Net Pension Liability	122,074,103	107,395,971
Net OPEB Liability	96,538,451	130,353,321
Long-Term Liabilities	85,038,187	91,219,272
Total Liabilities	<u>317,785,995</u>	<u>342,677,378</u>
Deferred Inflows of Resources	<u>40,052,535</u>	<u>22,261,174</u>
Net Position		
Net Investment in Capital Assets	97,391,688	94,661,251
Restricted	9,690,166	8,000,928
Unrestricted	(125,842,002)	(123,439,520)
Total Net Position	<u>\$ (18,760,148)</u>	<u>\$ (20,777,341)</u>

The School District's total assets at June 30, 2023 increased by approximately \$0.4 million from the prior year primarily due to an increase in cash and cash equivalents and due from other governments partially offset by a decrease in cash and investments held by county treasurer, property taxes receivable, net, and capital assets as depreciation expense exceeded additions in the current year. Total liabilities at June 30, 2023 decreased by approximately \$24.9 million from the prior year. This decrease was primarily due to a decrease in the net OPEB liability and long-term obligations due to regularly scheduled principal payments, partially offset by an increase in the net pension liability and accounts payable.

The School District's net position increased by approximately \$2.0 million during fiscal year 2023, which is the result of current year revenues exceeding current year expenditures. See discussion following the next table regarding this increase.

Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources (net position) by approximately \$18.8 million at the close of the most recent fiscal year. By far the largest portion of the School District's net position (approximately \$97.4 million) reflects its investment in net capital assets (i.e., land, buildings, furniture and equipment, etc.) less any related outstanding debt used to acquire those assets. The School District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay these long-term obligations must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

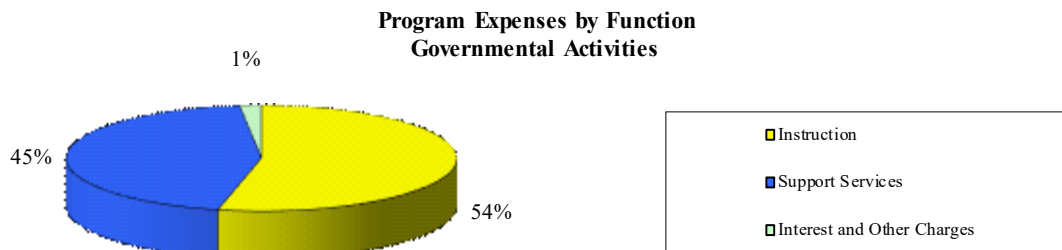
An additional portion of the School District's net position of approximately \$9.7 million represents resources that are subject to external restrictions on how they may be used. This net position is restricted for debt service payments, capital projects, and special revenue programs (which are restricted by the revenue source). The remaining balance is unrestricted net position which had a deficit balance of approximately \$125.8 million.

The following table shows the changes in net position for fiscal year 2023 compared to fiscal year 2022.

Change in Net Position - Governmental Activities

Revenues	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Program Revenues:		
Charges for Services	\$ 3,803,938	\$ 5,599,507
Operating Grants	53,402,741	47,042,954
General Revenue:		
Taxes	81,538,666	79,862,216
Other	4,984,944	2,772,959
Total Revenues	<u>143,730,289</u>	<u>135,277,636</u>
Program Expenses		
Instruction	75,911,677	74,111,250
Support Services	63,247,748	58,492,889
Interest and Fiscal Charges	2,553,671	2,804,589
Total Program Expenses	<u>141,713,096</u>	<u>135,408,728</u>
Change in Net Position	2,017,193	(131,092)
Net Position, Beginning of Year	<u>(20,777,341)</u>	<u>(20,646,249)</u>
Net Position, End of Year	<u>\$ (18,760,148)</u>	<u>\$ (20,777,341)</u>

The School District's net position increased by approximately \$2.0 million, or 10%, from the prior year net position due to operating revenues of the School District exceeding expenditures, as program revenues increased by approximately \$4.6 million and general revenues increased by approximately \$3.9 million, partially offset by instructional costs increasing by approximately \$1.8 million and support service costs increasing by approximately \$4.8 million.



CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2023

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

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

Governmental Funds

The analysis of governmental funds serves the purpose of determining available fund resources, 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, 2023, the School District's governmental funds reported a combined fund balance of approximately \$84.7 million, which increased approximately \$1.3 million from the prior year fund balance, due to increases in the General Fund (approximately \$3.4 million) and the Food Service Fund (approximately \$0.2 million), partially offset by a decrease in the Capital Projects Fund (approximately \$2.3 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, 2023, the School District's unassigned fund balance for all governmental funds was approximately \$31.1 million, consisting entirely of the General Fund. The remaining approximately \$53.6 million is primarily restricted or assigned for debt service, capital projects, adult education, and special education.

The General Fund is the chief operating fund of the School District. At the end of the current fiscal year, unassigned fund balance of the General Fund totaled approximately \$31.1 million. The fund balance for the School District's General Fund increased by approximately \$3.4 million (12%) during fiscal year 2023 to approximately \$31.1 million at June 30, 2023. The School District met its goal of having 25% of its subsequent year's operation budget as its unassigned fund balance for the General Fund.

The School District's Special Revenue Fund and Special Revenue – EIA Fund, generally are used to account for revenues derived from local sources (student/pupil activity funds), the State of South Carolina and the Federal Government. In general, these Special Revenue Funds (except for approximately \$0.9 million for pupil activity funds) do not have significant fund balances as revenues should be expended, deferred, or returned to the grantor. The Special Revenue – Food Service Fund is used to account for the School District's food service operations. The fund balance increased approximately \$0.2 million compared to the prior year, as revenues exceeded expenditures.

The Debt Service Fund is used to account for principal and interest payments on School District indebtedness. The fund balance for the Debt Service Fund decreased by approximately \$800 from the prior year's balance. The fund balance was approximately \$3.0 million at June 30, 2023, which is restricted for the payment of debt service.

The Capital Projects Fund is utilized to account for the School District's significant capital projects transactions. The fund balance for the Capital Projects Fund decreased by approximately \$2.3 million in fiscal year 2023 to approximately \$46.7 million at June 30, 2023. The decrease was primarily due to approximately \$3.6 million in support services expenditures and approximately \$4.6 million in capital outlay expenditures exceeding transfers of \$3.5 million from the General Fund and investment earnings and other local revenues of approximately \$2.5 million.

General Fund Budgetary Highlights

The School 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. The School District has only one legally adopted budget – the General Fund. During the course of fiscal year 2023, various changes were made to the budget between function and object to better reflect current operating forecasts – but none that changed the total overall budget. Total revenues came in over budget by approximately \$2.5 million due to higher interest rates and an increase in pupil funding. Expenditures came in under budget by approximately \$4.3 million due conservative budgeting and prudent spending.

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2023

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2023 and 2022, the School District's investment in capital assets was approximately \$185.0 million and \$185.9 million, respectively, net of accumulated depreciation. The total decrease in the School District's investment in net capital assets was approximately \$0.9 million, or less than 1%. The following table shows the capital asset balances as of June 30, 2023 compared to June 30, 2022:

Capital Assets		
	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Land	\$ 15,309,145	\$ 14,390,902
Construction in Progress	6,135,640	3,166,451
Building and Improvements	243,402,452	243,035,823
Machinery and Equipment	8,301,660	7,601,952
Less: Accumulated Depreciation	(88,171,754)	(82,314,605)
Totals	<u>\$ 184,977,143</u>	<u>\$ 185,880,523</u>

Major capital asset events during the current fiscal year included:

- Capital assets additions totaling approximately \$5.0 million.
- Depreciation expense of approximately \$5.9 million.

For more information on the School District's capital assets, see Note III.F in the notes to the financial statements.

Debt Administration

At the end of fiscal year 2023 and 2022, the School District had outstanding publicly traded debt, including premiums, of approximately \$85.0 million and \$91.2 million as of June 30, 2023 and 2022, respectively. All of the School District's debt is backed by the full faith and credit of the School District as is typical with general obligation bonds ("GOB") or general obligation refunding bonds ("GORB"). The following table shows the debt balances as of June 30, 2023 compared to June 30, 2022:

Outstanding Debt, at Year End		
<u>Long-Term Debt</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
2014 GOB	\$ 59,990,000	\$ 61,030,000
2015 GORB	19,260,000	23,405,000
Premiums	5,788,187	6,784,272
	<u>\$ 85,038,187</u>	<u>\$ 91,219,272</u>

Major debt events during the current fiscal year included:

- Regularly scheduled principal payments of approximately \$5.2 million.
- Amortization of premiums of approximately \$1.0 million.

**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2023

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Debt Administration (Continued)

The State limits the amount of general obligation debt that School Districts can issue to 8% of the assessed value of all taxable property within the School District's corporate limits. The School District's constitutional debt limit at June 30, 2023 was approximately \$34.7 million. There was no outstanding debt that is subjected to this limit, as all debt was approved by voter referendum.

More detailed information about the School District's debt is presented in Note III.G in the notes to the financial statements.

ECONOMIC FACTORS

The School District is located in the northern part of York County in the northernmost section of South Carolina and includes the Town of Clover, which is the largest municipality in the School District, with a 2023 population of 7,405. The School District is bordered on the north by the State of North Carolina, the east by Lake Wylie, the south by York School District No. 1 and the west by Cherokee County and encompasses a land area of approximately 142 square miles.

The School District has been in operation since 1915 when one school with an enrollment of 202 was established. Presently, the School District operates ten schools and has a total enrollment of approximately 9,000 students. The School District in its present form was established in 1953 when five former school districts were consolidated into the School District.

Industry in the School District consists of two yarn mills, a carpet yarn plant, a plant making computer components, an automotive brake pads plant, a textile machinery plant, a plant manufacturing rubber gloves and other rubber products, several knit fabrics plants, a plant manufacturing metalworking tools, and several lesser industries.

Duke Power Company has constructed the Catawba Nuclear Station consisting of two nuclear units estimated to cost approximately \$4 billion. The combined number of employees for the Catawba Nuclear Station and Duke Power Company is approximately 1,000. Unit 1 was placed in commercial operation in June 1985 and was in the School District's tax base for tax year 1986-87. Commercial operation of Unit 2 commenced in August 1987 and was in the School District's tax base for tax year 1987-88.

Ownership of the Catawba Nuclear Station is primarily comprised of North Carolina Municipal Power Agency (40%), North Carolina Electric Membership Association (27%), Piedmont Municipal Power Agency (15%), and Duke Power (18%). The power agencies are obligated to pay a sum in lieu of taxes to the appropriate taxing authorities equivalent to the taxes that would be due if such property were not exempt from taxation.

The nuclear station comprises approximately 35% of the School District's total property tax assessment. Last year, the station comprised 37% of the total property tax assessment. The depreciation of the station is causing the tax burden to shift away from the nuclear station. The School District has historically collected approximately 98% of the taxes levied.

FISCAL YEAR 2024 BUDGET

Many factors were considered by the School District's administration during the process of developing the budget for the year ended June 30, 2024 ("fiscal year 2024"). The budget for fiscal year 2024 is balanced without using reserve funds and is approximately \$120.3 million. The School District's top goal was to improve academic achievement. Barring unforeseen circumstances, the current budget for operations will allow the School District to maintain its strong financial position.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide those interested with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, at Clover School District No. 2, 604 Bethel Street, Clover, South Carolina, 29710.

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CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2023

	PRIMARY GOVERNMENT Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 36,299,536
Cash and Cash Equivalents, Restricted	12,712
Investments, Restricted	18,422
Cash and Investments Held by County Treasurer	56,945,658
Property Taxes Receivable, Net	2,841,391
Accounts Receivable	19,481
Due from Other Governments	4,510,754
Capital Assets:	
Non-Depreciable	21,444,785
Depreciable, Net	163,532,358
TOTAL ASSETS	285,625,097
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Charges	19,239,664
Deferred Other Postemployment Benefit Charges	34,213,621
TOTAL DEFERRED OUTFLOWS OF RESOURCES	53,453,285
LIABILITIES	
Accounts Payable	3,547,779
Accrued Salaries, Fringe and Benefits	8,773,575
Accrued Interest Payable	1,125,050
Due to Other Governments	32,344
Unearned Revenue	656,506
Non-Current Liabilities:	
Long Term Obligations - Due Within One Year	5,455,000
Long Term Obligations - Due in More than One Year	79,583,187
Net Pension Liability - Due in More than One Year	122,074,103
Net Other Postemployment Benefit Liability - Due in More than One Year	96,538,451
TOTAL LIABILITIES	317,785,995
DEFERRED INFLOWS OF RESOURCES	
Deferred Pension Credits	531,995
Deferred Other Postemployment Benefit Credits	39,520,540
TOTAL DEFERRED INFLOWS OF RESOURCES	40,052,535
NET POSITION	
Net Investment in Capital Assets	97,391,688
Restricted For:	
Debt Service	2,197,735
Capital Projects - Impact Fees	4,228,893
Adult Education Program	172,900
Student Activities	878,278
Special Education Programs	1,971
Food Service	2,210,389
Unrestricted	(125,842,002)
TOTAL NET POSITION	\$ (18,760,148)

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

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE / CHANGE IN NET POSITION
			Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities
PRIMARY GOVERNMENT	Expenses	Charges for Services			
Governmental Activities:					
Instruction	\$ 75,911,677	-	20,552,628	-	\$ (55,359,049)
Support Services	63,247,748	3,803,938	32,850,113	-	(26,593,697)
Interest and Other Charges	2,553,671	-	-	-	(2,553,671)
Total Governmental Activities	<u>141,713,096</u>	<u>3,803,938</u>	<u>53,402,741</u>	<u>-</u>	<u>(84,506,417)</u>
TOTAL PRIMARY GOVERNMENT	\$ 141,713,096	3,803,938	53,402,741	-	(84,506,417)
General Revenues:					
Property Taxes Levied for General Purposes					58,458,566
Property Taxes Levied for Debt Service					8,507,232
State Revenue in Lieu of Taxes					13,950,524
Other Taxes					622,344
Investment Earnings					3,277,729
Miscellaneous					1,707,215
Total General Revenues					<u>86,523,610</u>
CHANGE IN NET POSITION					2,017,193
NET POSITION, Beginning of Year					<u>(20,777,341)</u>
NET POSITION - End of Year					\$ (18,760,148)

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

**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2023

	GENERAL	SPECIAL REVENUE
ASSETS		
Cash and Cash Equivalents	\$ 36,048,127	-
Cash and Cash Equivalents, Restricted	-	12,712
Investments, Restricted	-	18,422
Cash and Investments Held by County Treasurer	25,645,912	-
Receivables, Net:		
Taxes	2,558,535	-
Accounts	-	19,481
Due From:		
State Agencies	-	26,137
Federal Agencies	-	4,457,590
Other Funds	-	1,552,589
Other Governments	-	27,027
TOTAL ASSETS	\$ 64,252,574	6,113,958
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES:		
Accounts Payable	\$ 2,823,080	21,951
Accrued Salaries, Fringe and Benefits	8,773,575	-
Due To:		
State Department of Education	-	32,344
Other Funds	18,850,551	4,406,752
Unearned Revenue	-	97,034
TOTAL LIABILITIES	30,447,206	4,558,081
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue - Property Taxes	2,675,926	-
TOTAL DEFERRED INFLOWS OF RESOURCES	2,675,926	-
FUND BALANCES:		
Fund Balances		
Restricted For:		
Debt Service	-	-
Capital Projects - Impact Fees	-	-
Adult Education Program	-	172,900
Student Activities	-	878,278
Special Education Programs	-	1,971
Food Service	-	-
Assigned For:		
Capital Projects	-	-
Special Education (Medicaid)	-	502,728
Unassigned	31,129,442	-
TOTAL FUND BALANCES	31,129,442	1,555,877
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 64,252,574	6,113,958

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

SPECIAL REVENUE - EIA	SPECIAL REVENUE - FOOD SERVICE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
-	251,409	-	-	\$ 36,299,536
-	-	-	-	12,712
-	-	-	-	18,422
-	-	2,879,083	28,420,663	56,945,658
-	-	282,856	-	2,841,391
-	-	-	-	19,481
-	-	-	-	26,137
-	-	-	-	4,457,590
463,473	2,054,979	160,846	19,186,262	23,418,149
-	-	-	-	27,027
463,473	2,306,388	3,322,785	47,606,925	\$ 124,066,103
-	-	-	702,748	\$ 3,547,779
-	-	-	-	8,773,575
-	-	-	-	32,344
-	-	-	160,846	23,418,149
463,473	95,999	-	-	656,506
463,473	95,999	-	863,594	36,428,353
-	-	274,215	-	2,950,141
-	-	274,215	-	2,950,141
-	-	3,048,570	-	3,048,570
-	-	-	4,228,893	4,228,893
-	-	-	-	172,900
-	-	-	-	878,278
-	-	-	-	1,971
-	2,210,389	-	-	2,210,389
-	-	-	42,514,438	42,514,438
-	-	-	-	502,728
-	-	-	-	31,129,442
-	2,210,389	3,048,570	46,743,331	84,687,609
463,473	2,306,388	3,322,785	47,606,925	\$ 124,066,103

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

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

JUNE 30, 2023

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$	84,687,609
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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 therefore are unavailable in the funds.	2,950,141
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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 \$273,148,897, and the accumulated depreciation is \$88,171,754.	184,977,143
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Accrued interest on bonds in governmental accounting is not due and payable in the current period and therefore is not reported as a liability in the funds.	(1,125,050)
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The School District's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State retirement plan are not recorded in the governmental funds but are recorded in the Statement of Net Position.	(103,366,434)
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The School 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.	(101,845,370)
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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 consisted of the following:

Long-Term Debt	(79,250,000)	
Net Premiums	(5,788,187)	(85,038,187)
	<hr/>	<hr/>

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	\$	<u>(18,760,148)</u>
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The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

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CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2023

	GENERAL	SPECIAL REVENUE
REVENUES		
Local Sources:		
Taxes	\$ 58,890,036	-
Investment Earnings	2,089,270	1
Other Local Sources	266,187	2,127,237
State Sources	47,646,729	1,075,038
Federal Sources	-	8,473,372
TOTAL REVENUES	108,892,222	11,675,648
EXPENDITURES		
Current:		
Instruction	63,422,850	4,714,736
Support Services	42,827,421	7,524,414
Intergovernmental	110,000	32,556
Capital Outlay	206,438	35,322
Debt Service:		
Principal Retirement	-	-
Interest and Fiscal Charges	-	-
TOTAL EXPENDITURES	106,566,709	12,307,028
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,325,513	(631,380)
OTHER FINANCING SOURCES (USES)		
Transfers In	5,139,320	595,600
Transfers Out	(4,095,600)	-
TOTAL OTHER FINANCING SOURCES (USES)	1,043,720	595,600
NET CHANGES IN FUND BALANCES	3,369,233	(35,780)
FUND BALANCES, Beginning of Year	27,760,209	1,591,657
FUND BALANCE, End of Year	\$ 31,129,442	1,555,877

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

SPECIAL REVENUE - EIA	SPECIAL REVENUE - FOOD SERVICE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
-	-	8,576,110	-	\$ 67,466,146
-	-	94,645	1,093,813	3,277,729
-	1,387,022	30	1,433,942	5,214,418
8,591,229	-	149,633	-	57,462,629
-	2,336,343	-	-	10,809,715
8,591,229	3,723,365	8,820,418	2,527,755	144,230,637
1,225,205	-	-	-	69,362,791
2,038,517	3,407,660	-	3,620,839	59,418,851
-	-	-	-	142,556
188,187	97,251	-	4,663,542	5,190,740
-	-	5,185,000	-	5,185,000
-	-	3,636,173	-	3,636,173
3,451,909	3,504,911	8,821,173	8,284,381	142,936,111
5,139,320	218,454	(755)	(5,756,626)	1,294,526
-	-	-	3,500,000	9,234,920
(5,139,320)	-	-	-	(9,234,920)
(5,139,320)	-	-	3,500,000	-
-	218,454	(755)	(2,256,626)	1,294,526
-	1,991,935	3,049,325	48,999,957	83,393,083
-	2,210,389	3,048,570	46,743,331	\$ 84,687,609

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, 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, 2023

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$	1,294,526
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Amounts reported for governmental activities in the Statement of Activities are different because:

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This amount represents the change in unavailable revenues for the year.	(500,348)
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Repayment of bond principal is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the Statement of Net Position.	5,185,000
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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 only when it is due and payable and thus requires the use of current financial resources. However, in the Statement of Activities interest expense is recognized as the interest accrues, regardless of when it is due and payable. This is the change in accrued interest for the year.	86,417
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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 (if any) and the amortization for the current period.	996,085
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Changes in the School District's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources for the current year related to the State retirement plans are not reported in the government funds but are reported in the Statement of Activities.	(994,026)
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Changes in the School District's proportionate share of the net OPEB liability, deferred outflows of resources, and deferred inflows of resources for the current year related to the State OPEB plan are not reported in the government funds but are reported in the Statement of Activities.	(3,147,081)
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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 expense. This is the amount by which depreciation expense of \$5,857,149 exceeded capital asset additions of \$4,953,769 in the current period.	(903,380)
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	2,017,193
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The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

Clover School District No. 2, South Carolina (the “School District”) is controlled by a Board of Trustees (the “Board”), which has oversight responsibility over the public school educational activities in the School District. The School District receives funding from local, state and federal government sources and must comply with the related requirements of these funding source entities. The School District is governed by a seven-member Board.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The School District is controlled by a Board of Trustees (the “Board”), which has oversight responsibility over the public school education activities in the School District. The School District is not included in any other governmental “reporting entity” as defined by GAAP.

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

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

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

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the School District (the primary government) and any component units. For the most part, the effect of interfund activity has been removed from these statements. For the most part, the effect of interfund activity (except for interfund services provided and used between functions) has been removed from these statements.

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental activities, which normally are supported by taxes and intergovernmental revenues, would be reported separately from *business-type activities*, which rely, to a significant extent, on fees and charges for support. The School District does not report any business-type activities. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment 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 School 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 financial statements are prepared using a different measurement focus from the manner in which governmental fund financial statements are prepared (see further detail below). Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide financial 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. 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, arbitrage, 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.

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

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

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

- i) **The Special Revenue Fund, a major fund** and an unbudgeted fund, is used to account for financial resources provided by federal, state and local projects and grants (including pupil/student activity funds) that are restricted, committed or assigned for special education 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.

The **Debt Service 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 School District.

The **Capital Projects 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 School District.

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

1. Cash, Cash Equivalents, and Investments

Cash and Cash Equivalents

The School 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) are reported as investments.

**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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

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

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

The School District's cash investment objectives are preservation of capital, liquidity and yield. The School District reports its cash and investments at fair value which is normally determined by quoted market prices (except as noted).

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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 School District currently or in the past year has used the following investments:

- South Carolina Local Government Investment Pool ("Pool") investments are invested with the South Carolina State Treasurer's Office, which established the Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and GASB Statement No. 72, *Fair Value Measurement and Application*, investments are carried at fair value determined annually based upon (a) quoted market prices for identical and 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.
- Cash and investments held by the County Treasurer which are property taxes collected and other funds received by the School District's fiscal agent that have not been remitted to the School District. The County Treasurer primarily places these funds in separate accounts with the Pool. All interest and other earnings earned (on the separate account at the Pool) are available and paid out by the County Treasurer to the respective governments on a periodic basis.

2. Interfund Receivables and Payables

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

3. Inventories and Prepaid Items

Inventories

If material, inventories in the Special Revenue – Food Service Fund consist of purchased goods, supplies and United States Department of Agriculture ("USDA") commodities, which are stated at values assigned by the USDA. 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 (consumption method).

Prepaid Items

If material, 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.

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

4. Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of \$5,000 for all equipment and \$100,000 for land improvements, buildings and improvements, and intangible assets. However, all land will be capitalized regardless of cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. The School District does not maintain ownership of any public domain ("infrastructure") general capital assets. All reported capital assets except land and construction in progress are depreciated. Construction projects begin being depreciated once they are completed and placed in service, at which time the complete costs of the project are transferred to the appropriate capital asset category.

Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Capital Asset Category</u>	<u>Useful Life Range</u>
Buildings and Improvements	10–50 years
Machinery and Equipment	3–15 years

5. Compensated Absences

The School District reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. School District employees are granted vacation and sick leave in varying amounts. Upon retirement 12-month employees are reimbursed for accumulated vacation days not to exceed 10 days. Unused sick leave is not reimbursed. Because the compensated absences liability for vacation pay is immaterial, no amounts have been recorded in the government-wide financial statements.

6. Accrued Liabilities and Long-Term Obligations

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

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position. If material, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses.

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as expenditures.

7. *Deferred Outflows/Inflows of Resources*

In addition to assets, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School District currently has two types of deferred outflows of resources: (1) The School District reports *deferred pension charges* in its Statement of Net Position in connection with its participation in the South Carolina Retirement System. (2) The School 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 School District currently has three types of deferred inflows of resources: (1) The School 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 School District also reports *deferred pension credits* in its Statement of Net Position in connection with its participation in the South Carolina Retirement System. (3) The School District reports *deferred OPEB credits* in its Statement of Net Position in connection with its participation in the South Carolina Retiree Health Insurance Trust Fund. The *deferred pension and OPEB credits* are amortized in a systematic and rational method and recognized as a reduction of pension/OPEB expense in future periods in accordance with GAAP.

8. *Fund Balance*

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

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

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

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

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. *Fund Balance (Continued)*

Assigned – includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and that such assignments are made before the report issuance date. Assigned fund balance for the School District consists of (a) motions approved by the Board of Trustees before the report issuance date that are for a specific purpose and (b) appropriations of current fund balance (made in the annual budget process) for the succeeding budget year.

Unassigned – includes amounts that do not qualify to be accounted for and reported in any of the other fund balance categories. This classification represents the amount of fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts of restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance. The School District has a policy that the unassigned fund balance for the General Fund should be at least 25% of the following year's budgeted expenditures.

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

9. *Net Position*

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

10. *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 School District recognizes net pension and net OPEB liabilities (assets) for each plan for which it participates, which represents the excess of the total pension and OPEB liabilities over the fiduciary net position of the qualified plan, or the School District's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the School District's fiscal year-end. Changes in the net pension and OPEB liabilities during the period are recorded as pension and OPEB expenses, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension and OPEB liabilities that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified plan and recorded as a component of pension and OPEB expense beginning with the period in which they are incurred. Any projected earnings on qualified pension and OPEB plan investments are recognized as a component of pension and OPEB expense.

**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

10. Pensions and Other Postemployment Benefits (Continued)

Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension and OPEB expense on a closed basis over a multi-year period beginning with the period in which the difference occurred. In prior and current years, net pension and OPEB liabilities have been liquidated by the General Fund and the Special Revenue Funds.

11. Fair Value

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

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

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

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

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

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

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

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

12. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures are recorded to reflect the use of the applicable spending appropriations, is used by the General Fund during the year to control expenditures. Encumbrances do not constitute expenditures or liabilities. For budget purposes, encumbrances and unused expenditure appropriations lapse at year end. Encumbrances outstanding at year end do not constitute expenditures or liabilities because the commitments will be reappropriated and honored in the subsequent fiscal year.

**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

13. Accounting Estimates

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

14. Comparative Data

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Budgetary Practices – The General Fund budget is presented as required supplementary information. The budget is presented on the modified accrual basis of accounting which is consistent with accounting principles generally accepted in the United States of America.

The budget is prepared by function and object as dictated by the State of South Carolina adopted Program Oriented Budgeting and Accounting System and for management control purposes. The School District's policies allow funds to be transferred between functions. 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. During the year, the Board did not amend the budget.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

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

The administration has discretionary authority to make transfers between appropriation accounts (function and object). The final budget amounts in the budgetary comparison schedule are as revised (if any) by the administration.

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A. Deposits and Investments

Deposits

Custodial Credit Risk for Deposits: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the School District’s deposits might not be recovered. The School District does not have a deposit policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2023, none of the School District’s total bank balances of approximately \$2,156,000 (with a carrying value of approximately \$299,000) was exposed to custodial credit risk.

Investments

As of June 30, 2023, the School District had the following investments and maturities:

Investment Type	Fair Value Level (1)	Credit Rating	Fair Value	Weighted Average Maturity
State Local Government Investment Pool	N/A	Unrated	\$ 36,031,236	< 1 Year
Cash and Investments Held by County Treasurer	N/A	Unrated *	56,945,658	< 1 Year
Total			<u>\$ 92,976,894</u>	

* The County Treasurer primarily invests the monies it holds in trust for governmental entities in separate accounts with the State Local Government Investment Pool. For weighted average maturity (“WAM”) purposes, the School District included the WAM of the Pool.

(1) See Note I.C.11 for details of the School District’s fair value hierarchy.

N/A – Not Applicable

Interest Rate Risk: The School District does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates. However, the School District primarily uses the South Carolina Local Government Investment Pool or the County Treasurer (York County) for its investments. The balances invested in these pools are subject to withdrawals on a daily basis.

Custodial Credit Risk for Investments: Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2023, none of the School District’s investments were exposed to custodial credit risk.

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

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

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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

A. Deposits and Investments (Continued)

Reconciliation to the Financial Statements

A reconciliation of cash, cash equivalents, and investments as shown in the Statement of Net Position for all activities is as follows:

Description	Amount
Carrying Amount of Deposits	\$ 299,434
Fair Value of Investments	92,976,894
Total Deposits and Investments	<u>\$ 93,276,328</u>
Statement of Net Position:	
Cash and Cash Equivalents	\$ 36,299,536
Restricted Cash and Cash Equivalents	12,712
Restricted Investments	18,422
Cash and Investments Held by County Treasurer	56,945,658
Total Cash, Cash Equivalents, and Investments	<u>\$ 93,276,328</u>

B. Property Taxes and Other Receivables

Real property taxes are levied on October 1 for the assessed valuations of property located in York County as of the preceding January 1 and are due and payable at that time. All unpaid taxes levied October 1 become delinquent January 15 of the following year, and property taxes attach as an enforceable lien if not paid by March 16 of the following year. Penalties are added to taxes depending on the date paid as follows:

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

Motor vehicle taxes are levied on the first day of the month in which the motor vehicle license expires and is due by the end of the month. Property taxes are billed and collected by York County. Property tax revenue is recognized when collected by the County Treasurer's Office. Real property taxes collected within 60 days after fiscal year end are also recognized as revenue for the year.

For the year ended June 30, 2023, the operating millage rate was set at 200.0 mills (same as the prior year) to cover the general operations of the School District; in addition, there is also a County Wide millage of 30 mills for general operations. The debt service millage rate was set at 20.0 mills (19.4 mills in the prior year) to cover the scheduled debt service requirements of the School District. The School District's assessed value of real and personal property was approximately \$434.0 million for tax year 2022.

The records of the York County Treasurer's Office reported uncollected delinquent property taxes at June 30, 2023 of approximately \$2,559,000 for the General Fund (net of allowance for uncollectible portion of approximately \$380,000) and approximately \$283,000 for the Debt Service Fund – District (net of allowance for uncollectible portion of approximately \$37,000). Of these amounts, approximately \$2,676,000 and \$274,000 for the General Fund and the Debt Service Fund – District, respectively, were also reflected unavailable revenue – property taxes (a component of deferred inflows of resources) in the governmental fund Balance Sheet as of June 30, 2023 as they were not collected within sixty days of year end and are not considered available. Allowances for uncollectibles were not necessary for the other receivable accounts.

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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

C. Unavailable and Unearned Revenues

Governmental funds report unavailable revenues (as a component of deferred inflows of resources) in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Also, both the government-wide financial statements and governmental funds do not recognize revenue in connection with resources that have been received, but not yet earned (unearned revenue). At June 30, 2023, the various components of unavailable and unearned revenues were as follows:

Unavailable Revenues:	
Delinquent Property Taxes Receivable (General Fund)	\$ 2,675,926
Delinquent Property Taxes Receivable (Debt Service Fund)	274,215
Total Unavailable Revenues for Governmental Funds	<u>\$ 2,950,141</u>
Unearned Revenues:	
Revenue Collected, but Unearned (Special Revenue Fund)	\$ 97,034
Revenue Collected, but Unearned (Special Revenue - EIA Fund)	463,473
Revenue Collected, but Unearned (Special Revenue - Food Service Fund)	95,999
Total Unearned Revenues for Governmental Funds/Government-wide Financial Statements	<u>\$ 656,506</u>

D. Interfund Receivables and Payables

Interfund receivables and payables at June 30, 2023 (these are generally expected to be repaid within one year), are summarized in accordance to generally accepted accounting principles as disclosure requirements, as follows:

Fund	Receivables	Payables
General Fund	\$ -	\$ (18,850,551)
Special Revenue Funds:		
Special Revenue	1,552,589	(4,406,752)
EIA	463,473	-
Food Service	2,054,979	-
Debt Service Fund	160,846	-
Capital Projects Fund	19,186,262	(160,846)
Total	<u>\$ 23,418,149</u>	<u>\$ (23,418,149)</u>

Most cash activities are recorded in the General Fund, and as a result, receivables and payables exist at year end that are either due to or due from the General Fund or other funds. Various differences include Special Revenue Fund payments not received from the State Department of Education until after the fiscal year ends, fringe amounts paid by the General Fund for the Food Service Fund, and capital project transfers from the General Fund to the Capital Projects Fund.

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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

E. Transfers In and (Out)

Transfers between funds for the year ended June 30, 2023, consisted of the following:

<u>Fund</u>	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund	\$ 4,095,600	\$ 5,139,320
Special Revenue Fund	-	595,600
Special Revenue - EIA	5,139,320	-
Capital Projects Fund	-	3,500,000
	<u>\$ 9,234,920</u>	<u>\$ 9,234,920</u>

During the course of normal operations, the School District has transactions between funds to fund construction activities, service debt, required matches, supplemental funding, state cuts, and accounting practice. These transactions are generally reflected as transfers. The School District made transfers from the General Fund (consistent with the practice in the prior year) to the Capital Projects Fund in the amount of \$3,500,000 for future capital projects and approximately \$596,000 to the Special Revenue Fund for student/pupil activities. The Special Revenue - EIA Fund transferred approximately \$5,139,000 to the General Fund for State Aid to Classroom monies.

F. Capital Assets

Capital asset activity for the School District for the year ended June 30, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental Activities:					
Capital Assets, Non-Depreciable:					
Land	\$ 14,390,902	918,243	-	-	\$ 15,309,145
Construction in Progress	3,166,451	3,335,818	-	(366,629)	6,135,640
Total Capital Assets, Non-Depreciable	<u>17,557,353</u>	<u>4,254,061</u>	<u>-</u>	<u>(366,629)</u>	<u>21,444,785</u>
Capital Assets, Depreciable:					
Buildings and Improvements	243,035,823	-	-	366,629	243,402,452
Machinery and Equipment	7,601,952	699,708	-	-	8,301,660
Total Capital Assets, Depreciable	<u>250,637,775</u>	<u>699,708</u>	<u>-</u>	<u>366,629</u>	<u>251,704,112</u>
Less: Accumulated Depreciation for:					
Buildings and Improvements	75,992,559	5,582,546	-	-	81,575,105
Machinery and Equipment	6,322,046	274,603	-	-	6,596,649
Total Accumulated Depreciation	<u>82,314,605</u>	<u>5,857,149</u>	<u>-</u>	<u>-</u>	<u>88,171,754</u>
Total Capital Assets, Depreciable, Net	<u>168,323,170</u>	<u>(5,157,441)</u>	<u>-</u>	<u>366,629</u>	<u>163,532,358</u>
Governmental Activities Capital Assets, Net	<u>\$ 185,880,523</u>	<u>(903,380)</u>	<u>-</u>	<u>-</u>	<u>\$ 184,977,143</u>

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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

F. Capital Assets (Continued)

Capital asset additions and depreciation expense were charged to functions/programs of the School District as follows:

	Capital Asset Additions	Depreciation Expense
Governmental Activities:		
Instruction	\$ -	\$ 3,245,970
Support Services	4,953,769	2,611,179
Total - Governmental Activities	<u>\$ 4,953,769</u>	<u>\$ 5,857,149</u>

G. Long-Term Obligations

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

Details on the School District's outstanding debt issues, all of which are publicly traded, as of June 30, 2023 are as follows:

2014 GOB: Original issue of \$67,000,000 (publicly traded debt), principal due in annual installments of \$710,000 to \$8,950,000 on March 1 beginning in 2015 through 2034; interest at 4.0% to 5.00% paid semiannually. A premium on the issuance of these bonds was received of approximately \$5,762,000 and is being amortized over the life of the bonds. Proceeds were used for construction and renovation costs in the School District.

2015-A GORB: \$41,400,000 General Obligation Advanced Refunding Bond Series 2015-A (publicly traded debt) to advance refund \$45,660,000 of the outstanding balance of the Series 2007-A GOB. Bonds are due in annual installments ranging from \$50,000 to \$5,290,000 beginning March 2016 through March 2027 with interest at 4.00% to 5.00%. In connection with the 2015 Bond Issue, a premium of approximately \$8,407,000 was recorded and is being amortized over the life of the bonds. The proceeds of the refunded Series 2007-A GOB were used for construction and renovation costs in the School District.

Following is a summary of changes in the School District long-term obligations for the year ended June 30, 2023:

Long-Term Obligation	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Debt:					
2014 GOB *	\$ 61,030,000	-	1,040,000	59,990,000	\$ 1,095,000
2015-A GORB *	23,405,000	-	4,145,000	19,260,000	4,360,000
Total Debt	<u>84,435,000</u>	<u>-</u>	<u>5,185,000</u>	<u>79,250,000</u>	<u>5,455,000</u>
Premiums	6,784,272	-	996,085	5,788,187	-
Total Governmental Activities	<u>\$ 91,219,272</u>	<u>-</u>	<u>6,181,085</u>	<u>85,038,187</u>	<u>\$ 5,455,000</u>

* This debt is not subject to the 8% debt limitation as it was approved by voter referendum.

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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

G. Long Term Obligations (Continued)

Resources primarily from the Debt Service Fund have been used to liquidate the long-term obligations of the School District.

The School District has authority to issue general obligation bonds each calendar year, subject to a constitutional debt limit equal to 8% of the assessed value of all taxable property in the School District. The debt limitation does not apply to certain debt approved through a School District-wide referendum. The School District's constitutional debt limit at June 30, 2023 was approximately \$34,721,000.

The annual debt service requirements to maturity for the School District's debt are as follows:

Year Ended June 30,	Debt		Total
	Principal	Interest	
2024	\$ 5,455,000	3,375,150	\$ 8,830,150
2025	5,735,000	3,102,400	8,837,400
2026	6,015,000	2,815,650	8,830,650
2027	6,315,000	2,534,700	8,849,700
2028	7,040,000	2,229,200	9,269,200
2029-2033	39,740,000	6,685,800	46,425,800
2034	8,950,000	358,000	9,308,000
Total	<u>\$ 79,250,000</u>	<u>21,100,900</u>	<u>\$ 100,350,900</u>

IV. OTHER INFORMATION

A. Retirement Plans

The School District participates in the State of South Carolina's retirement plans. The South Carolina Public Employee Benefit Authority ("PEBA"), created July 1, 2012, is the state agency responsible for the administration and management of the retirement systems and benefit 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.

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

The PEBA issues an Annual Comprehensive Financial Report (“ACFR”) containing financial statements and required supplementary information for the System’ Pension Trust Funds. The ACFR 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 ACFR 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 and participating charter schools, public higher education institutions, other participating local subdivisions of government and first-term individuals elected to the South Carolina General Assembly.

The State Optional Retirement Program (“State ORP”) is a defined contribution plan that is offered as an alternative to the SCRS to newly hired state, public higher education institution and public school district employees, as well as first-term individuals elected to the South Carolina General Assembly. State ORP participants direct the investment of their funds into an account administered by one of four third party service providers. The PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party service providers. For this reason, State ORP assets are not part of the retirement systems’ trust funds for financial statement purposes.

Plan Membership

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

- SCRS – Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and first-term individuals elected to the South Carolina General Assembly. 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 higher education institution and public school district employees, as well as first-term individuals elected to the South Carolina General Assembly have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as the SCRS. A direct remittance is required from the employers to the member’s account with the ORP service provider for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to the SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by the SCRS.

Plan Benefits

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

**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Benefits (Continued)

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

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

Plan Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability ("UAAL") over a period that does not exceed the number of years scheduled in state statute. The Retirement Funding and Administration Act of 2017 increased, but also established a ceiling for SCRS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS. The legislation also increased employer contribution rates beginning July 1, 2017 for SCRS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. The General Assembly postponed the one percent increase in the SCRS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. In accordance with the legislative funding schedule, employer contribution rates will continue to increase by 1 percentage point each year until reaching 18.56 percent for SCRS but may be increased further, if the scheduled contributions are not sufficient to meet the funding periods set for the applicable year. The PEBA Board shall increase the employer contribution rates as necessary to meet the amortization period set in statute.

Pension reform legislation modified the statute such that the employer contribution rates for SCRS to be further increased, not to exceed one-half of one percent in any one year if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rate for SCRS may not be decreased until the plan is at least 85 percent funded.

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

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Contributions (Continued)

	SCRS and State ORP Rates
	2023
Employer Contribution Rate: ^	
Retirement*	17.41%
Incidental Death Benefit	0.15%
Accidental Death Contributions	0.00%
	17.56%
Employee Contribution Rate ^	9.00%

^ 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 and ORP were approximately \$10,309,000 and \$1,093,000, respectively, for the year ended June 30, 2023 and include the nonemployer contributions noted below.

Nonemployer Contributions

In an effort to help offset a portion of the burden of the increased contribution requirement for employers, the State General Assembly ("State") funded 1 percent of the SCRS contribution increases for the year ended June 30, 2023. The State's budget appropriated these funds directly to the PEBA for the South Carolina Retirement System Trust Fund. The amount of funds appropriated by the State (nonemployer contributing entity) for the year ended June 30, 2023 were approximately \$473,000 for the SCRS, respectively. These contributions (on-behalf benefits) from the State were recognized as intergovernmental revenues and pension expenditures in the School District's governmental fund financial statements.

Actuarial Assumptions and Methods

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

The June 30, 2022 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, 2021. The TPL was rolled-forward from the valuation date to the Plans' fiscal year end, June 30, 2022, using generally accepted actuarial principles. There was no legislation enacted during the 2022 legislative session that had a material change in the benefit provisions for any of the systems.

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Actuarial Assumptions and Methods (Continued)

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2022 (measurement date) for the SCRS.

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

* Includes inflation at 2.25%.

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

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

Long-Term Expected Rate of Return

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2022 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.

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Long-Term Expected Rate of Return (Continued)

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.79%	3.12%
Bonds	26.0%	-0.35%	-0.09%
Private Equity	9.0%	8.75%	0.79%
Private Debt	7.0%	6.00%	0.42%
Real Assets	12.0%		
Real Estate	9.0%	4.12%	0.37%
Infrastructure	3.0%	5.88%	0.18%
Total Expected Real Rate of Return	100.0%		4.79%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.04%

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. The NPL total, as of the June 30, 2022 measurement date, for the SCRS, is 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	\$ 56,454,779,872	32,212,626,932	\$ 24,242,152,940	57.1%

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

At June 30, 2023, the School District reported liabilities of approximately \$122,074,000 for its proportionate share of the NPL for the SCRS. The NPL was measured as of June 30, 2022, and the TPL for the SCRS used to calculate the NPL was determined based on the most recent actuarial valuation report of July 1, 2021 that was projected forward to the measurement date. The School District's proportion of the NPL was based on a projection of the School District's long-term share of contributions to the SCRS relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2022 measurement date, the School District's SCRS proportion was 0.503561 percent, which was an increase of 0.007306 from its proportion measured as of June 30, 2021.

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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, 2023, the School District recognized pension expense of approximately \$12,395,000 for the SCRS, respectively. At June 30, 2023, the School District reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences Between Expected and Actual Experience	\$ 1,060,596	\$ 531,995
Change in Assumptions	3,915,203	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	188,263	-
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	3,146,438	-
Employer Contributions Subsequent to the Measurement Date	10,929,164	-
Total SCRS	<u>\$ 19,239,664</u>	<u>\$ 531,995</u>

Approximately \$10,929,000 that was reported as deferred outflows of resources related to the School District contributions subsequent to the measurement date to the SCRS, will be recognized as a reduction of the NPL in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS will increase (decrease) pension expense as follows:

Year Ended June 30,	SCRS
2024	\$ 4,494,537
2025	2,641,815
2026	(2,541,462)
2027	3,183,615
Total	<u>\$ 7,778,505</u>

Discount Rate

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

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Sensitivity Analysis

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

System	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District’s proportionate share of the net pension liability of the SCRS	\$ 156,514,062	122,074,103	\$ 93,441,750

Plan Fiduciary Net Position

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

Payable to Plan

The School District reported a payable of approximately \$1,422,000 to the PEBA as of June 30, 2023, representing required employer and employee contributions for the month of June 2023 for the SCRS. This amount is included in accrued salaries, fringe and benefits on the financial statements and was paid in July 2023.

B. Other Postemployment Benefits 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. 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.

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits Plans (Continued)

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”), 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 Income Benefit Plan.

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

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

Plan Benefits

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

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

Plan Contributions and Funding Policies

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

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits Plans (Continued)

Plan Contributions and Funding Policies (Continued)

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, 2022 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, 2023 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 \$4,213,000 for the year ended June 30, 2023.

The State (via state appropriations) and the PEBA – Insurance Benefits (via state statute to transfer amounts above 140% of incurred but not reported claims) contributed to the SCRHITF on behalf of the School District approximately \$15,000 for the year ended June 30, 2022 (measurement period). The contributions from these nonemployer contributing entities were approximately \$15,000 for the year ended June 30, 2023 and were not recorded since they were not significant to the School District's governmental fund financial statements.

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

Actuarial Assumptions and Methods

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

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

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits Plans (Continued)

Actuarial Assumptions and Methods (Continued)

The total OPEB liability ("TOL"), NOL, and sensitivity information were determined by the consulting actuary and are based on the June 30, 2021 actuarial valuation. The TOL was rolled-forward from the valuation date to the OPEB plan's fiscal year ended June 30, 2022 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, 2021
Actuarial Cost Method:	Entry Age Normal
Actuarial Assumptions:	
Inflation:	2.25%
Investment Rate of Return:	2.75%, net of plan investment expense (including inflation)
Single Discount Rate:	3.69% as of June 30, 2022
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 multipliers based on plan experience; the rates are projected on a fully generational basis using 80% of the ultimate rates of Scale MP-2019 to account for future mortality improvements.
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 1.92% as of June 30, 2021 to 3.69% as of June 30, 2022.

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%	0.95%	0.76%
Cash equivalents	20.0%	0.05%	0.07%
Total	100.0%		0.83%
Expected Inflation			2.25%
Total Return			3.08%
Investment Return Assumption			2.75%

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits Plans (Continued)

Single Discount Rate

The Single Discount Rate of 3.69% 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, 2022 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	\$ 16,835,502,593	1,623,661,403	\$ 15,211,841,190	9.64%

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 Trusts' funding requirements.

At June 30, 2023, the School District reported a liability of approximately \$96,538,000 for its proportionate share of the NOL for the SCRHITF. The NOL was measured as of June 30, 2022, and the TOL for the SCRHITF used to calculate the NOL was determined based on the most recent actuarial valuation report of June 30, 2021 that was projected forward to the measurement date. The School District's proportion of the NOL was based on a projection of the School District's long-term share of contributions to the SCRHITF relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2022 measurement date, the School District's proportion was 0.634627 percent, which was an increase of 0.008626 from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the School District recognized OPEB expense of approximately \$7,019,000 for the SCRHITF. At June 30, 2023, the School District reported deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to OPEBs from the following sources:

CLOVER SCHOOL DISTRICT NO. 2
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits Plans (Continued)

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 2,072,081	\$ 8,488,445
Change in Assumptions	21,766,932	31,031,871
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	759,074	-
Changes in Proportion and Differences Between the Employer's		
Contributions and Proportionate Share of Contributions	5,378,535	224
Employer Contributions Subsequent to the Measurement Date	4,236,999	-
Total	<u>\$ 34,213,621</u>	<u>\$ 39,520,540</u>

Approximately \$4,237,000 that was reported as deferred outflows of resources related to the School 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, 2024. 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
2024	\$ (984,762)
2025	30,565
2026	282,895
2027	(443,335)
2028	(3,201,411)
Thereafter	(5,227,870)
Total	<u>\$ (9,543,918)</u>

Sensitivity Analysis

The following table presents the sensitivity of the School District's NOL for the SCRHITF to changes in the discount rate, calculated using the discount rate of 3.69%, as well as what it would be if it were calculated using a discount rate that is 1% point lower (2.69%) or 1% point higher (4.69%) than the current rate:

	1% Decrease (2.69%)	Current Discount Rate (3.69%)	1% Increase (4.69%)
Net OPEB Liability	\$ 114,134,557	96,538,451	\$ 82,397,586

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

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefits Plans (Continued)

Sensitivity Analysis (Continued)

	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	\$ 79,393,440	96,538,451	\$ 116,556,186

OPEB Trusts' Fiduciary Net Position

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

Payable to SCRHITF

The School District reported a payable of approximately \$359,000 to the PEBA as of June 30, 2023, representing required employer contributions for the month of June 2023 for the SCRHITF. This amount is included in accrued salaries, fringe and benefits on the financial statements and was paid in July 2023.

C. Risk Management

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

D. Grants

The School District participates in a number of federally assisted grant programs. These programs are subject to financial and compliance audits of major program requirements under Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Any disallowed claims, including amounts already collected, could become a liability of the School District. However, the School District expects such amounts, if any, to be immaterial.

E. Fund Balance Assignment

An additional assignment of fund balance of \$3,500,000 for school capital projects was made as of June 30, 2023. The School District reflected the Board's policy by transferring the assigned funds from the General Fund to the Capital Projects Fund. Therefore, as of June 30, 2023 the Board has remaining approximately \$42,514,000 (including earned interest) in total funds assigned for construction projects.

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

F. Concentration of Property Tax Revenue Risk

The School District receives approximately 57% of its local property tax revenue, not considering owner-occupied values, from one source, the Catawba Nuclear Station.

G. Commitments, Contingencies, and Other Matters

YMCA and Aquatics Center Agreement

In May 2015, the School District entered into an agreement with the Upper Palmetto YMCA ("YMCA") for the management and operations of the Aquatics Center. This agreement became effective for the year ended June 30, 2017 when the Aquatics Center became operational. There are no fees charged or paid by the School District to the YMCA under the terms of this agreement, which has an initial term of 25 years, with 10-year renewal options. The School District is responsible for major repairs, defined as those exceeding \$10,000. The School District is also responsible for the insurance of the facility, including related fixtures and equipment. The School District was also responsible for the payment of utilities for the first two years of operations, up to \$12,000 per month. The YMCA will be responsible for the operating costs and normal maintenance of the facility. If the facility's operations have annual operating surpluses, as defined in the agreement, then the surpluses shall be placed in a reserve account for reimbursement to the School District to fund major repairs and future capital improvements to the facility.

Construction Commitments

The School District had outstanding commitments at June 30, 2023 of approximately \$15,702,000 related to various projects throughout the School District (i.e. Bethany Elementary School additions, Clover High School fitness and wellness center, Clover High School tennis courts, HVAC renovations, etc).

H. Tax Abatements

School District's Tax Abatements

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

York County's Abatements

The School District's property tax revenues were reduced by approximately \$736,000 under agreements entered into by York County, South Carolina.

I. Subsequent Events

In July 2023, the School District purchased land (Crawford Property) for approximately \$311,000.

In August 2023, the Board of Trustees approved an increase of 14.5 mills to 214.5 mills for the property tax rates applicable for general operations and an increase of 26 mills to 46 mills for the property tax rates applicable for debt service operations for calendar year 2023 (fiscal year 2024 for the School District).

In October 2023, the School District issued General Obligation Bond Anticipation Notes, Series 2023 for \$50,000,000 and also received a premium of approximately \$700,000. This is expected to be paid off in October 2024 with interest of 5.00%. This debt is not subject to the School District's 8% debt limit as it was approved by voter referendum. The proceeds will be used for the construction of a new high school.

**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

IV. OTHER INFORMATION (CONTINUED)

I. Subsequent Events (Continued)

In October 2023, the School District issued General Obligation Bond, Series 2023B for \$10,474,000. This is expected to be paid off in March 2024 with interest of 5.00%. The proceeds will be used for funding capital improvements.

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Required Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

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

YEAR ENDED JUNE 30, 2023

	BUDGETED AMOUNTS		ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES				
Local Sources:				
Taxes	\$ 58,948,110	58,948,110	58,890,036	\$ (58,074)
Investment Earnings	100,000	100,000	2,089,270	1,989,270
Other Local Sources	150,000	150,000	266,187	116,187
State Sources	47,185,350	47,185,350	47,646,729	461,379
TOTAL REVENUES	106,383,460	106,383,460	108,892,222	2,508,762
EXPENDITURES				
Current:				
Instruction	64,863,398	64,863,398	63,422,850	1,440,548
Support Services	45,918,773	45,918,773	42,827,421	3,091,352
Intergovernmental	110,000	110,000	110,000	-
Capital Outlay	-	-	206,438	(206,438)
TOTAL EXPENDITURES	110,892,171	110,892,171	106,566,709	4,325,462
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,508,711)	(4,508,711)	2,325,513	6,834,224
OTHER FINANCING SOURCES (USES)				
Transfers In	5,104,311	5,104,311	5,139,320	35,009
Transfers Out	(595,600)	(595,600)	(4,095,600)	(3,500,000)
TOTAL OTHER FINANCING SOURCES (USES)	4,508,711	4,508,711	1,043,720	(3,464,991)
NET CHANGES IN FUND BALANCES	-	-	3,369,233	3,369,233
FUND BALANCES, Beginning of Year	27,760,209	27,760,209	27,760,209	-
FUND BALANCES, End of Year	\$ 27,760,209	27,760,209	31,129,442	\$ 3,369,233

Note to the Required Supplementary Information:

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

**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

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

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's Proportion of the Net Pension Liability	0.503561%	0.496255%	0.485749%	0.473095%	0.466274%	0.464052%	0.457765%	0.468332%	0.466272%	0.466272%
School District's Proportionate Share of the Net Pension Liability	\$122,074,103	107,395,971	124,117,461	108,027,222	104,477,075	104,465,568	97,777,928	88,821,422	80,276,580	\$ 83,632,564
School District's Covered Payroll	\$ 62,377,386	58,379,594	56,223,459	51,815,669	50,266,533	48,937,973	46,342,257	46,005,270	44,303,425	\$ 42,033,818
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	195.70%	183.96%	220.76%	208.48%	207.85%	213.47%	210.99%	193.07%	181.20%	198.96%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	57.06%	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 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.

**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

**SCHEDULE OF CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM**

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 11,401,875	9,930,707	8,729,391	8,431,341	7,268,846	6,552,517	5,412,976	4,902,729	4,786,791	\$ 4,486,417
Contributions in Relation to the Contractually Required Contribution:										
Contributions from the School District	10,929,164	9,457,996	8,256,680	7,958,630	6,796,135	6,079,806	5,412,976	4,902,729	4,786,791	4,486,417
Contributions from the State	472,711	472,711	472,711	472,711	472,711	472,711	-	-	-	-
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 67,408,255	62,377,386	58,379,594	56,223,459	51,815,669	50,266,533	48,937,973	46,342,257	46,005,270	\$ 44,303,425
Contributions as a Percentage of Covered Payroll	16.91%	15.92%	14.95%	15.00%	14.03%	13.04%	11.06%	10.58%	10.40%	10.13%

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES

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

LAST SEVEN FISCAL YEARS

	Year Ended June 30,						
	2023	2022	2021	2020	2019	2018	2017
School District's Proportion of the Net OPEB Liability	0.634627%	0.626001%	0.609942%	0.592461%	0.582887%	0.580326%	0.580326%
School District's Proportionate Share of the Net OPEB Liability	\$ 96,538,451	130,353,321	110,103,354	89,589,136	82,598,497	78,604,206	\$ 83,965,227
School District's Covered Payroll	\$ 62,377,386	58,379,594	56,223,459	51,815,669	50,266,533	48,937,973	\$ 46,342,258
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	154.8%	223.3%	195.8%	172.9%	164.3%	160.6%	181.2%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9.6%	7.5%	8.4%	8.4%	7.9%	7.6%	6.6%

Notes to Schedule:

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

3.69%	1.92%	2.45%	3.13%	3.62%	3.56%	2.92%
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CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES

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

LAST SEVEN FISCAL YEARS

	Year Ended June 30,						
	2023	2022	2021	2020	2019	2018	
Contractually Required Contribution	\$ 4,213,016	3,898,587	3,648,725	3,513,966	3,134,848	2,764,659	\$ 2,608,394
Contributions in Relation to the Contractually Required Contribution	4,213,016	3,898,587	3,648,725	3,513,966	3,134,848	2,764,659	2,608,394
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 67,408,255	62,377,386	58,379,594	56,223,459	51,815,669	50,266,533	\$ 48,937,973
Contributions as a Percentage of Covered Payroll	6.25%	6.25%	6.25%	6.25%	6.05%	5.50%	5.33%

Notes to Schedule:

The School District adopted GASB #75 during the year ended June 30, 2018. Information before 2017 is not available.
The above amounts exclude any adjustments for implicit subsidies made by the School District.

Supplementary Information

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Combining and Individual Fund Financial Schedules

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Clover School District No. 2
Clover, South Carolina

Annual Comprehensive Financial Report

General Fund

The *General Fund, a major fund* and a budgeted fund, is the general operating fund of the School District and accounts for all revenues and expenditures of the School District except those required to be accounted for in another fund. 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.

GENERAL FUND

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

YEAR ENDED JUNE 30, 2023

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
1000 Revenue from Local Sources:			
1100 Taxes Levied/Assessed by the LEA:			
1110 Ad Valorem Taxes-Including Delinquent (Independent)	\$ 53,087,517	53,086,700	\$ (817)
1140 Penalties & Interest on Taxes (Independent)	700,000	313,262	(386,738)
1200 Revenue from Local Governmental Units Other than LEAs:			
1210 Ad Valorem Taxes-Including Delinquent Taxes (Dependent)	5,060,593	5,414,054	353,461
1240 Penalties & Interest on Taxes (Dependent)	100,000	76,020	(23,980)
1300 Tuition:			
1350 Tuition from Patrons for Summer School	-	20,500	20,500
1500 Earnings on Investments:			
1510 Interest on Investments	100,000	2,089,270	1,989,270
1900 Other Revenue from Local Sources:			
1910 Rentals	25,000	12,791	(12,209)
1990 Miscellaneous Local Revenue:			
1999 Revenue from Other Local Sources	125,000	232,896	107,896
Total Revenue from Local Sources	59,198,110	61,245,493	2,047,383
3000 Revenue from State Sources:			
3100 Restricted State Funding:			
3103 State Aid to Classrooms	29,619,491	29,695,960	76,469
3130 Special Programs:			
3131 Handicapped Transportation	-	675	675
3160 School Bus Driver Salary			
(Includes Hazardous Condition Transportation)	600,000	563,089	(36,911)
3162 Transportation Workers' Compensation	-	28,658	28,658
3181 Retiree Insurance (No Carryover Provision)	2,808,158	2,825,120	16,962
3190 Miscellaneous Restricted State Grants:			
3199 Other Restricted State Grants	-	2,401	2,401
3300 State Aid to Classrooms - Education Finance Act (EFA):			
3330 Miscellaneous EFA Programs:			
3392 NBC Excess EFA Formula	-	107,591	107,591
3800 State Revenue in Lieu of Taxes:			
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	13,109,990	13,112,926	2,936
3820 Homestead Exemption (Tier 2)	575,000	573,275	(1,725)
3830 Merchant's Inventory Tax	-	20,297	20,297
3840 Manufacturers Depreciation Reimbursement	-	20,297	20,297
3890 Other State Property Tax Revenues	-	223,729	223,729
3900 Other State Revenue:			
3993 PEBA on-Behalf	472,711	472,711	-
Total Revenue from State Sources	47,185,350	47,646,729	461,379
TOTAL REVENUES	\$ 106,383,460	108,892,222	\$ 2,508,762

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2023

	REVISED BUDGET	ACTUAL	VARIANCE
EXPENDITURES			
100 Instruction:			
110 General Instruction:			
111 Kindergarten Programs:			
100 Salaries	\$ 2,711,605	2,663,137	\$ 48,468
200 Employee Benefits	1,315,966	1,312,506	3,460
300 Purchased Services	32,100	42,465	(10,365)
400 Supplies and Materials	30,245	26,103	4,142
112 Primary Programs:			
100 Salaries	8,532,431	8,425,930	106,501
200 Employee Benefits	4,037,313	3,845,149	192,164
300 Purchased Services	537,375	644,369	(106,994)
400 Supplies and Materials	211,567	210,699	868
113 Elementary Programs:			
100 Salaries	12,670,938	12,666,978	3,960
200 Employee Benefits	5,788,187	5,710,508	77,679
300 Purchased Services	457,080	518,051	(60,971)
400 Supplies and Materials	635,767	365,298	270,469
114 High School Programs:			
100 Salaries	8,615,816	8,355,647	260,169
140 Terminal Leave	-	5,409	(5,409)
200 Employee Benefits	3,832,834	3,609,670	223,164
300 Purchased Services	630,550	853,319	(222,769)
400 Supplies and Materials	246,897	219,828	27,069
115 Career and Technology Education Program:			
100 Salaries	1,762,552	1,758,253	4,299
200 Employee Benefits	768,979	750,398	18,581
300 Purchased Services (Other Than Tuition)	41,160	48,508	(7,348)
400 Supplies and Materials	47,275	47,359	(84)
120 Exceptional Programs:			
121 Educable Mentally-Handicapped:			
100 Salaries	1,717,142	1,620,032	97,110
200 Employee Benefits	857,843	788,996	68,847
300 Purchased Services	43,100	55,276	(12,176)
122 Trainable Mentally Handicapped:			
100 Salaries	904,494	781,715	122,779
200 Employee Benefits	472,479	378,936	93,543
300 Purchased Services	21,900	29,219	(7,319)
124 Visually Handicapped:			
300 Purchased Services	85,000	101,265	(16,265)
125 Hearing Handicapped:			
100 Salaries	98,826	52,401	46,425
200 Employee Benefits	48,361	24,950	23,411
300 Purchased Services	900	1,710	(810)
126 Speech Handicapped:			
100 Salaries	903,597	930,545	(26,948)
200 Employee Benefits	419,397	417,948	1,449
300 Purchased Services	1,700	18,261	(16,561)
127 Learning Disabilities:			
100 Salaries	1,938,720	1,909,789	28,931
200 Employee Benefits	893,781	859,915	33,866
300 Purchased Services	\$ 18,700	26,826	\$ (8,126)

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2023

	REVISED BUDGET	ACTUAL	VARIANCE
128 Emotionally Handicapped:			
100 Salaries	\$ 41,630	29,281	\$ 12,349
200 Employee Benefits	27,452	16,294	11,158
300 Purchased Services	900	1,677	(777)
130 Pre-School Programs:			
137 Pre-School Handicapped-Self-Contained (3 & 4-Yr. Olds):			
100 Salaries	486,671	500,697	(14,026)
200 Employee Benefits	222,352	217,150	5,202
300 Purchased Services	12,900	17,716	(4,816)
139 Early Childhood Programs:			
100 Salaries	1,496,772	1,324,769	172,003
200 Employee Benefits	737,794	653,780	84,014
300 Purchased Services	41,500	53,851	(12,351)
400 Supplies and Materials	14,438	11,666	2,772
140 Special Programs:			
141 Gifted and Talented - Academic:			
100 Salaries	-	2,115	(2,115)
200 Employee Benefits	-	665	(665)
300 Purchased Services	35,000	37,222	(2,222)
400 Supplies and Materials	19,188	16,406	2,782
145 Homebound:			
100 Salaries	-	18,548	(18,548)
200 Employee Benefits	-	5,835	(5,835)
300 Purchased Services	50,000	683	49,317
149 Other Special Programs:			
100 Salaries	168,684	181,345	(12,661)
200 Employee Benefits	64,288	65,062	(774)
160 Other Exceptional Programs:			
161 Autism:			
100 Salaries	28,710	28,710	-
200 Employee Benefits	14,642	14,398	244
300 Purchased Services	10,900	14,636	(3,736)
170 Summer School Programs:			
172 Elementary Summer School:			
100 Salaries	-	40,379	(40,379)
200 Employee Benefits	-	12,743	(12,743)
173 High School Summer School:			
100 Salaries	-	54,180	(54,180)
200 Employee Benefits	-	17,235	(17,235)
180 Adult/Continuing Educational Programs:			
181 Adult Basic Education Programs:			
400 Supplies and Materials	45,000	-	45,000
188 Parenting/Family Literacy:			
300 Purchased Services	4,500	2,870	1,630
400 Supplies and Materials	7,500	5,569	1,931
Total Instruction	\$ 64,863,398	63,422,850	\$ 1,440,548

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2023

	REVISED BUDGET	ACTUAL	VARIANCE
200 Support Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	\$ 441,683	442,358	\$ (675)
200 Employee Benefits	189,469	186,777	2,692
300 Purchased Services	10,500	7,375	3,125
400 Supplies and Materials	2,000	1,022	978
212 Guidance Services:			
100 Salaries	1,686,725	1,526,909	159,816
200 Employee Benefits	749,164	671,221	77,943
300 Purchased Services	14,300	17,019	(2,719)
400 Supplies and Materials	4,647	4,262	385
213 Health Services:			
100 Salaries	1,200,293	956,911	243,382
200 Employee Benefits	503,732	440,575	63,157
300 Purchased Services	19,800	28,348	(8,548)
400 Supplies and Materials	35,000	25,077	9,923
214 Psychological Services:			
100 Salaries	619,208	473,847	145,361
200 Employee Benefits	324,576	206,657	117,919
300 Purchased Services	105,000	104,250	750
400 Supplies and Materials	65,500	-	65,500
220 Instructional Staff Services:			
221 Improvement of Instruction-Curriculum Development:			
100 Salaries	1,266,734	1,197,054	69,680
140 Terminal Leave	-	3,902	(3,902)
200 Employee Benefits	519,180	480,302	38,878
300 Purchased Services	100,500	104,184	(3,684)
400 Supplies and Materials	244,168	256,625	(12,457)
600 Other Objects	5,832	3,484	2,348
222 Library and Media Services:			
100 Salaries	893,232	873,004	20,228
200 Employee Benefits	404,036	390,683	13,353
300 Purchased Services	4,400	7,949	(3,549)
400 Supplies and Materials	71,675	68,963	2,712
223 Supervision of Special Programs:			
100 Salaries	579,178	575,920	3,258
200 Employee Benefits	232,944	229,708	3,236
300 Purchased Services	3,335	3,335	-
400 Supplies and Materials	227,875	28,930	198,945
224 Improvement of Instruction Inservice and Staff Training:			
300 Purchased Services	84,323	84,788	(465)
600 Other Objects	112,000	4,750	107,250
230 General Administrative Services:			
231 Board of Education:			
300 Purchased Services	229,500	79,185	150,315
318 Audit Services	55,000	47,000	8,000
400 Supplies and Materials	4,500	4,655	(155)
600 Other Objects	\$ 21,000	57,900	\$ (36,900)

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2023

	REVISED BUDGET	ACTUAL	VARIANCE
232 Office of the Superintendent:			
100 Salaries	\$ 263,107	327,499	\$ (64,392)
200 Employee Benefits	107,383	147,251	(39,868)
300 Purchased Services	53,262	41,343	11,919
400 Supplies and Materials	38,500	34,516	3,984
600 Other Objects	65,218	47,402	17,816
233 School Administration:			
100 Salaries	4,651,243	4,553,860	97,383
140 Terminal Leave	-	3,069	(3,069)
200 Employee Benefits	2,105,001	2,003,172	101,829
300 Purchased Services	83,153	104,220	(21,067)
400 Supplies and Materials	177,952	160,059	17,893
600 Other Objects	15,257	11,779	3,478
250 Finance and Operations Services:			
252 Fiscal Services:			
100 Salaries	460,509	462,484	(1,975)
200 Employee Benefits	184,586	187,527	(2,941)
300 Purchased Services	19,000	10,797	8,203
400 Supplies and Materials	40,000	16,536	23,464
600 Other Objects	1,000	3,735	(2,735)
254 Operation and Maintenance of Plant:			
100 Salaries	4,379,817	3,896,636	483,181
140 Terminal Leave	-	6,292	(6,292)
200 Employee Benefits	2,090,115	1,858,722	231,393
300 Purchased Services (Excludes Energy Costs)	2,981,555	3,336,066	(354,511)
400 Supplies and Materials (Includes Energy Costs)	4,322,437	3,720,899	601,538
500 Capital Outlay	-	206,438	(206,438)
600 Other Objects	296,442	-	296,442
255 Student Transportation (State Mandated):			
100 Salaries	2,094,256	2,450,700	(356,444)
140 Terminal Leave	-	1,441	(1,441)
200 Employee Benefits	1,017,638	1,039,791	(22,153)
300 Purchased Services	11,055	61,781	(50,726)
400 Supplies and Materials	245,552	31,081	214,471
600 Other Objects	-	545	(545)
256 Food Service:			
200 Employee Benefits	-	517,060	(517,060)
258 Security:			
300 Purchased Services	750,000	402,988	347,012
400 Supplies and Materials	-	327,310	(327,310)
260 Central Support Services:			
263 Information Services:			
100 Salaries	184,537	184,537	-
200 Employee Benefits	72,410	71,665	745
300 Purchased Services	19,000	12,035	6,965
400 Supplies and Materials	6,000	2,932	3,068
264 Staff Services:			
100 Salaries	425,940	475,180	(49,240)
200 Employee Benefits	175,386	195,984	(20,598)
300 Purchased Services	59,519	61,843	(2,324)
400 Supplies and Materials	36,465	30,195	6,270
600 Other Objects	\$ 4,015	3,716	\$ 299

(Continued)

GENERAL FUND

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

YEAR ENDED JUNE 30, 2023

	REVISED BUDGET	ACTUAL	VARIANCE
266 Technology and Data Processing Services:			
100 Salaries	\$ 1,337,992	1,323,318	\$ 14,674
140 Terminal Leave	-	4,655	(4,655)
200 Employee Benefits	552,365	550,222	2,143
300 Purchased Services	1,105,021	892,417	212,604
400 Supplies and Materials	3,294,779	2,688,435	606,344
600 Other Objects	200	200	-
270 Support Services - Pupil Activity:			
271 Pupil Services Activities:			
100 Salaries (Optional)	612,884	765,008	(152,124)
200 Employee Benefits (Optional)	192,813	195,179	(2,366)
300 Purchased Services (Optional)	55,000	8,410	46,590
400 Supplies and Materials (Optional)	299,400	-	299,400
Total Support Services	45,918,773	43,033,859	2,884,914
400 Other Charges:			
410 Intergovernmental Expenditures:			
412 Payments to Other Governmental Units			
720 Transits	110,000	110,000	-
Total Intergovernmental Expenditures	110,000	110,000	-
TOTAL EXPENDITURES	110,892,171	106,566,709	4,325,462
OTHER FINANCING SOURCES (USES)			
Interfund Transfers, From (To) Other Funds:			
5230 Transfer from Special Revenue EIA Fund	5,104,311	5,139,320	35,009
424-710 Transfer to Capital Projects Fund	-	(3,500,000)	(3,500,000)
426-710 Transfer to Pupil Activity Fund	(595,600)	(595,600)	-
TOTAL OTHER FINANCING SOURCES (USES)	4,508,711	1,043,720	(3,464,991)
EXCESS/DEFICIENCY OF REVENUES OVER EXPENSES	-	3,369,233	3,369,233
FUND BALANCE, Beginning of Year	27,760,209	27,760,209	-
FUND BALANCE, End of Year	\$ 27,760,209	31,129,442	\$ 3,369,233

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Clover School District No. 2
Clover, South Carolina

Annual Comprehensive Financial Report

Special Revenue Funds

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

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

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2023

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)
REVENUES		
1000 Revenue from Local Sources:		
1500 Earnings on Investments:		
1510 Interest on Investments	\$ -	-
1700 Pupil Activities:		
1720 Bookstore Sales	-	-
1740 Student Fees	-	-
1790 Other Pupil Activity Income	-	-
1900 Other Revenue from Local Sources:		
1920 Contributions and Donations Private Sources	-	-
1930 Special Needs Transportation - Medicaid	-	-
1990 Miscellaneous Local Revenue:		
1992 Canteen Operations	-	-
1999 Revenue from Other Local Sources	-	-
Total Revenue from Local Sources	<u>-</u>	<u>-</u>
3000 Revenue from State Sources:		
3100 Restricted State Funding:		
3110 Occupational Education:		
3118 EEDA Career Specialist	-	-
3120 General Education:		
3127 Student Health and Fitness -PE Teachers	-	-
3130 Special Programs:		
3135 Reading Coaches	-	-
3136 Student Health and Fitness - Nurses	-	-
3156 Adult Education	-	-
3187 Teacher Supplies (No Carryover Provision)	-	-
3190 Miscellaneous Restricted State Grants:		
3199 Other Restricted State Grants	-	-
3900 Other State Revenue:		
3999 Revenue from Other State Sources	-	-
Total Revenue from State Sources	<u>\$ -</u>	<u>-</u>

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Adult Education (EA Projects) (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s/900s)	Pupil Activity (700s)	Totals
-	-	-	-	-	1	\$ 1
-	-	-	-	-	6,221	6,221
-	-	-	-	-	89,062	89,062
-	-	-	-	-	1,631,644	1,631,644
-	-	-	-	-	5,689	5,689
-	-	-	-	245,796	-	245,796
-	-	-	-	-	847	847
-	-	-	-	147,978	-	147,978
-	-	-	-	393,774	1,733,464	2,127,238
-	-	-	377,230	-	-	377,230
-	-	-	106,703	-	-	106,703
-	-	-	429,235	-	-	429,235
-	-	-	80,574	-	-	80,574
-	-	-	5,234	-	-	5,234
-	-	-	4,200	-	-	4,200
-	-	-	-	31,228	-	31,228
-	-	-	-	40,634	-	40,634
-	-	-	1,003,176	71,862	-	\$ 1,075,038

(Continued)

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2023

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)
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)	748,148	-
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)	-	1,538,845
4520 Preschool Grants for Children with Disabilities (IDEA)	-	-
4900 Other Federal Sources:		
4931 ARP IDEA	-	-
4933 ARP IDEA Preschool	-	-
4937 ARP Homeless Children & Youth	-	-
4974 ESSER III	-	-
4977 ESSER II	-	-
4997 Title IV - SSAE	-	-
4999 Revenue from Other Federal Sources	-	-
Total Revenue from Federal Sources	<u>748,148</u>	<u>1,538,845</u>
TOTAL REVENUES	<u>748,148</u>	<u>1,538,845</u>

EXPENDITURES

100 Instruction:		
110 General Instruction:		
111 Kindergarten Program:		
300 Purchased Services	6,770	-
400 Supplies and Materials	408	-
112 Primary Programs:		
100 Salaries	236,107	-
200 Employee Benefits	109,807	-
300 Purchased Services	55,528	-
400 Supplies and Materials	\$ 114,370	-

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Adult Education (EA Projects) (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s/900s)	Pupil Activity (700s)	Totals
-	105,190	-	-	-	-	\$ 105,190
-	-	-	-	188,237	-	936,385
-	-	-	-	25,314	-	25,314
-	-	-	-	168,151	-	168,151
-	-	126,097	-	-	-	126,097
-	-	-	-	-	-	1,538,845
41,730	-	-	-	-	-	41,730
-	-	-	-	134,675	-	134,675
-	-	-	-	16,257	-	16,257
-	-	-	-	715	-	715
-	-	-	-	4,920,268	-	4,920,268
-	-	-	-	309,546	-	309,546
-	-	-	-	51,777	-	51,777
-	-	-	-	98,422	-	98,422
41,730	105,190	126,097	-	5,913,362	-	8,473,372
41,730	105,190	126,097	1,003,176	6,378,998	1,733,464	11,675,648
-	-	-	-	-	-	6,770
-	-	-	-	-	-	408
-	-	-	73,619	477,514	-	787,240
-	-	-	33,084	217,377	-	360,268
-	-	-	-	-	-	55,528
-	-	-	-	35,824	-	\$ 150,194

(Continued)

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2023

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)
113 Elementary Programs:		
100 Salaries	\$ -	-
200 Employee Benefits	-	-
300 Purchased Services	19,062	-
400 Supplies and Materials	350	-
114 High School Programs:		
100 Salaries	-	-
200 Employee Benefits	-	-
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	-	-
120 Exceptional Programs:		
121 Educable Mentally Handicapped:		
100 Salaries	-	197,130
200 Employee Benefits	-	109,507
300 Purchased Services	-	1,066
400 Supplies and Materials	-	56,158
122 Trainable Mentally Handicapped:		
100 Salaries	-	231,232
200 Employee Benefits	-	135,391
300 Purchased Services	-	215
400 Supplies and Materials	-	902
123 Orthopedically Handicapped:		
100 Salaries	-	120
200 Employee Benefits	-	38
300 Purchased Services	-	2,285
400 Supplies and Materials	-	5,106
124 Visually Handicapped:		
300 Purchased Services	-	1,930
600 Other Objects	-	95
125 Hearing Handicapped:		
100 Salaries	-	44,039
200 Employee Benefits	-	24,566
300 Purchased Services	-	55,523
400 Supplies and Materials	\$ -	646

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Adult Education (EA Projects) (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s/900s)	Pupil Activity (700s)	Totals
-	-	-	-	363,354	-	\$ 363,354
-	-	-	-	172,364	-	172,364
-	-	-	-	311,325	-	330,387
-	-	-	-	42,646	-	42,996
-	-	-	-	204,034	-	204,034
-	-	-	-	74,141	-	74,141
-	-	-	-	50,734	-	50,734
-	-	-	4,200	6,843	-	11,043
-	2,920	-	-	31,228	-	34,148
-	860	-	-	-	-	860
-	20,010	-	-	-	-	20,010
-	40,699	-	-	-	-	40,699
-	-	-	-	99,792	-	296,922
-	-	-	-	39,918	-	149,425
-	-	-	-	2,772	-	3,838
616	-	-	-	166,739	-	223,513
-	-	-	-	-	-	231,232
-	-	-	-	-	-	135,391
-	-	-	-	-	-	215
-	-	-	-	3,185	-	4,087
-	-	-	-	-	-	120
-	-	-	-	-	-	38
-	-	-	-	-	-	2,285
-	-	-	-	-	-	5,106
-	-	-	-	-	-	1,930
-	-	-	-	-	-	95
-	-	-	-	-	-	44,039
-	-	-	-	-	-	24,566
-	-	-	-	-	-	55,523
-	-	-	-	767	-	\$ 1,413

(Continued)

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2023

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)
126 Speech Handicapped:		
100 Salaries	\$ -	480
200 Employee Benefits	-	151
300 Purchased Services	-	9,391
400 Supplies and Materials	-	6,790
600 Other Objects	-	10,211
127 Learning Disabilities:		
100 Salaries	-	480
200 Employee Benefits	-	151
300 Purchased Services	-	329
400 Supplies and Materials	-	9,726
128 Emotionally Handicapped:		
100 Salaries	-	41
200 Employee Benefits	-	13
400 Supplies and Materials	-	17,625
130 Pre-School Programs:		
137 Pre-School Handicapped Self-Contained (3 & 4-Yr. Olds):		
100 Salaries	-	52,572
200 Employee Benefits	-	43,915
400 Supplies and Materials	-	309
139 Early Childhood Programs:		
100 Salaries	-	120
200 Employee Benefits	-	39
300 Purchased Services	-	-
400 Supplies and Materials	-	-
140 Special Programs:		
141 Gifted and Talented - Academic:		
100 Salaries	-	-
200 Employee Benefits	-	-
149 Other Special Programs:		
100 Salaries	-	3,663
200 Employee Benefits	-	1,152
300 Purchased Services	-	-
400 Supplies and Materials	-	516
160 Other Exceptional Programs:		
161 Autism:		
100 Salaries	-	69,670
200 Employee Benefits	\$ -	41,617

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Adult Education (EA Projects) (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s/900s)	Pupil Activity (700s)	Totals
-	-	-	-	-	-	\$ 480
-	-	-	-	-	-	151
-	-	-	-	-	-	9,391
-	-	-	-	1,639	-	8,429
-	-	-	-	-	-	10,211
-	-	-	-	-	-	480
-	-	-	-	-	-	151
-	-	-	-	-	-	329
-	-	-	-	3,253	-	12,979
-	-	-	-	-	-	41
-	-	-	-	-	-	13
-	-	-	-	-	-	17,625
21,802	-	-	-	-	-	74,374
19,312	-	-	-	-	-	63,227
-	-	-	-	16,257	-	16,566
-	-	-	-	24,662	-	24,782
-	-	-	-	7,759	-	7,798
-	-	-	-	6,334	-	6,334
-	-	-	-	1,881	-	1,881
-	-	-	-	1,000	-	1,000
-	-	-	-	315	-	315
-	-	-	-	-	-	3,663
-	-	-	-	-	-	1,152
-	-	-	-	7,407	-	7,407
-	-	-	-	4,542	-	5,058
-	-	-	-	-	-	69,670
-	-	-	-	-	-	\$ 41,617

(Continued)

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2023

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)
170 Summer School Programs:		
172 Elementary Summer School:		
100 Salaries	\$ -	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
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	-	-
183 Adult English Literacy (ESL):		
100 Salaries	-	-
200 Employee Benefits	-	-
188 Parenting/Family Literacy:		
300 Purchased Services	6,832	-
400 Supplies and Materials	28,290	-
190 Instructional Pupil Activity:		
300 Purchased Services (Optional)	-	-
400 Supplies and Materials (Optional)	-	-
660 Pupil Activity (Optional)	-	-
Total Instruction	<u>577,524</u>	<u>1,134,910</u>
200 Support Services:		
210 Pupil Services:		
211 Attendance and Social Work Services:		
400 Supplies and Materials	-	-
212 Guidance Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	-
400 Supplies and Materials	\$ -	-

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Adult Education (EA Projects) (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s/900s)	Pupil Activity (700s)	Totals
-	-	-	-	157,647	-	\$ 157,647
-	-	-	-	50,514	-	50,514
-	-	-	-	21,178	-	21,178
-	-	15,637	-	-	-	15,637
-	-	4,918	-	-	-	4,918
-	-	-	-	3,511	-	3,511
-	-	4,669	-	3,901	-	8,570
-	-	45,533	-	-	-	45,533
-	-	14,249	-	-	-	14,249
-	-	-	232	-	-	232
-	-	2,480	-	-	-	2,480
-	-	24,953	-	-	-	24,953
-	-	7,850	-	-	-	7,850
-	-	-	-	-	-	6,832
-	-	-	-	13,528	-	41,818
-	-	-	-	-	15,665	15,665
-	-	-	-	-	11,530	11,530
-	-	-	-	-	11,579	11,579
41,730	64,489	120,289	111,135	2,625,885	38,774	4,714,736

-	-	-	-	-	411	411
-	-	-	273,874	181,727	-	455,601
-	-	-	103,356	82,233	-	185,589
-	-	-	-	3,966	-	3,966
-	-	-	-	1,819	-	\$ 1,819

(Continued)

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2023

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)
213 Health Services:		
100 Salaries	\$ -	62,360
200 Employee Benefits	-	25,008
300 Purchased Services	-	-
400 Supplies and Materials	-	486
214 Psychological Services:		
100 Salaries	-	-
200 Employee Benefits	-	-
300 Purchased Services	-	46,370
400 Supplies and Materials	-	15,237
600 Other Objects	-	9,935
215 Exceptional Program Services:		
400 Supplies and Materials	-	-
216 Career and Technical Education Placement Services:		
300 Purchased Services	-	-
600 Other Objects	-	-
220 Instructional Staff Services:		
221 Improvement of Instruction - Curriculum Development:		
100 Salaries	104,116	-
200 Employee Benefits	46,150	-
300 Purchased Services	-	-
400 Supplies and Materials	-	-
223 Supervision of Special Programs:		
100 Salaries	-	121,342
200 Employee Benefits	-	68,848
300 Purchased Services	1,653	2,603
400 Supplies and Materials	-	1,120
600 Other Objects	-	1,950
224 Improvement of Instruction Inservice and Staff Training:		
100 Salaries	2,229	21,218
200 Employee Benefits	701	6,675
300 Purchased Services	15,775	-
400 Supplies and Materials	\$ -	3,028

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Adult Education (EA Projects) (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s/900s)	Pupil Activity (700s)	Totals
-	-	-	60,719	178,056	-	\$ 301,135
-	-	-	19,855	69,696	-	114,559
-	-	-	-	4,365	-	4,365
-	-	-	-	863	-	1,349
-	-	-	-	70,755	-	70,755
-	-	-	-	22,325	-	22,325
-	-	-	-	21,250	-	67,620
-	-	-	-	2,555	-	17,792
-	-	-	-	-	-	9,935
-	-	-	-	1,268	-	1,268
-	2,400	-	-	-	-	2,400
-	14,839	-	-	-	-	14,839
-	-	-	299,738	-	-	403,854
-	-	-	129,498	-	-	175,648
-	-	-	-	500	-	500
-	-	-	4,595	-	-	4,595
-	-	4,418	-	114,877	-	240,637
-	-	1,390	-	55,861	-	126,099
-	-	-	186	1,908	-	6,350
-	-	-	-	318	-	1,438
-	-	-	-	-	-	1,950
-	-	-	-	64,508	-	87,955
-	-	-	-	20,453	-	27,829
-	16,057	-	220	133,288	-	165,340
-	-	-	-	7,787	-	\$ 10,815

(Continued)

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2023

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)
233 School Administration:		
100 Salaries	\$ -	-
200 Employee Benefits	-	-
253 Facilities Acquisition and Construction:		
300 Purchased Services	-	-
254 Operation and Maintenance of Plant:		
300 Purchased Services	-	-
400 Supplies and Materials	-	-
255 Student Transportation (State Mandated):		
300 Purchased Services	-	8,775
260 Central Support Services:		
266 Technology and Data Processing Services:		
300 Purchased Services	-	-
270 Support Services - Pupil Activity:		
271 Pupil Services Activities:		
100 Salaries (Optional)	-	-
200 Employee Benefits (Optional)	-	-
300 Purchased Services (Optional)	-	8,980
400 Supplies and Materials (Optional)	-	-
500 Capital Outlay (Optional)	-	-
600 Other Objects (Optional)	-	-
Total Support Services	<u>170,624</u>	<u>403,935</u>
410 Intergovernmental Expenditures:		
414 Medicaid Payments to SCDE		
720 Transits	-	-
Total Intergovernmental Expenditures	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 748,148</u>	<u>1,538,845</u>

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Adult Education (EA Projects) (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s/900s)	Pupil Activity (700s)	Totals
-	6,480	-	-	-	-	\$ 6,480
-	925	-	-	-	-	925
-	-	-	-	2,625,487	-	2,625,487
-	-	-	-	2,574	-	2,574
-	-	-	-	2,437	-	2,437
-	-	-	-	-	-	8,775
-	-	-	-	16,286	-	16,286
-	-	-	-	-	38,145	38,145
-	-	-	-	-	7,927	7,927
-	-	-	-	327	77,176	86,483
-	-	-	-	70	429,651	429,721
-	-	-	-	-	35,322	35,322
-	-	-	-	-	1,770,436	1,770,436
-	40,701	5,808	892,041	3,687,559	2,359,068	7,559,736
-	-	-	-	32,556	-	32,556
-	-	-	-	32,556	-	32,556
41,730	105,190	126,097	1,003,176	6,346,000	2,397,842	\$ 12,307,028

(Continued)

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2023

	Title I (BA Projects) (201)	IDEA (CA Projects) (203)
OTHER FINANCING SOURCES (USES)		
Interfund Transfers, From (To) Other Funds:		
5210 Transfer from General Fund (Exclude Indirect Costs)	\$ -	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-	-
FUND BALANCES, Beginning of Year	-	-
FUND BALANCE, End of Year	\$ -	-

Preschool Handicapped (CG Projects) (205)	CATE (VA Projects) (207)	Adult Education (EA Projects) (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s/900s)	Pupil Activity (700s)	Totals
-	-	-	-	-	595,600	\$ 595,600
-	-	-	-	-	595,600	595,600
-	-	-	-	32,998	(68,778)	(35,780)
-	-	-	-	644,601	947,056	1,591,657
-	-	-	-	677,599	878,278	\$ 1,555,877

SPECIAL REVENUE FUND

SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES

YEAR ENDED JUNE 30, 2023

OTHER DESIGNATED RESTRICTED STATE GRANTS

917	Teacher Supplies
928	EEDA Career Specialists
933	School Resource Officer
935	Reading Coaches
936	Student Health and Fitness - Nurses
937	Student Health and Fitness - PE Teachers
955	DSS SNAP and E&T Program
956	Adult Education - State

OTHER SPECIAL REVENUE PROGRAMS

210	Title IV - SSAE
212	Ag Teacher
214	Medicaid
218	ESSER III
219	Developmental Disabilities Council
225	ESSER II
228	Technology Adv MFG/Biodiesel
230	ARP IDEA
233	ARP IDEA Preschool
237	Title I - Targeted Support and Improvements
241	Title V
244	DEPDP - Eisenhower Fund
263	ARP Homeless Children & Youth
264	ESOL - Title III
267	Improving Teacher Quality
277	ROTC
284	First Steps
807	Professional Development - Gifted
808	KSS Donations
985	Adult Education - Local

SPECIAL REVENUE FUND

SUMMARY SCHEDULE FOR OTHER DESIGNATED RESTRICTED STATE GRANTS

YEAR ENDED JUNE 30, 2023

SUBFUND	REVENUE CODE	PROGRAMS	REVENUES	EXPENDITURES	INTERFUND TRANSFERS IN (OUT)	OTHER FUND TRANSFERS SOURCES		UNEARNED
						(USES)		
917	3187	Teacher Supplies (No Carryover Provision)	\$ 4,200	4,200	-	-		\$ -
928	3118	EEDA Career Specialists	377,230	377,230	-	-		-
935	3135	Reading Coaches	429,235	429,235	-	-		1,390
936	3136	Student Health and Fitness - Nurses	80,574	80,574	-	-		-
937	3127	Student Health and Fitness - PE Teachers	106,703	106,703	-	-		8,223
955	3155	DSS SNAP and E&T Program	-	-	-	-		926
956	3156	Adult Education	5,234	5,234	-	-		2,589
Totals			\$ 1,003,176	1,003,176	-	-		\$ 13,128

EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2023

	ACTUAL
REVENUES	
3000 Revenue from State Sources:	
3500 Education Improvement Act:	
3502 ADEPT	\$ 7,099
3503 State Aid to Classrooms	5,139,320
3526 Refurbishment of Science Kits	219,869
3528 Industry Certifications/Credentials	49,824
3529 Career and Technology Education	274,314
3532 National Board Salary Supplement (No Carryover Provision)	634,295
3533 Teacher of the Year Awards (No Carryover Provision)	10,765
3536 Student Health and Fitness	225,493
3540 Early Childhood Program (4K Programs Serving Four-Year-Old Children)	173,457
3556 Adult Education	294,842
3557 Summer Reading Program	30,084
3577 Teacher Supplies (No Carryover Provision)	196,500
3597 Aid to Districts	1,125,410
3599 Other EIA	209,957
Total Revenue from State Sources	<u>8,591,229</u>
TOTAL REVENUES	<u>8,591,229</u>
EXPENDITURES	
100 Instruction:	
110 General Instruction:	
111 Kindergarten Programs:	
100 Salaries	25,100
200 Employee Benefits	7,896
112 Primary Programs:	
100 Salaries	115,200
200 Employee Benefits	36,373
400 Supplies and Materials	97,800
113 Elementary Programs:	
100 Salaries	122,500
200 Employee Benefits	36,179
400 Supplies and Materials	264,569
114 High School Programs:	
100 Salaries	72,500
200 Employee Benefits	25,168
400 Supplies and Materials	\$ 54,000

(Continued)

EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2023

	<u>ACTUAL</u>
115 Career and Technology Education Program:	
100 Salaries	\$ 10,000
200 Employee Benefits	765
400 Supplies and Materials	86,127
500 Capital Outlay	188,187
120 Exceptional Programs:	
121 Educable Mentally Handicapped:	
100 Salaries	27,500
200 Employee Benefits	8,652
127 Learning Disabilities:	
100 Salaries	7,500
200 Employee Benefits	2,360
130 Pre-School Programs:	
137 Preschool Handicapped Self Contained (3 & 4 Yr. Olds):	
100 Salaries	5,000
200 Employee Benefits	1,573
139 Early Childhood Programs:	
100 Salaries	147,238
200 Employee Benefits	26,219
170 Summer School Programs:	
172 Elementary Summer School:	
100 Salaries	15,240
200 Employee Benefits	4,898
400 Supplies and Materials	9,946
180 Adult/Continuing Educational Programs:	
181 Adult Basic Education Programs:	
100 Salaries	71
200 Employee Benefits	25
300 Purchased Services	254
400 Supplies and Materials	433
182 Adult Secondary Education Programs:	
100 Salaries	6,280
200 Employee Benefits	2,092
300 Purchased Services	3,864
183 Adult English Literacy (ESL):	
100 Salaries	1,054
200 Employee Benefits	334
300 Purchased Services	250
400 Supplies and Materials	245
Total Instruction	<u>\$ 1,413,392</u>

(Continued)

EDUCATION IMPROVEMENT ACT

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

YEAR ENDED JUNE 30, 2023

	ACTUAL
200 Support Services:	
210 Pupil Services:	
212 Guidance Services:	
100 Salaries	\$ 32,500
200 Employee Benefits	10,225
213 Health Services:	
100 Salaries	184,774
200 Employee Benefits	40,719
216 Career and Technical Education Placement Services:	
300 Purchased Services	49,824
220 Instructional Staff Services:	
221 Improvement of Instruction-Curriculum Development:	
100 Salaries	96,225
200 Employee Benefits	34,453
222 Library and Media Services:	
100 Salaries	15,000
200 Employee Benefits	4,719
223 Supervision of Special Programs:	
100 Salaries	152,224
200 Employee Benefits	57,541
300 Purchased Services	1,823
400 Supplies and Materials	2,949
224 Improvement of Instruction - Inservice and Staff Training:	
300 Purchased Services	455
260 Central Support Services:	
266 Technology and Data Processing Services:	
100 Salaries	15,000
200 Employee Benefits	4,719
400 Supplies and Materials	1,335,367
Total Support Services	2,038,517
TOTAL EXPENDITURES	3,451,909
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds:	
420-710 Transfer to General Fund (Exclude Indirect Costs)	(5,139,320)
TOTAL OTHER FINANCING SOURCES (USES)	(5,139,320)
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-
FUND BALANCE, Beginning of Year	-
FUND BALANCE, End of Year	\$ -

EDUCATION IMPROVEMENT ACT

SUMMARY SCHEDULE BY PROGRAM

YEAR ENDED JUNE 30, 2023

Program	Revenues	Expenditures	EIA Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	EIA Fund Unearned Revenue
3500 Education Improvement Act:					
3502 ADEPT	\$ 7,099	7,099	-	-	\$ -
3503 State Aid to Classrooms	5,139,320	-	-	(5,139,320)	-
3518 Adoption List of Formative Assessment	-	-	-	-	32,498
3519 Grade 10 Assessments	-	-	-	-	97,783
3526 Refurbishment of Science Kits	219,869	219,869	-	-	91,251
3528 Industry Certifications/Credentials	49,824	49,824	-	-	30,765
3529 Career and Technical Education	274,314	274,314	-	-	65,722
3532 National Board Salary Supplement (No Carryover Provisions)	634,295	634,295	-	-	-
3533 Teacher of the Year Awards (No Carryover Provisions)	10,765	10,765	-	-	-
3536 Student Health and Fitness	225,493	225,493	-	-	-
3540 Early Childhood Program (4K Programs Serving Four-Year-Old Children)	173,457	173,457	-	-	-
3556 Adult Education	294,842	294,842	-	-	34,487
3557 Summer Reading Program	30,084	30,084	-	-	25,406
3577 Teacher Supplies (No Carryover Provision)	196,500	196,500	-	-	-
3595 EEDA Supplies and Materials	-	-	-	-	85,561
3597 Aid to Districts	1,125,410	1,125,410	-	-	-
3599 Other EIA	209,957	209,957	-	-	-
Totals	\$ 8,591,229	3,451,909	-	(5,139,320)	\$ 463,473

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

YEAR ENDED JUNE 30, 2023

Program	Project/Grant Number	Revenue & Subfund Code	Description	Amount Due to State Department of Education or Federal Government	Status of Amount Due to Grantors
IDEA Preschool	IDEA Preschool	4520/205	SDE duplicate payment	\$ 6,307.81	To be paid in FY 2024
Title IV	Title IV	4997/210	SDE duplicate payment	23,976.32	To be paid in FY 2024
ARP IDEA Preschool	ARP IDEA Preschool	4933/233	SDE duplicate payment	1,459.81	To be paid in FY 2024
Teacher Supply	State Restricted	3187/917	SDE duplicate payment	600.00	To be paid in FY 2024
Total				<u>\$ 32,343.94</u>	

SPECIAL REVENUE - FOOD SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2023

	ACTUAL
REVENUES	
1000 Revenue from Local Sources:	
1600 Food Service:	
1610 Lunch Sales to Pupils	\$ 877,601
1620 Breakfast Sales to Pupils	91,345
1630 Special Sales to Pupils	340,873
1640 Lunch Sales to Adults	8,177
1650 Breakfast Sales to Adults	1,392
1660 Special Sales to Adults	10,893
1900 Other Revenue from Local Sources:	
1990 Miscellaneous Revenue	56,741
Total Revenue from Local Sources	<u>1,387,022</u>
4000 Revenue from Federal Sources:	
4800 USDA Reimbursement:	
4810 School Lunch and After School Snacks Program, and Special Milk Program	1,614,240
4820 Supply Chain Assistance Funding	250,275
4830 School Breakfast Program (Carryover Provision)	297,121
4890 Healthy Meals-USDA	3,619
4900 Other Federal Sources:	
4991 USDA Commodities (Food Distribution Program) (Carryover Provision)	171,088
Total Revenue from Federal Sources	<u>2,336,343</u>
TOTAL REVENUES	<u>3,723,365</u>
EXPENDITURES	
256 Food Service:	
100 Salaries	1,273,998
200 Employee Benefits	114,570
300 Purchased Services (Exclude Energy Costs)	1,788,330
400 Supplies and Materials (Include Energy Costs)	224,450
500 Capital Outlay	97,251
600 Other Objects	6,312
Total Food Services Expenditures	<u>3,504,911</u>
TOTAL EXPENDITURES	<u>3,504,911</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	218,454
FUND BALANCE, Beginning of Year	<u>1,991,935</u>
FUND BALANCE, End of Year	<u>\$ 2,210,389</u>

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Clover School District No. 2
Clover, South Carolina

Annual Comprehensive Financial Report

Debt Service Fund

The *Debt Service Fund, a major fund* and an unbudgeted fund, is used to account for 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 School District.

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DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2023

	ACTUAL
REVENUES	
1000 Revenue from Local Sources:	
1100 Taxes Levied/Assessed by the LEA:	
1110 Ad Valorem Taxes-Including Delinquent (Independent)	\$ 8,436,665
1140 Penalties & Interest on Taxes (Independent)	139,445
1500 Earnings on Investments:	
1510 Interest on Investments	94,645
1900 Other Revenue from Local Sources:	
1990 Miscellaneous Revenue	30
Total Revenue from Local Sources	<u>8,670,785</u>
3000 Revenue from State Sources:	
3800 State Revenue in Lieu of Taxes:	
3820 Homestead Exemption (Tier 2)	145,522
3830 Merchant's Inventory Tax	4,111
Total Revenue from State Sources	<u>149,633</u>
TOTAL REVENUES	<u>8,820,418</u>
EXPENDITURES	
500 Debt Service:	
610 Redemption of Principal	5,185,000
620 Interest	3,634,400
690 Other Objects (Includes Fees for Servicing Bonds)	1,773
Total Debt Service	<u>8,821,173</u>
TOTAL EXPENDITURES	<u>8,821,173</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	(755)
FUND BALANCE, Beginning of Year	<u>3,049,325</u>
FUND BALANCE, End of Year	<u>\$ 3,048,570</u>

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Clover School District No. 2
Clover, South Carolina

Annual Comprehensive Financial Report

Capital Projects Fund

The *Capital Projects 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 site acquisitions, construction, equipment, and renovation of all major capital facilities.

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CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2023

	<u>ACTUAL</u>
REVENUES	
1000 Revenue from Local Sources:	
1500 Earnings on Investments:	
1510 Interest on Investments	\$ 1,093,813
1900 Other Revenue from Local Sources:	
1990 Miscellaneous Local Revenue	1,418,442
1920 Contributions & Donations Private Sources	15,500
Total Revenue from Local Sources	<u>2,527,755</u>
TOTAL REVENUES	<u>2,527,755</u>
EXPENDITURES	
100 Instruction:	
114 High School Programs:	
500 Capital Outlay	255,352
250 Finance and Operations:	
253 Facilities Acquisition & Construction:	
300 Purchased Services	3,464,561
400 Supplies and Materials	156,278
500 Capital Outlay:	
510 Land	920,543
520 Construction Services	3,445,647
540 Equipment	42,000
Total Finance and Operations	<u>8,284,381</u>
TOTAL EXPENDITURES	<u>8,284,381</u>
OTHER FINANCING SOURCES (USES)	
5210 Transfer from General Fund (Exclude Indirect Costs)	3,500,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,500,000</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	(2,256,626)
FUND BALANCE, Beginning of Year	<u>48,999,957</u>
FUND BALANCE, End of Year	<u><u>\$ 46,743,331</u></u>

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Other Schedule

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CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

LOCATION RECONCILIATION SCHEDULE

YEAR ENDED JUNE 30, 2023

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
10	Clover High School	High School	School	\$ 31,252,613
11	Bethany Elementary	Elementary School	School	7,056,499
12	Bethel Elementary	Elementary School	School	7,603,914
13	Clover Middle	Middle School	School	10,168,235
14	Kinard Elementary	Elementary School	School	5,716,797
16	Oakridge Middle	Middle School	School	11,682,716
18	Larne Elementary	Elementary School	School	7,097,452
47	Griggs Road	Elementary School	School	7,003,741
51	Crowders Creek Elementary	Elementary School	School	11,488,548
52	Oakridge Elementary	Elementary School	School	7,997,885
All Others	Clover School District	Non-Schools	Central	35,867,711
TOTAL EXPENDITURES FOR ALL FUNDS				\$ 142,936,111

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

Fund	Amount
General Fund	\$ 106,566,709
Special Revenue Fund	12,307,028
Special Revenue - EIA Fund	3,451,909
Special Revenue - Food Service Fund	3,504,911
Debt Service Fund	8,821,173
Capital Projects Fund	8,284,381
TOTAL EXPENDITURES FOR ALL FUNDS	\$ 142,936,111

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**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

STATISTICAL SECTION

YEAR ENDED JUNE 30, 2023

This section of the Clover School District No. 2's (the "School District") annual comprehensive financial report presents detailed trend and other information as a context for understanding what the information in the financial statements, notes to the financial statements, required supplementary information and other supplementary information says about the School District's overall financial health.

	<u>Page Number</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	125
Revenue Capacity	
These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	131
Debt Capacity	
These schedules present information to help the reader assess the affordability of the School District's current level of outstanding debt and the School District's ability to issue additional debt in the future.	135
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.	139
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District's provides and the activities it performs.	141

Sources: Unless otherwise noted, the information in these schedules is derived from the prior year audit reports for the relevant year.

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**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

TABLE 1

NET POSITION BY COMPONENT

**LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)**

UNAUDITED

	Fiscal Year									
	2014	2015 ¹	2016	2017	2018 ²	2019	2020	2021	2022	2023
Governmental Activities										
Net Investment in Capital Assets	\$ 74,238,216	71,311,344	73,499,432	91,487,724	91,296,373	90,781,669	90,432,897	91,727,935	94,661,251	\$ 97,391,688
Restricted	14,675,060	14,976,974	14,093,259	12,691,979	12,376,418	12,286,001	11,390,201	9,469,152	8,000,928	9,690,166
Unrestricted	56,690,611	(21,268,340)	(22,489,962)	(38,915,011)	(118,816,789)	(116,583,464)	(117,780,701)	(121,843,336)	(123,439,520)	(125,842,002)
Total Governmental Activities Net Position	<u>\$145,603,887</u>	<u>65,019,978</u>	<u>65,102,729</u>	<u>65,264,692</u>	<u>(15,143,998)</u>	<u>(13,515,794)</u>	<u>(15,957,603)</u>	<u>(20,646,249)</u>	<u>(20,777,341)</u>	<u>\$ (18,760,148)</u>

Note 1: The School District implemented GASB #68/71 in 2015

Note 2: The School District implemented GASB #75 in 2018

**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

TABLE 2

CHANGES IN NET POSITION

**LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)**

UNAUDITED

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities:										
Instruction	\$ 45,869,619	48,992,201	48,978,990	53,003,830	56,328,453	58,288,605	63,852,352	71,212,764	74,111,250	\$ 75,911,677
Support Services	35,040,645	35,328,095	41,073,986	42,410,293	44,121,822	46,671,409	47,956,648	51,502,027	58,492,889	63,247,748
Intergovernmental	104,428	86,437	86,929	82,815	-	-	-	-	-	-
Interest and Other Charges	2,590,782	6,681,996	4,102,099	3,901,244	3,691,845	3,486,343	3,364,583	3,043,339	2,804,589	2,553,671
Total Governmental Activities Expenses	<u>83,605,474</u>	<u>91,088,729</u>	<u>94,242,004</u>	<u>99,398,182</u>	<u>104,142,120</u>	<u>108,446,357</u>	<u>115,173,583</u>	<u>125,758,130</u>	<u>135,408,728</u>	<u>141,713,096</u>
Total Primary Government Expenses	<u>\$ 83,605,474</u>	<u>91,088,729</u>	<u>94,242,004</u>	<u>99,398,182</u>	<u>104,142,120</u>	<u>108,446,357</u>	<u>115,173,583</u>	<u>125,758,130</u>	<u>135,408,728</u>	<u>\$141,713,096</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction	\$ -	-	-	-	-	-	-	6,682	-	\$ -
Support Services	2,546,110	2,475,068	2,822,626	2,767,862	3,148,848	3,015,758	2,633,259	2,901,833	5,599,507	3,803,938
Operating Grants and Contributions	23,328,491	24,018,620	25,403,471	28,505,365	31,294,145	33,811,847	36,690,511	42,220,724	47,042,954	53,402,741
Total Governmental Activities Program Revenues	<u>\$ 25,874,601</u>	<u>26,493,688</u>	<u>28,226,097</u>	<u>31,273,227</u>	<u>34,442,993</u>	<u>36,827,605</u>	<u>39,323,770</u>	<u>45,129,239</u>	<u>52,642,461</u>	<u>\$ 57,206,679</u>
Net (Expense)/Revenue										
Governmental Activities	<u>\$(57,730,873)</u>	<u>(64,595,041)</u>	<u>(66,015,907)</u>	<u>(68,124,955)</u>	<u>(69,699,127)</u>	<u>(71,618,752)</u>	<u>(75,849,813)</u>	<u>(80,628,891)</u>	<u>(82,766,267)</u>	<u>\$(84,506,417)</u>
Total Primary Government Net (Expense)/Revenue	<u>\$(57,730,873)</u>	<u>(64,595,041)</u>	<u>(66,015,907)</u>	<u>(68,124,955)</u>	<u>(69,699,127)</u>	<u>(71,618,752)</u>	<u>(75,849,813)</u>	<u>(80,628,891)</u>	<u>(82,766,267)</u>	<u>\$(84,506,417)</u>

(Continued)

**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

TABLE 2

CHANGES IN NET POSITION

**LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)**

UNAUDITED

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes by Source:										
Property Tax - General Operations	\$ 44,750,926	43,458,151	45,553,590	47,168,058	49,172,095	50,587,639	51,029,788	52,986,625	58,074,163	\$ 58,458,566
Property Tax - Debt Service	7,970,348	7,531,563	7,667,865	7,841,197	8,031,572	8,336,350	7,576,630	7,135,128	7,942,148	8,507,232
State Revenue in Lieu of Taxes	11,354,600	11,513,794	11,707,605	11,815,979	11,964,875	12,253,465	12,412,699	12,708,140	13,201,038	13,950,524
Other Taxes	143,161	143,056	125,951	149,417	157,779	25,947	148,367	627,516	644,867	622,344
Unrestricted Investment Earnings	110,261	325,828	618,448	595,296	895,166	1,598,307	1,289,276	196,778	287,482	3,277,729
Miscellaneous	206,834	184,171	425,199	716,971	645,704	445,248	951,244	1,472,981	2,485,477	1,707,215
Total Governmental Activities	<u>64,536,130</u>	<u>63,156,563</u>	<u>66,098,658</u>	<u>68,286,918</u>	<u>70,867,191</u>	<u>73,246,956</u>	<u>73,408,004</u>	<u>75,127,168</u>	<u>82,635,175</u>	<u>86,523,610</u>
Total Primary Government	<u>\$ 64,536,130</u>	<u>63,156,563</u>	<u>66,098,658</u>	<u>68,286,918</u>	<u>70,867,191</u>	<u>73,246,956</u>	<u>73,408,004</u>	<u>75,127,168</u>	<u>82,635,175</u>	<u>\$ 86,523,610</u>
Change in Net Position:										
Governmental Activities	\$ 6,805,257	(2,859,344)	(2,026,297)	(1,412,209)	(751,561)	1,628,204	(2,441,809)	(5,501,723)	(131,092)	\$ 2,017,193
Total Primary Government	<u>\$ 6,805,257</u>	<u>(2,859,344)</u>	<u>(2,026,297)</u>	<u>(1,412,209)</u>	<u>(751,561)</u>	<u>1,628,204</u>	<u>(2,441,809)</u>	<u>(5,501,723)</u>	<u>(131,092)</u>	<u>\$ 2,017,193</u>

Note: The School District does not have any Business-Type Activities.

**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

TABLE 3

FUND BALANCES OF GOVERNMENTAL FUNDS

**LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

UNAUDITED

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Committed	\$ -	-	-	465,658	682,994	806,860	84,644	184,697	-	\$ -
Unassigned	18,000,560	18,236,385	18,958,714	20,150,845	21,289,930	22,340,591	23,466,782	24,453,403	27,760,209	31,129,442
Total General Fund	<u>\$ 18,000,560</u>	<u>18,236,385</u>	<u>18,958,714</u>	<u>20,616,503</u>	<u>21,972,924</u>	<u>23,147,451</u>	<u>23,551,426</u>	<u>24,638,100</u>	<u>27,760,209</u>	<u>\$ 31,129,442</u>
All Other Governmental Funds										
Restricted:										
Special Revenue Funds	\$ 652,053	648,312	1,000,614	652,515	719,263	725,222	765,732	1,569,824	3,150,962	\$ 3,263,538
Capital Projects Funds	-	52,711,802	-	-	-	-	6,400,000	5,106,783	2,669,015	4,228,893
Debt Service Funds	14,486,353	15,204,078	14,257,381	13,087,195	12,596,394	12,395,222	5,122,928	3,744,458	3,049,325	3,048,570
Assigned:										
Capital Projects Funds	36,366,975	37,818,737	36,983,262	21,334,113	26,801,827	31,895,062	37,047,823	43,341,195	46,330,942	42,514,438
Special Education (Medicaid)	352,675	353,902	364,247	408,830	373,350	396,057	376,289	386,371	432,630	502,728
Total All Other Governmental Funds	<u>\$ 51,858,056</u>	<u>106,736,831</u>	<u>52,605,504</u>	<u>35,482,653</u>	<u>40,490,834</u>	<u>45,411,563</u>	<u>49,712,772</u>	<u>54,148,631</u>	<u>55,632,874</u>	<u>\$ 53,558,167</u>

**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

TABLE 4

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

**LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

UNAUDITED

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Local Sources:										
Taxes by Source:										
Property Tax - General Operations	\$ 44,403,992	43,122,927	45,033,337	46,742,100	48,719,732	50,103,817	51,748,269	53,451,996	57,970,936	\$ 58,890,036
Property Tax - Debt Service	7,963,177	7,506,834	7,609,617	7,795,025	7,990,413	8,302,387	7,715,062	7,266,832	7,940,860	8,576,110
Investment Earnings	110,261	325,828	618,448	595,296	895,166	1,598,307	1,289,277	196,778	287,483	3,277,729
Other Local Sources	1,798,003	1,620,646	2,208,938	2,484,347	2,401,136	2,445,272	2,461,991	3,189,827	4,915,186	5,214,418
State Sources	32,068,721	32,955,916	34,617,109	37,555,821	41,792,398	43,759,807	47,141,772	50,764,339	53,817,212	57,462,629
Federal Sources	3,712,471	3,757,730	3,658,599	3,915,426	4,111,179	4,421,312	4,495,136	5,983,709	10,242,726	10,809,715
Intergovernmental Revenue	-	416	206	-	-	-	-	-	-	-
Total Revenues	<u>90,056,625</u>	<u>89,290,297</u>	<u>93,746,254</u>	<u>99,088,015</u>	<u>105,910,024</u>	<u>110,630,902</u>	<u>114,851,507</u>	<u>120,853,481</u>	<u>135,174,403</u>	<u>144,230,637</u>
Expenditures										
Current:										
Instruction	42,819,652	45,175,037	45,602,721	47,817,384	49,443,376	52,076,175	56,680,214	60,446,055	65,302,454	69,362,791
Support Services	34,442,732	34,430,625	38,755,271	39,036,607	39,820,512	42,621,126	43,408,575	45,197,102	53,376,214	59,418,851
Intergovernmental	104,428	86,437	86,929	82,815	699,172	704,631	911,707	114,802	120,832	142,556
Capital Outlay	7,041,366	20,042,319	53,929,715	18,388,109	787,099	330,452	245,743	1,573,392	2,950,627	5,190,740
Debt Service:										
Principal	2,960,000	3,120,000	4,030,000	4,260,000	4,040,000	4,250,000	4,465,000	4,695,000	4,935,000	5,185,000
Interest and Fiscal Charges	2,761,444	4,512,679	4,750,616	4,968,162	4,755,263	4,553,262	4,435,084	4,117,674	3,882,924	3,636,173
Total Expenditures	<u>90,129,622</u>	<u>107,367,097</u>	<u>147,155,252</u>	<u>114,553,077</u>	<u>99,545,422</u>	<u>104,535,646</u>	<u>110,146,323</u>	<u>116,144,025</u>	<u>130,568,051</u>	<u>142,936,111</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (72,997)</u>	<u>(18,076,800)</u>	<u>(53,408,998)</u>	<u>(15,465,062)</u>	<u>6,364,602</u>	<u>6,095,256</u>	<u>4,705,184</u>	<u>4,709,456</u>	<u>4,606,352</u>	<u>\$ 1,294,526</u>

(Continued)

**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

TABLE 4

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

**LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

UNAUDITED

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Other Financing Sources (Uses)										
Transfers In	\$ 7,103,031	3,250,000	2,800,000	4,300,000	7,000,000	7,000,000	12,400,000	5,484,100	7,045,600	\$ 9,234,920
Transfers Out	(7,103,031)	(3,250,000)	(2,800,000)	(4,300,000)	(7,000,000)	(7,000,000)	(12,400,000)	(5,484,100)	(7,045,600)	(9,234,920)
Premium on Bonds Sold	-	14,169,114	-	-	-	-	-	-	-	-
Issuance of General Obligation Bonds	-	67,000,000	-	-	-	-	-	-	-	-
Issuance of Refunding Bonds	-	41,400,000	-	-	-	-	-	-	-	-
Payment to Refunded Debt Escrow Agent	-	(49,377,714)	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	73,191,400	-	-	-	-	-	-	-	-
Net Change in Fund Balances	\$ (72,997)	19,782,402	(15,465,062)	6,364,602	6,095,256	6,095,256	4,705,184	4,709,456	4,606,352	\$ 1,294,526
Capital Asset Expenditures	\$ 7,025,997	20,003,405	53,915,256	18,241,904	758,070	203,610	106,341	1,495,413	2,857,920	\$ 4,953,769
Debt Service as a Percentage of Noncapital Expenditures	6.9%	6.9%	15.2%	10.8%	8.5%	8.4%	8.1%	7.7%	6.9%	6.4%

Note: The capital asset expenditures represents the amount of capital asset additions reported in the Capital Assets section of the Notes to the Financial Statements. This amount varies from the capital outlay expenditure listed on the previous page due to the state coding requirement on minor purchases.

**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

TABLE 5

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30	Assessed Real Property		Assessed Personal Property		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Tax Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other				
2014	\$ 113,115,406	16,897,440	20,262,978	183,116,686	\$ 333,392,510	193.00	\$ 4,894,458,079	6.8%
2015	113,901,215	17,019,264	22,348,717	167,053,302	320,322,498	199.00	4,802,369,305	6.7%
2016	113,125,892	18,415,416	23,245,845	168,125,953	322,913,106	204.00	4,830,687,090	6.7%
2017	118,746,542	19,330,372	25,554,210	170,388,163	334,019,287	208.80	5,044,869,659	6.6%
2018	124,346,978	20,242,101	25,502,389	171,786,011	341,877,479	214.80	5,220,739,908	6.5%
2019	132,431,169	23,368,904	26,147,068	172,134,800	354,081,941	220.80	5,463,801,818	6.5%
2020	142,103,156	23,132,459	26,376,065	166,384,140	357,995,820	223.80	5,657,901,583	6.3%
2021	167,166,404	27,212,879	30,097,466	170,768,846	395,245,595	212.70	6,426,329,698	6.2%
2022	178,783,406	29,103,980	32,837,401	176,898,753	417,623,540	219.40	6,829,441,097	6.1%
2023	\$ 194,324,144	29,036,887	35,582,613	177,547,947	\$ 434,017,058	220.00	\$ 7,244,311,525	6.0%

Source: York County Government

Note: Property in the county was last reassessed for fiscal year 2019. Tax rates are per \$1,000 of assessed value.

**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

TABLE 6

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30	Clover School District Two			Overlapping Rates¹			Total Direct and Overlapping Rates
	Operating Millage	Debt Service Millage	Total Millage	Town of Clover Millage	York County Incorporated Millage	York County Unincorporated Millage	
2014	169.000	24.000	193.000	118.000	64.500	9.400	384.900
2015	175.000	24.000	199.000	120.200	68.700	9.400	397.300
2016	180.000	24.000	204.000	120.200	69.700	9.600	403.500
2017	184.800	24.000	208.800	122.200	72.800	9.600	413.400
2018	190.800	24.000	214.800	126.200	83.200	10.000	434.200
2019	196.800	24.000	220.800	126.200	83.200	10.000	440.200
2020	201.800	22.000	223.800	130.200	83.500	10.600	448.100
2021	194.000	18.700	212.700	125.000	76.500	10.600	424.800
2022	200.000	19.400	219.400	128.000	76.500	11.200	435.100
2023	200.000	20.000	220.000	132.800	76.000	11.600	440.400

Source: Clover School District Two and York County Government

Note 1: Overlapping rates are those of local and county governments that apply to property owners within the Clover School District Two. Not all overlapping rates apply to all of the Clover School District Two property owners (i.e., the rates for special districts apply only to the proportion of the Clover School District Two's property owners whose property is located within the geographic boundaries of the special district).

**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

TABLE 7

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

UNAUDITED

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
NC Municipal Power Agency #1	\$ 64,141,050	1	14.7%	\$ 70,301,600	1	21.1%
NC Electrical Membership Corp	41,903,320	2	9.6%	43,569,530	2	13.1%
Duke Energy Carolinas	30,875,917	3	7.1%	26,363,722	4	7.9%
Piedmont Municipal Power	22,295,050	4	5.1%	29,027,770	3	8.7%
Revere at Lake Wylie LLC	3,077,206	5	0.7%			
York Electrical Coop Inc.	2,548,990	6	0.6%	1,860,443	5	0.6%
Southwood Village at Lake Wylie LLC	2,373,960	7	0.5%			
Southwood Lodges at Lake Wylie LLC	2,117,801	8	0.5%			
Lakepointe Ridge One LLC	1,594,939	9	0.4%	-		
Marlin Bay Development Group LLC	1,244,212	10	0.3%	-		
The Village at Lake Wylie LLC				1,341,600	6	0.4%
Performance Friction Corp				1,022,226	7	0.3%
Wal-Mart Real Estate Bus. Trst				810,104	8	0.2%
Tuscarora Yarns Inc				693,450	9	0.2%
Lowes Home Centers Inc.				680,932	10	0.2%
Totals	<u>\$ 172,172,445</u>		<u>39.4%</u>	<u>\$ 175,671,377</u>		<u>52.7%</u>

Source: York County Government

**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

TABLE 8

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30	Original Tax Levy for Fiscal Year	Adjustments to Original Tax Levy for Fiscal Year	Adjusted 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
2014	\$ 60,737,836	5,991,899	66,729,735	\$ 63,229,048	94.8%	\$ 339,972	\$ 63,569,020	95.3%
2015	58,421,223	4,724,852	63,146,075	61,938,295	98.1%	91,670	62,029,965	98.2%
2016	60,536,250	4,735,067	65,271,317	64,004,661	98.1%	343,528	64,348,189	98.6%
2017	64,630,511	3,046,460	67,676,971	66,209,875	97.8%	504,994	66,714,869	98.6%
2018	64,835,627	5,043,015	69,878,642	68,531,259	98.1%	501,546	69,032,805	98.8%
2019	66,427,758	6,516,403	72,944,161	70,604,490	96.8%	475,756	71,080,246	97.4%
2020	69,593,820	4,017,367	73,611,187	71,063,766	96.5%	532,583	71,596,349	97.3%
2021	68,745,037	5,697,818	74,442,855	73,539,229	98.8%	1,030,032	74,569,261	100.2%
2022	72,927,077	6,057,374	78,984,451	78,579,710	99.5%	760,389	79,340,099	100.5%
2023	\$ 76,532,990	5,643,476	82,176,466	\$ 81,037,575	98.6%	\$ -	\$ 81,037,575	98.6%

Source: York County Government

Note: The above table includes all County and School District taxes levied and collected from taxpayers of the School District. The table also includes the State reimbursement for Local Residential Property Tax Relief.

**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

TABLE 9

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					
2014	\$	57,062,950	\$	57,062,950	0.6%	233
2015		128,866,867		128,866,867	1.3%	513
2016		123,840,782		123,840,782	1.2%	479
2017		118,584,697		118,584,697	1.0%	446
2018		113,548,612		113,548,612	0.9%	415
2019		108,302,527		108,302,527	0.8%	385
2020		102,841,442		102,841,442	0.7%	356
2021		97,150,357		97,150,357	0.6%	337
2022		91,219,272		91,219,272	N/A	310
2023	\$	85,038,187	\$	85,038,187	N/A	N/A

Note: Details regarding the Clover School District Two's outstanding debt can be found in the notes to the financial statements. See the Schedule of Demographic and Economic Statistics for personal income and population data.
N/A = Not Available

**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

TABLE 10

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30	General Obligation Bonds	Less: Amounts Restricted for Debt Service	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2014	\$ 57,062,950	14,023,007	\$ 42,576,597	0.9%	\$ 174
2015	128,866,867	14,328,662	113,662,789	2.4%	452
2016	123,840,782	13,092,645	109,583,401	2.3%	424
2017	118,584,697	12,039,464	105,497,502	2.1%	396
2018	113,548,612	11,657,155	100,952,218	1.9%	369
2019	108,302,527	11,560,779	95,907,305	1.8%	341
2020	102,841,442	4,224,469	97,718,514	1.7%	338
2021	97,150,357	2,792,545	94,357,812	1.5%	327
2022	91,219,272	2,180,951	89,038,321	1.3%	\$ 303
2023	\$ 85,038,187	2,197,735	\$ 82,840,452	1.2%	N/A

Note: Details regarding the Clover School District Two's outstanding debt can be found in the notes to the financial statements.

The "Amounts Restricted for Debt Service" represents the amount of restricted net position for debt service as reported on the Government-Wide Statement of Net Position.

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.

NA - Not available.

**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

Table 11

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2023

UNAUDITED

Governmental Unit	Governmental Activities Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:			
Town of Clover	\$ 300,427	100.0%	\$ 300,427
York County Government	\$ 99,372,158	24.0%	23,849,318
Subtotal, Overlapping Debt			24,149,745
Clover School District Two Direct Debt			85,038,187
Total Direct and Overlapping Debt			<u>\$ 109,187,932</u>

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

Note 1: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the Clover School District Two's taxable assessed value that is within the government's boundaries and dividing it by York County's total taxable assessed value.

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

**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

TABLE 12

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

UNAUDITED

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 26,671,401	25,833,048	26,721,543	27,350,198	28,326,555	28,326,555	28,639,666	31,619,648	33,409,883	\$ 34,721,365
Total Net Debt Applicable to Debt Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>\$ 26,671,401</u>	<u>25,833,048</u>	<u>26,721,543</u>	<u>27,350,198</u>	<u>28,326,555</u>	<u>28,326,555</u>	<u>28,639,666</u>	<u>31,619,648</u>	<u>33,409,883</u>	<u>\$ 34,721,365</u>
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>

Legal Debt Margin Calculation for Fiscal Year

Total Assessed Value	\$ 434,017,058
Debt Limit (8% of Total Assessed Value)	34,721,365
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	79,250,000
Less: Debt Issued Through Referendum	(79,250,000)
Total Amount of Debt Applicable to Debt Limit	<u>\$ -</u>

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.

Assessed value obtained from York County Auditor's Office.

**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

TABLE 13

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30	(1) Population	(2) Personal Income*	(2) Per Capita Personal Income	(3) ** School Enrollment	(4) Unemployment Rate
2014	245,124	\$ 9,299,290	\$ 37,903	6,573	5.9%
2015	251,195	9,992,132	39,778	6,787	6.0%
2016	258,526	10,486,063	43,080	7,078	4.9%
2017	266,165	11,997,068	45,074	7,213	4.0%
2018	273,782	12,870,610	47,010	7,493	4.0%
2019	280,979	13,652,312	48,588	7,694	3.5%
2020	289,105	14,967,679	51,772	7,973	9.6%
2021	288,595	\$ 16,324,646	\$ 56,566	8,089	4.2%
2022	294,248	N/A	N/A	8,478	3.1%
2023	N/A	N/A	N/A	8,705	3.1%

Data Sources:

- (1) Bureau of Economic Analysis. This number represents the County population.
- (2) Bureau of Economic Analysis.
These numbers represent the County personal income and per capita income.
- (3) Clover School District Two
- (4) This number represents the County unemployment rate.
- * In Thousands.
- ** This is the 135 day ADM and does not include 300 pre-K students.
- N/A Not Available.

**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

TABLE 14

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

UNAUDITED

Employer	2023			2014		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Ross Stores, Inc.	3,300	1	2.38%	1,790	3	1.69%
LPL Financial	3,242	2	2.34%			
Rock Hill School District	2,526	3	1.82%	2,209	1	2.05%
Fort Mill School District	2,311	4	1.67%	1,233	6	1.17%
Piedmont Medical Center	2,000	5	1.44%	1,534	4	1.45%
Clover School District	1,385	6	1.00%	1,011	8	0.96%
Wells Fargo	1,283	7	0.93%	2,171	2	1.05%
York County Government	1,202	8	0.87%	983	9	0.83%
Lash Group	1,096	9	0.79%			
Comporium Communications	986	10	0.71%	852	10	0.81%
Winthrop University				1,296	5	1.23%
Duke Power Catawba Nuclear Station				1,228	7	1.16%
Totals	<u>19,331</u>		<u>13.95%</u>	<u>14,307</u>		<u>12.40%</u>

Source: York County Government and South Carolina Virtual Onestop.

Note: These figures represent Top County Employers. Figures are not available for Clover School District No. 2.

**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

TABLE 15

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

UNAUDITED

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Instruction										
Teachers	492	514	522	538	553	559	572	600	639	654
Librarians	11	11	11	11	11	11	11	11	12	11
Guidance	22	20	20	21	22	24	24	25	27	27
Other	156	155	154	160	165	175	185	201	208	212
Support Services										
Principals	10	10	10	10	11	11	11	11	11	11
Assistant Principals	16	16	16	16	18	18	18	20	20	20
Administration	25	25	24	25	27	27	27	27	28	28
Other	264	268	273	299	301	301	301	308	310	316
Total	<u>996</u>	<u>1,019</u>	<u>1030</u>	<u>1,080</u>	<u>1,108</u>	<u>1,126</u>	<u>1,149</u>	<u>1,203</u>	<u>1,255</u>	<u>1,279</u>

**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

TABLE 16

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	Cost per	Percentage	Cost per	Percentage				
		Expenditures ¹	Pupil	Change	Expenses ²	Pupil	Change			
2014	6,573	\$ 77,366,812	\$ 11,770	7.8%	\$ 81,014,692	\$ 12,325	7.5%	492	13	32.3%
2015	6,787	79,692,099	11,742	-0.2%	84,406,733	12,437	0.9%	514	13	32.7%
2016	7,078	84,444,921	11,931	1.6%	90,139,905	12,735	2.4%	522	14	32.0%
2017	7,213	86,936,806	12,053	1.0%	95,496,938	13,240	4.0%	538	13	30.5%
2018	7,493	89,963,060	12,006	-0.4%	100,450,275	13,406	1.3%	553	14	29.6%
2019	7,694	95,401,932	12,400	3.3%	104,960,014	13,642	1.8%	559	14	28.3%
2020	7,973	101,000,496	12,668	2.2%	111,809,000	14,023	2.8%	572	14	27.4%
2021	8,089	105,757,959	13,074	3.2%	122,714,791	15,171	8.2%	600	13	24.1%
2022	8,478	118,799,500	14,013	7.2%	132,604,139	15,641	3.1%	639	13	19.3%
2023	8,705	\$ 128,924,198	\$ 14,810	5.7%	\$ 139,159,425	\$ 15,986	2.2%	654	13	34.7%

Sources: Clover School District Two

Note 1: Operating expenditures are total expenditures in the governmental funds less debt service and capital outlay.

Note 2: Expenses are total expenses of the School District's governmental activities less interest and other charges.

**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

TABLE 17

CAPITAL ASSET STATISTICS BY FUNCTION

LAST TEN FISCAL YEARS

UNAUDITED

School	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>Elementary</u>										
Bethany Elementary										
Square Feet	59,688	59,688	59,688	59,688	59,688	59,688	59,688	59,688	59,688	59,688
Capacity	440	440	440	440	440	440	440	440	440	440
Enrollment	343	363	360	359	365	349	347	344	365	385
Kinard Elementary										
Square Feet	70,820	70,820	70,820	70,820	70,820	70,820	70,820	70,820	70,820	70,820
Capacity	544	544	544	544	544	544	544	544	544	544
Enrollment	291	328	369	362	369	388	413	381	366	402
Griggs Road Elementary										
Square Feet	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Capacity	682	682	682	682	682	682	682	682	682	682
Enrollment	462	456	448	443	438	457	457	465	470	469
Bethel Elementary										
Square Feet	63,765	63,765	63,765	63,765	63,765	63,765	63,765	63,765	63,765	63,765
Capacity	490	490	490	490	490	490	490	490	490	490
Enrollment	369	360	419	405	448	303	314	292	309	315
Crowders Creek Elementary										
Square Feet	164,324	164,324	164,324	164,324	164,324	164,324	164,324	164,324	164,324	164,324
Capacity	1,307	1,307	1,307	1,307	1,307	1,307	1,307	1,307	1,307	1,307
Enrollment	1,010	1,080	1,167	620	687	880	928	960	994	1,025
Larne Elementary										
Square Feet	121,000	121,000	121,000	121,000	121,000	121,000	121,000	121,000	121,000	121,000
Capacity	750	750	750	750	750	750	750	750	750	750
Enrollment	489	489	476	501	485	523	481	469	519	538
Oakridge Elementary										
Square Feet				121,000	121,000	121,000	121,000	121,000	121,000	121,000
Capacity				750	750	750	750	750	750	750
Enrollment				593	610	620	669	695	768	802

(Continued)

**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

TABLE 17

CAPITAL ASSET STATISTICS BY FUNCTION

LAST TEN FISCAL YEARS

UNAUDITED

School	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>Middle School</u>										
Clover Middle										
Square Feet	142,550	142,550	142,550	185,715	185,715	185,715	185,715	185,715	185,715	185,715
Capacity	1,094	1,094	1,094	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Enrollment	696	686	714	801	853	893	952	954	924	990
Oakridge Middle										
Square Feet	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	183,000
Capacity	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,150
Enrollment	920	970	991	938	952	940	1,049	1,048	1,190	1,153
<u>High</u>										
Clover High & Technology Center										
Square Feet	359,537	359,537	359,537	359,537	502,087	502,087	502,087	502,087	502,087	502,087
Capacity	2,400	2,400	2,400	2,400	3,400	3,400	3,400	3,400	3,400	3,400
Enrollment	1,993	2,055	2,134	2,191	2,286	2,341	2,363	2,481	2,573	2,626

Sources: Clover School District Two

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2023

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	National School Breakfast Program	10.553	N/A	\$ 297,121
600	National School Lunch Program - Cash Assistance	10.555	N/A	1,614,240
600	National School Lunch Program - Non-Cash Assistance	10.555	N/A	171,088
600	Supply Chain Assistance Funding	10.555	N/A	250,275
600	Child Nutrition Emergency Operational Costs Reimbursement Program	10.555	N/A	3,619
TOTAL US DEPARTMENT OF AGRICULTURE		Total 10.553 & 10.555 - Child Nutrition Cluster		2,336,343
US DEPARTMENT OF EDUCATION				
	Pass-through State Department of Education:			
201	Title I	84.010	20/21/22/23 Title I, Part A (Regular)	748,148
237	Title I - Targeted School Improvement	84.010	20/21/22 Title I TSI	188,237
		Total 84.010		936,385
210	Title IV - SSAE	84.424A	21/22/23 Title IV	51,777
	Individuals with Disabilities Education Act			
203	Special Education - Grants to States	84.027	21/22/23 IDEA	1,538,845
205	Special Education - Preschool Grants	84.173	21/22/23 IDEA Preschool	41,730
230	COVID-19 - ARP - IDEA	84.027X	22 ARP IDEA	134,675
233	COVID-19 - ARP - IDEA Preschool	84.173X	22 ARP IDEA Preschool	16,257
	Total 84.027, 84.173, 84.027X, & 84.173X - Special Education Cluster (IDEA)			1,731,507
207	Occupational Education - Mechatronics	84.048A	CATE	105,190
	Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund (ESSER)			
225	COVID -19: ESSER II	84.425D	ESSER II	309,546
218	COVID-19: ARP ESSER III	84.425U	ARP ESSER III	4,920,268
263	COVID-19: ARP Homeless Children & Youth	84.425W	ARP Homeless Children & Youth	715
		Total 84.425		5,230,529
243	Adult Education - Basic	84.002	21/22/23 Adult Education	126,097
264	Title III - English Language Acquisition	84.365	21/22/23 ESOL	25,314
267	Title II - Improving Teacher Quality	84.367	21/22/23 Title II Improving Teacher Quality	168,151
TOTAL US DEPARTMENT OF EDUCATION				8,374,950
US DEPARTMENT OF DEFENSE				
	Direct Programs:			
277	JROTC	12.000	N/A	98,422
TOTAL US DEPARTMENT OF DEFENSE				98,422
TOTAL FEDERAL ASSISTANCE EXPENDED				\$ 10,809,715

Note: The School District did not have any expenditures to subrecipients for the year ended June 30, 2023.

CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2023

A – General

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) presents the activity of all federal award programs of Clover School District No. 2, South Carolina (the “School District”) for the year ended June 30, 2023. All federal awards received directly from the federal agencies, as well as those passed through other government agencies, are included on the Schedule.

B – Basis of Accounting

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

C – Relationship to Financial Statements

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

D – Relationship to Federal Financial Reports

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

E – Indirect Cost Rate

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



Greene Finney Cauley, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Clover School District No. 2
Clover, 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 and each major fund of Clover School District No. 2, South Carolina (the "School District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 20, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

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
October 20, 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
Clover School District No. 2
Clover, South Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Clover School District No. 2, South Carolina's (the "School District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2023. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

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
October 20, 2023

**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2023

There were no audit findings in the prior year.

**CLOVER SCHOOL DISTRICT NO. 2
CLOVER, SOUTH CAROLINA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2023

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> </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
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No

Federal Awards

Internal control over major federal 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
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Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027, 84.173, 84.027X & 84.173X	IDEA Cluster
84.425D, 84.425U & 84.425W	COVID-19: ESSER

Dollar threshold used to distinguish between type A and type B programs:	<u> \$750,000 </u>
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Auditee qualified as low-risk auditee?	<u> X </u> Yes	<u> </u> No
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Section II - Current Year Financial Statement Findings

NONE

Section III - Current Year Federal Award Findings and Questioned Costs

NONE